

**Planning Commission**  
**Ministry of Planning, Development & Special Initiatives**  
**Economic Policy Wing**  
**(Money, Prices & Fiscal Policy Section)**

**Consumer Price Index Report, December 2020**

Consumer Price Index is considered the most common measure of general inflation. It measures changes in the cost of buying included in the fixed basket of goods and services and generally indicates inflation rate in the country. The current CPI covers 487 items in the basket of goods and services. The Urban CPI covers 35 cities and 356 consumer items. The Rural CPI covers 27 Rural Centres and 244 consumer items. In the new base year (2015-16) National CPI for 12 major groups is also computed by taking weighted average of Urban CPI and Rural CPI. The markets have been chosen keeping in view the volume of sales, assuming that majority of the consumers buy goods from these markets. The basket of goods and services comprises of 12 major commodity groups. the urban share in CPI is 60%, whereas the rural share in index is 40%.

**CPI Inflation General** increased by **8.0%** on year-on-year basis in December 2020 as compared to an increase of **8.3%** in the previous month and 12.6% in December 2019. On month-on-month basis, it decreased by **0.7%** in December 2020 as compared to an increase of **0.8%** in the previous month and a decrease of 0.3% in December 2019. This indicates that intensity of CPI is easing due to corrective measures by the government.

**Sensitive Price Indicator (SPI)** on YoY increased by **9.1%** in December 2020 as compared to an increase of **9.9%** a month earlier and an increase of 18.1% in December 2019. On MoM basis, it decreased by 2.7% in December 2020 as compared to an increase of 1.1% a month earlier and a decrease of 2.0% in December 2019.

**Wholesale Price Index (WPI)** on YoY basis increased by 5.7% in December 2020 as compared to an increase of 5.0% a month earlier and an increase of 12.4% in December 2019. WPI inflation on MoM basis increased by 0.3% in December 2020 as compared to a decrease of 0.9% a month earlier and a decrease of 0.3% in corresponding month of last year.

**CPI inflation Urban**, increased by **7.0%** on year-on-year basis in December 2020 as compared to an increase of 7.0% in the previous month and 12.0% in December 2019. On month-on-month basis, it decreased by 0.3% in December 2020 as compared to an increase of 0.6% in the previous month and a decrease of 0.4% in December 2019.

**CPI inflation Rural**, increased by **9.5%** on year-on-year basis in December 2020 as compared to an increase of 10.5% in the previous month and 13.6% in December 2019. On month-on-month basis, it decreased by 1.2% in December 2020 as compared to an increase of 1.1% in the previous month and a decrease of 0.3% in December 2019.

**Core Inflation Non Food Non Energy (NFNE)**

**Highlights**

CPI Inflation General increased by 8.0% on year-on-year basis in December 2020 as compared to an increase of 8.3% in the previous month and 12.6% in December 2019.

Sensitive Price Indicator (SPI) on YoY increased by 9.1% in December 2020 as compared to an increase of 9.9% a month earlier and an increase of 18.1% in December 2019.

Wholesale Price Index (WPI) on YoY basis increased by 5.7% in December 2020 as compared to an increase of 5.0% a month earlier and an increase of 12.4% in December 2019.

CPI inflation Urban, increased by 7.0% on year-on-year basis in December 2020 as compared to an increase of 7.0% in the previous month and 12.0% in December 2019.

CPI inflation Rural, increased by 9.5% on year-on-year basis in December 2020 as compared to an increase of 10.5% in the previous month and 13.6% in December 2019.

The National Consumer Price Index for December 2020 is decreased by 0.68% over November 2020 and increased by 7.97% over corresponding month of the last year i.e. December 2019.

**Non-food non-energy Urban CPI** increased by **5.6%** on (YoY) basis in December, 2020 as compared to an increase of 5.6% in the previous month and 7.5% in December, 2019. On (MoM) basis, it increased by 0.4% in December, 2020 as compared to increase of 0.3% in previous month, and an increase of 0.4% in corresponding month of last year.

**Non-food non-energy Rural CPI** increased by **7.7%** on (YoY) basis in December, 2020 as compared to an increase of 7.4% in the previous month and 8.1% in December, 2019. On (MoM) basis, it increased by 0.5% in December, 2020 as compared to an increase of 0.3% in previous month, and an increase of 0.3% in corresponding month of last year .

