

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

**Consumer Price Index Report ,January 2021**

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 5.7% on year-on-year basis in January 2021 as compared to an increase of 8.0% in the previous month and 14.6% in January 2020. On month-on-month basis, it decreased by 0.2% in January 2021 as compared to a decrease of 0.7% in the previous month and an increase of 2.0% in January 2020. It indicates that government measures are yielding fruitful results and inflation is eased .

**Sensitive Price Indicator (SPI)** on YoY increased by 7.7% in January 2021 as compared to an increase of 9.1% a month earlier and an increase of 18.3% in January 2020. On MoM basis, it decreased by 0.8% in January 2021 as compared to a decrease of 2.7% a month earlier and an increase of 0.5% in January 2020.

**Wholesale Price Index (WPI)** on YoY basis increased by 6.4% in January 2021 as compared to an increase of 5.7% a month earlier and an increase of 15.4% in January 2020. WPI inflation on MoM basis increased by 2.5% in January 2021 as compared to an increase of 0.3% a month earlier and an increase of 1.8% in corresponding month of last year.

**CPI inflation Urban**, increased by 5.0% on year-on-year basis in January 2021 as compared to an increase of 7.0% in the previous month and 13.4% in January 2020. On month-on-month basis, it decreased by 0.2% in January 2021 as compared to a decrease of 0.3% in the previous month and an increase of 1.7% in January 2020.

**CPI inflation Rural**, increased by 6.6% on year-on-year basis in January 2021 as compared to an increase of 9.5% in the previous month and 16.3% in January 2020. On month-on-month basis, it decreased by 0.3% in January 2021 as compared to a decrease of 1.2% in the previous month and an increase of 2.4% in January 2020

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

**Highlights**

increased by 5.7% on year-on-year basis in January 2021 as compared to an increase of 8.0% in the previous month and 14.6% in January 2020.

**Sensitive Price Indicator (SPI)** on YoY increased by 7.7% in January 2021 as compared to an increase of 9.1% a month earlier and an increase of 18.3% in January 2020.

**Wholesale Price Index (WPI)** on YoY basis increased by 6.4% in January 2021 as compared to an increase of 5.7% a month earlier and an increase of 15.4% in January 2020.

**CPI inflation Urban**, increased by 5.0% on year-on-year basis in January 2021 as compared to an increase of 7.0% in the previous month and 13.4% in January 2020.

**CPI inflation Rural**, increased by 6.6% on year-on-year basis in January 2021 as compared to an increase of 9.5% in the previous month and 16.3% in January 2020

The National Consumer Price Index for January 2021 is decreased by 0.21% over December 2020 and increased by 5.65% over corresponding month of the last year i.e. January 2020.

**Non-food non-energy Urban CPI** increased by 5.4% on (YoY) basis in January, 2021 as compared to an increase of 5.6% in the previous month and 7.9% in January, 2020. On (MoM) basis, it increased by 0.9% in January, 2021 as compared to increase of 0.4% in previous month, and an increase of 1.1% in corresponding month of last year i.e. January, 2020.

**Non-food non-energy Rural CPI** increased by 7.8% on (YoY) basis in January, 2021 as compared to an increase of 7.7% in the previous month and 9.0% in January, 2020. On (MoM) basis, it increased by 1.1% in January, 2021 as compared to an increase of 0.5% in previous month, and an increase of 1.0% in corresponding month of last year.

### Core inflation (Trimmed)

**Measured by 20% weighted trimmed mean Urban** increased by 5.7% on (YoY) basis in January, 2021 as compared to 6.2% in the previous month and by 10.3% in January, 2020. On (MoM) basis, it increased by 1.0% in January, 2021 as compared to an increase of 0.4% in the previous month and an increase of 1.2% in corresponding month of last year

**Measured by 20% weighted trimmed mean Rural** increased by 8.1% on (YoY) basis in January, 2021 as compared to 8.8% in the previous month and by 12.7% in January, 2020. On (MoM) basis, it increased by 1.2% in January, 2021 as compared to an increase of 0.6% in the previous month and an increase of 1.9% in corresponding month of last year..

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

INDEX	Average July- January % changes			January over January % changes		
	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
<b>CPI (National)</b>	8.19	11.60	5.90	5.65	14.57	5.55
<b>CPI(Urban)</b>	6.98	11.32	6.27	5.03	13.41	6.16
<b>CPI(Rural)</b>	10.02	12.03	5.34	6.59	16.36	4.64
<b>SPI</b>	10.92	15.35	2.12	7.68	18.26	3.39
<b>WPI</b>	4.72	13.61	16.27	6.37	15.36	12.58

**The National Consumer Price Index for January 2021** is decreased by 0.21% over December 2020 and increased by 5.65% over corresponding month of the last year i.e. January 2020. Food Inflation urban stood at 7.3% over corresponding month of last year, on MOM basis it declined by 2.1%. Food inflation rural was recorded at 7.2% on YOY basis, however it declined by 2.2% 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.

