

Inflation Monitor

January 2011



State Bank of Pakistan

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1. Overview

Inflationary pressures in the economy remained strong despite some easing. This was reflected in all price indices. CPI inflation dropped to 14.2 percent on YoY basis in January 2011 from 15.5 percent in December 2010 (**Figure 1.1**). Similarly, both SPI and WPI inflation also decelerated during the month under review (see **Table 1.1** and **Figure 1.2**) relative to the preceding month.

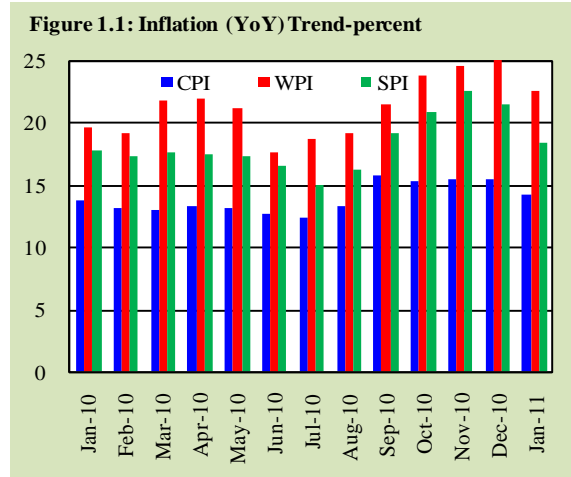


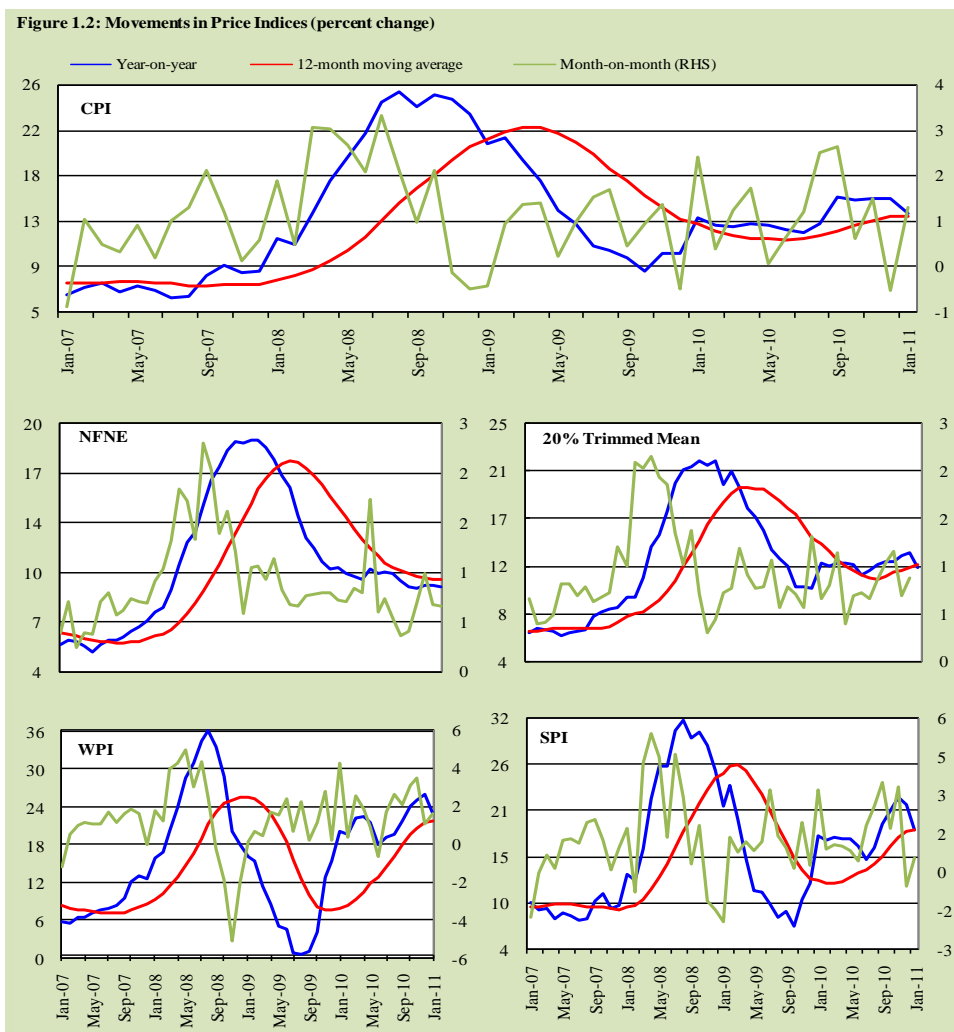
Table 1.1: Inflation Trends

	percent													
	CPI						Core Inflation				WPI		SPI**	
	General		Food		Non-food		NFNE*		Trimmed		YoY	MoM	YoY	MoM
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM
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
Aug-10	13.2	2.5	15.6	5.1	11.2	0.3	9.8	0.4	12.5	0.7	19.2	2.6	16.2	2.6
Sep-10	15.7	2.7	21.2	5.3	11.0	0.3	9.4	0.4	12.8	0.9	21.5	2.1	19.1	3.5
Oct-10	15.3	0.6	20.1	0.1	11.3	1.1	9.3	0.7	12.8	1.0	23.8	3.1	20.9	1.7
Nov-10	15.5	1.5	20.5	2.2	11.1	0.9	9.5	1.0	13.4	1.2	24.7	3.5	22.5	3.3
Dec-10	15.5	-0.5	20.4	-1.9	11.4	0.8	9.5	0.7	13.6	0.7	25.7	1.1	21.5	-0.5
Jan-11	14.2	1.3	20.4	2.1	9.0	0.6	9.4	0.7	12.2	0.9	22.6	1.6	18.4	0.6

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

Like other measures of inflation, core inflation also decelerated. Core inflation (measured by 20% trimmed mean) fell to 12.2 percent YoY in January 2011 which is not only lower than the 13.6 percent (YoY) during December 2010, but also lower than the 12.7 percent in the corresponding month of the preceding year. Similarly, core inflation (YoY) measured by NFNE slightly eased from 9.5 percent in the preceding month to 9.4 percent in the month under review; it was 10.3 percent in the same month last year. However, ease in core inflation might be short lived, as possible upward adjustment in the prices of key fuel and increase in energy tariff would cause inflationary pressures in the economy to mount yet again.

In contrast to the domestic commodity prices, international commodity prices (measured by IMF commodity prices index) continued on a rising trend (on both YoY and MoM basis) in January 2011 reaching the highest levels for the last nine months. The current rise in global commodity prices was contributed by both food as well as non-food commodities (except for energy related items, where the pressure eased) during this period. A strong rise in prices of food commodities (wheat, rice, oil, and sugar) was due to global production shortages and panic buying by the importers in anticipation of high prices. In the non-food group, a surge in crude oil prices was partly led by bullish sentiments regarding the global economic recovery and partially due to political unrest in Egypt and Tunisia.

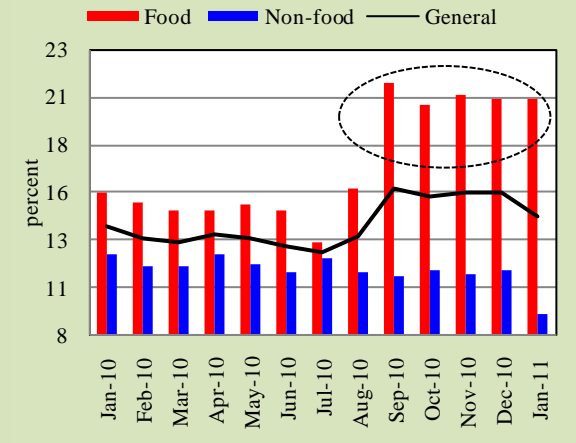


2. Consumer Price Index

CPI inflation (YoY) dropped in January 2011 to 14.2 percent from 15.5 percent in December 2010. A sharp decline in CPI non-food inflation contributed to this decline, as food inflation remained unchanged during the period (see **Figure 2.1**).

On a MoM basis, CPI inflation was 1.3 percent in January 2011 compared to a deflation of 0.5 percent in December 2010. This reversal is entirely attributable to a sharp rise in food inflation, which rose to 2.1 percent during January 2011 relative to a deflation in the preceding month.