### Core inflation (Trimmed)

**Measured by 20% weighted trimmed mean Urban CPI**, increased by **6.2%** on (YoY) basis in December, 2020 as compared to 6.3% in the previous month and by 9.6% in December, 2019. On (MoM) basis, it increased by 0.4% in December, 2020 as compared to an increase of 0.2% in the previous month and an increase of 0.2% in corresponding month of last year.

**Measured by 20% weighted trimmed mean Rural CPI** increased by **8.8%** on (YoY) basis in December, 2020 as compared to 9.1% in the previous month and by 10.8% in December, 2019. On (MoM) basis, it increased by 0.6% in December, 2020 as compared to an increase of 0.4% in the previous month and an increase of 0.3% in corresponding month of last year.

### Period Average and Y-o-Y % Change

INDEX	Average July- December % changes			December over December % changes		
	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
<b>CPI (National)</b>	8.63	11.11	5.96	7.97	12.63	5.37
<b>CPI(Urban)</b>	7.31	10.98	6.29	6.97	12.01	5.90
<b>CPI(Rural)</b>	10.63	11.30	5.47	9.49	13.58	4.58
<b>SPI</b>	11.48	14.87	1.90	9.07	18.14	1.46
<b>WPI</b>	4.44	13.31	16.90	5.67	12.37	16.46

### The National Consumer Price Index for December 2020

decreased by 0.68% over November 2020 and increased by 7.97% over corresponding month of the last year i.e. December 2019. Food Inflation urban stood at 12.6% over corresponding month of last year, on MOM basis it declined by 2.1%. Food inflation rural was recorded at 13.4% on YOY basis, however it declined by 3.4% on MOM basis. The table given below reveals that on average, each Pakistani spends 34.58% of his income on food and beverages, 23.63% on house rent, water, gas, electricity, and fuel, 8.6% on clothing and footwear, 6.92% on hoteling, 5.91% on transportation, 4.1% on furnishing and household equipment maintenance, 3.79% on education, 2.7% on health, 2.21% on communication, but the least it spends 1.59% of its income on recreation and culture.

**Table 1: Consumer Price Index (National) by Group of Commodities and Services (Base 2015-16)**

No	Group	Group Weight (%)	Indices			% Change Dec 2020 Over		Impact (In % points) Dec 2020 Over	
			Dec 2020	Nov 2020	Dec 2019	Nov 2020	Dec 2019	Nov 2020	Dec 2019
	<b>General</b>	100.00	140.86	141.83	130.45	<b>-0.68</b>	<b>7.97</b>	-0.68	7.97
1.	Food & Non-alcoholic Bev.	34.58	147.71	152.63	130.37	-3.23	13.30	-1.20	4.60
	<i>Non-perishable Food Items</i>	29.60	145.38	146.28	124.97	-0.62	16.33	-0.19	4.63
	<i>Perishable Food Items</i>	4.99	161.53	190.28	162.44	-15.11	-0.56	-1.01	-0.03

2.	Alcoholic Bev. & Tobacco	1.02	143.64	143.42	135.48	0.16	6.02	0.00	0.06
3.	Clothing & Footwear	8.60	140.96	140.03	128.57	0.67	9.64	0.06	0.82
4.	Housing, Water, Electricity, Gas & Fuels	23.63	134.37	132.81	129.89	1.18	3.45	0.26	0.81
5.	Furnishing & Household Equipment Maintenance	4.10	135.35	134.62	125.72	0.54	7.66	0.02	0.30
6.	Health	2.79	147.64	146.35	136.60	0.88	8.08	0.03	0.24
7.	Transport	5.91	138.91	136.68	143.91	1.63	-3.47	0.09	-0.23
8.	Communication	2.21	107.46	107.42	106.92	0.04	0.51	0.00	0.01
9.	Recreation & Culture	1.59	124.04	123.57	118.77	0.38	4.44	0.01	0.06
10.	Education	3.79	143.71	143.71	141.95	0.00	1.24	0.00	0.05
11.	Restaurants & Hotels	6.92	138.76	137.90	126.29	0.62	9.87	0.04	0.66
12.	Miscellaneous	4.87	147.44	147.18	131.75	0.17	11.90	0.01	0.59

The **Urban Consumer Price Index of December 2020** decreased by 0.35% over November 2020 and increased by 6.97% over corresponding month of the last year .The following commodities witnessed variation in prices over last month,

### **Food Items**

**Prices Increased:** Eggs (15.67%), Spices (6.88%), Butter (6.75%), Dry fruits (4.57%), Vegetable ghee (3.07%), Cooking oil (2.2%) and Fish (1.51%).

