

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

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 35 Urban centres, 68 markets and 365 consumer items with 94 products. The Rural CPI covers 27 Rural Centres with same number of markets have 244 consumer items of 89 products. In the new base year (2015-16) National CPI have 12 major groups and 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

CPI Inflation General increased by 9.0% on year-on-year basis in September 2020 as compared to an increase of 8.2% in the previous month and 11.4% in September 2019. On month-on-month basis, it increased by 1.5% in September 2020 as compared to an increase of 0.6% in the previous month and an increase of 0.8% in September 2019.

Sensitive Price Indicator (SPI) on YoY increased by 12.0% in September 2020 as compared to an increase of 11.7% a month earlier and an increase of 14.7% in September 2019. On MoM basis, it increased by 2.1% in September 2020 as compared to an increase of 0.9% a month earlier and an increase of 1.9% in September 2019.

Wholesale Price Index (WPI) on YoY basis increased by 4.3% in September 2020 as compared to an increase of 3.3% a month earlier and an increase of 15.9% in September 2019. WPI inflation on MoM basis increased by 1.0% in September 2020 as compared to a decrease of 1.3% a month earlier and an increase of 0.1% in corresponding month of last year.

CORE INFLATION ANALYSIS

- **Non-food non-energy Urban (NFNE) CPI** increased by 5.5% on (YoY) basis in September 2020 as compared to an increase of 5.6% in the previous month and 8.4% in September 2019. On (MoM) basis, it

Overview (YoY)

- **CPI inflation General**, increased by 9.0% on year-on-year basis in September 2020 as compared to an increase of 8.2% in the previous month and 11.4% in September 2019.
- **SPI inflation (YoY on YoY)** increased by 12.0% in September 2020 as compared to an increase of 11.7% a month earlier and an increase of 14.7% in September 2019.
- **WPI inflation (YoY on YoY)** basis increased by 4.3% in September 2020 as compared to an increase of 3.3% a month earlier and an increase of 15.9% in September 2019.
- **CPI inflation Urban** increased by 7.7% on year-on-year basis in September 2020 as compared to an increase of 7.1% in the previous month and 11.6% in September 2019.
- **CPI inflation Rural**, increased by 11.1% on year-on-year basis in September 2020 as compared to an increase of 9.9% in the previous month and 11.1% in September 2019.
- **NFNE (Urban)** increased by 5.5% on (YoY) basis in September 2020 as compared to an increase of 5.6% in the previous month and 8.4% in September 2019
- **NFNE (Rural) CPI** increased by 7.8% on (YoY) basis in September 2020 as compared to an increase of 7.6% in the previous month and 8.8% in September 2019.

increased by 0.3% in September 2020 as compared to an increase of 0.7% in previous month, and an increase of 0.4% in corresponding month of last year.

Period Average and YOY % Change

INDEX	Average July- September			September over September		
	% changes			% changes		
	2020-2021	2019-2020	2018-2019	2020	2019	2018
CPI (National)	8.84	10.08	6.08	9.04	11.37	5.42
CPI(Urban)	7.55	10.3	6.17	7.68	11.56	5.64
CPI(Rural)	10.85	9.74	5.95	11.12	11.1	5.09
SPI	12.46	11.88	2.49	11.98	14.67	0.41
WPI	3.58	14.41	15.89	4.26	15.9	14.64

Non-food non-energy Rural CPI

increased by 7.8% on (YoY) basis in September 2020 as compared to an increase of 7.6% in the previous month and 8.8% in September 2019. On (MoM) basis, it increased by 0.4% in September 2020 as compared to an increase of 0.8% in previous month, and an increase of 0.3% in corresponding month of last year.

The Urban Consumer Price Index of September 2020 increased by **1.26%** over Aug 2020 and increased by **7.68%** over corresponding month of the last year i.e. Sep 2019. Detail of top few commodities price variations over previous month are given below;

Food Items

Prices Increased: Tomatoes (44.07%), Vegetables (30.33%), Chicken (18.31%), Onions (14.51%), Potatoes (6.18%), Eggs (5.2%), Pulse Gram (4.51%), Pulse Moong (3.46%), Spices (3%), Pulse Mash (2.76%), Pulse Masoor (1.59%) and Milk Fresh (1.16%).

Decreased: Fresh fruits (6.19%), Sugar (1.82%) and Gram Whole (0.48%).

Non-food Items

Prices Increased: Construction input items (2.36%), Transport services (1.87%), Medical tests (1.55%) and Plastic products (0.78%).

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

The Rural Consumer Price Index of September 2020 increased by **1.95%** over August 2020 and increased by **11.12%** over corresponding month of the last year.

Food Items

Prices Increased: Vegetables (45.18%), Tomatoes (30.33%), Onions (15.17%), Chicken (9.47%), Pulse Moong (7.79%), Spices (5.63%), Wheat (5.03%), Pulse Gram (4.64%), Gur (4.57%), Pulse Mash (3.96%), Potatoes (3.36%), Wheat

Flour (3.14%), Eggs (5.2%), Rice (2.2%) and Milk fresh(1.16%).

Decreased: Fruits (10.44%), Sugar (0.63%), Vegetable ghee (0.35%) and Pulse Masoor (0.22%).

Non-food Items

Increased: Plastic Products (2.43%), Stationery (2%), Hosiery (1.95%), Furniture and Furnishing (1.5%), Motor Vehicles Accessories (1.14%), Hospitals Services (1.09%), Medical Tests (1.07%) and Construction Input Items (1.03%).