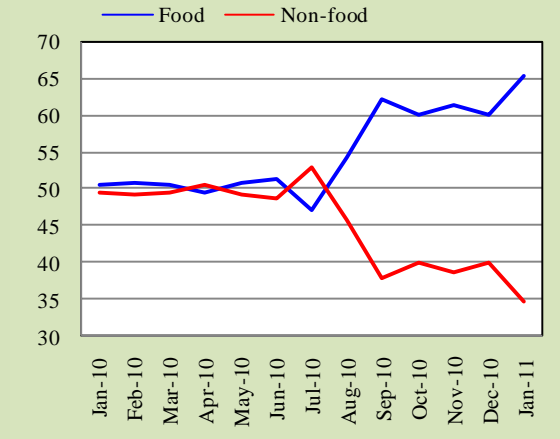
Figure 2.1: CPI Inflation (YoY)



The impact of a decline in YoY non-food inflation and unchanged food inflation

is evident in a surge in the weighted contribution of food inflation to overall CPI inflation (see **Figure 2.2**). During the first half of 2010, both groups contributed almost equally to the overall inflation but in the second half, the contribution by the food group was more pronounced. This can be attributed to: (a) crop damages due to rains and floods; (b) supply shortages of sugar; (c) rise in international prices of sugar, tea, and edible oils, as well as; (d) strong external demand for vegetables, meat and fruits.

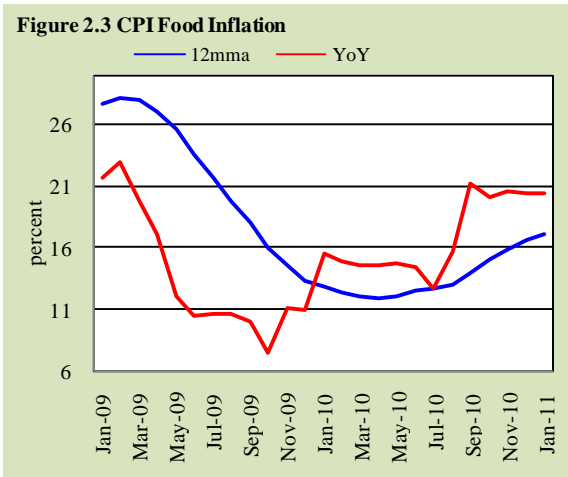
Figure 2.2: Contribution towards Inflation (YoY)



2.1 Food Inflation

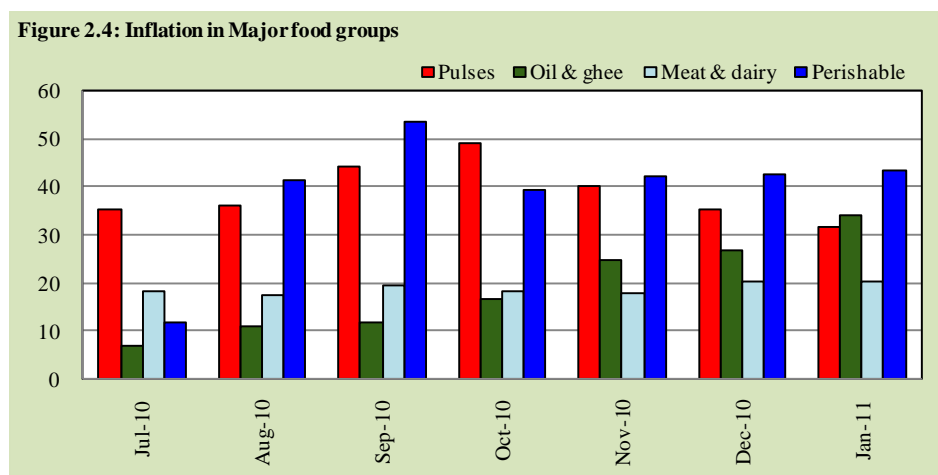
CPI food inflation remained unchanged at 20.4 percent on YoY basis during January 2011 whereas on MoM basis it registered 2.1 percent inflation against a deflation of 1.9 percent in December 2010 (see **Figure 2.3**).

Segregated analysis of food group reveals that perishable food items are still on top in inflation due to: (a) high export demand and; (b) damages to tomato crop in Sindh. In December 2010, exports of vegetables witnessed more than 200 percent MoM growth whereas fruit exports have also registered 94.1 percent MoM growth during the month (see **Figure 2.4**).



Cooking oil and ghee registered the second highest rise in the prices among food group, mainly due to a rise in international palm oil prices. Since Pakistan meets the major part of its edible oil demand from palm oil imports, therefore domestic prices of cooking oil and ghee are sensitive to movements in the international price of palm oil. In addition, a strong growth in palm oil imports has been observed during Jul-Jan FY11 with 1.05 million tons compared to 0.8 million tons imported during the same period of FY10.

The pace of increase in the prices of pulses slowed down somewhat in recent months. Flood damages increased the import requirements of mash pulse, and the country turned into a net importer mung pulse also, from a net exporter earlier. Fortunately, an improvement in the output of lentils in India resulted in a decline its international prices, and as a result, domestic lentil (masoor pulse) prices have



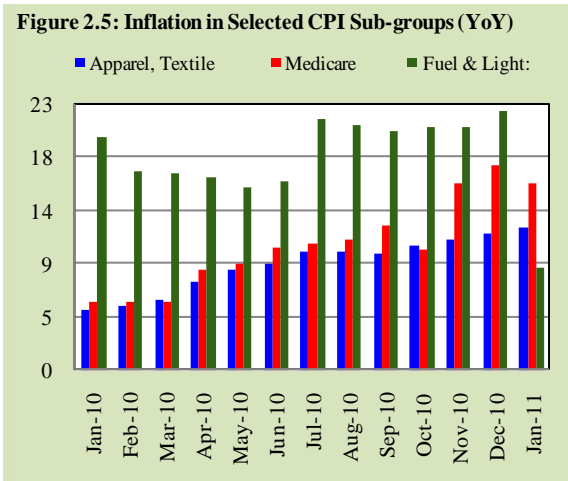
also declined in recent months.

Prices of meat & dairy products continued on a rising trend due to strong domestic and external demand. To meet the growing demand, there is a need to boost livestock farming industry in the country.

Among other food items, prices of bakery products, tea, and beverages remained strong, which may be due to high costs of inputs such as sugar and cooking oil.

2.2 CPI Non-food Inflation

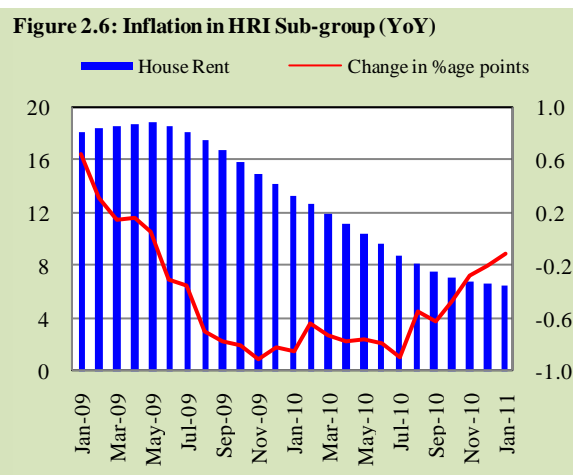
Almost after three years, CPI non-food inflation dropped to a single digit in January 2011. CPI non-food inflation was 9.0 percent YoY in January 2011, which was not only significantly lower than 11.4 percent in December 2010, but also 3.2 percentage points lower than in the corresponding month last year. In H1-FY11, CPI non-food inflation moved in a narrow range, converging to the 12-



(12mma). This shows resilience in non-food inflation (see **Figure 2.5**). However, in Jan 2011, CPI non-food inflation (YoY) diverged from the 12mma, but this seems a temporary phenomenon. It is expected that the government will increase POL prices due to surge in global POL prices.

In CPI non-food group, four sub-groups out of nine, having 22.9 percent share in the group, registered rising inflation on YoY basis in January 2011, while the remaining five sub-groups (having 77.1 percent weight in CPI non-food group) registered decline in inflation. The highest ease was recorded in fuel & lighting sub-group (see **Figure 2.5**), which dropped by 13.7 percentage points in January 2011 compared to December 2010, mainly due to a high-base effect.

House rent inflation dropped to 6.6 percent in January 2011 from 6.7 percent in December 2010. However, it is likely that declining trend in HRI will reverse months ahead due to rising building material prices in the international and domestic markets. An acceleration in HRI inflation would strongly impact the CPI non-food inflation as it has 39.3 percent weight in the non-food basket (see **Figure 2.6**).



