

Inflation Monitor

July 2010



State Bank of Pakistan

Economic Analysis Department

ISSN 1992-8327 (print)

ISSN 1992-8335 (online)

The analysis in this document is based on data provided by:

- Federal Bureau of Statistics, Pakistan for domestic inflation analysis
- IMF & World Bank websites for global inflation analysis

http://www.sbp.org.pk/publications/Inflation_Monitor

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1. Overview

Despite some ease in headline CPI inflation during July 2010, inflationary pressures remained strong in the economy. Headline CPI inflation YoY dropped from 12.7 percent in June 2010, to 12.3 percent in July 2010. WPI inflation YoY bounced back from 17.6 percent in the last month to 18.7 percent. Food inflation slightly declined during July 2010, relative to the preceding month, whereas non-food inflation increased. The rise in non-food inflation largely

emanated from upward adjustment in energy tariff, and temporary low base effect of key fuel prices in July 2009.¹ This indicates strengthening demand pressures.

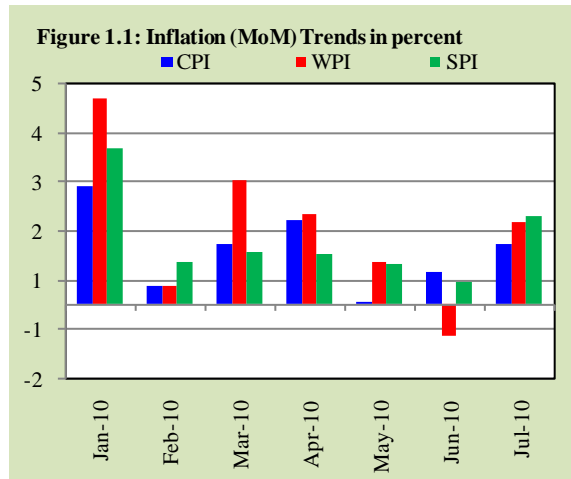


Table 1.1: Inflation Trends

	percent													
	CPI						Core Inflation				WPI		SPI**	
	General		Food		Non-food		NFNE*		Trimmed		YoY	MoM	YoY	MoM
Jun-09	13.1	1.0	10.5	1.0	15.4	1.0	15.9	0.7	15.5	0.8	4.1	2.4	10.8	1.2
Jul-09	11.2	1.5	10.7	3.0	11.6	0.3	14.0	0.7	13.9	0.8	0.5	0.7	9.4	3.2
Aug-09	10.7	1.7	10.6	2.5	10.8	1.0	12.6	0.8	13.1	1.1	0.3	2.2	7.8	1.4
Sep-09	10.1	0.5	10.0	0.4	10.2	0.5	11.9	0.8	12.4	0.6	0.7	0.2	8.5	1.0
Oct-09	8.9	1.0	7.5	1.1	10.0	0.8	11.0	0.8	10.6	0.8	3.8	1.2	6.7	0.2
Nov-09	10.5	1.4	11.1	1.8	10.0	1.0	10.6	0.8	10.5	0.7	12.5	2.8	10.0	1.9
Dec-09	10.5	-0.5	10.9	-1.7	10.2	0.6	10.7	0.7	10.4	0.6	15.0	0.2	11.9	0.3
Jan-10	13.7	2.4	15.5	2.0	12.2	2.8	10.3	0.7	12.7	1.3	19.6	4.2	17.8	3.2
Feb-10	13.0	0.4	14.9	0.1	11.5	0.6	10.1	0.8	12.4	0.7	19.3	0.4	17.2	0.9
Mar-10	12.9	1.3	14.5	1.8	11.6	0.8	9.9	0.8	12.7	0.8	21.8	2.5	17.6	1.1
Apr-10	13.3	1.7	14.5	2.0	12.2	1.5	10.6	1.7	12.7	1.1	22.0	1.8	17.4	1.0
May-10	13.1	0.1	14.8	0.0	11.7	0.1	10.3	0.6	12.5	0.4	21.2	0.9	17.4	0.8
Jun-10	12.7	0.6	14.5	0.7	11.2	0.6	10.4	0.7	11.7	0.7	17.6	-0.6	16.5	0.4
Jul-10	12.3	1.2	12.8	1.5	12.0	1.0	10.3	0.5	12.0	0.7	18.7	1.7	14.9	1.8

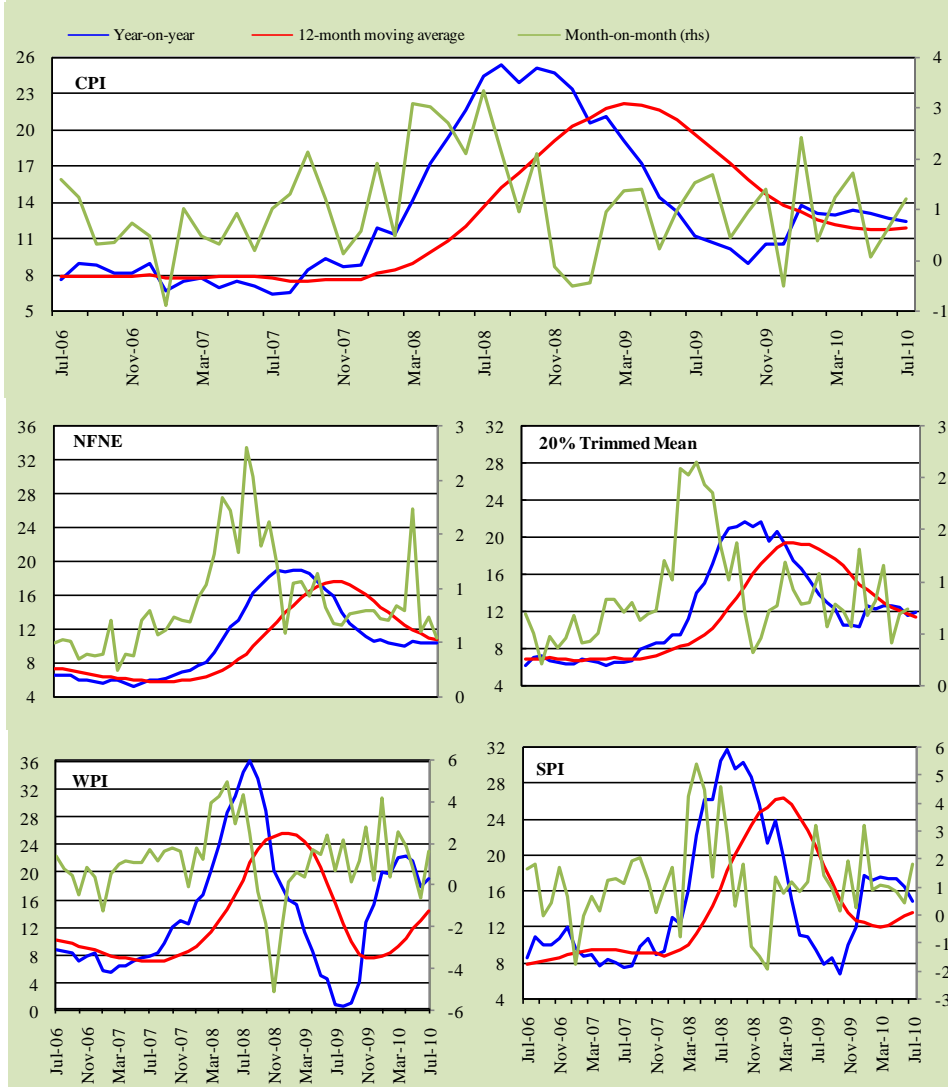
* NFNE is Non-food non-energy inflation; ** SPI for all income groups combined.

Month-over-month (MoM) inflation increased during July 2010, as reflected in all price indices, against a decline in the previous month (**Figure 1.1**). The increase was contributed by both food and non-food inflation; however, the contribution from food group was more pronounced. Increase in the prices of

¹ The low-base effect of administered fuel prices will disappear in August 2010, but will reemerge in September 2010.

imported food commodities amid rising international prices, pressures on rupee parity during the month, pre-Ramadan demand pressures as well as increasing concerns over smooth supply of sugar in the country caused food inflation to raise.

Figure 1.1: Movements in Price Indices (percent change)



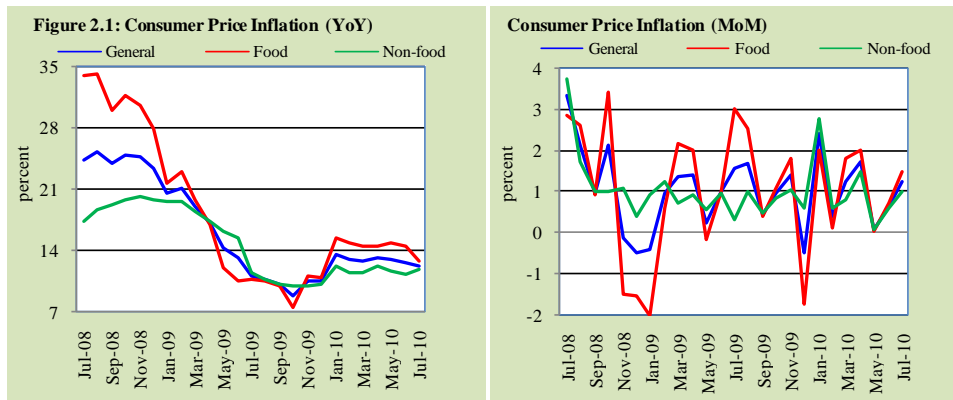
The movements of core inflation also suggest strong inflationary pressures. Core inflation measured by trimmed mean surged to 12 percent in July 2010 compared with 11.3 percent in the preceding month. A decline in core inflation measured

by non-food non-energy (NFNE) from 10.4 percent to 10.3 percent implies that inflationary pressures are largely concentrated in food and energy (**Table 1.1**).

Going forward, inflationary pressures are likely to strengthen further due to: supply disruptions and damages to crops due to flood and rains and impact of rising international prices of key staples and metals. Prices of vegetables are likely to recede after a few months when supply will improve, however, prices of wheat, rice, and sugar are likely to contribute in domestic inflation during most of FY11.

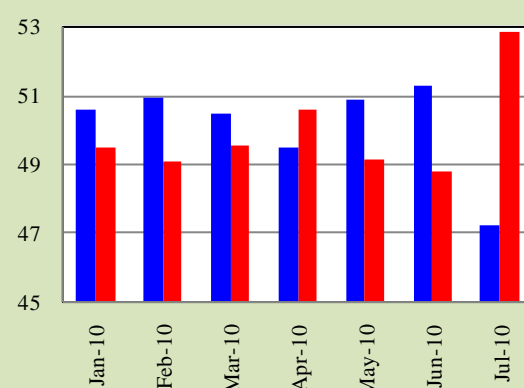
2. Consumer Price Index

Headline CPI inflation (YoY) was 12.3 percent in July 2010, as against 12.7 percent last month and 11.2 percent in the same month last year. The slight ease during the month compared to the last month is attributed to a moderation in food inflation (see **Figure 2.1**).