**Prices Decreased:** Onions (29.12%), Tomatoes (27.12%), Vegetables (19.18%), Sugar (18.07%), Potatoes (13.12%), Wheat (4.00%), Fruits (1.85%) and Pulse gram (1.23%).

### **Non-food Items**

**Prices Increased:** Electricity (5.96%), Transport services (5.07%), Hosiery (3.43%), Cleaning and laundering (2.74%), Motor vehicle accessories (2.06%), Woolen cloth (1.39%) and Drugs & medicines (1.29%).

**Decrease:** Personal Effects n.e.c. (0.66%)

**The Rural Consumer Price Index of December 2020** is decreased by 1.17% over November 2020 and increased by 9.49% over corresponding month of the last year i.e. December 2019.Top few commodities prices which varied from previous month are given below;

### **. Food Items**

**Prices Increased:** Eggs(14.08%), Spices (4.19%), Cooking oil (3.71%), Chicken (3.21%), Vegetable ghee (3.13%), Mustard oil (2.63%), Fish (2.47%), Pulse Mash(2.01%) and Dry fruits (1.95%).

**Decreased:** Onions (31.45%), Sugar (23.04%), Tomatoes (19.82%), Vegetables (18.15%), Potatoes(16.61%), Wheat (3.91%), Wheat Flour (3.53%) and Fruits (1.49%).

### **Non-food Items**

**Increased:** Electricity (5.96%), Woolen Readymade Garments(4.14%), Transport Services (3.03%), Construction Items (2.52%), Footwear (2.4%), Hosiery (2.03%) and Drugs & Medicines (1.47%

### **Decreased:**

Personal Effects n.e.c. i.e. Gold Tezabi 24 Carett Silver Tezabi 24 Carett Wall Clock Quartz (Average Quality) Artificial Jewelry (Locket Set) (Average Quality)

Suitcase Ragzine (Average Quality) Trunk Medium Size (Average Quality)Purse Ladies Medium Size (Average Quality) (1.29%)

S #	Item	Prices and Margins Comparison for December 2020																	
		Islamabad			Punjab			Sindh			KPK			Balochistan			Pakistan		
		Whole sale	Retail	Margin %	Wholesale	Retail	Margin %	Whole sale	Retail	Margin %	Wholesale	Retail	Margin %	Wholesale	Retail	Margin %	Wholesale	Retail	Margin %
1	Tomatoes	82	115	39.7	98	116	18.8	74	109	48.3	70	74	4.7	76	90	18.0	85	105	23.2
2	Garlic	135	261	93.4	176	222	26.4	234	267	14.3	180	213	18.3	270	290	7.4	201	237	17.8
3	Apple	60	131	119.8	69	115	66.9	73	120	63.1	91	108	19.4	100	120	19.8	77	117	52.5
4	Onions	41	69	67.6	40	55	35.9	33	53	58.8	47	60	26.6	46	55	19.3	39	54	39.1
5	Banana	68	129	89.4	60	69	15.8	40	54	35.7	59	66	10.9	-	59	-	52	64	22.5
6	Masoor	132	178	34.5	132	156	18.1	133	147	10.9	135	157	16.0	152	160	5.2	135	156	16.1
7	Besan, Ba	126	164	30.4	117	140	20.3		148	25.0	130	152	16.9	166	175	5.4	121	148	22.6
8	Gram,	132	165	25.0	115	135	17.7	122	143	17.1	126	140	11.0	166	175	5.4	120	143	18.5
9	Beef	492	558	13.5	431	469	8.8	466	466	-	387	400	3.5	455	475	4.4	436	456	4.5
10	Potatoes	-	77	-	-	68	-	38	57	51.3	-	67	-	56	65	15.9	41	64	55.5
11	Mash	211	267	26.6	220	251	14.0	208	227	9.1	218	235	7.5	262	270	3.0	218	238	9.4
12	Moong	201	242	20.4	189	222	17.3	200	237	18.6	201	203	1.2	252	260	3.2	200	230	15.1
13	Fish Rahu	145	385	165.7	202	291	44.2	270	357	32.0	210	269	28.1	-	455	-	224	325	45.0
14	Mutton	1037	1145	10.4	896	976	9.0	933	947	1.6	810	787	-	970	1097	13.1	902	945	4.8
15	Wheat Fl	43	43	1.7	48	53	9.9	56	58	3.7	55	58	5.3	63	63	-	53	56	5.9
16	Fresh Mill	107	120	12.9	81	94	16.0	98	110	12.2	104	111	6.7	110	120	9.1	90	102	13.3
17	Tea, Lipt	213	230	8.1	211	230	8.9	216	227	5.5	215	230	7.0	205	230	12.2	212	228	7.6
18	Wheat Fl	74	79	6.7	66	71	7.9	63	67	5.4	71	66	-	64	65	1.6	65	67	2.2
19	Eggs Farm	184	196	6.5	188	192	2.3	184	195	6.1	196	202	2.9	200	215	7.5	189	194	2.7
20	Sugar	74	87	17.1	75	81	9.3	73	79	8.7	78	81	3.9	71	80	12.7	74	82	10.2
21	MilkPak	143	155	8.6	146	156	6.9	145	150	3.5	150	155	3.3	-	160	-	146	153	5.0
22	Chicken	199	223	12.0	212	218	2.4	235	252	7.3	221	230	4.3	240	255	6.3	222	236	6.3
23	Wheat Fl	840	864	2.9	848	904	6.6	1140	1130	-	860	1024	19.1	1255	1255	-	981	1017	3.7
24	Wheat	570	533	-	533	544	2.1	511	531	3.8	516	521	0.9	-	565	-	524	548	4.6