2.3 Income Group-wise Inflation

Income group-wise inflation data shows that the lowest income group experienced highest inflation during January 2011, whereas the highest income group observed the lowest inflation in the month under review (see **Table 2.2**).

Table 2.2: Income Group-wise Inflation (YoY)

	General			Food			Non-food		
	Nov-10	Dec-10	Jan-11	Nov-10	Dec-10	Jan-11	Nov-10	Dec-10	Jan-11
Up to Rs. 3000	17.4	16.9	16.1	22.2	21.2	20.9	11.0	11.4	10.0
Rs. 3001-5000	17.0	16.6	15.7	21.7	20.9	20.6	11.1	11.5	9.7
Rs. 5000-12000	16.1	16.0	14.8	20.8	20.4	20.4	11.2	11.4	9.1
Above Rs. 12000	14.5	14.7	13.3	19.6	20.0	20.3	11.3	11.5	8.9
All income groups	15.5	15.5	14.2	20.5	20.4	20.4	11.1	11.4	9.0

2.4 City-wise Inflation

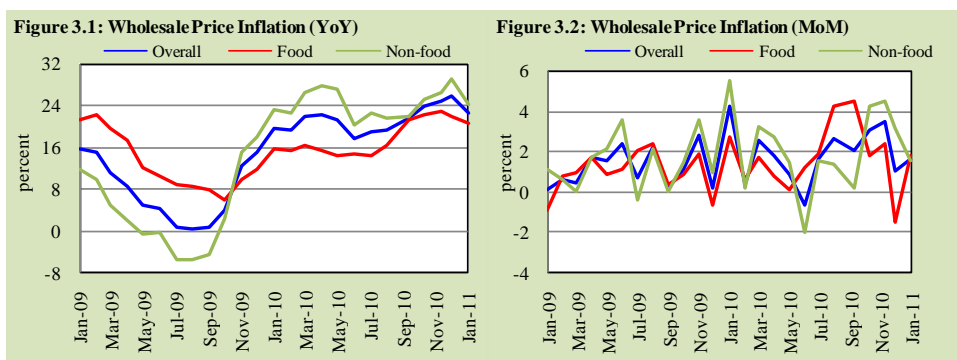
Fewer numbers of cities had above average inflation in the month of January 2011 relative to the preceding month. Of 35 cities, 22 had above 14.2 percent inflation (average inflation) in the month under review compared to 24 cities recording higher than the average inflation (15.5 percent) in December 2010 (see **Table 2.3**).

	Jan-10		Dec-10		Jan-11	
	MoM	YoY	MoM	YoY	MoM	YoY
Over all CPI	2.4	13.7	-0.5	15.5	1.3	14.2
Islamabad	2.4	12.1	-0.5	12.4	1.3	10.6
Lahore	2.4	13.4	0.1	13.3	0.8	11.4
Karachi	3.0	13.0	-1.0	14.0	1.2	12.6
Quetta	2.0	10.6	-0.7	17.6	0.7	15.7
Peshawar	2.4	12.9	0.9	16.5	0.8	13.9

Highest overall inflation was recorded in Khuzdar in January 2011 on the back of highest food inflation, while lowest inflation was witnessed in Islamabad (which also had the lowest non-food inflation) during the month. Highest food inflation was recorded in Khuzdar and lowest food inflation was recorded in Sialkot. The highest non-food inflation was registered in Bahawalnagar and lowest non-food inflation in Islamabad during the month under review.

3. Wholesale Price Index

WPI inflation (YoY) eased during January 2011 compared to the previous month. Both food and non-food groups contributed to this decline. However, in contrast with CPI basket, a decline in WPI inflation was mainly driven by higher non-food inflation. WPI registered an increase of 22.6 percent during the period under review compared to a 25.7 percent rise in the previous month. Recent ease in WPI non-food inflation is principally attributed to slowdown in the pace of rise in the prices of fuel, lightening, and lubricant relative to the same period a year earlier and previous month (see **Figure 3.1& 3.2**).



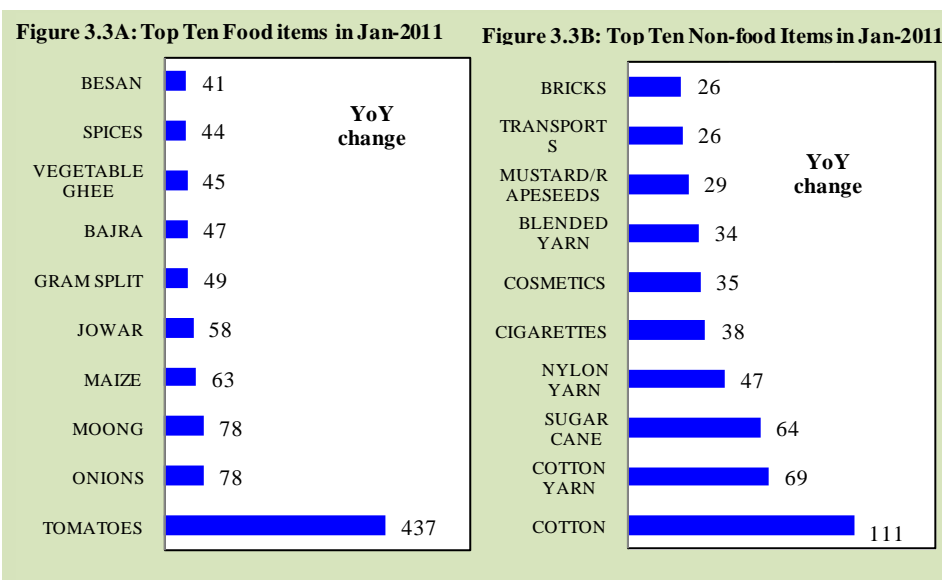
In contrast, WPI inflation on a MoM basis rose to 1.6 percent during January 2011 compared with 1.1 percent in December 2010. Major contribution to WPI inflation (MoM) came from food component. Food inflation posted an increase of 1.7 percent compared to 1.5 percent deflation in the previous month. However,

WPI non-food inflation eased to 1.6 percent (MoM) during January 2011 as against increase of 3.1 percent in December 2010.

Food Group

WPI food inflation was 20.6 percent YoY during January 2011 compared to 21.7 in December 2010. Within 43 food items in the WPI basket, 29 items recorded double digit increase during the month whereas only 4 items registered a decline.

WPI food inflation slightly declined during January 2011, relative to the preceding month, due to some deceleration in the prices of perishable food items. In particular, prices of onions dropped close to the levels of Jan 2010 following the imposition of a ban on its export. Similarly, improvement in supply of sugar and some other commodities helped slow down the pace of increase in their prices (see **Figure 3.3**).

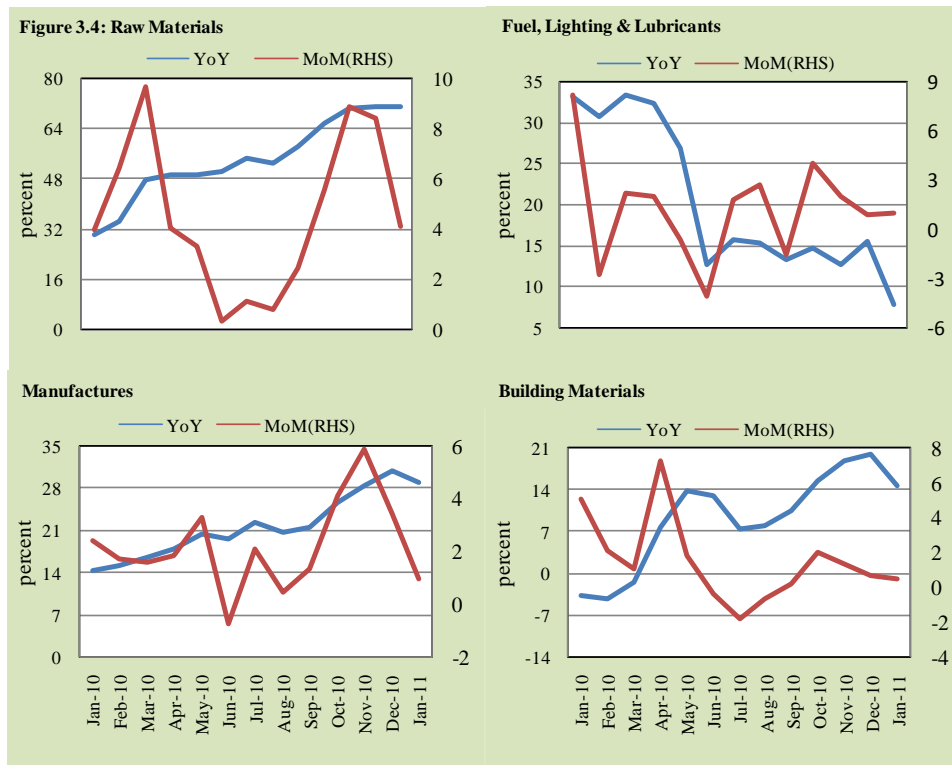


Non Food Group

WPI non-food inflation was 24.2 (YoY) during January 2011 compared to 28.9 percent in December 2010. This ease came largely due to weaker pace of rise in the prices in fuel & lighting sub-group. Prices of all items under this group remained unchanged or rose by a slower rate during Jan 2011, except prices of fire wood.