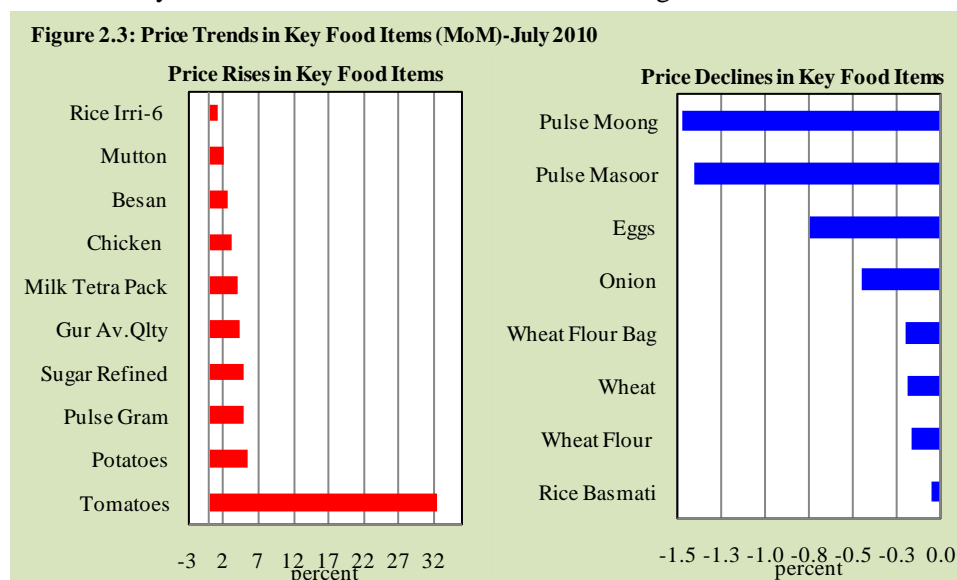


Recent trends in inflation indicate that inflationary pressures in the economy remained strong. The major factors responsible for this were: (a) upward adjustment in energy tariffs in recent months; (b) supply shortages of some important food items such as pulses and sugar; as well as (c) rise in international prices of these commodities.

Figure 2.2: Weighted Contribution to Overall Inflation (YoY)



Since January 2010, food inflation has been contributing more to overall inflation

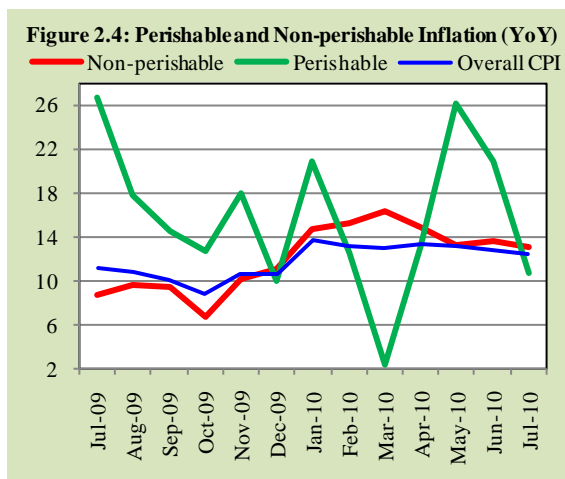


than non-food inflation. This trend changed in July 2010 as a result of relative decline in food inflation and an increase in non-food inflation; dragging down the contribution of food inflation sharply (see **Figure 2.2**).

2.1 Food Inflation

CPI food inflation YoY declined from 14.5 percent in the previous month to 12.8 percent during July 2010, but it was still higher than 10.7 percent in the corresponding month last year. However, on month on month basis, food inflation increased from 0.7 percent in the last month to 1.5 percent in the month under review.

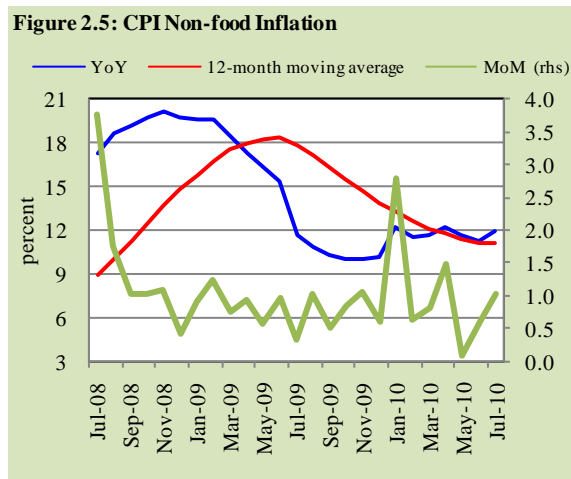
A higher pre-Ramadan demand led to increased prices of key food items. For instance, prices of items like gram, ghee, sugar, gur, milk, and besan increased in July 2010 (see **Figure 2.3**).



Out of the reported 111 food items, prices of 64 items registered double-digit increase YoY during July 2010 compared to 68 items during the previous month.

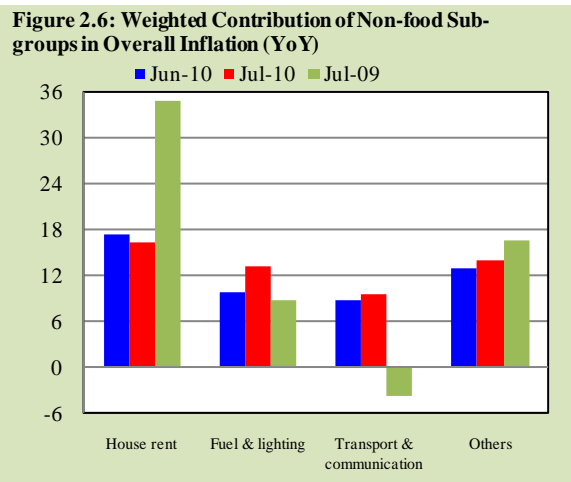
Similarly, 32 items witnessed below 5 percent increase in the review month against 31 items a month earlier. Fifteen items posted between 5-10 percent increase in the review month against 11 items in the last month.

Further bifurcation of food group into perishable and non-perishable items suggests that year-on-year inflation in both sub-categories decelerated during July 2010 compared with the preceding month. However, the decline in perishable food items was more pronounced. And this can be attributed to significant decline in the prices of potatoes, onions, and tomatoes in July 2010 relative to the same month last year (see **Figure 2.4**)



2.2 Non-food Inflation

CPI non-food inflation (YoY) increased to 12.0 percent in July 2010 from 11.2 percent in June 2010. The same was 11.6 percent in July 2009. A similar trend was witnessed on MoM basis, as CPI non-food inflation increased to 1.0 percent during the review month from 0.6 percent in the previous month (see **Figure 2.5**).



Segregated analysis of CPI non-food inflation YoY into sub-groups indicates that, out of nine sub-groups, seven registered rise in inflation during July 2010 compared to five in June 2010. Inflation in one sub-group remained unchanged, while only one sub-group recorded decline in inflation. Recent surge in CPI non-food inflation was mainly contributed by *fuel & lighting* sub-group followed by transport & communication (see **Figure A1**).

Furthermore, weighted contribution of CPI non-food groups to overall inflation shows that out of nine sub-groups, contribution of six sub-groups increased, one sub-group (House Rent Index) registered a fall in its weighted contribution, while contribution of the remaining two sub-groups, remained unchanged during July 2010. Weighted contribution by fuel & lighting sub-group was highest followed by transport & communication sub-group (see **Figure 2.6**).

- *House rent index sub-group* continued with its downtrend since June 2009. Fall in HRI is mainly due to fall in cement prices on the back of subdued external demand.
- Rise in *fuel & lighting sub-group* inflation was due to rise in electricity tariffs. In addition, rise in the prices of electric appliances such as bulbs and tube lights also contributed towards inflation in the sub-group.
- Increase in inflation in transport and communication sub-group was due to continued pressures on fares of different modes of transportation, increased cost of postage, as well as rise in intercity call charges.

Further, item-wise analysis of non-food group shows that out of 250 items, 50 items either registered price fall or no change in prices, 37 items recorded price rise up to 5.0 percent. Moderate price increase (between 5-10 percent) was seen in 68 items, while the remaining 95 items registered more than 10.0 percent price rise (see **Table A4**).

2.3 City-wise Inflation

City-wise inflation data indicates that food inflation was a major driver of inflation in cities. Cities where food inflation was higher, registered inflation above overall headline inflation. This is also evident from the fact that in most of the cities non-food inflation remained almost at the same levels as overall inflation in respective cities (see **Table A6**).

City-wise inflation data for July 2010 shows that:

- Highest inflation was in Mianwali while lowest inflation was in Loralai.
- These cities also registered highest and lowest food inflation respectively.
- Among the major cities, Karachi had the highest overall inflation followed by Peshawar.
- Highest non-food inflation was in Bahawalnagar while lowest non-food inflation was in Islamabad.

2.4 Income Group-wise Inflation

Income group-wise data suggests that incidence of YoY inflation during July 2010, was highest in the income group having monthly income between Rs 5000-12000, mainly due to higher incidence of food inflation. Inflation in the low income group was the least compared to all other income groups. This is probably a function of drop in the prices of wheat, onion, tomatoes, and potatoes during July 2010. On the other hand, highest non-food inflation was recorded in income group having monthly income between Rs 3001-5000, while lowest non-food inflation was witnessed in the lowest income group (see **Table 2.1** and **Table A7**).

	Jul-09	Jun-10	Jul-10
<u>Up to Rs. 3000</u>			
General	11.7	12.7	12.1
Food	11.3	14.1	12.6
Non-food	12.2	10.8	11.6
<u>Rs. 3001-5000</u>			
General	11.8	12.7	12.3
Food	10.5	14.1	12.4
Non-food	13.3	11.1	12.1
<u>Rs. 5000-12000</u>			
General	10.3	12.6	12.4
Food	10.9	14.8	13.1
Non-food	9.9	11.3	12.0
<u>Above Rs. 12000</u>			
General	11.2	12.7	12.3
Food	10.7	14.5	12.8
Non-food	11.6	11.2	12.0

3. Wholesale Price Index

Inflation measured by wholesale price index (WPI), increased to 18.7 percent during July 2010 compared with 17.6 percent in the previous month. Similarly, on a MoM basis, WPI inflation was 1.7 percent against a deflation of 0.6 percent in the previous month (see **Figure 3.1 & Table 3.1**).

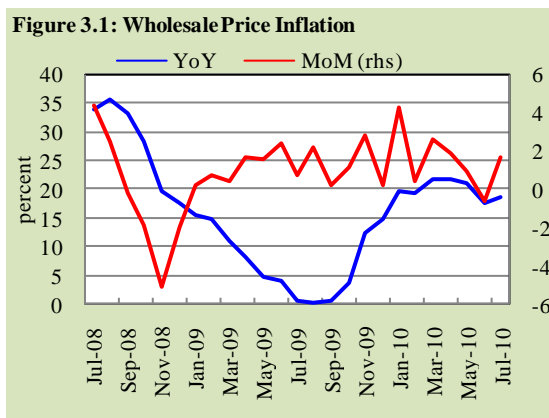


Table 3.1: WPI Inflation Trends

	Overall	Food	Non-food	Raw materials	Fuel, lighting & lubricants	Manufactures	Building materials
Month on Month							
Jul-09	0.7	2.0	-0.4	-1.5	-0.9	-0.1	3.3
May-10	0.9	0.1	1.4	3.3	-0.6	3.3	1.8
Jun-10	-0.6	1.2	-2.0	0.3	-4.0	-0.8	-0.4
Jul-10	1.7	1.9	1.5	1.2	1.8	2.1	-1.8
Year on Year							
Jul-09	0.5	8.7	-5.4	8.3	-11.8	1.2	-11.5
May-10	21.2	14.4	26.9	49.2	26.9	20.5	13.9
Jun-10	17.6	14.5	20.1	50.5	12.6	19.5	13.2
Jul-10	18.7	14.3	22.5	54.6	15.7	22.2	7.5

Out of 106 composite items included in WPI basket, 41 recorded more than 10 percent increase, 28 items between 5-10 percent, 23 items less than 5 percent whereas, prices of 14 items declined or remained unchanged during July 2010 on YoY basis (see **Annexure Table A8**).

