

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 (08-10-20)

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 08th October, 2020 recorded an increase of 1.24% over last week. This increase is mainly due to a rise of 1% or more in prices of food items i.e. Tomatoes (16.39%), Onions (12.78%), Eggs (10.78%), Chicken (5.34%), Wheat flour Bag (2.78%), Potatoes (2.64%), Pulse Moong (1.21%) and Sugar (1.03%) with joint impact of 1.16 into the overall SPI for combined group of (1.24%).

On the other hand, a decrease was observed in the prices of Bananas (2.17%), Pulse Moong (0.40%), Pulse Mash (0.13%) and Gur (0.04%). During the week, out of 51 items, prices of 24 (47.06%) items increased, 04 (7.8%) items decreased and 23 (45.10%) items remained constant.

Table given below shows that during the week under review, Q1 price increase was 1.56% for Q2 1.53%, for Q3 it was 1.40%, Q4 1.34% and 1.08% for Q5. On YOY basis combined expenditures group witnessed price increase of 11.28% 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	
	08/10/20	1/10/2020	10/10/2019	01/10/2020	10/10/2019
Q1 (UptoRs. 17,732)	148.78	146.49	129.68	1.56	14.73
Q2 (Rs. 17,733 - 22,888)	143.18	141.02	125.00	1.53	14.54
Q3 (Rs. 22,889 - 29,517)	144.16	142.17	127.52	1.40	13.05
Q4 (Rs. 29,518 - 44,175)	140.32	138.47	125.08	1.34	12.18
Q5 (Above Rs. 44,175)	140.68	139.18	128.65	1.08	9.35
- Combined	<u>140.73</u>	<u>139.01</u>	<u>126.47</u>	<u>1.24</u>	<u>11.28</u>

Analysis of Weekly SPI for 27 kitchen items

For the week ended on 10 October, an increasing price impact of 2.08% was witnessed in combined group over last week for 27 kitchen items because of rising price impact of Wheat Flour Bag (0.19%), Chicken (0.28%), Onions (0.39%), Eggs (0.25%), Sugar Refined 0.05%), Pulse Mash (0.11%), Tomatoes (0.68%), Onions (0.39), and Potatoes (0.12%). Similarly, lowest income group recoded an increasing impact of 2.40% over last week as rising price impact was observed in Wheat Flour (0.26 %), Eggs (0.18 %), Tomatoes (0.86 %), Onions (0.54 %) and Chicken Farm (0.19 %).

HIGHLIGHTS

- The SPI for the current week ended on 08th October, 2020 recorded an increase of 1.24% over last week. This increase is mainly due to a rise of 1% or more in prices of food items i.e. Tomatoes (16.39%), Onions (12.78%), Eggs (10.78%), Chicken (5.34%), Wheat flour Bag (2.78%), Potatoes (2.64%), Pulse Moong (1.21%) and Sugar (1.03%) with joint impact of 1.16 into the overall SPI for combined group of (1.24)
- On the other hand, a decrease was observed in the prices of Bananas (2.17%), Pulse Moong (0.40%), Pulse Mash (0.13%) and Gur (0.04%). During the week, out of 51 items, prices of 24 (47.06%) items increased, 04 (7.8%) items decreased and 23 (45.10%) items remained constant
- The year on year trend depicts an increase of 11.28% with most of the items increased mainly Tomatoes (117.00%), Chilies Powder (86.31%), Potatoes (64.75%), Pulse Moong (41.13%), Eggs (40.82%), Pulse Mash (34.66%), Sugar (32.08%), Pulse Masoor (25.72%), Bread (19.41%), Gur (19.34%), Wheat Flour Bag (18.32%), Washing Soap 250 gm (17.49%), Veg Ghee 1kg (17.43%), Match Box (17.07%) and Mustard Oil (16.32%). While a major decrease was observed in the price of Diesel (18.03%), LPG (13.53%), Garlic (9.91%), Petrol

On year on year basis, combined group recorded a rising impact of 17.50 which is attributed to increase in price impact of kitchen items i.e. Wheat Flour Bag (1.12%) Rice Basmati Broken (0.17%), Milk Fresh (3.58%), Eggs Hen Farm (1.71%), Potatoes (0.97%), Sugar Refined (1.67%), Chillies Powder (1.46%), Beef (0.81%), Mutton(0.50%), Cooking Oil Dalda 5 litre tin (0.56%), Vegetable Ghee1kg Pouch (0.440%),Tomatoes (2.29%), however, a declining price impact was shown in Onions (0.150%), and Garlic (0.02%). Price impact on YOY basis for lowest income group for Q1 was 20.16% which is ever highest during last two years.