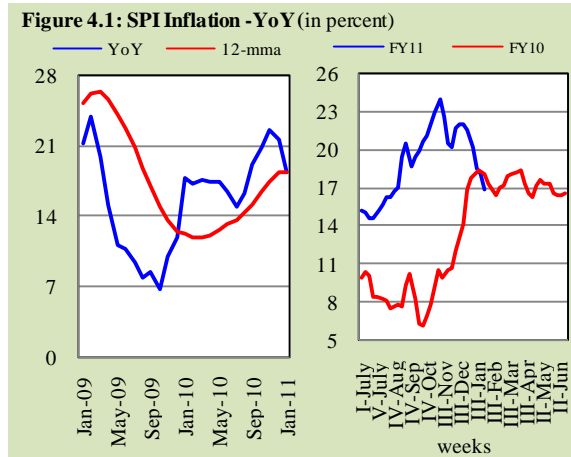
Within the sub-indices of WPI non-food group, all sub-indices (except raw material) witnessed moderation in inflation during January 2011. Raw materials

sub-group registered the highest increase (YoY) in WPI non-food category. A strong rise of 71.1 percent YoY in Jan 2011 in raw materials sub-index is mainly attributed to surge in the prices of cotton, cotton seeds, and sugar. A sharp rise in cotton prices is attributed to domestic shortages as well as rising supply-demand gap of cotton in international market.



4. Sensitive Price Indicator (SPI)

Inflation measured by Sensitive Price Indicator (SPI) also witnessed ease during the month under review. SPI dropped to 18.4 percent YoY during January 2011, from 21.5 percent in the previous month (see **Figure 4.1**). Weakening of SPI inflation is largely attributed to improvement in supply of



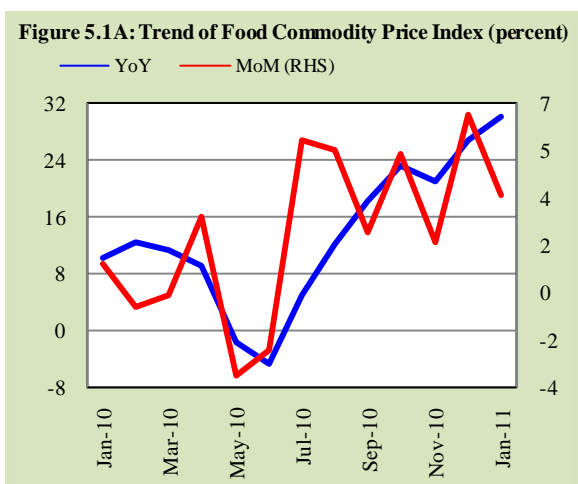
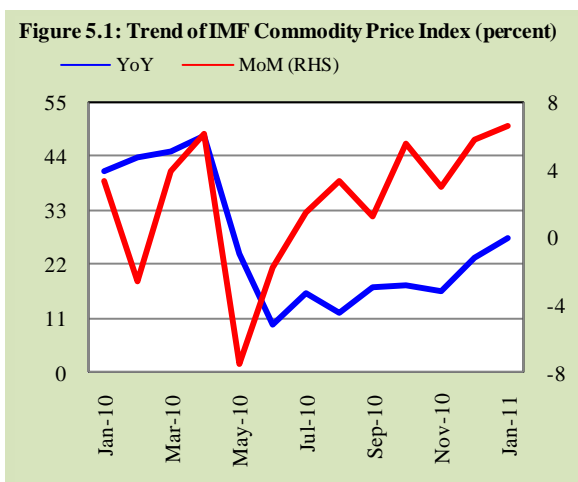
perishable food commodities

On MoM basis, SPI recorded an increase of 0.6 percent during the month of January 2011 compared to 0.5 percent deflation in the preceding month. Moreover, weekly SPI inflation (WoW) declined consecutively for the last three weeks of January 2011, whereas it increased during the first week of January 2011. The decline in the last three weeks was contributed by improved supply of perishable items such as onions, potatoes, and garlic on the back of arrival of new crops. The rise in the first week of January 2011 was mainly due to increase in POL products prices, withdrawn by government after a week.

5. Global Commodity Prices

International commodity prices continued on a rising trend in January 2011, reaching the highest levels for the last nine months. IMF commodity prices index rose by 27.6 percent (YoY) in January 2011, which is 3.9 percentage points higher than the pervious month's increase. Similarly, global commodity prices also rose on MoM basis in the same period. The current rise in global commodity prices was contributed by both food and non-food commodities (except for energy related items, where the pressure eased) during this period (see **Figure 5.1**).

Strong rise in prices of food commodities including wheat, rice, oil, and sugar was due to global production shortages and panic buying by the importers in anticipation of high prices. Among non-food group, surge in crude oil

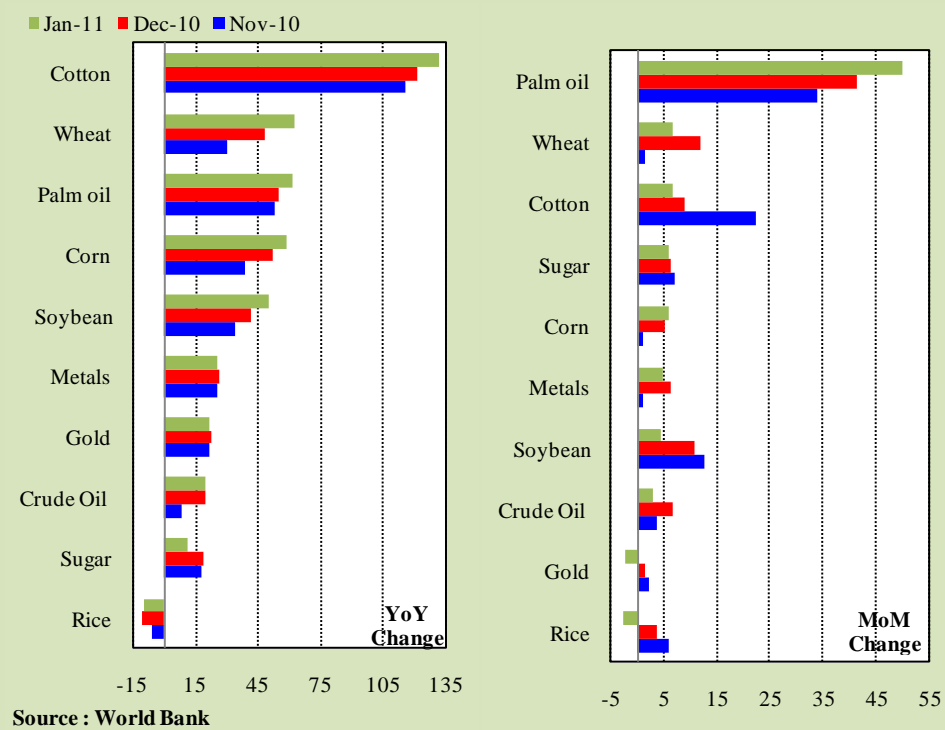


prices was led by bullish sentiments regarding economic recovery and partially due to political unrest in Egypt and Tunisia. Strong demand was the driving factor behind cotton and metal price hikes during January 2011. Precious metals' prices declined, as these were less attractive for the investor during this period despite weakness of the US dollar.

Food Group

Food inflation measured by IMF food commodity prices index (includes cereals, vegetable oil, meat, seafood, sugar, bananas and oranges prices indices) rose by 3.2 percentage points to 30.0 (YoY) percent during January 2011 compared with 10.2 percent increased in the same month last year (see **Figure 5.1A**). This increase came mainly on account of a strong surge in grains, sugar and oil seeds prices globally (see **Table 5.2**).