Food Group

Like CPI, WPI food inflation (YoY) also declined during July 2010 compared to June 2010, mainly due to a decline in prices of key staples on YoY basis (see **Figure 3.2**).

However, WPI food inflation increased on MoM basis during July 2010 compared to the previous month (see **Table 3.1**).

Non-food Group

Inflation (YoY) in WPI non-food group rose sharply from 20.1 percent in June 2010 to 22.5 percent in July 2010. Acceleration in all sub-groups of WPI non-food relative to the preceding month except building materials, pushed non-food inflation higher (see **Figure 3.3 & Table 3.1**).

Strong inflation in fuel & lighting sub-group was due to: (a) shift of high fuel cost to agriculture and industrial consumers in the form of rise in electricity tariff; and (b) pass through impact of strong international crude oil prices to domestic furnace oil and diesel prices.

Strong demand for oil seeds, as well as, rise in international prices pushed the raw materials sub-group inflation higher. Inflation in manufacturers sub-group accelerated mainly due to a rise in cotton yarn prices.

In contrast to other non-food groups, inflation in building materials sub-group declined during July 2010 compared to June 2010 on YoY basis. Whereas, on MoM basis it showed deflation during July 2010 as construction and real

Figure 3.2: Food items registered decline during July 2010

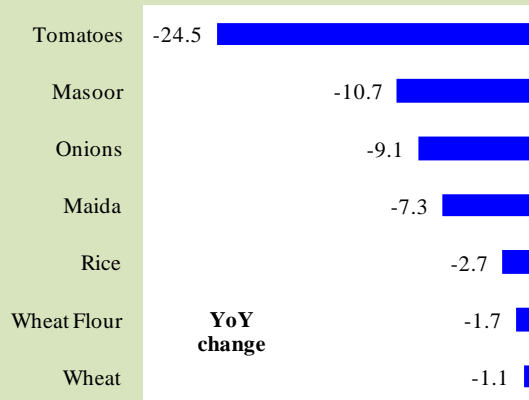
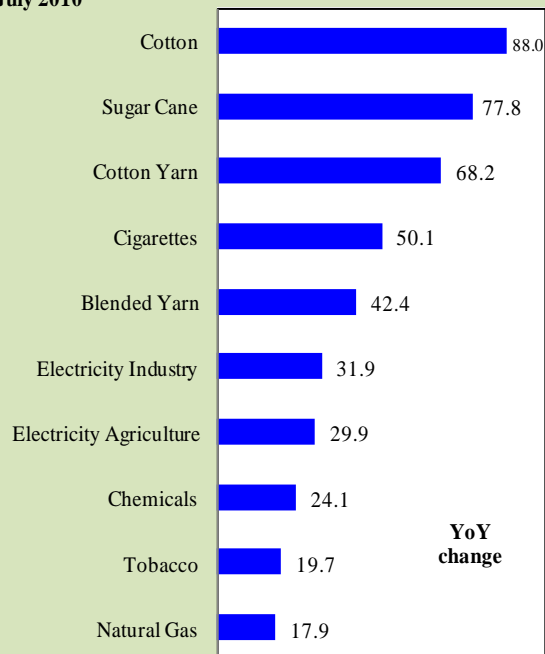


Figure 3.3: Top ten non-food items registered increase during July 2010

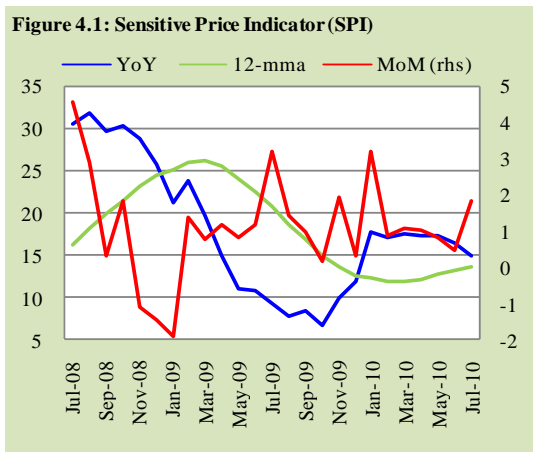


estate activity remained dull in the economy for the last couple of months due to poor economic growth and lack of investor confidence.² This has coincided with weak external demand of cement³ and higher iron supply on account of improvement in ship breaking activities at Gidani port.⁴

4. Sensitive Price Indicator

Similar to the CPI, inflation (YoY) measured by SPI declined to 14.9 percent during July 2010 compared to 16.5 percent in June 2010.

However, on MoM basis SPI registered 1.8 percent inflation during July 2010 compared to 0.4 percent in the previous month (see **Figure 4.1**).



² Foreign investment in July 2010 declined by 37.2 percent compared to June 2010.

³ Cement exports declined to 756,300 tons in July 2010 from 841,800 in June 2010.

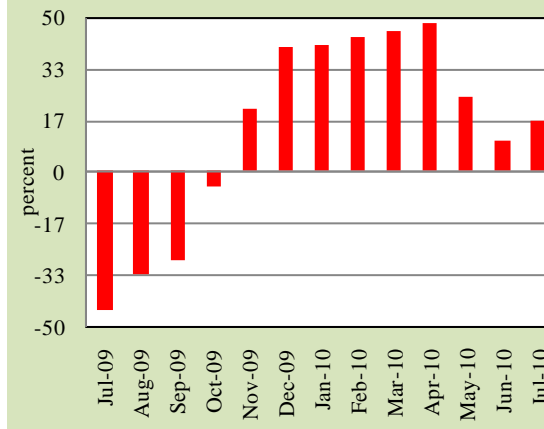
⁴ Import of iron and steel scrap increased to 127,100 tons from 99,600 tons in June 2010.

5 Global Commodity Prices

5.1 Overview

After witnessing a fall in the preceding two months, international commodity prices recovered during July 2010. Recent rise in commodity prices came mainly from food commodities such as wheat, soybean, and sugar. Consequently, IMF commodity prices index increased by 1.2 percent on MoM basis in July 2010 (see **Figure 5.1**).

Figure 5.1: Global Commodity Index-YoY



5.2 Food Group

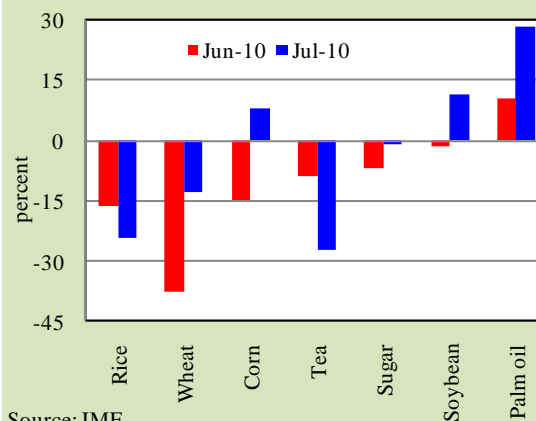
IMF food index increased by 5.6 percent in July 2010 compared to a 3.0 percent decline in June 2010 (see **Figure 5.2**).

The largest increase was seen in wheat prices as severe drought damaged wheat crop in Russia. Similarly, unfavorable dry weather in Kazakhstan, Ukraine, and the European Union, and flooding in Canada has badly affected wheat crops raising global wheat prices.

Sugar prices increased by 7.6 percent in July 2010 reaching US\$ 585.7 per metric ton.

Recent uptick in sugar prices is attributed to higher international demand amid tight supplies on account of delayed loading from Brazil's ports due to heavy rains. In addition, prices were pushed up by strong demand from Muslim countries prior to holy month of Ramadan. The additional sugar import requirement from the Philippines was also a contributing factor.

Figure 5.2: Change in Prices of Selected Food Items-YoY



Source: IMF

Edible oils prices increased during July 2010 compared to a fall in the last month. Soybean prices increased in July 2010 on the back of strong demand from China and slow supplies from South America. Palm oil prices rose during the review month on concerns of bad weather in major producers, e.g., Indonesia and Malaysia.

5.3 Non-food group

In contrast to prices of food commodities, non-food commodity prices remained subdued during July 2010 due to uncertain outlook of global economy due to:

- challenges to OECD such as high unemployment rate and weak demand,
- problems in the US housing sector, and
- high sovereign debt burdens in some countries

Crude oil prices reached US\$ 74.7 per barrel in July 2010 registering 0.1 percent decline compared to June 2010 prices. This modest MoM decline was mainly attributed to

ample supplies amid weak demand. US gasoline demand at the peak driving season remained 200 tb/d less than pre-recession level. Similarly, demand from China also remained slow due to tight government policies to avoid overheating.

However, industrial metal prices recovered by 2.8 percent during July 2010 from a decline of 5.0 percent in June 2010. Despite slow industrial growth in China, weak US macroeconomic data and concerns regarding sovereign debt in European countries, metal prices registered increase due to depleting stocks of copper. At London Metal Exchange,

Figure 3.3 : Crude Oil

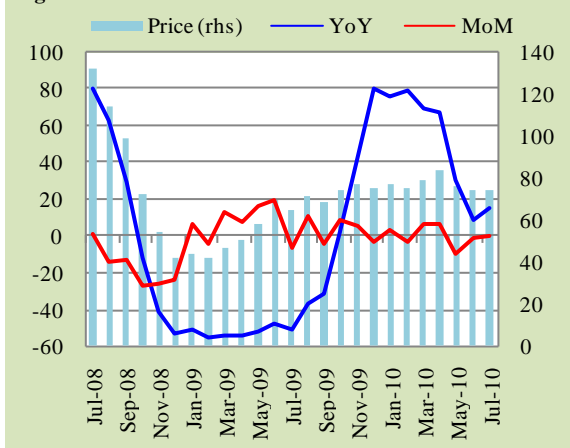
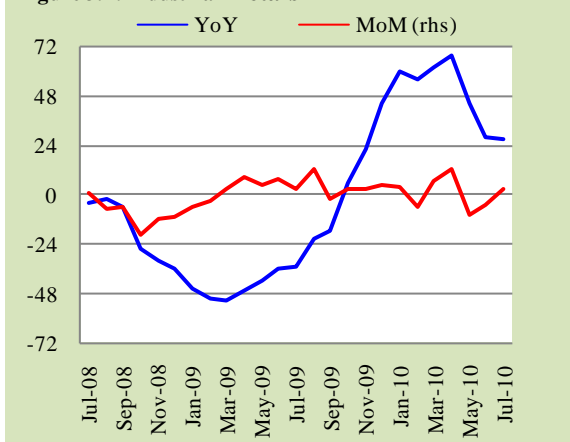
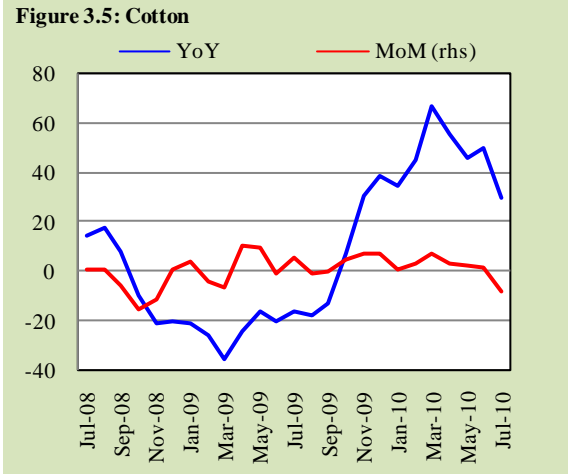


Figure 3.4: Industrial Metals



copper stocks declined by 9.0 percent in July 2010 reaching 411,525 tons.

