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

Consumer Price Index Report ,October 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 CPI share in Natonal CPI is 60%, whereas the rural share in index is 40%.

CPI Inflation General increased by **8.9**% on year-on-year basis in October 2020 as compared to an increase of 9.0% in the previous month and 11.0% in October 2019. On month-on-month basis, it increased by 1.7% in October 2020 as compared to an increase of 1.5% in the previous month and an increase of 1.8% in October 2019.

Sensitive Price Indicator (SPI) on YoY increased by **12.3**% in October 2020 as compared to an increase of 12.0% a month earlier and an increase of 15.1% in October 2019. On MoM basis, it increased by 3.0% in October 2020 as compared to an increase of 2.1% in the previous month and an increase of 2.7% in October 2019.

Wholesale Price Index (WPI) on YoY basis increased by **5.1**% in October 2020 as compared to an increase of 4.3% a month earlier and an increase of 13.3% in October 2019. WPI inflation on MoM basis increased by 2.9% in October 2020 as compared to a decrease of 1.0% a month earlier and an increase of 2.0% in corresponding month of last year.

CPI inflation Urban, increased by 7.3% on year-on-year basis in October 2020 as compared to an increase of 7.7% in the previous month and 10.9% in October 2019. On month-on-month basis, it increased by 1.3% in October 2020 as compared to an increase of 1.3% in the previous month and an increase of 1.6% in October 2019.

CPI inflation Rural, increased by 11.3 % on year-on-year basis in October 2020

Overview (YoY)

- **CPI inflation General,** increased by **8.9**% on year-on-year basis in October 2020 as compared to an increase of 9.0% in the previous month and 11.0% in October 2019.
- **SPI inflation** on YoY increased by **12.3**% in October 2020 as compared to an increase of 12.0% a month earlier and an increase of 15.1% in October 2019.
- **WPI inflatio** on YoY basis increased by **5.1**% in October 2020 as compared to an increase of 4.3% a month earlier and an increase of 13.3% in October 2019.
- **CPI inflation Urban** , increased by 7.3% on year-on-year basis in October 2020 as compared to an increase of 7.7% in the previous month and 10.9% in October 2019**.**
- **CPI inflation Rural**, increased by 11.3 % on year-on-year basis in October 2020 as compared to an increase of 11.1% in the previous month and 11.3% in October 2019.
- **NFNE (Urban)** increased by **5.6**% on (YoY) basis in October, 2020 as compared to an increase of 5.5% in the previous month and 7.7% in October, 2019.
- **NFNE (Rural) CPI** Increased by 7.6% on (YoY) basis in October 2020 as compared to an increase of 7.8% in the previous month and 8.6% in October 2019.

as compared to an increase of 11.1% in the previous month and 11.3% in October 2019. On month-on-month basis, it increased by 2.4 % in October 2020 as compared to an increase of 2.0% in the previous month and an increase of 2.2% in October 2019.

Core inflation Trimmed, measured by 20% weighted trimmed mean Urban CPI increased by 6.5% on (YoY) basis in October, 2020 as compared to 7.1% in the previous month and by 8.9% in October, 2019. On (MoM) basis, it increased by 0.6% in October, 2020 as compared to an increase of 0.4% in the previous month and an increase of 0.5% in corresponding month of last year i.e. October, 2019.

Measured by 20% weighted **trimmed mean Rural CPI** increased by 9.5% on (YoY) basis in October, 2020 as compared to 10.0% in the previous month and by 9.4% in October, 2019. On (MoM) basis, it increased by 1.1% in October, 2020 as compared to an increase of 0.9% in the previous month and an increase of 0.6% in corresponding month of last year .

Core Inflation NFNE

Non-food non-energy Urban (NFNE) CPI increased by **5.6**% on (YoY) basis in October, 2020 as compared to an increase of 5.5% in the previous month and 7.7% in October, 2019. On (MoM) basis, it increased by 0.6% in October, 2020 as compared to increase of 0.3% in previous month, and an increase of 0.5% in corresponding month of last year.

Non-food non-energy Rural CPI Increased by 7.6% on (YoY) basis in October 2020 as compared to an increase of 7.8% in the previous month and 8.6% in October 2019. On (MoM) basis, it increased by 0.6% in October, 2020 as compared to an increase of 0.4% in previous month, and an increase of 0.7% in corresponding month of last year.

