

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

Consumer Price Index Report, June, 2021

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

Sensitive Price Indicator (SPI) on YoY increased by 17.6% in June 2021 as compared to an increase of 19.7% a month earlier and an increase of 11.5% in June 2020. On MoM basis, it decreased by 0.4% in June 2021 as compared to an increase of 0.8% a month earlier and an increase of 1.4% in June 2020.

Wholesale Price Inflation on YoY basis increased by 20.9% in June 2021 as compared to an increase of 19.4% a month earlier and an increase of 0.9% in June 2020. WPI inflation on MoM basis increased by 0.9% in June 2021 as compared to an increase of 0.3% a month earlier and a decrease of 0.3% in corresponding month i.e. June 2020.

Core Inflation Non-Food Non-Energy (NFNE)

Non-food non-energy Urban CPI increased by 6.7% on (YoY) basis in June, 2021 as compared to an increase of 6.8% in the previous month and 6.5% in June, 2020. On (MoM) basis, it increased by 0.3% in June, 2021 as compared

Highlights

CPI Inflation General increased by 9.7% on year-on-year basis in June 2021 as compared to an increase of 10.9% in the previous month and 8.6% in June 2020. On month-on-month basis, it decreased by 0.2% in June 2021 as compared to an increase of 0.1% in the previous month and an increase of 0.8% in June 2020.

CPI inflation Urban, increased by 9.7% on year-on-year basis in June 2021 as compared to an increase of 10.8% in the previous month and 7.6% in June 2020. On month-on-month basis, it decreased by 0.4% in June 2021 as compared to an increase of 0.2% in the previous month and an increase of 0.7% in June 2020.

CPI inflation Rural increased by 9.7% on year-on-year basis in June 2021 as compared to an increase of 10.9% in the previous month and 10.0% in June 2020. On month-on-month basis, it decreased by 0.1% in June 2021 as compared to a decrease of 0.03% in the previous month and an increase of 1.0% in June 2020.

to increase of 0.2% in previous month, and an increase of 0.4% in corresponding month of last year i.e. June, 2020.

Non-food non-energy Rural CPI increased by 7.3% on (YoY) basis in June, 2021 as compared to an increase of 7.6% in the previous month and 8.8% in June, 2020. On (MoM) basis, it increased by 0.4% in June, 2021 as compared to an increase of 0.3% in previous month, and an increase of 0.7% in corresponding month of last year i.e. June, 2020.

Core inflation (Trimmed)

Measured by 20% weighted trimmed mean Urban increased by 9.4% on (YoY) basis in June, 2021 as compared to 10.0% in the previous month and 7.4% in June, 2020. On (MoM) basis, it increased by 0.4% in June, 2021 as compared to an increase of 0.2% in the previous month and an increase of 0.4% in corresponding month of last year i.e. June, 2020.

Measured by 20% weighted trimmed mean Rural increased by 9.8% on (YoY) basis in June, 2021 as compared to 10.3% in the previous month and by 9.9% in June, 2020. On (MoM) basis, it increased by 0.6% in June, 2021 as compared to an increase of 0.4% in the previous month and an increase of 0.9% in corresponding month of last year i.e. June, 2020.

Period Average and Y-o-Y % Change

INDEX	Average July- June % changes			June over June % changes		
	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
CPI(National)	8.90	10.74	6.80	9.70	8.59	8.04
CPI(Urban)	8.15	10.17	7.09	9.68	7.65	8.10
CPI(Rural)	10.04	11.63	6.34	9.73	10.03	7.94
SPI	13.83	13.74	5.11	17.58	11.51	9.30
WPI	9.41	10.24	15.98	20.85	0.93	13.98

The National Consumer Price Index for June 2021 is decreased by 0.24% over May 2021 and increased by 9.70% over corresponding month of the last year i.e. June 2020.

The table given below shows that during the month of June 2021, non-perishable food items prices increased by 12.90% over June 2020, however prices declined by 1.69% over May 2021, further, a decline of 3.88% in prices of perishable food items was recorded as compared to corresponding month of last year. An increase of 17.40% was recorded in transportation group as compared to corresponding month of last year.

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

	Group	Indices	% Change June 2021 Over	Impact (In % points) June 2021 Over

No	Group	Weight (%)	June 2021	May 2021	June 2020	May 2021	June 2020	May 2021	June 2020
	General	100.00	144.89	145.24	132.08	-0.24	9.70	-0.24	9.70
1.	Food & Non-alcoholic Bev.	34.58	149.04	151.72	134.90	-1.77	10.48	-0.64	3.70
	<i>Non-perishable Food Items</i>	29.60	152.29	154.90	134.89	-1.69	12.90	-0.53	3.90
	<i>Perishable Food Items</i>	4.99	129.75	132.81	134.98	-2.31	-3.88	-0.11	-0.20
2.	Alcoholic Bev. & Tobacco	1.02	144.79	144.50	137.90	0.20	4.99	0.00	0.05
3.	Clothing & Footwear	8.60	149.14	148.91	135.64	0.16	9.96	0.01	0.88
4.	Housing, Water, Electricity, Gas & Fuels	23.63	140.11	139.49	128.43	0.45	9.10	0.10	2.09
5.	Furnishing & Household Equipment Maintenance	4.10	141.97	141.13	129.33	0.59	9.77	0.02	0.39
6.	Health	2.79	153.93	153.03	140.67	0.58	9.42	0.02	0.28
7.	Transport	5.91	144.34	141.62	122.95	1.92	17.40	0.11	0.96
8.	Communication	2.21	108.65	108.61	106.96	0.03	1.58	0.00	0.03
9.	Recreation & Culture	1.59	127.35	125.67	119.96	1.34	6.15	0.02	0.09
10.	Education	3.79	144.95	144.61	142.40	0.24	1.80	0.01	0.07
11.	Restaurants & Hotels	6.92	143.36	142.37	131.81	0.69	8.76	0.05	0.61
12.	Miscellaneous	4.87	153.38	151.85	138.30	1.00	10.90	0.05	0.56