Cotton prices slightly eased during July 2010 as supplies improved in the international market after new crop arrival in US. Upward revision in US cotton production and favorable weather reports in India have eased the investor sentiments regarding supply. Cotton prices recorded 8.2 percent MoM decline in July 2010 compared to 1.8 percent increase in June 2010.



Annexure A

	Weights	MoM change			YoY change		
		Jul-09	Jun-10	Jul-10	Jul-09	Jun-10	Jul-10
I. Food Group	40.3	3.0	0.7	1.5	10.7	14.5	12.8
II. Non-Food Group	59.7	0.3	0.6	1.0	11.6	11.2	12.0
Apparel, textile, etc.	6.1	0.3	0.7	1.2	6.9	9.3	10.3
House rent	23.4	1.2	0.4	0.4	18.3	9.7	8.8
Fuel & lighting	7.3	-0.7	0.6	3.9	13.5	16.4	21.8
Household furniture & equipment	3.3	0.0	0.7	1.1	9.1	6.7	7.9
Transport & communication	7.3	-0.7	0.6	0.4	-5.5	15.8	17.0
Recreation & entertainment	0.8	0.0	0.0	0.0	3.1	14.4	14.4
Education	3.5	0.0	0.1	0.1	17.8	8.4	8.4
Cleaning, laundry, etc.	5.9	0.1	1.3	0.9	12.9	10.0	10.9
Medicare	2.1	0.0	1.3	0.4	6.1	10.6	11.0
Headline	100	1.5	0.6	1.2	11.2	12.7	12.3

Groups	% Changes		Total Number of Items	No. of Items in each Inflation Range							
				Decrease or no change (0 % or less)		Subdued increase (0 to 5%)		Moderate increase (5 to 10%)		Double digit increase (over 10%)	
	Jul-09	Jul-10	Jul-10	Jul-09	Jul-10	Jul-09	Jul-10	Jul-09	Jul-10	Jul-09	Jul-10
I. Food Group	10.7	12.8	110	18	16	9	15	9	15	75	64
II. Non-Food Group	11.6	12.0	250	60	50	24	37	70	68	90	95
Apparel, textile, etc.	6.9	10.3	42	6	5	0	2	28	20	6	15
House rent	18.3	8.8	1	0	0	0	0	0	1	1	0
Fuel & lighting	13.5	21.8	15	6	1	0	0	1	0	6	14
Household furniture & equipt	9.1	7.9	44	0	1	4	12	18	20	22	11
Transport & communication	-5.5	17.0	43	18	14	5	5	8	7	12	17
Recreation & entertainment	3.1	14.4	16	6	5	7	4	1	2	2	5
Education	17.8	8.4	24	4	5	2	4	2	7	16	8
Cleaning, laundry, etc.	12.9	10.9	36	4	6	2	5	11	9	17	16
Medicines	6.1	11.0	29	16	13	4	5	1	2	8	9
Overall	11.2	12.3	360								

Note: Prices of 14 seasonal items were not reported during the month.

Table A3: Top Ten Contribution to YoY CPI Inflation in July 2010

Items	Weights	YoY change		Weighted Contribution
		Jul-09	Jul-10	
A. Ranked by Weighted Contribution				
1 House Rent Index	23.43	18.25	8.78	16.18
2 Milk Fresh	6.66	15.91	15.98	9.9
3 Meat	2.70	15.30	26.58	8.03
4 Electricity	4.37	25.58	27.63	7.71
5 Sugar	1.95	44.04	45.55	5.90
6 Vegetables	1.84	26.46	36.00	5.78
7 Natural Gas	2.05	3.15	19.50	4.38
8 Transport Fare/Charges	2.12	9.02	16.70	3.59
9 Communication	1.93	3.97	39.95	2.81
10 Tea	1.26	22.84	24.15	2.01
Total	48.29			66.28
B. Ranked by Percentage Change				
1 Pulse Moong	0.22	-2.62	110.98	1.78
2 Pulse Mash	0.20	33.51	68.95	1.21
3 Sugar	1.95	44.04	45.55	5.90
4 Communication	1.93	3.97	39.95	2.81
5 Vegetables	1.84	26.46	36.00	5.78
6 Jewellery	0.39	13.23	34.17	1.80
7 Electricity	4.37	25.58	27.63	7.71
8 Meat	2.70	15.30	26.58	8.03
9 Tea	1.26	22.84	24.15	2.01
10 Spices	0.60	0.12	22.36	1.07
Total	15.45			38.10
C. Ranked by Weights				
1 House Rent Index	23.43	18.25	8.78	16.18
2 Milk Fresh	6.66	15.91	15.98	9.88
3 Wheat Flour	5.11	12.64	-0.42	-0.24
4 Electricity	4.37	25.58	27.63	7.71
5 Bakery & Confectionary	2.98	6.96	4.58	0.80
6 Meat	2.70	15.30	26.58	8.03
7 Vegetable Ghee	2.67	-16.58	7.70	1.92
8 Tution Fees	2.36	11.24	8.00	1.33
9 Transport Fare/Charges	2.12	9.02	16.70	3.59
10 Natural Gas	2.05	3.15	19.50	4.38
Total	54.45			53.57

Note: Weighted contribution is estimated by multiplying the weights by the price change of an item; this is then reported as a share in YoY change in CPI, which is 12.3 percent in July 2010.

Table A4: Distribution of Price Changes (YoY)- Selected CPI Items, July 2010				
Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	Increase of over 10%
Food Group	Tomatoes, Chowkelate Candy (Small Size), Potatoes, Coconut Dry Av.Qlty, Wheat, Maida, Wheat Flour Fine/Superior, Rice Irri-6 (Sindh/Punjab), Wheat Flour Bag	Rice Basmati 385/386, Biscuits-Packed, Rice Basmati Broken Av.Qlty, Rice Basmati Sup. Qlty, Bread Tandoori St. Size, Aloo Bukhara, Arvi, Chillies Powd.National 200Gm, Betel Nuts	Watermelon (Turbooz), Almonds Whole Av.Qlty, Karaila, Lady Finger, Muskmelon (Kharbooza), Vegetable Ghee Tin, Apple, Pumpkin, Bread Plain Medium Size	Lactogen 400 Grams, Gram Whole Yellow Av.Qlty, Milk Powder Loose/Packed, Coffee-Nescafe 75 Gm, Ice, Butter Local Packed, Lactogen 400 Grams, Raisins Av.Qlty, Powder Milk Nido 400Gm.
Apparel & Textile	Gents Shoes Paul Bata, Gents Sandal Bata, Child Shoe Power Lite Bata	Shoe Repair Half Sole, Brassier Av.Qlty.	Awami-Suit W & W (Boy) 24"/26, Frock W/Wear Girls, Pullover Ladies Oxford/Bon.	Lungi/Dhoti(Cotton) Avg. Qlt, Tropical Suiting Law.Pur, Georgette Av.Qlty
House Rent Index	House Rent Index			
Fuel & Lighting	Match Box Small			Firewood Whole, Kerosene Oil,Tube Light Philips 40 Watts, Gas Chrg 6.7438-10.1157Mmb
Household Furniture & Equipment	Washing Machine Singer	Carpet Plain Av. Qlty, S.Steel Deghchi Medium Size, Tea-Set S.Steel 3 Pcs. M.Siz	Pedestal Fan 22" Super Qlty, Quilt (Lihaf) 3 Kg. Cotton, Cot Iron (With Niwar)Av.Qlty	Table Shesham Wood (4X2X5"), Water Cooler 9/10 Ltr.Plasti, Dari Cotton (6'X2 1/2") Av.Q
Transport & Communication.	Train Fare Eco. 1-100 Km, rain Fare Eco. 101-500 Km, Train Fare Eco. > 500 Km, Train Fare 1st Slp. 01-100 Km	T.C.S. Ch. Min.With In Zone, Car Suzuki 800 Cc (W/O. A/C)	Air Fare Economy Class, Taxi 4 Seater Fare, Full Tonga Charges, Bicycle With Tyres & Tubes	Motor Cycle Service Charges, Auto Rickshaw Fares, Petrol Super, Tyre Cycle Specify Brand Nam
Recreation & Entertainment	Video Game Sega 16 Byte, V.C.P. Panasonic/Lg/Nat, Daily "Dawn"	T.V. 20" Colored With R/Cont, Tape Recorder Cassette Blan, Vid. Cassette Blk. Tdk/Sony	Cinema Non-A/C High Class, Cinema A/C. Highest Class	Daily "Jang", Daily "Nawa-E-Waqt", Weekly "Akhbar-E-Jahan"
Education	Com. C.D. (Tdk/Imation), English Book Class Ix Or X, Govt. College Fee 1st. Year	Ball Pen (Local), Comp. With Printer & Speaker, English Book Class VI	Pencilgoldfish/Deer, Paper Foolscape (27"X17"), Fountain Pen Youth China	Exercise.Book Lined 80/100 P, Govt. Engg. Coll. Fee 1 Year, Maths Book Class Ix Or X
Cleaning & Laundry	Surf (Medium) 160 Grm, Washing Powder 1000 Grm, Robin Blue (35 Grams), Toilet Soap Lux 95 Grams	Facecream Ponds (Medium), Talc Powder Vice Roay, B.Cat, Blade 7-O-Clock Stain. 5'S, Blade Treet Ordinary 10'S	Washing Soap Nyl(135-160Gms), Beauty Porl Hair Styl Charge, Wrist Watch Gents Citizen, Wrist Watch Ladies Citizen	Toothbrush Sheild A/Plauque, Hair-Colour Begin (6 Gms), Toothpowder Dentonic 90 Grm, Nail Polish S.Miss/Medora
Medic are	Entox Tab, Septran Tablets, Brufen Tabs 200-Mg.	Daonil Tab. 5 Mg, Flagyl Tab. 200 Mg, Ventolin Tab. 2Mg.	Cotton Bandage 2" - 4", Doctor (Mbbs) Clinic Fee	Hydryllin Syrup 120 ML, Thermometer China, Sancos Syrup (50 ML.)