Decreased: Transport Services (0.72%), Electricity Charges (0.62%) and Liquefied Hydrocarbons (0.35%).

GLOBAL COMMODITY PRICE TREND

In energy commodities, crude oil average price for September, 2020 fell from \$43.4/bbl to \$40.6/bbl. Natural Gas Index raised to 46.4% in September, 2020 from 45.8% index points in August, 2020.

In non-energy commodities, global average price of Tea fell from \$ 3.16 to \$ 3.10 per kg, Palm Oil increased from \$760 Mt \$798 Mt, Wheat US HRW remained constant to \$198.4 Mt during September 2020 and Wheat US SRW increased from \$208.9 Mt to \$ 219.7Mt, Sugar world price decreased from \$0.29 to \$0.28 per kg, Cotton price increased from \$1.54per kg to\$1.56 per kg, global price of Chicken Meat fell from \$ 1.50 per kg to \$1.47 per kg; Beef Meat decreased from \$4.63per kg to \$4.60 per kg, and Gold decreased from \$ 1,969 per toz (31.1g) to \$1922 per toz for the month of September, 2020.

Comparison of Wholesale and Consumer Prices and the Margens [Province Average for September 2020]																					
S #	Item	WIP	Unit	Prices and Margins Comparison																	
				Islamabad			Punjab			Sindh			KPK			Balochistan			Pakistan		
				Whole sale	Retail	Margin %	Whole sale	Retail	Margin %	Whole sale	Retail	Margin %	Whole sale	Retail	Margin %	Whole sale	Retail	Margin %	Whole sale	Retail	Margin %
1	Tomatoes	40 KG	KG	76.24	95.36	25.07	63.45	88.37	39.27	64.68	86.28	33.40	46.08	67.44	46.36	55.98	66.84	19.41	61.36	80.98	31.98
2	Garlic	40 KG	KG	136.66	242.30	77.30	153.32	214.95	40.19	188.72	244.33	29.47	213.28	222.30	4.23	289.97	306.09	5.56	179.36	220.12	22.72
3	Apple	40 KG	KG	67.47	158.78	135.34	80.75	122.47	51.67	68.54	113.40	65.45	70.00	111.42	59.17	79.90	94.52	18.30	74.49	114.56	53.79
4	Onions	40 KG	KG	47.49	69.73	46.83	38.49	52.57	36.57	32.66	43.66	33.67	44.72	53.47	19.57	35.96	37.04	2.99	37.16	46.91	26.22
5	Banana	10 DOZ	DOZ	63.29	109.83	73.54	56.84	68.73	20.91	44.19	58.47	32.31	60.00	70.58	17.63				51.95	70.84	36.37
6	Masoor	40 KG	KG	108.75	163.94	50.76	126.24	157.02	24.38	133.80	146.99	9.86	140.00	152.71	9.08	151.99	159.95	5.24	133.83	154.22	15.24
7	Besan	40 KG	KG	123.75	163.11	31.81	118.70	139.64	17.64	117.43	146.47	24.73	135.00	154.71	14.60	149.94	174.95	16.68	120.32	146.22	21.53
8	Gram	40 KG	KG	126.25	163.84	29.78	114.65	133.82	16.72	126.71	144.03	13.67	125.69	147.53	17.38	134.94	174.95	29.65	120.53	143.87	19.37
9	Potatoes	40 KG	KG	60.41	82.59	36.71	63.75	77.59	21.71	41.03	52.40	27.73	70.00	76.38	9.12	51.98	57.30	10.25	57.43	67.02	16.69
10	Mash	40 KG	KG	197.49	249.90	26.54	210.52	245.38	16.56	185.41	224.42	21.04	218.24	254.10	16.43	266.00	279.88	5.22	210.42	238.57	13.38
11	Moong	40 KG	KG	211.66	245.62	16.04	207.39	235.31	13.46	211.88	244.84	15.56	200.83	236.52	17.77	253.99	259.97	2.35	212.97	240.65	13.00
12	Eggs Far	30 Doz	DOZ	96.67	139.33	44.14	91.81	129.83	41.41	119.64	129.24	8.02	80.00	130.20	62.75	89.95	134.94	50.02	119.64	130.37	8.97
13	Sugar, R	50 KG	KG	92.13	97.72	6.06	90.79	93.64	3.14	87.33	93.65	7.23	93.00	95.60	2.79	90.40	95.00	5.09	90.08	95.00	5.47
14	Chicken f	40 KG	KG	133.33	153.84	15.38	139.43	145.05	4.03	140.07	152.37	8.78	158.00	164.27	3.97	149.94	164.95	10.01	140.84	155.95	10.73
	Margin Average					43.95			24.83			23.64			21.49			13.90			21.10

The table above shows that wholesale and retail price margins are higher in Islamabad as compared with other provinces. The average margin for these 14 items was 43.95% in Islamabad, 24.83% in Punjab, 33.40% in Sindh, 21.49% in KPK, and 13.90% in Baluchistan which require proper action by the respective administrative authorities.

CONCLUSION

Consumer Price Inflation increased by 9.0% in September 2020 as compared to 8.2% of previous month and 10.5 % of August 2019. The rise in CPI is attributed to increase in prices of perishable food items, During September 2020, CPI inflation rural registered rise of 11.1 % on year-on-year basis as compared to an increase of

9.9% in the previous month and 11.1% in September 2019. However, inflation Urban, increased by 7.7% on year-on-year basis in September 2020 as compared to an increase of 7.1% in the previous month and 11.6% in September 2019. The rise in rural Inflation may be caused by distance of rural markets from urban markets which cause increase in transportation cost, and the margins.