

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

Consumer Price Index Report, April 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 **11.1%** on year-on-year basis in April 2021 as compared to an increase of **9.1%** in the previous month and **8.5%** in April 2020. On month-on-month basis, it increased by 1.0% in April 2021 as compared to an increase of 0.4% in the previous month and a decrease of 0.8% in April 2020. The double digit inflation reading is driven primarily by a spike in food prices as demand increased with the beginning of Ramazan, rise in global oil prices etc.

Sensitive Price Indicator (SPI) on YoY increased by **21.3%** in April 2021 as compared to an increase of **18.7%** a month earlier and an increase of 9.3% in April 2020. On MoM basis, it increased by 0.4% in April 2021 as compared to an increase of 5.7% a month earlier and a decrease of 1.8% in April 2020.

Wholesale Price Inflation on on YoY basis increased by **16.6%** in April 2021 as compared to an increase of 14.6% a month earlier and an increase of 4.9% in April 2020. WPI inflation on MoM basis decreased by 0.4% in April 2021 as compared to an increase of 3.7% a month earlier and a decrease of 2.0% in corresponding month of last year.

CPI inflation Urban, increased by **11.0%** on year-on-year basis in April 2021 as compared to an increase of 8.7% in the previous month and 7.7% in April 2020. On month-on-month basis, it increased by 1.3% in April 2021 as compared to an increase of 0.3% in the previous month and a decrease of 0.7% in April 2020.

CPI inflation Rural increased by **11.3%** on year-on-year basis in April 2021 as compared to an increase of 9.5% in the previous month and 9.8% in April 2020. On month-on-month basis, it increased by 0.6% in April 2021 as compared to an increase of 0.5% in the previous month and a decrease of 1.1% in April 2020.

Highlights

CPI Inflation General increased by **9.1%** on year-on-year basis in March 2021 as compared to an increase of 8.7% in the previous month and 10.2% in March 2020.

Sensitive Price Indicator (SPI) on YoY increased by 18.7% in March 2021 as compared to an increase of 11.9% a month earlier and an increase of 11.8% in March 2020..

Wholesale Price Inflation on YoY basis increased by 14.6% in March 2021 as compared to an increase of 9.5% a month earlier and an increase of 9.3% in March 2020.

CPI inflation Urban increased by 8.7% on year-on-year basis in March 2021 as compared to an increase of 8.6% in the previous month and 9.3% in March 2020..

CPI inflation Rural, increased by 9.5% on year-on-year basis in March 2021 as compared to an increase of 8.8% in the previous

Core Inflation Non Food Non Energy (NFNE)

Non-food non-energy Urban CPI increased by **7.0%** on (YoY) basis in April, 2021 as compared to an increase of 6.3% in the previous month and 6.4% in April, 2020. On (MoM) basis, it increased by 0.9% in April, 2021 as compared to increase of 0.2% in previous month, and an increase of 0.2% in corresponding month of last year i.e. April, 2020.

Non-food non-energy Rural CPI increased by **7.7%** on (YoY) basis in April, 2021 as compared to an increase of 7.3% in the previous month and 8.5% in April, 2020. On (MoM) basis, it increased by 0.7% in April, 2021 as compared to an increase of 0.3% in previous month, and an increase of 0.3% in corresponding month of last year i.e. April, 2020.

Core inflation (Trimmed)

Measured by 20% weighted trimmed mean Urban increased by **9.8%** on (YoY) basis in April, 2021 as compared to 8.1% in the previous month and 6.7% in April, 2020. On (MoM) basis, it increased by 0.6% in April, 2021 as compared to an increase of 0.4% in the previous month and a decrease of 0.2% in corresponding month of last year i.e. April, 2020.

Measured by 20% weighted trimmed mean Rural increased by **10.6%** on (YoY) basis in April, 2021 as compared to 9.4% in the previous month and by 9.3% in April, 2020. On (MoM) basis, it increased by 0.2% in April, 2021 as compared to an increase of 0.3% in the previous month and a decrease of 0.6% in corresponding month of last year i.e. April, 2020.