Table A5: City-wise Inflation by Income Groups, July 2010

		Upto Rs:3000						Rs 3001-5000					
		General		Food		Non-Food		General		Food		Non-Food	
		MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
1	Lahore	1.9	11.4	2.5	11.6	8.3	18.7	1.9	11.4	2.3	11.0	6.4	17.5
2	Faisalabad	1.6	11.3	2.1	12.7	9.0	18.1	1.6	11.5	2.0	12.9	6.5	15.6
3	Rawalpindi	1.7	11.1	2.4	11.8	6.8	16.6	2.0	10.6	2.8	10.1	5.1	15.8
4	Multan	1.2	13.5	1.2	13.9	6.5	18.8	1.4	13.5	1.4	14.0	6.3	18.4
5	Gujranwala	1.2	10.8	1.1	11.0	7.6	17.4	1.2	10.2	1.0	9.7	5.2	15.1
6	Islamabad	1.5	9.9	2.4	11.9	4.8	12.2	1.6	10.0	2.5	11.1	4.5	12.9
7	Sargodha	2.1	13.5	2.9	16.7	6.5	15.3	2.5	13.7	3.4	16.1	6.2	16.0
8	Sialkot	1.1	12.3	1.3	12.2	7.4	19.8	1.4	12.2	1.6	11.8	6.7	18.8
9	Bahawalpur	2.3	12.5	3.0	12.4	7.3	19.2	2.2	12.8	2.8	12.5	6.1	18.5
10	Karachi	1.0	14.2	1.0	15.4	5.9	18.2	0.9	14.5	0.8	16.3	4.8	16.7
11	Hyderabad	0.2	13.3	-0.6	14.3	6.4	17.7	0.3	13.7	-0.6	14.5	5.5	17.2
12	Sukkur	1.3	13.0	1.0	12.9	7.0	18.9	1.3	11.8	1.1	11.0	4.4	16.0
13	Larkana	1.0	10.8	0.9	10.6	6.5	16.8	1.2	10.0	1.1	9.6	5.3	14.9
14	Peshawar	1.4	13.3	1.2	14.1	6.0	17.0	1.1	12.5	0.7	12.2	4.4	15.9
15	Bannu	2.4	16.5	2.7	18.3	5.9	18.8	2.2	15.8	2.4	16.7	4.9	18.4
16	Quetta	-0.3	9.5	-1.1	8.7	7.5	18.0	0.2	10.4	-0.5	9.1	5.9	17.1
17	Khuzdar	0.7	6.8	0.2	4.7	5.6	14.1	0.9	9.5	0.4	8.4	4.9	14.5
		Rs 5001-12000						above Rs 12000					
		General		Food		Non-Food		General		Food		Non-Food	
		MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY
1	Lahore	1.7	11.3	2.2	10.9	3.8	14.6	1.4	11.7	2.1	11.5	-2.3	8.2
2	Faisalabad	1.6	11.5	2.0	12.9	3.8	13.0	1.3	11.3	1.8	12.2	-2.6	6.9
3	Rawalpindi	1.7	10.7	2.5	10.0	2.7	13.3	1.6	11.4	2.3	10.2	-0.7	10.1
4	Multan	1.2	12.9	1.4	13.5	3.7	15.2	1.1	13.4	1.3	14.0	-2.1	9.7
5	Gujranwala	1.0	10.4	0.9	10.5	2.9	12.4	0.7	11.0	0.6	11.9	-1.6	7.9
6	Islamabad	1.5	9.8	2.5	10.2	2.4	11.3	1.2	9.9	2.1	10.2	-1.2	7.7
7	Sargodha	2.8	13.9	3.9	15.9	3.8	14.4	2.9	14.0	4.9	16.7	-1.5	8.8
8	Sialkot	1.2	12.3	1.5	12.2	3.7	15.5	1.0	12.8	1.2	13.0	-2.5	8.9
9	Bahawalpur	2.2	13.5	3.1	13.9	3.9	16.0	1.9	14.3	3.3	15.7	-2.6	9.3
10	Karachi	0.8	13.8	0.8	15.8	2.6	13.7	0.6	12.4	0.8	15.0	-1.6	8.4
11	Hyderabad	0.4	13.5	-0.3	14.1	3.0	15.0	0.3	13.9	-0.4	13.4	-1.2	12.0
12	Sukkur	1.1	12.0	0.9	11.3	2.7	14.1	1.1	12.1	0.8	10.8	0.1	11.6
13	Larkana	0.9	9.8	0.8	9.2	2.9	12.5	0.8	9.7	0.8	9.3	-1.3	7.5
14	Peshawar	1.1	12.4	0.9	12.3	3.0	14.4	1.3	12.9	1.6	13.6	-1.0	10.2
15	Bannu	2.1	15.3	2.6	15.6	3.3	17.0	2.3	14.8	2.9	14.4	0.0	13.0
16	Quetta	0.3	10.4	-0.3	8.8	3.1	14.3	0.7	11.1	0.6	9.5	-1.6	9.5
17	Khuzdar	0.7	9.8	0.2	9.3	3.5	12.9	0.8	11.0	0.6	9.9	-1.4	9.2

	High inflation cities				Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Mianwali	15.8	18.8	13.3	Abbotabad	12.3	11.6	12.8
Bannu	15.4	15.7	15.1	Jhang	12.1	13.1	11.2
Kunri	14.2	17.0	12.0	Sukkur	12.0	11.2	12.7
Nawabshah	14.1	14.2	13.9	Vehari	11.9	12.3	11.5
Sargodha	13.9	16.1	12.1	D.I.Khan	11.8	11.5	12.1
Shahdadpur	13.7	13.8	13.7	Samundari	11.8	10.8	12.5
Hyderabad	13.6	14.0	13.3	Okara	11.8	11.3	12.1
Bahawalpur	13.5	13.9	13.2	Lahore	11.5	11.2	11.8
Multan	13.2	13.7	12.7	Faisalabad	11.4	12.6	10.4
Mirpur Khas	13.2	13.8	12.6	Jehlum	11.1	11.1	11.1
Attock	13.1	15.3	11.3	Rawalpindi	11.0	10.1	11.8
Karachi	13.1	15.5	11.2	D.G. Khan	11.0	9.0	12.6
Mardan	12.9	14.1	12.0	Quetta	10.7	9.1	12.0
Bahawalnagar	12.9	9.7	15.6	Gujranwala	10.5	10.6	10.4
Khuzdar	12.8	14.3	11.6	Islamabad	9.9	10.2	9.6
Peshawar	12.7	12.8	12.6	Larkana	9.8	9.3	10.3
Sialkot	12.6	12.6	12.6	Loralai&Cantt	9.1	7.5	10.4
Turbat	12.5	13.4	11.8				

Note: High inflation refers to above average inflation, and low inflation refers to below average inflation

	percent					
	MoM			YoY		
	Jul-09	Jun-10	Jul-10	Jul-09	Jun-10	Jul-10
Up to Rs. 3000						
General	1.9	0.9	1.4	11.7	12.7	12.1
Food	2.9	0.9	1.5	11.3	14.1	12.6
Non-food	0.5	0.9	1.3	12.2	10.8	11.6
Rs. 3001-5000						
General	1.8	0.9	1.4	11.8	12.7	12.3
Food	3.0	0.9	1.5	10.5	14.1	12.4
Non-food	0.5	0.8	1.4	13.3	11.1	12.1
Rs. 5000-12000						
General	1.7	0.8	1.3	11.8	12.8	12.3
Food	3.0	0.8	1.5	10.5	14.4	12.7
Non-food	0.4	0.8	1.1	13.1	11.2	12.0
Above Rs. 12000						
General	1.3	0.5	1.1	10.3	12.6	12.4
Food	3.0	0.5	1.5	10.9	14.8	13.1
Non-food	0.3	0.4	0.9	9.9	11.3	12.0
All income groups						
General	1.5	0.6	1.2	11.2	12.7	12.3
Food	3.0	0.7	1.5	10.7	14.5	12.8
Non-food	0.3	0.6	1.0	11.6	11.2	12.0

Table A8: Distribution of Price Change (YoY) - WPI Items: July 2010				
Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	More than 10% increase
Food	Tomatoes, Masoor, Onions, Maida, Rice, Wheat Flour, Wheat, Oil Cakes, Sugar Confectionary	Powdered Milk, Salt, Eggs, Gram Whole, Beverages	Mineral Water, Cooking Oil, Potatoes, Mustard & Rapeseed Oil, Condiments, Milk Food	Cotton Seed Oil, Vegetable Ghee, Vegetables Prepared/Preserved, Fresh Milk, Dry Fruits, Fresh Fruits Fish, Beans, Tea, Besan, Chicken, Meat, Gur, Fruit Prepared/Preserved, Bajra, Gram Split, Spices, Sugar Refined, Vegetables, Mash, Maize, Jowar, Moong,
Raw material	Skins, Pig Iron, Hides		Wool, Mustard/Rapeseeds, Cotton Seeds	Tobacco, Sugar Cane, Cotton
Fuel & lighting		Coal, Mobil Oil	Fire Wood, Coke	Furnace Oil, Kerosine Oil, Motor Sprit, Diesel Oil, Natural Gas, Elec. Agriculture Tariff-D, Electricity Ind. Supply Tariff-B
Manufactures	Matches	Paper, Audio-Visual Instruments, Sole Leather, Utensils, Pesticides & Insecticised, Other Electrical Goods, Cosmetics, Ready Made Garments, Soaps, Woolen Textiles	Hosiery, Silk & Reyon Textiles, Dying Materials, Plastic Products, Fertilizers, Mattresses, Machinery, Cotton Textiles, Transports, Tubes, Tyres, Glass Products, Chrome Leather, Drugs & Medicines	Jute Manufactures, Foot Wear, Nylon Yarn, Chemicals, Blended Yarn, Cigarettes, Cotton Yarn
Building material	Cement, Tiles	Pipe Fittings, Paints & Varnishes, Cement Blocks, Timber, Wires And Cables	Glass Sheets, Bricks	Sanitary Wares, Iron Bars & Sheets

Table A9: SPI Item-wise Price Movements					
S.No	Items	Unit	Price June 10	Percentage change	
				YoY	Monthly
1	Wheat	Kg.	23.9	0.5	-0.1
2	Wheat flour average qlt.	Kg.	27.2	1.6	-1.0
3	Rice basmti.broken	Kg.	44.7	3.5	-0.5
4	Rice irri-6	Kg.	34.5	-0.1	-0.4
5	Masur pulse washed	Kg.	120.1	3.2	-1.5
6	Moong pulse washed	Kg.	115.6	134.7	12.1
7	Mash pulse washed	Kg.	166.1	88.1	1.6
8	Gram pulse washed	Kg.	57.8	17.7	-0.3
9	Beef	Kg.	193.5	24.1	1.3
10	Mutton	Kg.	366.7	30.0	1.9
11	Egg hen (farm)	Doz.	59.6	20.3	4.1
12	Bread plain	Each	27.3	7.0	0.1
13	Sugar	Kg.	62.8	38.8	3.2
14	Gur	Kg.	72.6	21.1	1.8
15	Milk fresh	Ltr	45.9	14.0	2.1
16	Milk powdered nido	400g	200.0	11.1	0.1
17	Curd	Kg.	54.2	15.2	2.7
18	Veg.ghee tin	2.5kg	373.0	7.1	0.5
19	Veg.ghee loose	Kg.	116.2	5.2	0.4
20	Mustard oil	Kg.	135.9	3.5	-0.1
21	Cooking oil	2.5ltr	373.0	3.5	0.5
22	Potatoes	Kg.	25.6	16.1	14.4
23	Onions	Kg.	22.9	7.1	-14.8
24	Tomatoes	Kg.	25.6	2.9	-5.7
25	Bananas	Doz.	48.3	11.3	6.5
26	Salt powdered	Kg.	6.9	4.4	0.8
27	Red chillies(powd)	Kg.	176.2	36.5	5.0
28	Garlic	Kg.	163.5	276.5	3.8
29	Tea packet	250g	130.3	29.5	0.0
30	Tea (prepared)	Cup	10.9	22.9	1.2
31	Cooked beef plate	Each	48.7	16.7	2.2
32	Cooked dal plate	Each	30.5	14.6	1.7
33	Cigarettes k-2	10's	13.5	40.9	4.1
34	Coarse latha	Mtr.	50.9	13.4	1.0
35	Lawn (avg.+s.qlty)	Mtr.	105.8	12.1	0.6
36	Voil printed	Mtr.	53.5	12.3	2.2
37	Shirting	Mtr.	83.5	5.0	-0.1
38	Sandel gents bata	Pair	499.0	0.0	0.0
39	Sandel ladies bata	Pair	379.0	0.0	0.0
40	Chappal spng. Bata	Pair	129.0	0.0	0.0
41	Kerosene	Litr	77.0	22.4	-4.1
42	Firewood	40kg	312.8	13.3	0.5
43	Elec. Bulb 60-wats	Each	22.7	29.7	3.2
44	Match box	Each	1.0	0.0	0.0
45	Washing soap	Cake	13.4	5.8	0.7
46	Bath soap lifebuoy	Cake	22.0	0.0	0.0
47	Chicken (farm)	Kg.	125.2	21.5	-1.5
48	Gas chrg. All clb. Comb	mmbtu	337.2	15.4	192.2
49	L.P.G.(cylinder 11kg.)	Each	935.2	31.3	15.9
50	Elec.chrg.all slabs comb	per unit	8.1	18.6	106.9
51	Petrol	Ltr	69.8	22.6	-7.9
52	Diesel	Ltr	76.5	35.8	-1.4
53	Telephone local	Call	3.6	48.3	0.0
Maximum				276.5	192.2
Median				14.0	0.5
Minimum				-0.1	-14.8