Period Average and YOY % Change

INDEX	Average July- October % changes			October over October % changes		
	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
CPI (National)	8.86	10.32	6.19	8.91	11.04	6.5
CPI(Urban)	7.49	10.45	6.39	7.82	10.86	7.04
CPI(Rural)	10.97	10.14	5.88	10.55	11.33	5.67
SPI	12.43	12.7	2.3	12.33	15.11	1.73
WPI	3.98	14.1	16.58	5.13	13.27	18.64

The **National Consumer Price Index** of October 2020 increased by **1.70%** over September 2020 and **8.91%** over corresponding month of the last year i.e. October 2019. The table below shows that in the month under review within the food group highest increase was observed in perishable food items i.e. 14.6% points.

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

No	Group	Group Weight (%)	Indices		
			Oct-20	Sep-20	Oct-19
	General	100	140.7	138.3	129.2
1	Food & Non-alcoholic Bev.	34.6	149.8	144.1	128.5
	Non-perishable Food Items	29.6	144.9	140.7	122.8
	Perishable Food Items	5.0	178.7	164.1	162.2
2	Alcoholic Bev. & Tobacco	1.0	143.0	142.4	135.0
3	Clothing & Footwear	8.6	138.1	137.5	126.7
4	Housing, Water, Electricity, Gas & Fuels	23.6	132.9	132.4	129.4
5	Furnishing & Household Equipment Maintenance	4.1	133.9	132.7	124.0
6	Health	2.8	145.4	144.4	134.9
7	Transport	5.9	139.8	139.2	141.9
8	Communication	2.2	107.1	107.0	106.7
9	Recreation & Culture	1.6	123.1	122.3	118.5
10	Education	3.8	143.7	142.9	141.8
11	Restaurants & Hotels	6.9	136.6	135.4	125.4
12	Miscellaneous	4.9	146.2	146.0	131.0

The **Urban Consumer Price Index** of **October 2020** is increased by **1.25%** over September 2020 and **7.32%** over corresponding month of the last year. Top few commodities' prices, which varied from previous month, are given below -

Food Items

Prices Increased: Tomatoes (48.36%), Onions (39.07%), Chicken (26.62%), Eggs (23.81%), Wheat (8.39%),Wheat products (8.07%), Sugar (4.58%), Wheat flour (4.1%), Besan (2.89%), Pulse moong (1.69%),Rice (1.45%), Pulse mash (1.26%), Readymade food (0.98%), Gram whole (0.85%), Pulse masoor(0.85%), Potatoes (0.82%), Pulse gram (0.81%) and Butter (0.78%).

Decreased: Fresh vegetables (6.36%), Fresh fruits (3.31%) and Condiments & Spices (2.39%).

Non-food Items

Prices Increased:
Doctor (MBBS) (2.57%), Liquified Hydrocarbons (2.12%), Furniture and furnishing (1.9%), Hosiery (1.5%), Household textiles (1.36%), Therapeutic Appliances and Equipment (1.13%), Motor vehicle accessories (0.89%), Household equipment (0.88%), House rent (0.88%), Household servant (0.87%), Transport services (0.83%) and Hospitals services (0.83%).

Decreased: Liquefied Hydrocarbons (1.51%) and Electricity charges (0.62%).

The Rural Consumer Price Index of October 2020 increased by 2.35% over September 2020 and increased by 11.31% over corresponding month of the last year Top few commodities prices which varied from previous month are given below:
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Food Items

Prices Increased: Tomatoes (64.99%), Onions (58.39%), Eggs (24.88%), Chicken (23.14%), Wheat (5.54%), Sugar (4.89%), Fresh Vegetables(4.06%), Fresh fruits (3.5%), Wheat Flour (3.28%), Wheat Products (3.07%), Potatoes (3.05%), Pulse Masoor (2.97%), Dry fruits (2.73%), Honey (2.5%), Fish (2.38%),Bakery and Confectionary (2.38%), Meat (1.76%), Pulse Mash (1.6%) and Cooking oil (1.47%)..

Decreased: Pulse Moong (2.91%), Condiments and Spices (1.85%) and Beans (0.71%).

Non-food Items

Increased: Stationery (2.75%), Liquified Hydrocarbons (2.65%), Newspapers (2.4%), Construction Input Items (2.13%), Hosiry (1.71%), Plastic Products (1.49%), Woolen Cloth (1.37%), Solid Fuel(1.33%), Text Books (1.3%), Mechanical Services (1.18%), Transport Services (1.07%), Doctor ClinicFee (1.02%), Household Textiles (1%), Products for Personal Care (0.89%) and Education (0.88%).
Decreased: Electricity Charges (2.33%).