Figure 5.2: Trends in International Commodity Prices - January 2011



Among grains, wheat and corn prices reached two- year highs. Unfavorable weather in Australia and reports of lower than estimated winter wheat planting in the US created concerns in the market regarding the wheat outlook. Following these reports, many import-dependant countries such as Algeria, Indonesia, Saudi Arabia and Bangladesh started buying the commodity in an effort to hedge

against rising prices and to assure food security. These heavy purchases drove wheat prices to their highest level since August 2008. Similarly, a drop in US official corn inventories and concerns regarding the upcoming harvest in Argentina pushed corn prices to two- year highs in January 2011.

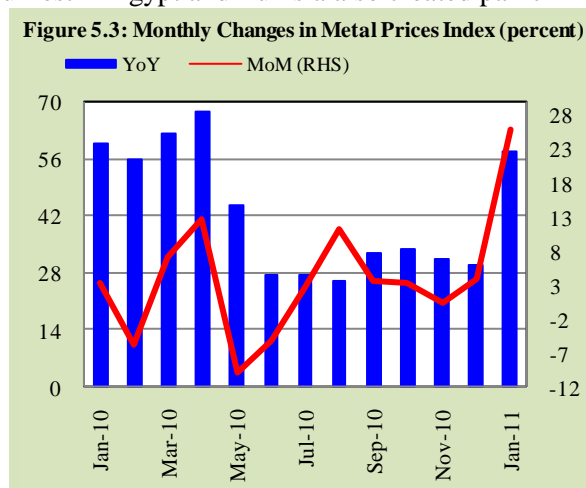
A strong growth was observed in edible oil, soybean, and palm oil prices from the start of FY11. Palm oil prices recorded a gain of 66.9 percent on YoY basis in the month under review—highest rise since May 2008. Strong demand from China and India was the major driving factor of the prices. In addition to that, lower supply estimates from US, as dry weather threatens soybean crops in Argentina (the top exporter in the world) and heavy rain in Indonesia supplemented the market nervousness.

Sugar prices rose to 30- year high of US cents 32.09 per pound in January 2011 due to strong demand and declining stock-to-use ratio. Bullish trend in sugar prices can be attributed to; (a) flooding in Australia, the world’s third largest sugar exporter, that caused an estimated 21 percent drop in sugarcane output; (b) concerns regarding delay in Indian exports; (c) expectation of a rise in European import quota, anticipation of decline in sugarcane output due to freezing weather in Guangxi, China-biggest growing region, and, (d) forecast of high strong sugar imports by Russia, it will be the world’s largest importer this year according to USDA.

Non-food group

Non-food commodities, in general, registered strong growth in prices during January 2011. Strong demand from emerging economies and moderate level recovery in advance economies are pushing the commodity prices higher. Some temporary factors like political unrest in Egypt and Tunisia also created panic in the commodity markets.

Within the non-food group, a continuous rising trend was witnessed in the metals sub-group during January 2011. Metal commodity prices index increased by 57.6 percent on YoY basis in the month under review; 28.0 percentage points higher than in the last month (see **Figure 5.3**). Industrial metal prices rose during January 2011



mainly due to strong demand from China, the largest metal user in the world. Copper prices reached to the highest ever level of US\$ 9555.7 per ton with 29.4 percent rise in January 2011 on top of 31.2 percent growth in previous month. Similarly, tin prices reached the highest US\$ 2746.5 per ton while, aluminum and lead prices touched the two- year high level of US\$ 27439.5 per ton in January with 54.9 percent increase compared with 53.2 percent climb in the corresponding month of preceding year.

Gold prices declined during the review month by more than US\$ 34 to 1356.4 from US\$ 1390.6 per troy ounce in December 2010. Gold prices dropped due to tumbling investor confidence with global economic recovery reports. Gold is considered as a safe haven against economic or political instability, so with economic recovery getting momentum, gold is losing its worth. However, due to problems still existing in Euro Zones, gold prices may decline gradually.

The prices pressure of energy related items measured by commodity fuel (energy) index (includes Crude oil, Natural Gas, and Coal Price Indices) slightly eased during the month under review. Fuel index rose by 20.6 percent in January 2011, which is not only lower than 21.1 percent increase in the last month but also much lower than 51.3 percent growth in the same month last year (see **Figure 5.4**). This monthly easing is attributed to weaker increase in coal and natural gas prices.

Crude oil prices (simple average of three spot prices; Dated Brent, West Texas Intermediate and Dubai Fateh) in January 2011 raised to US\$ 92.7 per barrel; the highest level since September

Figure 5.4: Monthly Trend in Energy Prices Index (percent)

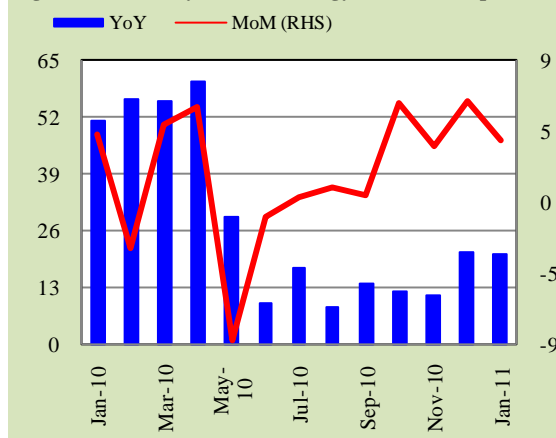
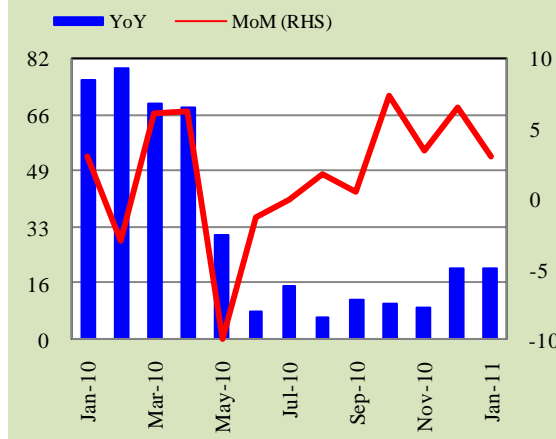


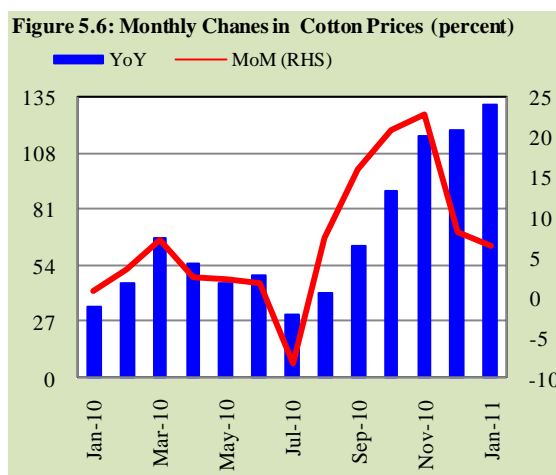
Figure 5.5: Monthly Changes in Crude Oil Prices (percent)



2008 (see **Figure 5.5**). The growth in crude oil prices remained strong at 20.6 percent on YoY basis in January 2011. Optimism about the global economic recovery and higher oil demand expectations supported the oil market in January 2011. In addition to this, political unrest in Egypt raised concern about the crude oil supply through Suez Canal,¹ pushing further pressures on crude oil prices. Apart from this factor supply side appear to be good as OPEC production in January 2011 increased by 400 tb/d whereas, non-OPEC supply increased by 1.1 mb/d. On the basis of OPEC development, we can expect some downward correction in crude oil prices in the next month.

Cotton prices continued to increase during January 2011 and reached US\$ 1.79 per pound; 131.2 percent higher than the prices of cotton in the corresponding month of preceding year (See **Figure 5.6**). This significant rise was mainly due to strong demand on the back of 86 percent increase in Chinese imports and less cotton production globally, indicating a tight supply in the year 2011. Earlier, flooding in Australia, draught in Tanzania and adverse weather condition in China and some other countries partially due to La Nina, lowered crop output in 2010 and put upward pressure

on cotton prices. In January 2011, United States Department of Agriculture lowered its estimates for global stockpiles to 558,000 bales explaining 73,000 bales reduction in global production and a 333,000 bales increase in estimated consumption.