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Jul-09	Jun-10	Jul-10
GENERAL	100.0012	202.77	225.03	225.03
FOOD & BEVERAGES.	40.3418	228.93	254.42	258.19
1 WHEAT	0.4830	282.69	278.22	277.68
2 WHEAT FLOUR	5.1122	281.63	280.97	280.45
3 MAIDA	0.1059	273.75	270.25	270.73
4 BESAN	0.1320	189.55	210.38	215.68
5 RICE	1.3369	278.31	279.74	280.72
6 PULSE MASOOR	0.2214	329.58	333.92	329.27
7 PULSE MOONG	0.2230	180.22	385.87	380.22
8 PULSE MASH	0.2017	216.91	364.75	366.48
9 PULSE GRAM	0.4272	175.91	198.71	208.54
10 GRAM WHOLE	0.1491	185.98	202.68	203.42
11 MUSTARD OIL	0.0456	240.35	249.34	250.00
12 COOKING OIL	0.6858	226.76	234.30	234.30
13 VEGETABLE GHEE	2.6672	233.39	249.88	251.36
14 SUGAR	1.9467	166.51	231.05	242.36
15 GUR	0.0735	243.40	278.10	289.93
16 TEA	1.2559	166.02	205.47	206.11
17 MILK FRESH	6.6615	232.13	266.26	269.23
18 MILK POWDER	0.1105	208.14	227.15	228.51
19 MILK PRODUCTS	0.5607	215.23	242.07	244.44
20 HONEY	0.0358	190.22	221.79	222.91
21 CEREALS	0.0878	235.76	256.83	257.40
22 JAM,TOMATO,PICKLES & VINEGAR	0.2472	171.72	202.87	205.18
23 BEVERAGES	0.7286	178.58	200.44	202.22
24 CONDIMENTS	0.3392	242.28	248.47	249.06
25 SPICES	0.6008	199.55	242.88	244.17
26 DRY FRUIT	0.2760	319.89	352.10	352.57
27 BAKERY & CONFECTIONARY	2.9837	145.48	151.84	152.15
28 CIGARETTES	0.9527	197.92	232.79	238.20
29 BETEL LEAVES & NUTS	0.1851	170.72	203.35	201.78
30 READYMADE FOOD	1.6833	233.23	260.41	262.15
31 SWEETMEAT & NIMCO	0.3846	233.57	266.85	269.58
32 FISH	0.2703	179.50	215.91	215.69
33 MEAT	2.6981	280.09	349.13	354.55
34 CHICKEN FARM	0.9158	215.13	236.95	244.74
35 EGGS	0.4119	217.55	228.77	227.07
36 POTATOES	0.5806	311.44	276.35	291.68
37 ONIONS	0.6237	243.74	219.64	218.66
38 TOMATOES	0.4833	248.91	167.91	222.30
39 VEGETABLES	1.8377	218.59	281.38	297.28
40 FRESH FRUITS	1.6158	229.54	246.31	248.61
APPAREL, TEXTILE & FOOTWEAR.	6.0977	156.96	170.99	173.11
41 COTTON CLOTH	1.6197	159.73	181.82	183.72
42 SILK,LINEN,WOOLEN/CLOTH	0.5766	155.13	174.02	176.10
43 TAILORING CHARGES	0.8636	165.74	187.67	189.02
44 HOSIERY	0.1528	169.24	183.05	183.05
45 READYMADE GARMENTS	1.2038	143.70	155.20	155.51
46 WOOLEN READYMADE GARMENTS	0.1485	178.25	200.74	200.74
47 FOOTWEAR	1.5327	156.92	157.30	161.98
HOUSE RENT.	23.4298	196.70	213.21	213.98
48 HOUSE RENT INDEX (Combined)	23.4298	196.70	213.21	213.98

(continued)

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Jul-09	Jun-10	Jul-10
FUEL AND LIGHTING.	7.2912	206.77	242.34	251.82
49 KEROSENE	0.1366	411.20	463.98	460.69
50 FIREWOOD	0.4778	313.12	347.55	347.03
51 MATCH BOX	0.1301	200.00	200.00	200.00
52 BULB & TUBE	0.1311	118.54	137.76	140.88
53 ELECTRICITY	4.3698	159.77	189.54	203.92
54 NATURAL GAS	2.0458	274.78	325.15	328.37
H.HOLD.FURNITURE & EQ UIPMENT ETC.	3.2862	164.83	175.90	177.79
55 UTENSILS	0.3690	152.66	160.54	163.28
56 PLASTIC PRODUCTS	0.1055	195.55	215.83	220.19
57 SUIT CASE	0.0470	157.66	171.49	173.40
58 HOUSE HOLD EQUIPMENTS	0.0953	152.47	164.95	166.84
59 FURNITURE (Ready Made)	0.3054	177.31	190.47	193.06
60 FURNISHING	0.6362	157.37	167.13	169.00
61 ELECT. IRON FANS & WASHING MACHINE	0.1889	160.03	169.72	170.46
62 SEWING MACHINE,CLOCK AND NEEDLES	0.1270	142.60	152.44	154.41
63 REFRIGERATOR & AIRCONDITIONER	0.1756	132.23	138.04	138.90
64 MARRIAGE HALL	0.0445	193.71	211.69	213.93
65 HOUSE HOLD SERVANT	1.1918	174.79	186.82	188.40
TRANSPORT & COMMUNICATION.	7.3222	189.66	221.20	221.99
66 PETROL	1.7253	199.02	223.82	223.13
67 DIESEL	0.2070	390.53	455.56	464.69
68 CNG. FILLING CHARGES	0.1649	205.28	226.80	226.80
69 SERVICE CHARGES	0.3835	168.97	184.17	184.85
70 VEHICLES	0.2596	132.59	137.13	138.14
71 TYRE & TUBE	0.2831	159.63	174.14	182.06
72 TRANSPORT FARE/CHARGES	2.1236	253.47	294.70	295.79
73 TRAIN FARE	0.1514	253.24	253.24	253.24
74 AIR FARE	0.0983	342.93	365.51	365.51
75 COMMUNICATION	1.9255	91.36	127.84	127.86
RECREATION & ENTERTAINMENT.	0.8259	121.62	139.16	139.12
76 RECREATION	0.3399	131.89	142.98	142.98
77 ENTERTAINMENT	0.4860	114.44	136.48	136.42
EDUCATION.	3.4548	178.57	193.42	193.61
78 TUTION FEES	2.3629	175.82	189.67	189.89
79 STATIONERY	0.3500	176.40	190.60	191.03
80 TEXT BOOKS	0.6894	196.29	215.90	215.90
81 COMPUTER & ALLIED PRODUCTS	0.0525	84.57	85.52	85.52
CLEANING LAUNDRY & PER.APPEARANCE.	5.8788	171.56	188.47	190.23
82 WASHING SOAP & DETERGENT	1.5535	164.30	170.67	172.02
83 TOILET SOAP	0.7436	186.50	186.50	194.80
84 TOOTH PASTE	0.4036	114.15	119.57	119.85
85 SHAVING ARTICLES	0.3480	150.20	157.90	158.88
86 COSMETICS	1.4272	157.30	170.89	171.41
87 WATCHES	0.0552	138.77	146.01	150.91
88 JEWELLERY	0.3936	335.16	449.87	449.70
89 LAUNDRY CHARGES	0.2207	180.02	197.87	198.82
90 HAIR CUT & BEAUTY PARLOUR CHARGES	0.7334	153.38	174.91	175.54
MEDICARE	2.0728	150.64	166.58	167.20
91 DRUGS & MEDICARES	1.0752	118.73	135.19	135.77
92 DOCTOR'S FEE	0.9976	185.03	200.40	201.08

Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities				
Item and Specifications	Index			
	Jul-09	May-10	Jun-10	Jul-10
GENERAL	207.57	243.98	242.44	246.48
FOOD	224.31	248.81	251.73	256.40
1 WHEAT	283.44	277.57	279.06	280.23
2 WHEAT FLOUR	279.01	277.33	273.54	274.30
3 MAIDA	287.10	272.00	266.62	266.28
4 BESAN	161.96	188.04	188.61	199.35
5 RICE	323.02	313.62	310.72	314.25
6 MAIZE	214.54	265.08	331.03	336.23
7 JOWAR	219.78	311.66	345.17	388.77
8 BAJRA	187.99	222.73	237.17	245.21
9 BEANS	252.23	294.58	294.86	295.82
10 GRAM WHOLE	183.46	222.92	211.41	190.32
11 GRAM SPLIT	145.94	181.05	180.74	191.71
12 MASOOR	343.78	321.10	307.36	306.88
13 MASH	200.55	292.63	306.99	312.25
14 MOONG	181.22	352.10	387.06	393.80
15 POTATOES	270.20	232.22	262.14	285.49
16 ONIONS	249.14	310.49	230.27	226.49
17 TOMATOES	247.58	127.42	132.20	187.04
18 VEGETABLES	217.26	286.67	307.11	332.37
19 FRESH FRUITS	170.96	198.09	191.26	199.31
20 DRY FRUITS	227.90	256.49	259.91	264.01
21 FRESH MILK	193.35	218.78	220.50	221.93
22 POWDERED MILK	221.71	224.88	225.47	225.81
23 MILK FOOD	168.67	180.61	181.08	181.61
24 VEGETABLE GHEE	248.75	276.71	278.75	280.50
25 MUSTARD & RAPESEED OIL	262.37	277.57	279.15	279.15
26 COTTON SEED OIL	260.39	285.42	285.06	286.47
27 COOKING OIL	218.95	224.08	225.71	231.25
28 OIL CAKES	335.07	324.33	325.35	335.07
29 GUR	223.82	264.42	268.31	288.44
30 SUGAR REFINED	170.10	224.40	236.21	247.96
31 CHICKEN	213.37	261.98	258.10	263.75
32 EGGS	225.69	212.06	231.94	233.42
33 FISH	124.68	145.23	145.86	145.86
34 MEAT	266.65	322.29	330.29	336.62
35 SPICES	198.13	261.55	272.40	273.14
36 CONDIMENTS	285.60	303.08	304.45	305.66
37 SALT	166.45	170.39	171.77	171.87
38 TEA	142.99	171.50	172.25	172.49
39 BEVERAGES	140.72	145.01	145.99	146.94
40 MINERAL WATER	125.71	128.75	130.06	132.54
41 FRUIT PREPARED/PRESERVED	166.76	212.81	214.30	217.17
42 VEGETABLES PREPARED/PRESERVED	167.87	187.79	189.31	191.19
43 SUGAR CONFECTIONARY	100.48	100.57	100.57	100.57
RAW MATERIAL	193.88	295.35	296.34	299.80
44 COTTON	148.77	278.03	278.56	279.62
45 COTTON SEEDS	272.67	273.42	276.41	291.24
46 MUSTARD/RAPESEEDS	274.21	286.42	289.33	289.33
47 TOBACCO	204.91	236.12	236.02	245.21
48 SUGAR CANE	280.70	499.09	499.09	499.09
49 WOOL	139.48	144.29	146.46	146.88
50 HIDES	138.51	138.01	139.49	138.12
51 SKINS	105.26	103.92	104.48	104.50
52 PIG IRON	324.02	321.93	321.93	321.93