Period Average and Y-o-Y % Change

INDEX	Average July- April % changes			April over April % changes		
	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
CPI (National)	8.62	11.22	6.51	11.10	8.52	8.27
CPI(Urban)	7.72	10.73	6.85	10.96	7.68	8.35
CPI(Rural)	9.98	11.98	5.98	11.33	9.83	8.13
SPI	12.85	14.26	4.22	21.28	9.27	10.04
WPI	7.36	12.15	16.15	16.55	4.92	17.22

The Gap / difference between urban and rural CPI has been declined. CPI rural inflation stood at 9.5% in December 2020, whereas Urban CPI stood at 7.0 % in the same month, reflecting a gap/difference of 2.5%. Similarly, in the month of January 2021 rural CPI was recorded 6.5% and Urban CPI increased by 5.0 showing gap/difference of 1.5%. The month of February 21 witnessed almost equal number of increases in Urban and Rural CPI i.e., CPI rural 8.85% and CPI urban 8.6% showing gap/difference of -0.25%. During the month pf March 2021, CPI Urban recorded increase of 8.7% on year-on-year basis, whereas CPI rural stood at 9.5% on year-on-year basis in March 2021, showing gap/difference of 0.8 during the period under review. Similarly, for the month of April,2021, gab between rural and urban CPI has further narrowed down at stood at **0.3%**. %The declining trend in gap/difference in CPI rural and CPI urban inflation indicates better supply chain, improved market accessibilities in rural areas.

The National Consumer Price Index the National Consumer Price Index for April 2021 is increased by **1.03%** over March 2021 and increased by **11.10%** over corresponding month of the last year i.e. April 2020.The table given below shows that during the month of April 2021,

non-perishable food Items prices increased by **18.36%** over April 2020, and declined by **0.32%** over March 2021, due to decline in prices of onions, potatoes and garlic. Moreover, clothing and footwear group also registered increase of 11.87% over April 2020.

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

No	Group	Group Weight (%)	Indices			% Change Apr 2021 Over		Impact (In % points) Apr 2021 Over	
			Apr 2021	Mar 2021	Apr 2020	Mar 2021	Apr 2020	Mar 2021	Apr 2020
	General	100.00	145.09	143.61	130.59	1.03	11.10	1.03	11.10
1.	Food & Non-alcoholic Bev.	34.58	150.70	147.49	130.01	2.18	15.91	0.77	5.48
	<i>Non-perishable Food Items</i>	29.60	151.63	152.12	128.11	-0.32	18.36	-0.10	5.33
	<i>Perishable Food Items</i>	4.99	145.16	120.02	141.28	20.95	2.74	0.87	0.15
2.	Alcoholic Bev. & Tobacco	1.02	144.28	144.48	137.52	-0.14	4.92	0.00	0.05
3.	Clothing & Footwear	8.60	148.48	146.94	132.72	1.05	11.87	0.09	1.04
4.	Housing, Water, Electricity, Gas & Fuels	23.63	141.20	140.48	128.74	0.51	9.68	0.12	2.26
5.	Furnishing & Household Equipment Maintenance	4.10	140.39	139.20	128.27	0.85	9.45	0.03	0.38
6.	Health	2.79	152.61	151.85	140.05	0.50	8.97	0.01	0.27
7.	Transport	5.91	141.52	143.25	132.85	-1.21	6.53	-0.07	0.39
8.	Communication	2.21	108.61	107.57	106.96	0.97	1.55	0.02	0.03
9.	Recreation & Culture	1.59	125.17	125.05	119.70	0.10	4.57	0.00	0.07
10.	Education	3.79	144.61	143.83	142.40	0.54	1.55	0.02	0.06
11.	Restaurants & Hotels	6.92	141.55	141.25	130.82	0.21	8.20	0.01	0.57
12.	Miscellaneous	4.87	150.83	150.17	137.07	0.44	10.04	0.02	0.51

The Urban Consumer Price Index of of March 2021 The Urban Consumer Price Index of April 2021 is increased by **1.34%** over March 2021 and increased by **10.96%** over corresponding month of the last year i.e. April 2020. Top commodities which recorded price variation over corresponding month of last year are as follows:

Food Items

Prices Increased: : : Chicken (93.14%), Tomatoes (81.49%), Eggs (42.41%), Condiments and Spices (31.62%), Wheat (26.99%), Mustard oil (24.44%), Vegetable ghee (21.05%), Milk (20.37%), Cooking oil (19.23%), Sugar (18.2%), Wheat flour (16.92%) and Fresh vegetables (11.45%).

Prices Decreased: Onions (39.57%), Pulse moong (16.57%), Pulse masoor (10.2%), Pulse gram (7.13%), Besan (5.61%) and Gram whole (3.00%).

Non-food Items

Prices Increased: Electricity charges (29.06%), Cotton cloth (16.56%), Footwear (16.24%), Major tools & equipment (15.06%), Cleaning and laundering (13.37%), Clinic fee (12.81%), Hosiery (12.55%) and Woollen readymade garments (12.08%).

The Rural Consumer Price Index of March 2021 is increased by 0.57% over March 2021 and increased by 11.33% over corresponding month of the last year i.e. April 2020. Top few

commodities which recorded variation in prices over corresponding month of last year are as follows;

Prices Increased: Chicken (85.15%), Tomatoes (60.03%), Eggs (46.14%), Wheat (24.48%), Mustard oil (23.71%), Cooking oil (23.29%), Vegetable ghee (21.38%), Wheat Flour (19.33%), Sugar (16.51%), Condiments and Spices (13.72%), Milk (13.48%) and Rice (13.02%).