¹ Suez Canal carries about 2.4 million barrels daily, roughly equal to Iraq's output.

Annexure A

	Weights	MoM change			YoY change		
		Jan-10	Dec-10	Jan-11	Jan-10	Dec-10	Jan-11
I. Food Group	40.3	2.0	-1.9	2.1	15.5	20.4	20.4
II. Non-Food Group	59.7	2.8	0.8	0.6	12.2	11.4	9.0
Apparel, textile, etc.	6.1	0.5	1.0	0.9	5.2	11.9	12.4
House rent	23.4	0.8	0.6	0.7	13.4	6.7	6.6
Fuel & lighting	7.3	13.4	1.8	0.8	20.2	22.5	8.8
Household furniture & equipment	3.3	0.6	0.8	1.0	5.6	10.0	10.4
Transport & communication	7.3	3.0	0.2	0.1	9.4	16.2	13.0
Recreation & entertainment	0.8	-0.3	0.1	0.0	2.1	13.8	14.2
Education	3.5	0.2	0.0	0.3	13.7	5.2	5.3
Cleaning, laundry, etc.	5.9	0.9	0.9	0.3	11.5	11.4	10.7
Medicare	2.1	2.7	1.4	1.2	5.9	17.8	16.2
Headline	100.0	2.4	-0.5	1.3	13.7	15.5	14.2

Groups	% Change	Total Number of Items		No. of Items in each Inflation Range							
				Decrease or no change (0% or less)		Subdued increase (>0% but <5%)		Moderate increase (>5% but <10%)		Double digit increase (over 10%)	
		Jan-10	Jan-11	Jan-10	Jan-11	Jan-10	Jan-11	Jan-10	Jan-11	Jan-10	Jan-11
I. Food Group	20.4	107	107	21	6	7	10	21	11	58	80
II. Non-Food Group	9.0	250	250	55	57	70	31	63	60	62	102
Apparel, textile, etc.	12.4	42	42	6	5	10	2	19	12	7	23
House rent	6.6	1	1						1	1	
Fuel & lighting	8.8	15	15	1	5	0		0		14	9
Household furniture & equipt	10.4	44	44	2	1	20	3	18	16	4	24
Transport & communication	13.0	43	43	18	15	14	4	7	8	4	16
Recreation & entertainment	14.2	16	16	4	4	9	7	0	1	3	4
Education	5.3	24	24	3	8	2	8	5	7	14	1
Cleaning, laundry, etc.	10.7	36	36	6	6	8	2	12	14	10	14
Medicines	16.2	29	29	15	13	7	5	2		5	11
Overall	14.2	357	357	76	63	77	41	84	71	120	182

Note: Prices of 12 seasonal items were not reported during the month.

Table A3: Top Ten Contribution to YoY CPI Inflation in Jan 2011

Items	Weights	YoY change		Weighted Contribution
		Jan-10	Jan-11	
A. Ranked by Weighted Contribution				
1 House Rent Index	23.43	13.38	6.56	10.39
2 Milk Fresh	6.66	14.46	19.40	10.1
3 Meat	2.70	17.82	30.86	8.25
4 Vegetable Ghee	2.67	10.28	35.71	7.61
5 Vegetables	1.92	27.39	35.87	5.47
6 Tomatoes	0.45	-16.94	315.77	5.10
7 Electricity	4.37	19.05	11.95	3.23
8 Onions	0.59	25.33	62.67	2.98
9 Spices	0.60	-2.76	73.37	2.93
10 Readymade Food	1.68	13.70	20.65	2.79
Total	45.08			58.89
B. Ranked by Percentage Change				
1 Tomatoes	0.45	-16.94	315.77	5.10
2 Pulse Moong	0.22	62.23	80.06	1.51
3 Spices	0.60	-2.76	73.37	2.93
4 Onions	0.59	25.33	62.67	2.98
5 Pulse Gram	0.43	-13.68	39.97	1.00
6 Communication	1.93	2.17	37.13	2.17
7 Besan	0.13	-11.14	36.55	0.30
8 Vegetables	1.92	27.39	35.87	5.47
9 Vegetable Ghee	2.67	10.28	35.71	7.61
10 Meat	2.70	17.82	30.86	8.25
Total	11.65			37.33
C. Ranked by Weights				
1 House Rent Index	23.43	13.38	6.56	10.39
2 Milk Fresh	6.66	14.46	19.40	10.14
3 Wheat Flour	5.11	13.77	2.51	1.28
4 Electricity	4.37	19.05	11.95	3.23
5 Bakery & Confectionary	2.98	4.61	9.50	1.37
6 Meat	2.70	17.82	30.86	8.25
7 Vegetable Ghee	2.67	10.28	35.71	7.61
8 Tution Fees	2.36	9.36	6.74	0.93
9 Transport Fare/Charges	2.12	3.11	15.37	2.77
10 Natural Gas	2.05	24.73	3.35	0.75
Total	54.45			46.71

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 14.2 percent in January 2011.

Table A4: Distribution of Price Changes (YoY)- Selected CPI Items, January 2011				
Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	Increase of over 10%
Food Group	Eggs,Pulse Masoor,Maida,Ice Cream Walls, Toffee (Hilal),Chowkelate Candy (Small Size)	Wheat Flour Fine/Superior.,Cuminseed White National,Corriander Seed Powd.Nationa, Curry Powd. National 200 Gm,Wheat,Pepper Black National,Wheat Flour Bag,Fruit Juice Tetra Pack,Guava,Coffee- Nescafe 75 Gm.	Chicken ,Cigarettes Gold Leaf 20'S,Vermicelli,Cigarettes Morven Gold 20'S,Vinegar Synthetic (Sirka),Tea Loose Kenya Av.Qlty 250G,Biscuits- Packed,Apple,Potatoes,Cigarettes Capstan 10'S,Tea Lipton Yellow Label 200G	Betel Nuts,Tea(L/R) Brookbond Supreme 250Gm.,Rice Basmati Sup. Qlty.,Rice Basmati 385/386,Sugar Refined,Salt- Powdered (Lahori) Loose,Bananas,Butter Local Packed,Jam Ahmed/Mitchelles,Sweetmeat (Mixed),Beef With Bone,Tomatoes
Apparel & Textile	Gents Shoes Paul Bata,Gents Sandal Bata,Child Shoe Power Lite Bata	Pullover Gents Oxford/Bon.,Pullover Ladies Oxford/Bon.	Ladies Sandal Bata,Full Pant Boy 24"/26" Lgth.,Shirt Boy 24"/26" Length	Awami-Suit W & W(Boy) 24"/26,Tailoring Shirt,Boot Polish Cherry/Kiwi 50MI
House Rent Index	House Rent Index			
Fuel & Lighting	Match Box Small,Gas Chrg Upto 3.3719 Mmbtu,Gas Chrg 3.3719 - 6.7438 Mmbtu,		Kerosene Oil	Elect.Charges 01 - 100 Unit,Elect.Charges Above 1000 Uni,Tube Light Philips 40 Watts,Gas Cylinder Stand. Size
Household Furniture & Equipment	Washing Machine Singer	Carpet Plain Av. Qlty,Tea-Set S.Steel 3 Pcs. M.Siz,Wall Clock Quartz Av.Qlty	Water-Set S.Steel Sup.Qlty,Airconditioner 1.5 Ton Pel, Dinning Table 6 Chairs A.Qlt	D-Freezer Waves 8 Cft.,Dinner Set Plastic 35 Pcs.,Dari Cotton (6'X2 1/2') Av.Q
Transport & Communication	Train Fare Eco. 1- 100 Km.,Train Fare A/C Slp > 500Km.,Plateform Ticket,Car Tax For 800Cc To 1300Cc	Motorcycle Honda Cd- 70.,Petrol Super,Internet Charges,Cng Filling Charges	Motorcycle Yamaha 100Cc.,Air Fare Economy Class.,Taxi 4 Seater Fare,Bus Fare Outside City	Full Tonga Charges,Car Suzuki 800 Cc (W/O. A/C),Auto Rickshaw Fares,Minibus Fare Max. With In Cit
Recreation & Entertainment	Daily "Dawn",Weekly "Akhbar-E- Jahan",Weekly "Mag"	Radio With C.Player National,T.V. 20" Colored With R/Cont,Tape Recorder Cassette Blan	Vid. Cassette Blk. Tdk/Sony	Daily "Jang",Daily "Nawa- E-Waqt",Tv.Licence Feedomestic
Education	Com. C.D. (Tdk/Imation),Urdu Book Class Ix/X(T.B.B),Govt. College Fee Ist. Year	Maths Book Ist.Year (T.B.B),Govt. University Fee Msc.,Ball Pen (Local)	Govt. Engg. Coll. Fee I Year,Fountin Pen Youth China,Paper Foolscape (27"X17")	Govt. Med. College Fee Mbbs, ,
Cleaning & Laundry	Surf (Medium) 160 Grm,Washing Powder 1000 Grm,Robin Blue (35 Grams),Toilet Soap Lux 95 Grams	Facecream Ponds (Medium),Brylcreem 210 MI.	Shampoo Plain Medora 200 MI.,Toothbrush Sheild A/Plauque,Cleanser Powder Vim 1000 Gm,Finis 500 MI	Wrist Watch Gents Citizen,Haircut Charges For Men,Gold Tezabi 24 Ct,Silver Tezabi 24 Ct
Medicare	Septran Tablets,Sancos Syrup (50 ML.),Calpol Syrup 60 MI.	Ventolin Tab. 2Mg.,O.R.S. (Nimcol),Lederplex Syrup		Cac. 1000 Tab,Thermometer China,Detol (Medium)