### Consumer Price Index (National) by Group of Commodities and Services (Base 2015-16)

No	Group	Group Weight (%)	Indices			% Change Jan 2021 Over		Impact (In % points) Jan 2021 Over	
			Jan 2021	Dec 2020	Jan 2020	Dec 2020	Jan 2020	Dec 2020	Jan 2020
	<b>General</b>	100.00	140.56	140.86	133.04	-0.21	5.65	-0.21	5.65
1.	Food & Non-alcoholic Bev.	34.58	143.79	147.71	134.81	-2.65	6.66	-0.96	2.33
	<i>Non-perishable Food Items</i>	29.60	146.26	145.38	129.88	0.61	12.61	0.19	3.64

	<i>Perishable Food Items</i>	4.99	129.13	161.53	164.05	-20.06	-21.29	-1.15	-1.31
2.	Alcoholic Bev. & Tobacco	1.02	143.77	143.64	135.92	0.09	5.78	0.00	0.06
3.	Clothing & Footwear	8.60	142.14	140.96	129.78	0.83	9.52	0.07	0.80
4.	Housing, Water, Electricity, Gas & Fuels	23.63	136.89	134.37	132.38	1.87	3.41	0.42	0.80
5.	Furnishing & Household Equipment Maintenance	4.10	135.91	135.35	126.27	0.42	7.63	0.02	0.30
6.	Health	2.79	149.03	147.64	137.39	0.94	8.47	0.03	0.24
7.	Transport	5.91	141.48	138.91	145.22	1.85	-2.58	0.11	-0.17
8.	Communication	2.21	107.51	107.46	106.93	0.04	0.53	0.00	0.01
9.	Recreation & Culture	1.59	124.41	124.04	118.91	0.30	4.63	0.00	0.07
10.	Education	3.79	143.81	143.71	141.98	0.07	1.29	0.00	0.05
11.	Restaurants & Hotels	6.92	139.66	138.76	128.22	0.65	8.92	0.04	0.60
12.	Miscellaneous	4.87	148.93	147.44	133.53	1.01	11.53	0.05	0.56

**The Urban Consumer Price Index of January 2021** is decreased by 0.16% over December 2020 and increased by 5.03% over corresponding month of the last year. The top few items, which registered variation in prices over last month, are as under:

### **Food Items**

**Prices Increased:** Sugar (14.76%), Mustard oil (10.18%), Wheat (8.17%), Vegetable ghee(6.06%), Fruits(5.39%), Cooking oil(3.28%), Milk fresh (2.46%), Pulse moong (2.02%) and Fish(1.64%).

### **Prices Decreased:**

Potatoes (33.57%), Tomatoes(30.03%), Chicken (28.48%), Onions(24.87%), Eggs (15.39%), vegetables(10.14%) and Condiments and Spices(7.54%)

### **Non-food Items**

**Prices Increased:** Liquified Hydrocarbons (13.86%), Motor fuel (4.33%), Dental services(2.23%) and Personal Effects n.e.c.(1.74%).

**Decrease:** Electricity charges (0.53%)

**The Rural Consumer Price Index of January 2021** is decreased by 0.29% over December 2020 and increased by 6.59% over corresponding month of the last year. Essential items, which witnessed variation in prices as compared to last week, are as under:

### **Food Items**

**Prices Increased:** Sugar(14.26%), Mustard oil(7%), Cooking oil(6.22%), Wheat(5.88%), Vegetable ghee(5.62%), Wheat Flour(4.21%), Fruits(3.75%), Butter(2.93%), Pulse Moong(2.74%), Gram Whole(2.31%) and Pulse Mash(1.85%).

**Decreased:** Potatoes(36.1%), Tomatoes(32.77%), Chicken(26.47%), Onions(25.99%), Vegetables(13.32%), Eggs(9.27%), Condiments and Spices(7.96%) and Pulse Masoor(0.42%).

### **Non-food Items**

**Increased:** Liquified Hydrocarbons(9.31%), Motor Fuels(4.72%), Tailoring(3.86%), Hosiry(2.78%), Doctor Clinic Fee(1.92%), 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) (1.61%) .

**Decreased:**

Electricity Charges(0.53%).