GLOBAL COMMODITY PRICE TREND

In energy commodities, crude oil average price for October, 2020 fell from $40.6/bbl to $39.9/bbl. Natural Gas Index increased to 53.6 index points in October, 2020 from 46.1 index points in September, 2020.In non-energy commodities, global average price of Tea fell from $ 3.08 per kg to $ 2.98 in October , Palm Oil increased from $796 Mt to $819 Mt during October, and Wheat US SRW increased from $ 219.7Mt to $ 245.2 Mt, Sugar world price increased from $0.28 per kg to $ 0.30 per kg in October, Cotton price increased from $1.56 per kg to $1.65 per kg, global price of Chicken Meat during October increased from $1.47 per kg to $ 1.50 per kg; Beef Meat decreased from $4.60 per kg to $ 4.42 per kg in the month of October.

Provincewise Margin Comparison of Wholesale and Consumer Prices [October 2020]								
S #	Item Description	Unit	Islamabad	Punjab	Sindh	KPK	Baloc histan	Pakistan
1	Tomatoes, (Average Quality)	KG	36.0	24.5	29.4	23.0	16.4	23.6
2	Garlic (Lehsun), (Average Quality)	KG	87.5	28.7	25.1	64.5	6.4	21.2
3	Apple, (Average Quality)	KG	129.7	46.2	65.3	24.7	22.0	46.1
4	Onions (Piaz), Dry, (Average Quality)	KG	27.1	15.4	34.0	3.9	19.3	17.0
5	Banana (Kela), (Average Quality)	DOZ	112.0	27.2	34.9	27.9	-	36.2
6	Masoor, Split, (Average Quality)	KG	45.4	20.2	8.8	7.1	4.9	13.8
7	Besan, Bag, 40 Kg	KG	31.8	20.4	26.6	20.3	5.7	22.0
8	Gram, Split, (Average Quality)	KG	32.5	13.2	19.2	8.7	6.3	17.2
9	Beef	KG	15.5	8.7	-	-	5.9	3.6
10	Potatoes White, (Average Quality)	KG	-	-	27.9	-	19.3	62.1
11	Mash, Split, (Average Quality)	KG	21.4	12.1	15.2	12.9	3.8	9.5
12	Moong, Split, (Average Quality)	KG	17.9	15.2	21.4	12.5	2.4	16.8
13	Fish Rahu, River	KG	143.4	51.1	28.7	34.9	-	48.3
14	Mutton	KG	10.4	8.3	0.8	-	13.1	1.2
15	Wheat Flour, (Average Quality), Bag, 80 Kg	KG	2.0	6.6	2.9	-	0.0	4.9
16	Fresh Milk	LTR.	12.9	16.1	10.1	6.7	9.1	12.2
17	Tea, Lipton Yellow Label, Packet, 190 Gm	PKT.	8.1	8.9	5.5	7.0	12.2	7.9
18	Wheat Flour, (Super Quality), Bag, 80 Kg	KG	6.7	2.7	6.6	-	0.0	0.6
19	Eggs Farm, Crate	DOZ	9.1	6.3	2.6	-	9.1	3.1
20	Sugar, Refined, Bag, 50 Kg	KG	3.7	2.1	3.6	2.1	2.1	3.8
21	MilkPak, Nestle, 1 Litre	PKT.	8.6	6.7	-	3.3	-	3.1
22	Chicken Farm, (Live)	KG	12.7	4.4	-	-	7.5	5.3
23	Wheat Flour, Bag, (Average Quality), 20 Kg	20 KG	3.3	-	3.5	-	0.0	-
24	Wheat, (Average Quality)	10 KG.	-	2.2	5.2	0.3	-	1.6

Source: Pakistan Bureau of Statistics, Islamabad

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.

CONCLUSION

The national Consumer Price Index (CPI) of October increased by 8.91% over the corresponding month of last year, it was slightly lower than the 9% inflation reading in the previous month of September and lower by 2.09 percentage points compared to 11% in October 2019. An increase in doctors' fee, drug prices and the cost of warm clothes ahead of winter also contributed to keeping inflation at elevated levels in October 2020. The prices of essential food items i.e. tomatoes, onions, chicken, eggs, sugar, and wheat have witnessed rise over the last couple of months. Food prices are expected to come down with the arrival of new crops of vegetables as November is the vegetable season. Moreover, it is expected that food prices will reduce as the government had started importing wheat and sugar to bridge the shortfall in supplies and control prices. Meanwhile, the Sensitive Price Indicator (SPI), which gauges rates of kitchen items on weekly basis, increased by 12.3 per cent over corresponding month of last year. Similarly, the wholesale price index (WPI) based inflation raised by 13.3% in the period under review.