The Urban Consumer Price Index of May 2021 The Urban Consumer Price Index of June 2021 is decreased by **0.37%** over May 2021 and increased by **9.68%** over corresponding month of the last year i.e. June 2020. Top few commodities which recorded price variation as compared to May,2021 are as follows:

Sr no.	Food Items	Price Increased(Mom%)	Food Items	Price Decreased (MoM%)
1.	Tomatoes	28.94%	Chicken	36.86% (Rs.288.53 in May, Rs. 208.53 June ,2021)
2.	Onions	14.97%	Fruits	20.07%
3.	Eggs	4.37%	Pulse moong	6.10%
4.	Vegetables	3.11%	Pulse gram	1.82%
5.	Meat	2.85%	Pulse mash	1.24%

Non-food Items in urban consumer price index whose price witnessed increase and decrease over May 2021, are given in table below;

Sr.no	Non-Food Items	Price Increased(Mom%)	Price Decreased (MoM%)
1.	Liquefied Hydrocarbons	26.26%	Transport Services 0.58%
2.	Motor fuel	21.83%	

3.	Personal Effects(gold,silver,suitcase,trunk,ladies purses, wall clock, imitation jewelry)	2.47%		
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The Rural Consumer Price Index of June 2021 is decreased by 0.06% over May 2021 and increased by 9.73% over corresponding month of the last year i.e. June 2020.

Position of Import of Food Group (May, 2021)

Sr. No.	Commodities	Quantity (M.T)	Value (PKR Mln)	Quantity (M.T)	Value (PKR Mln)	YoY Change(%) (Value in Rupees)
		May-21	May-21	May-20	May-20	
1	Wheat	-	-	-	-	-
2	Spices	13,000	3,630	11,144	2,579	40.75
3	Palm Oil	238,547	39,108	209,634	21,591	81.13
4	Sugar	395	44	344	30	46.67
5	Tea	21,201	7,516	18,254	6,995	7.45
6	Pulses	129,585	12,190	85,193	6,924	76.05

The table given above shows that an increase in import of essential commodities of food group during the month of May,2021. Palm oil imports in terms of value also registered growth of 81.13% over last year mainly because of rising international prices which put pressure on domestic prices. In April and May, no wheat was imported as a bumper wheat crop is expected this year. Moreover, in the month of May 2021, 395 tons of sugar was imported, showing 46.67 % growth in import value, tea import during the month of May, 2021, also registered an increase of 7.45%.

GLOBAL COMMODITY PRICE TREND Review

Global commodity prices showed upward trend during the month of June, 2021, in energy group Crude oil Brent price rose to \$/bb **73.1** in June, 21 against \$/bb **68.0** in May 2021, natural gas index rose to **94.3%** in June 21, against 83.5% in May 21. In non-energy commodities group, global average price of Tea remained unchanged to \$ **2.7** per kg in June, Palm Oil prices declined to \$ **1,017** Mt in June 21 from \$ **1,156** Mt in May 2021. Wheat US SRW increased to \$ **275.1** Mt in June ,21 from \$ **271.0** in May 21, Sugar world price remained unchanged to \$ **0.38** per kg in June 21, global price of Chicken Meat during June 21, increased to \$ **2.38** per kg from \$ **2.37** per kg in June, 21.

CONCLUSION

Consumer inflation dropped to 9.7% in the month of June as compared to corresponding month of last year, due to improved checks in the prices of food and fuel CPI, registered decline of 0.2% on month on month basis. Meanwhile, the Sensitive Price Indicator (SPI), which gauges rates of kitchen items on weekly basis, increased by 17.6% against corresponding month of last year. Similarly, the wholesale price index (WPI) based inflation enhanced by 20.9% in the period under review. While prices of non-perishable

foods were seen increasing, prices of perishable foods came down year-on-year and month-on-month.

Meanwhile, the State Bank of Pakistan (SBP) has maintained its inflation estimate for FY2021 in the 7-9% range. It expects inflation to gradually fall to 5-7% over the medium-term. Increase in value of imports of food group contributed to rising inflation readings, especially in some food prices. One example is vegetable ghee, the primary input for which is imported palm oil. Over the last one year, the price of imported palm oil has gone up by as much as 60 percent. However, the price of vegetable ghee has risen by 24 percent. Similarly, the prices of imported pulses have jumped up by over 15 percent. However, the average domestic price of different pulses is down by 7 percent. During the month of June, urban and rural inflation was recorded at similar rate of 9.7%, During the month of June 2021, chicken registered higher price decline of 36.86% as compared to last month.