Decreased: Onions (43.53%), Pulse Moong (14.66%), Besan (4.7%), Pulse Gram (3.15%), Pulse Masoor(2.34%), Fruits (1.30%) and Gram Whole (1.14%).

Non-food Items

Increased: Electricity Charges (29.06%), Hosiery (16.47%), Clinic Fee (16.41%), Plastic Products (14.24%), Cotton Cloth (13.41%), Woolen Cloth (13.27%), Household Equipment (12.64%), Tailoring (12.06%) and Stationery (11.12%).

Comparison of Wholesale and Consumer Prices [Province Average for April 2021]																					
		Wholesale Weights	Retail Weights	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, (A	0.1313	0.3459	59	74	25.8	46	61	31.8	22	31	38.0	45	22	-	46	55	19.3	38	49	28.6
2	Garlic	0.1280	0.3461	112	231	105.1	126	178	41.2	84	167	99.1	170	181	6.7	240	255	6.3	126	186	47.9
3	Apple,	0.1234	0.5607	81	157	93.6	90	170	88.2	105	156	48.2	107	144	35.3	150	170	13.2	104	156	50.0
4	Onions	0.2490	0.5928	28	52	86.4	24	33	35.2	19	30	53.4	28	36	28.0	26	35	34.0	23	33	42.1
5	Banana	0.7149	0.4339	122	198	62.3	111	132	19.0	64	82	29.4	96	134	39.4	-	90	-	90	107	18.2
6	Masoor,	0.0188	0.1624	137	180	30.8	136	158	16.4	131	147	11.7	135	157	16.0	162	170	4.9	136	157	15.4
7	Besan,	0.0604	0.0830	127	173	35.9	127	149	17.0	136	159	16.9	140	153	9.6	170	185	8.8	134	155	15.8
8	Gram,	0.1097	0.1660	135	177	31.3	128	147	14.9	130	154	18.1	139	145	4.1	166	175	5.4	132	152	15.1
9	Beef	2.2999	1.1817	512	602	17.4	440	484	10.0	491	480	-	387	415	7.3	490	510	4.1	450	473	5.1
10	Potatoes	0.1371	0.4284	-	59	-	-	51	-	25	32	25.9	-	52	-	36	45	24.6	27	45	64.9
11	Mash,	0.0128	0.1152	210	285	35.8	236	268	13.6	218	243	11.2	245	267	9.1	262	270	3.0	233	258	10.6
12	Moong,	0.0393	0.1697	194	256	32.3	188	226	20.1	206	245	18.5	190	213	12.2	262	270	3.0	200	235	17.7
13	Fish Rahu	0.4318	0.3855	135	341	152.9	201	296	46.8	255	345	35.3	210	268	27.5	-	480	-	219	318	45.0
14	Mutton	1.1560	0.8594	1062	1245	17.2	913	1025	12.3	982	1012	3.0	810	787	-	1020	1149	12.7	929	987	6.3
15	Wheat Flour	0.6857	1.3751	42	43	3.2	49	54	10.9	57	60	5.8	58	59	3.4	65	65	-	53	57	6.6
16	Fresh Milk	7.0279	6.4819	109	127	16.4	81	96	18.0	101	112	10.9	104	112	7.6	110	120	9.1	91	104	14.2
17	Tea	0.1634	0.8427	213	230	8.1	211	230	8.9	216	230	6.5	215	230	7.0	215	230	7.0	213	230	7.8
18	Wheat Flour	0.6027	0.2325	73	80	9.7	64	72	11.9	62	68	10.9	67	69	3.7	77	77	0.0	65	69	5.9
19	Eggs Farm	0.5034	0.5083	156	170	9.2	153	165	7.8	149	163	9.6	170	175	2.9	160	175	9.4	154	166	7.9
20	Sugar	1.5920	1.1130	95	101	6.5	90	96	7.3	91	95	3.5	92	97	5.4	95	100	5.3	91	95	3.7
21	MilkPak	4.4437	0.6251	146	160	9.9	149	160	7.7	150	157	5.2	150	155	3.3	-	160	-	149	159	6.8
22	Chicken	0.5633	1.3631	245	269	10.1	241	247	2.6	264	276	4.7	255	255	0.2	290	310	6.9	252	261	3.6
23	Wheat Flour	0.6833	1.3999	840	864	2.9	914	953	4.2	1135	1175	3.6	860	968	12.6	1280	1280	-	1011	1045	3.4
24	Wheat	0.6297	0.6120	577	580	0.6	491	507	3.3	490	500	2.0	521	553	6.2	-	610	-	499	534	7.0

Source: Pakistan Bureau of Statistics

The above table shows province wise margin comparison of wholesale and consumer prices, the comparison reveals frequent increasing gap in wholesale and retail price gap in most of the items. There is a dire need that administrative authorities in provinces take stern steps to control hoarding and black-marketing of essential food items.