(continued)

Item and Specifications	Index			
	Jul-09	May-10	Jun-10	Jul-10
FUEL & LIGHT	267.47	316.79	304.00	309.51
53 COAL	141.00	141.00	142.50	142.50
54 COKE	624.58	666.22	666.22	675.47
55 DIESEL OIL	385.74	463.84	448.03	451.08
56 MOTOR SPRIT	196.90	224.88	221.32	220.64
57 MOBIL OIL	199.47	204.08	208.33	204.08
58 FURNACE OIL	312.14	382.95	341.81	347.49
59 KEROSINE OIL	392.99	444.56	443.81	440.20
60 NATURAL GAS	217.12	256.00	256.00	256.00
61 ELECTRICITY IND. SUPPLY TARIFF-B	162.36	201.01	201.01	214.08
62 ELEC. AGRICULTURE TARIFF-D	177.78	205.07	205.07	231.01
63 FIRE WOOD	260.16	283.62	282.24	280.17
MANUFACTURE	141.07	170.15	168.82	172.38
64 SOLE LEATHER	131.99	134.06	134.06	134.06
65 CHROME LEATHER	194.84	212.23	212.23	212.23
66 COTTON YARN	102.08	178.55	164.37	171.70
67 BLENDED YARN	131.60	187.25	186.61	187.42
68 NYLON YARN	109.59	127.19	128.09	128.09
69 COTTON TEXTILES	146.56	155.26	154.95	156.95
70 HOSIERY	154.38	159.36	160.37	162.19
71 SILK & REYON TEXTILES	144.28	152.07	152.12	152.52
72 WOOLEN TEXTILES	137.37	143.32	143.32	143.32
73 JUTE MANUFACTURES	123.97	133.49	135.59	137.69
74 MATTRESSES	135.78	142.61	142.61	144.56
75 READY MADE GARMENTS	116.07	118.87	118.87	120.26
76 UTENSILS	146.64	149.53	149.53	149.53
77 PLASTIC PRODUCTS	138.47	144.57	144.91	146.92
78 GLASS PRODUCTS	168.15	179.81	179.81	181.80
79 CHEMICALS	162.04	211.80	201.43	201.06
80 DYING MATERIALS	88.36	92.57	93.46	93.46
81 SOAPS	180.62	184.22	185.38	187.84
82 COSMETICS	119.58	123.62	123.62	123.62
83 DRUGS & MEDICINES	110.29	119.40	120.90	120.96
84 FERTILIZERS	291.55	311.31	312.14	309.91
85 PESTICIDES & INSECTICISED	146.74	150.11	150.11	150.58
86 MACHINERY	175.23	185.14	183.67	187.17
87 TRANSPORTS	124.15	131.55	131.55	133.41
88 TYRES	208.67	219.35	219.60	225.03
89 TUBES	184.79	198.01	198.01	198.61
90 AUDIO-VISUAL INSTRUMENTS	92.25	92.59	92.59	92.59
91 OTHER ELECTRICAL GOODS	130.55	133.22	134.41	134.41
92 CIGARETTES	171.57	197.49	246.75	257.49
93 PAPER	105.98	105.98	106.36	106.36
94 MATCHES	124.26	124.26	124.26	124.26
95 FOOT WEAR	177.36	192.15	192.15	199.97
BUILDING MATERIAL	201.15	221.07	220.29	216.33
96 CEMENT	141.82	126.71	127.57	124.17
97 BRICKS	232.92	250.44	250.44	253.94
98 CEMENT BLOCKS	166.63	170.83	170.83	170.83
99 TILES	99.67	99.67	99.67	99.67
100 IRON BARS & SHEETS	248.46	294.74	292.64	287.02
101 PIPE FITTINGS	180.51	183.46	183.46	184.40
102 TIMBER	209.88	217.14	217.94	216.93
103 GLASS SHEETS	168.78	177.94	178.68	181.12
104 PAINTS & VARNISHES	146.05	149.43	149.43	149.43
105 SANITARY WARES	145.77	162.22	162.22	162.22
106 WIRES AND CABLES	259.37	272.09	272.09	272.09

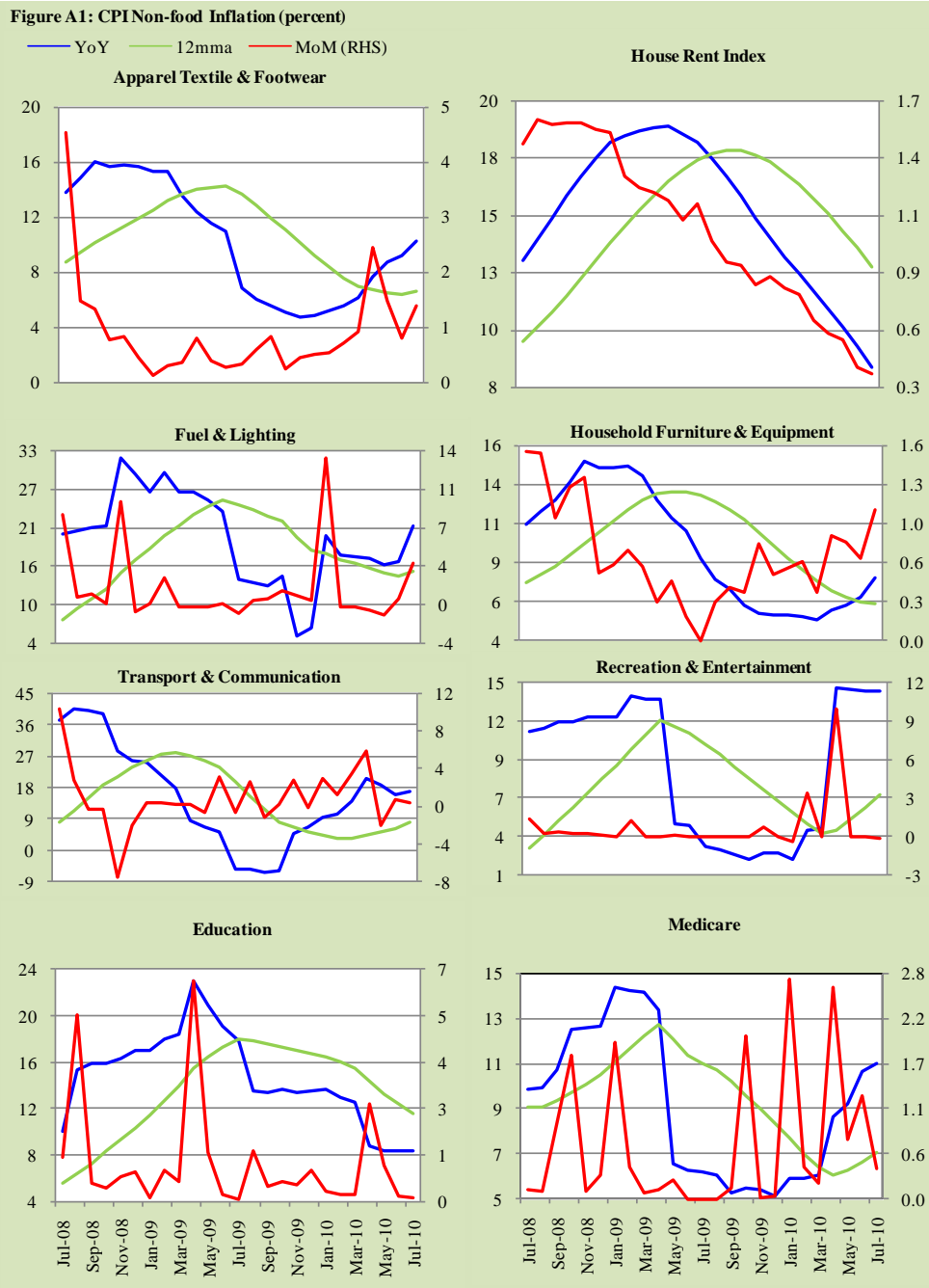
Table A12: Price Indices - Base 2000-01=100

Period	CPI			WPI			SPI *
	Overall	Food	Non-food	Overall	Food	Non-food	
2004-05	121.98	125.69	119.47	124.14	125.03	123.50	126.52
2005-06	131.64	134.39	129.78	136.68	133.78	138.78	136.43
2006-07	141.87	148.21	137.59	146.18	145.67	146.53	149.29
2007-08	158.90	174.36	148.44	170.15	173.27	167.88	170.55
2008-09	191.90	215.69	175.82	201.10	213.54	192.04	209.29
2009-10	214.41	242.59	195.36	226.49	239.01	217.39	236.87
2008 Jan.	157.73	172.96	147.43	166.75	172.50	162.57	168.24
Feb.	158.50	172.16	149.26	168.81	172.40	166.20	166.94
Mar.	163.38	180.52	151.79	175.55	177.57	174.08	173.96
Apr.	168.34	188.37	154.80	183.09	184.07	182.38	183.29
May.	172.87	196.28	157.04	192.19	194.26	190.68	191.49
Jun.	176.50	201.12	159.85	197.92	199.39	196.85	194.10
Jul.	182.39	206.85	165.85	206.53	206.37	206.65	202.94
Aug.	186.29	212.21	168.76	211.60	211.91	211.37	208.85
Sep.	188.10	214.13	170.50	211.02	213.63	209.12	209.52
Oct.	192.08	221.44	172.23	207.08	219.58	197.98	213.37
Nov.	191.85	218.12	174.09	196.50	215.97	182.33	211.03
Dec.	190.90	214.71	174.80	192.62	210.77	179.41	207.99
2009 Jan.	190.09	210.33	176.40	192.91	208.80	181.35	204.02
Feb.	191.90	211.58	178.59	194.19	210.31	182.46	206.78
Mar.	194.53	216.13	179.92	195.00	212.16	182.51	208.40
Apr.	197.28	220.46	181.61	198.28	215.69	185.61	210.85
May.	197.74	220.04	182.66	201.29	217.50	189.49	212.62
Jun.	199.69	222.23	184.45	206.13	219.81	196.17	215.09
Jul	202.77	228.93	185.08	207.57	224.31	195.39	222.00
Aug	206.21	234.69	186.95	212.16	229.52	199.53	225.18
Sep	207.14	235.59	187.90	212.53	230.34	199.57	227.34
Oct	209.11	238.12	189.49	215.01	232.35	202.39	227.73
Nov	212.02	242.40	191.48	220.98	236.69	209.55	232.14
Dec	210.99	238.16	192.62	221.43	235.06	211.51	232.81
2010 Jan.	216.09	242.91	197.95	230.80	241.37	223.11	240.25
Feb	216.93	243.17	199.19	231.64	242.67	223.61	242.37
Mar	219.65	247.55	200.78	237.51	246.68	230.84	244.98
Apr	223.44	252.53	203.77	241.88	248.53	237.04	247.50
May	223.58	252.62	203.94	243.98	248.81	240.47	249.51
Jun	225.03	254.42	205.15	242.44	251.73	235.68	250.61
Jul	227.79	258.19	207.23	246.48	256.40	239.26	255.13