Comparison of Wholesale and Consumer Prices [Province Average for January 2021]																			
S #	Item Description	Prices and Margins Comparison																	
		Islamabad			Punjab			Sindh			KPK			Balochistan			Pakistan		
		Wholesale	Retail	Margin %	Wholesale	Retail	Margin %	Wholesale	Retail	Margin %	Wholesale	Retail	Margin %	Wholesale	Retail	Margin %	Wholesale	Retail	Margin %
1	Tomatoes	62	95	51.2	66	85	27.6	44	65	49.1	58	44	-	56	65	15.9	58	76	31.5
2	Garlic	140	257	83.6	175	221	26.0	237	261	9.9	199	217	9.1	255	290	13.7	202	231	14.4
3	Apple	60	142	135.1	63	123	95.8	73	126	71.5	97	115	19.2	110	131	19.4	75	125	65.8
4	Onions	33	59	76.5	31	41	32.7	25	34	36.8	38	45	17.2	36	45	24.6	30	41	37.8
5	Banana	75	147	96.9	63	77	21.4	41	56	38.1	73	76	3.6	-	70	-	55	68	23.6
6	Masoor	135	178	32.0	131	158	20.6	131	145	10.9	135	155	14.8	156	165	5.7	132	156	17.7
7	Besan	126	164	30.0	116	141	21.4	118	150	26.3	126	153	21.5	156	175	12.2	120	148	23.5
8	Gram	132	172	29.9	116	135	16.8	122	144	17.5	129	140	8.1	156	165	5.7	121	142	17.5
9	Beef	492	558	13.5	431	469	8.8	466	461	-	387	400	3.5	455	475	4.4	436	455	4.5
10	Potatoes	-	60	-	-	43	-	23	34	46.9	-	45	-	42	50	18.7	26	42	62.3
11	Mash	201	266	32.4	223	255	14.7	217	238	9.5	240	238	-	262	270	3.0	225	245	8.7
12	Moong	195	256	31.2	195	230	18.1	214	244	13.9	201	206	2.7	252	260	3.2	206	233	13.4
13	Fish Rahu	145	385	165.7	204	310	51.7	267	351	31.3	210	269	28.1	-	490	-	225	328	46.0
14	Mutton	1037	1174	13.2	896	978	9.2	933	959	2.8	810	787	-	970	1097	13.1	902	951	5.3
15	Wheat Flour,	43	43	1.7	49	53	7.0	61	62	1.4	60	61	1.4	65	65	-	55	57	3.9
16	Fresh Milk	107	120	12.9	81	95	17.6	98	110	12.4	104	110	6.2	110	120	9.1	90	103	13.8
17	Tea	213	230	8.1	211	230	8.9	216	229	6.4	215	230	7.0	205	230	12.2	212	229	7.8
18	Wheat Flour,	74	80	7.9	67	71	5.9	66	71	6.7	68	71	4.3	66	66	-	67	69	3.2
19	Eggs Farm	139	162	16.7	140	156	11.1	156	177	13.6	170	182	6.8	180	205	13.8	152	168	10.8
20	Sugar	90	96	6.5	89	93	5.5	85	90	6.7	89	92	4.0	90	97	7.8	88	93	5.6
21	MilkPak	146	160	9.9	149	157	6.0	146	154	5.4	150	155	3.3	-	160	-	148	157	6.2
22	Chicken Farm	144	166	15.1	150	157	4.9	165	186	12.8	165	179	8.4	160	175	9.4	157	174	11.3
23	Wheat Flour	840	864	2.9	848	892	5.2	1190	1130	-	860	1011	17.5	1300	1300	-	1000	1027	2.6
24	Wheat	583	580	-	566	582	2.8	542	561	3.6	552	552	-	-	595	-	557	581	4.2

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**

Regonal and Global Prices					
Sr. No	Items	Prices in PKR			World
		India	Afg	Pak	
1	Wheat Flour	54.83	89.13	47.32	WheatUSSRW \$276 MT (PRS.44 per kg)
2	Rice	65.80	208.00	89.53	Nil
3	Cooking oil	239.06	242.65	299	Palm Oil 990 \$MT (PRS.158.4)
4	Chicken Farm	Nil	624.00	207.25	1.81\$ per kg (PRS.289.6)
5	Onions	83.34	44.55	39.82	Nil
6	Pulse Moong	241.25	145.60	231.96	NIL
7	Potatoes	39.48	44.55	39.01	Nil
8	Tomatoes	54.83	83.20	44.95	NIL
9	Sugar Refined	81.15	104.00	90.3	0.34 \$per kg (PRS.54.4)

Global commodity prices continue to surge during the month of January, in energy group Crude oil Brent price rose to \$/bb 54.6 in January 21 against \$/bb 49.9 in December 20, natural gas index raised to 72.1% in January 21 against 64.0% in December 20, in non-energy commodities group global average price of Tea increased to \$ 2.66 per kg in January 21 to \$ 2.6 in December 2020.

## **CONCLUSION**

The inflation for the month of January eased to **5.6**. The uninterrupted supply chain and government effective price monitoring policies brought down prices of essential kitchen items onion, tomatoes, vegetables, sugar, wheat, eggs, chicken and spices. 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. As compared to corresponding month of last year 14.6% inflation rate, the rate for January 21 indicates economic recovery and stabilization. The Urban CPI recorded a decrease of 0.16pc while Rural CPI recorded a drop of 0.29 percent. The average inflation rate from July-January (2020-21) was 8.19 percent and food inflation at 13.79 percent over the year earlier period. The wholesale price index on the other hand 6.4% in January 2021 as compared to an increase of 5.7% a month earlier and an increase of 15.4% in January 2020.

The analysis of international commodity prices reveals that prices of palm oil started to increase from \$602 per MT and reached to \$ 1,016 per MT in December 2020. However, during January 2021 it came down to \$990 per MT. Similarly, sugar world prices also witnessed increase from \$ 0.31 in December 2020 to \$ 0.34 per kg in January 2021. The import of sugar, wheat and palm oil will help to eliminate hoarding as the prices of these commodities are cheaper globally.