Table A5: City-wise Inflation by Income Groups, January 2011													
		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	1.4	13.3	2.1	17.9	0.3	6.7	1.4	12.9	2.4	17.5	0.1	6.9
2	Faisalabad	1.3	13.5	2.0	19.3	0.3	5.2	1.5	14.0	2.1	19.4	0.7	7.1
3	Rawalpindi	2.0	14.2	3.4	21.2	-0.2	4.8	1.5	13.1	2.6	18.9	0.0	6.0
4	Multan	1.8	16.8	2.4	20.7	1.0	11.5	1.9	16.2	2.6	20.6	0.8	10.6
5	Gujranwala	1.1	14.8	1.4	20.6	0.6	6.9	1.2	13.7	1.6	19.0	0.6	7.4
6	Islamabad	1.6	13.6	2.7	22.3	0.0	2.6	1.3	13.7	2.1	22.1	0.3	3.6
7	Sargodha	1.5	15.7	1.7	20.9	1.2	9.0	1.6	16.0	1.8	20.7	1.3	10.0
8	Sialkot	1.8	12.7	2.4	15.5	0.9	8.8	1.7	12.7	2.3	16.7	0.9	7.5
9	Bahawalpur	2.1	18.3	2.6	22.3	1.4	12.9	2.2	17.6	2.8	21.5	1.3	12.7
10	Karachi	0.6	15.0	0.7	21.5	0.5	6.7	0.7	14.4	0.9	21.0	0.5	6.6
11	Hyderabad	1.3	16.7	1.7	21.3	0.9	10.7	1.4	17.1	1.7	22.6	0.9	10.4
12	Sukkur	0.9	16.8	0.9	24.1	0.9	7.7	0.9	15.8	1.1	21.9	0.6	8.9
13	Larkana	2.5	17.0	3.7	23.6	0.9	8.2	2.5	17.3	3.5	23.4	1.2	9.8
14	Peshawar	0.8	14.2	1.0	17.3	0.4	10.2	0.9	15.2	1.3	19.2	0.4	10.5
15	Bannu	0.7	16.3	0.5	18.7	0.9	13.1	1.0	16.7	0.9	19.7	1.0	13.2
16	Quetta	1.5	20.2	1.9	29.3	0.8	7.6	1.2	18.0	1.4	27.1	0.8	6.6
17	Khuzdar	1.3	19.4	1.5	25.4	1.1	11.9	1.4	18.2	1.4	24.0	1.5	11.4
		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	1.3	11.9	2.4	16.9	0.0	6.6	1.2	10.6	2.5	16.6	0.3	6.7
2	Faisalabad	1.6	13.5	2.6	19.5	0.6	7.2	1.4	12.1	2.7	19.2	0.5	7.5
3	Rawalpindi	1.4	12.4	2.7	18.1	0.0	6.6	1.2	12.0	3.0	18.2	0.0	8.3
4	Multan	1.8	14.7	2.7	19.9	0.7	9.1	1.4	13.5	2.8	19.7	0.5	9.6
5	Gujranwala	1.2	13.1	1.9	19.0	0.5	7.2	1.1	12.1	2.1	18.7	0.5	8.2
6	Islamabad	1.0	12.1	1.9	20.8	0.0	3.6	0.8	10.3	2.4	19.9	-0.2	4.8
7	Sargodha	1.7	16.2	1.8	20.6	1.6	11.8	1.6	15.8	1.7	20.8	1.5	12.6
8	Sialkot	1.7	12.1	2.3	16.1	0.9	7.8	1.7	11.5	2.7	15.1	1.0	9.2
9	Bahawalpur	2.2	16.5	3.4	21.8	0.8	10.8	2.3	15.8	4.6	22.5	0.7	11.3
10	Karachi	0.7	13.6	1.0	20.5	0.5	7.0	0.7	11.4	1.3	20.6	0.3	6.1
11	Hyderabad	1.4	16.5	1.9	22.0	0.9	11.0	1.5	16.0	2.3	21.7	1.0	12.6
12	Sukkur	1.2	15.2	1.6	21.3	0.7	9.5	1.1	15.1	1.6	21.0	0.7	11.8
13	Larkana	2.4	16.3	3.5	22.4	1.3	10.0	2.4	15.5	3.2	21.1	1.8	12.1
14	Peshawar	0.9	14.3	1.3	19.3	0.4	9.2	0.7	13.1	1.2	19.2	0.4	9.5
15	Bannu	1.1	16.9	1.0	20.1	1.2	13.6	1.1	15.8	1.1	18.6	1.1	14.1
16	Quetta	0.9	15.9	1.1	25.0	0.7	6.6	0.6	15.2	0.5	24.0	0.7	9.9
17	Khuzdar	1.2	15.1	1.0	21.0	1.3	8.9	1.0	11.6	1.1	17.3	0.9	8.1

Table A6: City-wise Inflation in CPI (YoY) Jan 2011

	High inflation cities				Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Khuzdar	19.4	27.6	12.9	Loralai&Cantt	14.1	19.0	10.5
Bahawalnagar	18.9	21.8	16.6	Shahdadpur	13.9	17.1	11.4
Jhang	18.2	21.6	15.4	Peshawar	13.9	19.2	9.5
Kunri	16.8	22.0	12.7	Jehlum	13.7	20.4	8.3
D.I.Khan	16.7	22.9	11.6	Attock	13.4	21.5	7.1
Bahawalpur	16.7	22.0	12.0	Gujranwala	13.0	18.9	8.2
D.G. Khan	16.5	23.3	11.2	Okara	13.0	17.1	9.6
Bannu	16.5	19.5	14.0	Faisalabad	12.8	19.4	7.2
Mianwali	16.5	21.4	12.4	Karachi	12.6	20.6	6.3
Hyderabad	16.4	21.9	11.9	Rawalpindi	12.2	18.2	7.4
Nawabshah	16.3	21.2	12.5	Sialkot	11.8	15.6	8.5
Larkana	16.3	22.3	11.3	Lahore	11.4	16.8	6.6
Sargodha	16.1	20.7	12.3	Islamabad	10.6	20.1	3.1
Mirpur Khas	15.8	21.5	11.4				
Vehari	15.8	20.3	12.0				
Quetta	15.7	24.7	8.3				
Sukkur	15.3	21.4	10.7				
Samundari	15.3	17.9	13.1				
Abbotabad	14.8	20.0	10.5				
Mardan	14.8	19.2	11.3				
Multan	14.5	20.0	9.9				
Turbat	14.4	18.7	11.2				

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

Table A7 : Income Group-wise Inflation

percent

	MoM			YoY		
	Jan-10	Dec-10	Jan-11	Jan-10	Dec-10	Jan-11
Up to Rs. 3000						
General	2.1	-1.0	1.4	14.2	16.9	16.1
Food	2.0	-2.4	1.7	16.4	21.2	20.9
Non-food	2.3	1.1	1.0	11.5	11.4	10.0
Rs. 3001-5000						
General	2.3	-1.0	1.4	14.0	16.6	15.7
Food	2.1	-2.5	1.8	16.1	20.9	20.6
Non-food	2.5	1.0	0.8	11.6	11.5	9.7
Rs. 5000-12000						
General	2.4	-0.7	1.4	13.8	16.0	14.8
Food	2.0	-2.1	2.0	15.7	20.4	20.4
Non-food	2.8	0.8	0.7	12.0	11.4	9.1
Above Rs. 12000						
General	2.5	-0.1	1.2	13.5	14.7	13.3
Food	2.0	-1.4	2.2	14.9	20.0	20.3
Non-food	2.9	0.7	0.5	12.6	11.5	8.9
All income groups						
General	2.4	-0.5	1.3	13.7	15.5	14.2
Food	2.0	-1.9	2.1	15.5	20.4	20.4
Non-food	2.8	0.8	0.6	12.2	11.4	9.0