The above table shows province wise margin comparison of wholesale and consumer prices, the comparison reveals that in most of items margins are higher in Islamabad, whereas these are lower in Baluchistan. This difference requires attention of administrative authorities and provincial governments to maintain strict check on wholesale and retail markets to relieve burden of inflation on masses

### GLOBAL COMMODITY PRICE TREND

In energy commodities, crude oil average price for December 2020 increased from \$42.3/bbl to \$48.7/bbl. Natural Gas Index raised to 63.3% in December 2020 from 59.1 index points in November 2020.

In non-energy commodities, global average price of Tea fell from \$ 2.80 to \$2.65 in December 2020, Palm Oil increased from \$918 Mt to \$979 Mt during December 2020, Wheat US HRW unchanged to \$203.8Mt during December 2020 and Wheat US SRW increased from \$ 247.9 Mt to \$ 251.2Mt, Sugar world price remained unchanged to \$ 0.31 per kg in December (around Rs. 50 per Kg), Cotton price increased from \$1.71 per kg to \$1.79 per kg, global price of Chicken Meat during December increased from \$ 1.70 per kg to \$ 1.81 per kg (Rs. 290.55); Beef Meat remained unchanged to \$ 4.40 per kg in the month of December, 2020.

### CONCLUSION

The national Consumer Price Index (CPI) of December decelerated to 8.0% over the corresponding month of last year. In December 20, it was down by 0.7%t from November 20 – first time it's negative since April 20. The supply chain has improved which brought down

prices of essential kitchen items i.e. onion, tomatoes, vegetables, sugar and wheat. However, the prices of eggs, spices, butter, and ghee moved up. Although the global food price index is showing upward trend, Pakistan food prices moved down to normalize. The global indices are expected to normalize in the next 6 months. The ghee prices could increase as the impact of increase in global palm oil prices are yet to fully pass on.

The wholesale price index on the other hand increased by 5.7 % in December 2020 as compared to an increase of 5 percent a month earlier and an increase of 12.4 percent in December 2019.

The SPI inflation increased 9.1 percent in December 2020 as compared to an increase of 9.9 % a month earlier and an increase of 18.1% in December 2019. On month-on-month basis, it decreased by 2.7% in December 2020 as compared to an increase of 1.1% a month earlier and a decline of 2% in December 2019.

In a span of one month, eggs prices increased by 15.67 percent, Spices 6.88 percent, Butter 6.75 percent, dry fruits 4.57 percent, vegetable ghee 3.07 percent, cooking oil 2.2 percent and fish 1.51 percent over last month. Prices of onions declined by 29.12 percent, tomatoes 27.12 percent, vegetables 19.18 percent, sugar 18.07 percent, potatoes 13.12 percent, wheat 4 percent, fruits 1.85 percent and gram pulse prices reduced by 1.23 percent. Among non-food items, electricity charges increased by 5.96 percent, transport services 5.07 percent, hosiery 3.43 percent, cleaning and laundering 2.74 percent, motor vehicle accessories 2.06 percent, woollen cloth 1.39 percent and drugs & medicines prices increased by 1.29 percent.

There is a dire need that Provincial Governments may check hoarding of wheat, and sugar to check availability to ensure uninterrupted supply of essential commodities.