

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

Sensitive Price Indicator Weekly Report
Week ending on (01-10-20)

Sensitive Price Indicator (SPI) is computed on weekly basis to assess the price movements of essential items at shorter interval of time so as to review the current price situation in the country. SPI comprises of 51 necessary commodities which are being collected from 50 markets in 17 cities of the country.

SPI Review by Expenditure Groups/Quintiles:

The SPI for the current week ended on 1st October, 2020 recorded an increase of 0.71% over last week. This increase is mainly due to a rise of 1% or more in prices of food items i.e. Onions (21.10%), Tomatoes (9.85%), Chicken (6.34%), Eggs (2.95%), Garlic (2.03%), Potatoes (1.46%) and Pulse Moong (1.33%) with joint impact of 0.66 into the overall SPI for 51 essential items and for combined group of (0.71%).

On the other hand, a **decrease** was observed in the prices of Diesel (2.28%), Bananas (1.94%) and Pulse Mash (0.20%). During the week, out of 51 items, prices of **24 (47.06%)** items increased, **03 (5.8%)** items decreased and **24 (47.06%)** items remained constant.

Table given below shows that during the week under review, most affected group due to price increase was Q1 0.85% followed by Q2 0.82%, Q3 0.77%, Q4 0.75% and Q5 0.64%. On YOY basis combined expenditures group witnessed price increase of 9.43% over corresponding week of last year. This analysis reveals that more affected Groups of price increase during the week were Q1 and Q2.

Expenditure Groups	SPI for week ended on			Percent change over	
	01-10-20	24/9/2020	03/10/2019	24/9/2020	03/10/2019
Q1 (UptoRs. 17,732)	146.49	145.26	130.08	0.85	12.62
Q2 (Rs. 17,733 - 22,888)	141.02	139.87	125.51	0.82	12.36
Q3 (Rs. 22,889 - 29,517)	142.17	141.09	128.06	0.77	11.02
Q4 (Rs. 29,518 - 44,175)	138.47	137.44	125.66	0.75	10.19
Q5 (Above Rs. 44,175)	139.18	138.29	129.22	0.64	7.71
- Combined	<u>139.01</u>	<u>138.03</u>	<u>127.03</u>	<u>0.71</u>	<u>9.43</u>

HIGHLIGHTS

- The SPI for the current week ended on 01st October, 2020 recorded an increase of 0.71% over last week. This increase is mainly due to a rise of 1% or more in prices of food items i.e. Onions (21.10%), Tomatoes (9.85%), Chicken (6.34%), Eggs (2.95%), Garlic (2.03%), Potatoes (1.46%) and Pulse Moong (1.33%) with joint impact of 0.66 into the overall SPI for 51 essential items and for combined group of (0.71%).
- On the other hand, a decrease was observed in the prices of Diesel (2.28%), Bananas (1.94%) and Pulse Mash (0.20%). During the week, out of 51 items, prices of 24 (47.06%) items increased, 03 (5.8%) items decreased and 24 (47.06%) items remained constant.
- The year on year trend depicts an increase of 9.43% with most of the items increased mainly Chilies Powder (86.31%), Tomatoes (72.00%), Potatoes (63.95%), Pulse Moong (42.58%), Pulse Mash (34.99%), Eggs (34.77%), Sugar (30.82%), Pulse Masoor (25.03%), Bread (19.41%), Gur (18.71%), Match Box (18.03%), Veg Ghee 1kg (17.75%), Washing Soap 250 gm (17.23%), Mustard Oil (16.18%) and Veg Ghee 2.5kg (15.75%). While a major decrease was observed in the price of Diesel (18.03%), Chicken (14.12%), LPG (12.90%), Garlic (9.91%), Onion (8.93%) and Petrol (8.11%).

Analysis of Weekly SPI for 27 kitchen items

For the week ended on 1st October, an increasing price impact of 1.16% was witnessed in combined group over last week for 27 kitchen items because of rising price impact of Wheat Flour Bag (0.01%), Chicken (0.37%), Onions (0.55%), Eggs (0.07%), Sugar Refined (0.02%), Pulse Moong

The Price difference of items in different cities as shown in the table above can be related to transportation costs. This applies to those commodities that are physically transported from one city to another as they are not grown/produced in that particular area. Moreover, heavy rains in the country which caused damage the crops, also caused price increase in different essential items.

CONCLUSION

The Sensitive Price Indicator (SPI) inflation for the week under review, for the combined consumption group, witnessed an increase of 0.71% compared to last week. The increase is caused by rise in prices of essential kitchen items and on YOY basis combined consumption group showed an increase of 9.43% over corresponding week of last year. The price impact in combined consumption group for the week ended on 01-10-2020 was 1.16% for 27 kitchen items and on YoY basis it stood at 14.19%. On the other hand, in lowest income group for 27 essential kitchen items, SPI witnessed an increasing impact of 1.29% over last week and 16.74% on YoY basis. A joint impact of 0.66 into the overall SPI for combined group of (0.71%) due to increase in food prices only.