*: all groups combined

Table A13: International Commodity Prices/Indices			
	Jul-09	Jun-10	Jul-10
Energy			
Crude Oil (US\$ per barrel)*	64.7	74.7	74.7
IMF Energy Index (2005 =100)	119.4	139.8	140.2
WB Energy Index (1990=100) @	193.9	214.3	219.3
Food			
Rice (\$/MT)	623.0	459.8	472.5
Wheat (\$/MT)	225.0	157.7	195.8
Sugar (US cent / pound)	17.8	15.4	17.6
Palm Oil (\$/MT)	602.0	764.9	774.5
Soybean Oil (\$/MT)	750.7	821.0	836.7
Non-Food Non-Energy			
Cotton Outlook 'A' Index #	64.8	91.7	84.2
IMF Metal Price Index (2005=100)	122.1	151.2	155.3
Copper (\$/MT)	5,240.8	6,501.5	6,750.6
Aluminum (\$/MT)	1,674.3	1,929.4	1,989.1
Iron Ore (\$ cents/dry MT)	101.0	167.0	167.0
Tin (\$/MT)	13,903.6	17,257.7	18,206.5
Nickel (\$/MT)	16,024.5	19,411.3	19,548.5
Zinc (\$/MT)	1,582.9	1,746.5	1,847.0
Lead (\$/MT)	1,674.5	1,707.3	1,844.0
Uranium (\$/pound)	49.7	40.8	41.9
DAP (\$/MT)	293.3	448.0	461.3
Urea (\$/MT)	243.7	229.3	249.5

\$/MT = US\$ per metric tonne.
 * Crude Oil (petroleum), simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh
 # Middling 1-3/32 inch staple, Liverpool Index "A", average of the cheapest Cts/lb five of fourteen styles, CIF Liverpool (Cotton Outlook, Liverpool). From January 1968 to May 1981 strict middling 1-1/16 inch staple. Prior to 1968, Mexican 1-1/16. 2/
 DAP: Diammonium Phosphate
 @ World bank commodity index for low and middle income countries
Source: IMF and World Bank.



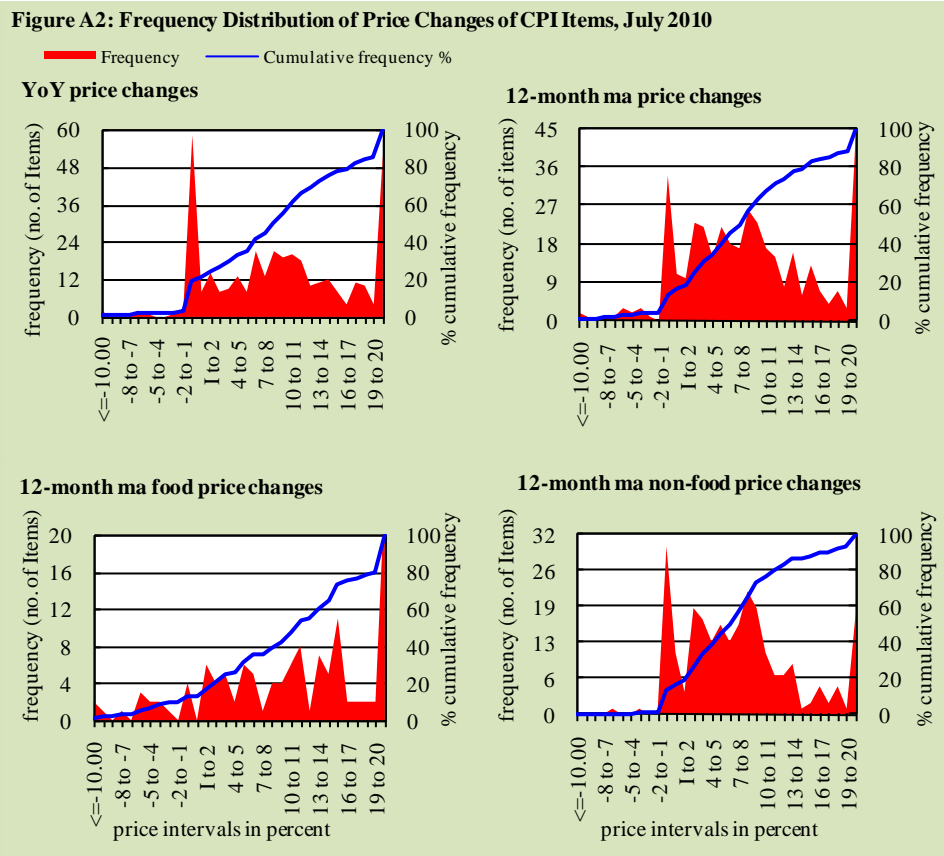
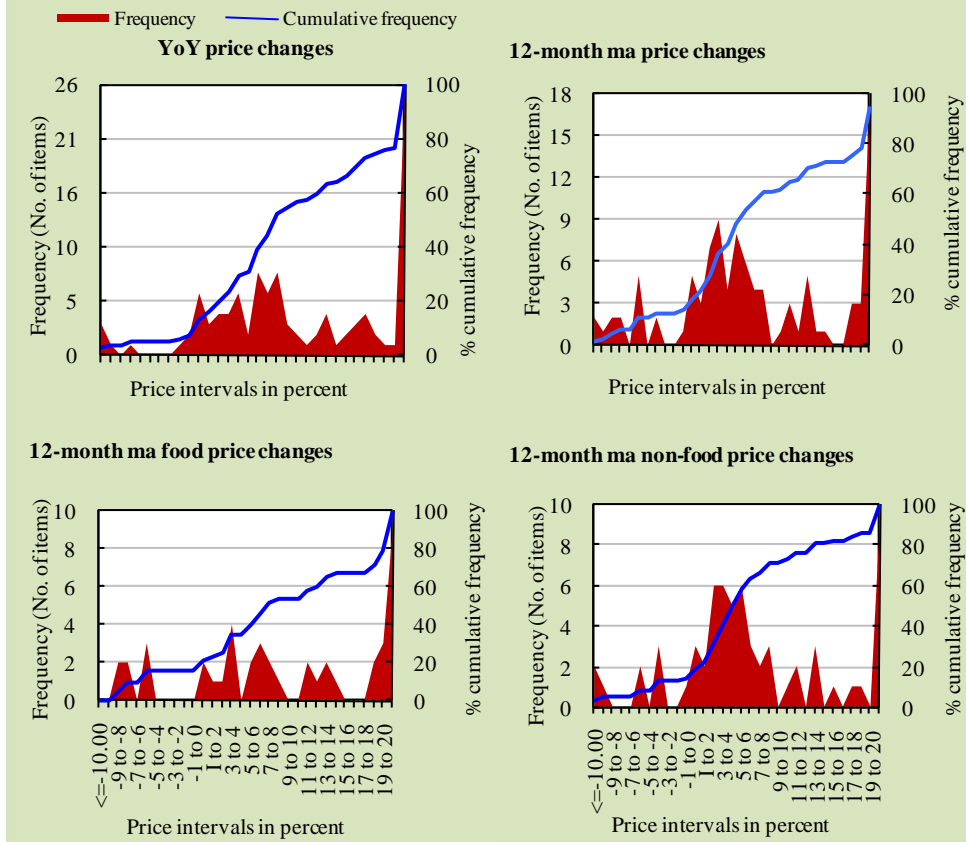


Figure A3: Frequency Distribution of Price Changes of WPI Items, July 2010



Annexure B

Technical Notes

1. All the three measures of inflation, viz. CPI, WPI and SPI are computed by the following Laspeyres Index formula:

$$I_t = \sum_j w_0^j \left(\frac{P_t^j}{P_0^j} \right)$$

where I_t is price index, w_0^j is weight of commodity j in the overall basket, P_t^j is price of commodity j in period t and P_0^j is its price in the base year.

2. Base year for all the indices is the year 2000-01.
3. CPI basket contains 374 consumers' goods; WPI basket contains 425 commodities; SPI contains 53 commodities.
4. YoY inflation is the percent change of an index in a given month over the index in the same month of the last year. It is computed as follows:

$$\pi_t = \left(\frac{I_t}{I_{t-12}} - 1 \right) \times 100$$

5. Period average inflation is the percent change of the average index during the period from July to the given month of a fiscal year over the average index during the corresponding period of the last year. It is computed as follows:

$$\bar{\pi}_t = \left(\frac{\sum_{i=0}^{t-\nu} I_{t-i}}{\sum_{i=0}^{t-12-\nu} I_{t-12-i}} - 1 \right) \times 100$$

where ν is the serial number of the month of July of current fiscal year in a given time series.

6. Monthly inflation is the percent change of an index in a given month over the index in the preceding month. It is computed as follows:

$$\pi_t = \left(\frac{I_t}{I_{t-1}} - 1 \right) \times 100$$

7. 12-month moving average inflation (Long-run trend inflation) is the percent change of 12-month moving average of a price index; it is computed as follows:

$$\tilde{\pi}_t = \left(\frac{\sum_{i=0}^{11} I_{t-i}}{\sum_{i=0}^{11} I_{t-12-i}} - 1 \right) \times 100$$

8. Core Inflation is defined as the persistent component of measured inflation that excludes volatile and controlled prices. It reflects the normal supply and demand conditions in the economy. Core inflation is computed by the following two methods:

- a) Non-food, Non-energy inflation (NFNE inflation); it is computed by excluding food group and energy items (kerosene oil, petrol, diesel, CNG, electricity and natural gas) from the CPI basket.
- b) 20% trimmed-mean inflation; it is computed through the following steps:
 - i. All CPI items are arranged in ascending order according to YoY/12-month moving average/monthly/period average changes in their price indices in a given month.
 - ii. 20 percent of the items showing extreme changes are excluded with 10 percent of the items at the top of the list (corresponding to cumulative weight of 90% or more) and 10 percent of the items at the bottom of the list (corresponding to cumulative weight of 10 percent or less).
 - iii. The weighted mean of the changes in price indices of the rest of the items is core inflation.

9. Weighted contribution of different items (or sub-groups) to total inflation is worked out as below:

Let the overall index (I_t) is the weighted average of price indexes of individual items or sub-groups (I_{it}), i.e.

$$I_t = \sum_i w_i \cdot I_{it}$$

The weighted contribution of a single item (or a sub-group) to overall inflation is defined as below:

$$C_{it} = \alpha_{it-12} \cdot w_i \cdot \left(\frac{\pi_{it}}{\pi_t} \right)$$

Where C_{it} : Contribution of i^{th} item to the overall inflation

$$\alpha_{it-12} = \frac{I_{it-12}}{I_{t-12}} ; \text{i.e. ratio of item's index to overall index in}$$

the reference month

w_i : Weights of i^{th} item

π_{it} : Inflation of i^{th} item

π_t : Overall inflation