Position of Import of Food Group (March, 2021)						
Sr. No.	Commodities	Quantity (M.T)		Value (PKR Mln)		YoY Change(%) (Value in Rupees)
		Mar-21	Mar-20	Mar-21	Mar-20	
1	Wheat	229,696	-	10,520	-	100.00
2	Spices	14,112	9,770	3,001	2,225	34.88
3	Palm Oil	276,050	264,863	42,994	31,269	37.50
4	Sugar	751	393	74	31	138.71
5	Tea	23,492	20,768	8,704	8,219	5.90
6	Pulses	123,140	97,130	11,021	8,533	29.16

The above table shows that an increase in import of essential commodities of food group has been witnessed during the month of March, 2021. There is a 100% increase in value in import of wheat due to shortage and hoarding in domestic markets. Similarly, palm oil

imports in terms of value also registered increase of 37.50% over last year mainly because of rising international prices which put pressure on domestic prices, sugar import also registered significant rise during the month of March, 2021, thus putting pressure on domestic prices, tea and pulses also registered increasing import value of 5.90% and 29.16% respectively during March,2021.

GLOBAL COMMODITY PRICE TREND Review

Global commodity prices showed upward trend during the month of April 2021, in energy group Crude oil Brent price rose to \$/bb **64.8** in April, 21 against \$/bb **65.2** in April 2021, natural gas index rose to **71.1%** in April 21, against 71.165.6% in March 21.

In non-energy commodities, group global average price of Tea rose slightly to \$ **2.64** per kg in April 21 from **2.43** in March 2021, Palm Oil prices surged to \$ **1,075** Mt in April,21 from \$ **1,031** Mt in March 2021. Wheat US SRW increased to \$ **281.4** Mt in April ,21 from \$ **272.6** in March 21, Sugar world price rose to \$ **0.36** per kg in April 21, from \$ **0.34** per kg in April, 21 (around Rs. 52.36 per Kg), global price of Chicken Meat during April 21, increased to \$ **2.26** per kg from \$ **1.89** per kg in March, 21.

CONCLUSION

The annual inflation rate in Pakistan increased to 11.1 percent in April of 2021, the highest since February of 2020, from 9.05 percent in March, as food & non-alcoholic beverages inflation accelerated to a 6-month high of 15.91 percent in April. Increase in prices of kitchen items as well as energy prices pushed up inflation during the month of March 2021 The break-up of inflation of 11.1 % in April 2021 showed that food and non-alcoholic beverages prices increased by 15.91percent. Similarly, increase of **18.36%** in prices of non-perishable food items was witnessed during the month of April, clothing & Footwear charges went up by **11.87** percent, surge in international prices of crude oil, palm oil also exert pressure on domestic prices. A few consumer items as well as energy prices slightly pushed up inflation in Mar 2021.The government has imported wheat and sugar to bridge shortfalls and improve supplies in the market. Historically it has been observed that in Raman, due to market imperfection, inflationary pressures are observed. However, it is expected that government measures will contain inflation in coming months. Inflationary pressures are rising worldwide as a surge in demand is accompanied by widespread supply constraints in the provision of goods and services.

CPI inflation urban increased by 11 percent year-on-year in April 2021 as compared to an increase of 8.7 percent in the previous month and 7.7 percent in April 2020. On month-on-month basis, it increased by 1.3 percent in April 2021 as compared to an increase of 0.3 percent in the previous month and a decrease of 0.7 percent in April 2020.CPI inflation rural increased by 11.3 percent year-on-year in April 2021 as compared to an increase of 9.5 percent in the previous month and 9.8 percent in April 2020. On month-on-month basis, it increased by 0.6 percent in April 2021 as compared to an increase of 0.5 percent in the previous month and a decrease of 1.1 percent in April 2020. e Sensitive Price Index (SPI) inflation on YoY increased by 21.3 percent in April 2021 as compared to an increase of 18.7percent a month earlier and an increase of 9.3percent in April 2020. On MoM basis, it increased by 0.4percent in April 2021 as compared to an increase of 5.7percent a month earlier and a decrease of 1.8percent in April 2020. The Wholesale Price Index (WPI) inflation on YoY basis increased by 16.6percent in April 2021 as compared to an increase of 14.6percent a month earlier and an increase of 4.9percent in April 2020. WPI inflation on MoM basis decreased by 0.4percent in April 2021 as compared to an increase of 3.7percent a month earlier and a decrease of 2.0percent in corresponding month i.e. April 2020.