Consumer Prices Of Essential Kitchen Items in Different Cities

Sr. No	Units	Islamabad	Rawalpindi	Lahore	Karachi	Quetta	Peshawar
1	Wheat Flour Bag 20kg	867.42	860.00	860.00	1423.57	1204.98	1336.61
2	Rice Basmati Broken	106.56	98.54	76.87	95.90	114.93	94.31
3	Mutton (Average Quality) 1kg	1145.03	1158.24	1051.19	1040.71	1096.96	947.77
4	Chicken Farm Broiler(1kg)	163.82	155.42	156.00	194.44	184.95	168.00
5	Milk fresh (Un-boiled)	87.30	119.83	90.00	120.00	120.00	119.70
6	Eggs Hen 1dozen	157.73	152.24	152.00	152.21	174.95	164.37
7	Cooking Oil 5 Kg	1265.0	1265.00	1240.00	1265.00	1265.00	1265.00
8	Pulse Moong 1kg	252.84	238.42	237.40	259.07	254.97	231.72
9	Pulse Mash 1kg	256.43	248.91	248.01	234.92	259.87	239.91
10	Pulse Gram 1kg	153.26	148.40	133.72	159.24	174.95	154.36
11	Potatoes	87.30	82.13	78.43	55.39	57.30	78.82
12	Onions 1kg	96.55	87.07	80.84	73.14	59.86	72.11
13	Tomatoes 1kg	153.26	138.29	149.78	153.63	109.70	98.37
14	Sugar Refined 1kg	104.47	99.33	98.90	97.37	99.50	100.54
15	Petrol Super Per Liter	104.47	104.47	104.47	104.47	104.47	104.47

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.

Price Comparison of Major Kitchen Items (Combined Group)

Sr. No	Items	Prices				impact Current/prev				
		3/9/20	10/9/20	17-9-20	24-9-20	8/10/2020	1/10/2020	10/10/19	Prev.	Corresp.
1	Wheat Flour	1025.25	1026.22	1030.33	1031.17	1063.25	1031.99	906.63	0.19	0.5
2	Rice Basmati	88.29	88.46	88.46	88.68	89.38	88.92	83.39	0.01	0.44
3	Mutton	1019.04	1022.42	1023.31	1027.42	1030.15	1027.42	933.29	0.01	0.5
4	Chicken Farm	126.82	150.11	161.46	152.30	171.6	163.1	160.07	0.28	0.44
5	Milk Fresh	104.85	104.94	105.05	105.05	105.21	105.05	94.21	0.05	3.58
6	Eggs Hen	127.54	130.89	138.09	139.47	155.46	142.9	113.57	0.25	0.97
7	Onions	53.31	51.67	52.59	56.72	76.32	68.16	79.04	0.39	-0.15
8	Cooking oil 5liter	1251.83	1254.52	1256.61	1257.25	1258.22	1257.76	1146.33	0.00	0.56
11	Pulse Moong	228.72	235.76	240.36	242.01	243.82	243.76	171.75	0.00	0.3
12	Potatoes	68.78	67.93	67.91	67.85	69.68	67.6	44.91	0.12	1.71
13	Tomatoes	83.57	74.20	95.01	110.04	141.6	115.65	65.18	0.68	2.29
14	Sugar Refined	94.92	94.55	94.77	96.90	98.05	97.22	74.39	0.05	1.67

CONCLUSION

The Sensitive Price Indicator (SPI) inflation for the week under review, for the combined consumption group, witnessed an increase of 1.24% 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 11.28% over corresponding week of last year. The price impact in combined consumption group for the week ended on 10-10-2020 was 2.08% for 27 kitchen items and on YoY basis it stood at 17.50%. On the other hand, in lowest income group for 27 essential kitchen items, SPI witnessed an increasing impact of 2.40% over last week and 20.16% on YoY basis. An analysis of price comparison the month of September reveals upward price increase trend in essential kitchen items, thus contributing consistent rise to SPI index. Moreover, global price commodities during the month of September showed stability as average price of Tea fell from \$ 3.16 to \$ 3.10 per kg, , 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, , 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. Consumer prices in India increased 6.69 percent year-on-year in August of 2020, following a downwardly revised 6.73 percent rise in the previous month and below market forecasts of 6.85 percent.

A comparison of neighbouring countries CPI shows that the annual inflation rate in Bangladesh rose to 5.68 percent in August of 2020 from 5.53 percent in the prior month, as food prices advanced faster (6.08 percent vs 5.70 percent in July). The annual inflation rate in Sri Lanka slowed for the second month to 4 percent in September of 2020 from 4.1 percent in August. Inflation fell for food (11.5 percent vs 12.3 percent) but edged up for non-food products (0.9 percent vs 0.8 percent). On a monthly basis, consumer prices jumped 0.7 percent after a flat reading in August.