Table A8: SPI Item-wise Price Movements					
S.No	Items	Unit	Prices	Percentage change	
			Jan-11	YoY	Monthly
1	Wheat	Kg.	27.1	1.9	1.2
2	Wheat flour average qlt.	Kg.	30.8	2.8	0.2
3	Rice basmti.broken	Kg.	51.7	20.5	4.3
4	Rice irri-6	Kg.	39.2	15.2	4.4
5	Masur pulse washed	Kg.	120.0	-1.9	-0.1
6	Moong pulse washed	Kg.	139.0	74.3	0.3
7	Mash pulse washed	Kg.	159.2	21.5	-2.3
8	Gram pulse washed	Kg.	73.5	36.5	1.4
9	Beef	Kg.	217.7	25.9	0.8
10	Mutton	Kg.	415.5	35.1	0.9
11	Egg hen (farm)	Doz.	86.1	-2.0	0.4
12	Bread plain	Each	28.1	6.9	0.0
13	Sugar	Kg.	72.4	9.2	-1.7
14	Gur	Kg.	86.2	21.4	-1.0
15	Milk fresh	Ltr	50.0	20.1	0.6
16	Milk powdered nido	400g	200.0	11.1	0.0
17	Curd	Kg.	57.9	18.3	0.3
18	Veg.ghree tin	2.5kg	451.6	27.9	6.7
19	Veg.ghree loose	Kg.	164.0	40.8	7.1
20	Mustard oil	Kg.	163.5	20.7	4.8
21	Cooking oil	2.5ltr	451.6	27.9	6.7
22	Potatoes	Kg.	19.4	5.9	-23.1
23	Onions	Kg.	39.8	56.6	-30.2
24	Tomatoes	Kg.	70.2	297.8	9.2
25	Bananas	Doz.	45.5	20.2	6.6
26	Salt powdered	Kg.	7.4	10.2	2.2
27	Red chillies(powder)	Kg.	256.5	53.6	6.9
28	Garlic	Kg.	204.4	39.9	-5.4
29	Tea packet	250g	138.2	11.6	4.3
30	Tea (prepared)	Cup	13.3	27.4	2.4
31	Cooked beef plate	Each	53.1	18.4	0.6
32	Cooked dal plate	Each	34.4	21.7	1.9
33	Cigarettes k-2	10's	13.7	16.2	0.0
34	Coarse latha	Mtr.	55.4	20.5	2.2
35	Lawn (avg.+s.qlty)	Mtr.	105.8	14.3	0.0
36	Voil printed	Mtr.	54.5	15.6	0.2
37	Shirting	Mtr.	86.6	5.4	0.7
38	Sandel gents Bata	Pair	499.0	0.0	0.0
39	Sandel ladies Bata	Pair	399.0	5.3	0.0
40	Chappal spng. Bata	Pair	139.0	7.8	0.0
41	Kerosene	Litr	83.7	15.8	1.3
42	Firewood	40kg	364.5	20.6	5.0
43	Elec. Bulb 60-wats	Each	24.0	20.0	0.0
44	Match box	Each	1.0	0.0	0.0
45	Washing soap	Cake	15.3	19.5	3.9
46	Bath soap lifebuoy	Cake	24.0	9.1	0.0
47	Chicken (farm)	Kg.	121.8	5.2	7.7
48	Gas chrg. All clb. Comb	mmbtu	337.2	0.0	0.0
49	L.P.G.(cylinder 11kg.)	Each	1396.7	28.8	4.0
50	Elec.chrg.all slabs comb	per unit	9.1	12.0	2.0
51	Petrol	Ltr	75.5	14.5	2.4
52	Diesel	Ltr	80.1	15.7	1.3
53	Telephone local	Call	3.6	48.3	0.0
Maximum				297.8	9.2
Median				18.3	0.7
Minimum				-2.0	-30.2

Table A9: Distribution of Price Change (YoY) - WPI Items: January 2011

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

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Jan-10	Dec-10	Jan-11
General	100.00	210.99	244.84	243.60
Food & Beverages.	40.34	242.91	286.64	292.52
1 Wheat	0.48	310.41	312.17	315.20
2 Wheat Flour	5.11	305.87	312.31	313.55
3 Maida	0.11	284.80	282.06	283.38
4 Besan	0.13	190.91	257.73	260.68
5 Rice	1.34	273.35	301.18	314.56
6 Pulse Masoor	0.22	338.57	329.99	332.34
7 Pulse Moong	0.22	260.00	465.11	468.16
8 Pulse Mash	0.20	288.40	367.82	360.73
9 Pulse Gram	0.43	179.61	249.70	251.40
10 Gram Whole	0.15	210.33	234.07	235.41
11 Mustard Oil	0.05	249.56	284.65	296.93
12 Cooking Oil	0.69	221.73	266.96	285.80
13 Vegetable Ghee	2.67	244.93	308.12	332.39
14 Sugar	1.95	236.94	266.80	268.98
15 Gur	0.07	275.65	334.29	334.29
16 Tea	1.26	199.17	207.98	218.22
17 Milk Fresh	6.66	240.68	283.10	287.36
18 Milk Powder	0.11	210.05	235.38	237.74
19 Milk Products	0.56	222.67	258.89	261.12
20 Honey	0.04	208.10	265.64	264.80
21 Cereals	0.09	250.11	268.91	273.58
22 Jam, Tomato, Pickles & Vinegar	0.25	183.33	211.00	213.03
23 Beverages	0.73	174.94	205.12	207.73
24 Condiments	0.34	246.31	254.51	256.93
25 Spices	0.60	203.91	245.71	353.51
26 Dry Fruit	0.28	335.65	386.27	393.33
27 Bakery & Confectionary	2.98	148.37	158.64	162.47
28 Cigarettes	0.95	218.32	239.91	239.91
29 Betel Leaves & Nuts	0.19	178.17	209.94	213.07
30 Readymade Food	1.68	246.46	292.45	297.36
31 Sweetmeat & Nimco	0.38	251.20	304.08	312.97
32 Fish	0.27	204.62	246.21	257.01
33 Meat	2.70	304.03	392.54	397.86
34 Chicken Farm	0.92	217.71	222.56	230.43
35 Eggs	0.41	374.44	317.89	344.40
36 Potatoes	0.58	207.99	286.01	225.75
37 Onions	0.62	245.71	533.17	399.70
38 Tomatoes	0.48	108.98	362.12	453.11
39 Vegetables	1.84	243.13	330.00	330.34
40 Fresh Fruits	1.62	228.58	254.62	272.07
Apparel, Textile & Footwear.	6.10	161.48	179.84	181.46
41 Cotton Cloth	1.62	160.45	190.12	192.08
42 Silk, Linen, Woolen/Cloth	0.58	165.63	185.50	188.69
43 Tailoring Charges	0.86	177.65	200.71	202.59
44 Hosiery	0.15	177.29	195.22	200.65
45 Readymade Garments	1.20	148.77	163.64	165.30
46 Woolen Readymade Garments	0.15	193.06	215.49	217.98
47 Footwear	1.53	157.23	162.82	162.86
House Rent.	23.43	207.22	219.32	220.82
48 House Rent Index (Combined)	23.43	207.22	219.32	220.82

(continued)

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Jan-10	Dec-10	Jan-11
Fuel And Lighting.	7.29	244.09	264.06	265.58
49 Kerosene	0.14	457.10	497.88	497.88
50 Firewood	0.48	339.01	379.66	394.14
51 Match Box	0.13	200.00	200.00	200.00
52 Bulb & Tube	0.13	129.29	150.72	150.80
53 Electricity	4.37	189.54	212.19	212.19
54 Natural Gas	2.05	334.39	341.94	345.59
H.Hold. Furniture & Equipment Etc.	3.29	170.02	185.96	187.75
55 Utensils	0.37	157.07	168.08	171.41
56 Plastic Products	0.11	205.21	234.03	236.49
57 Suitcase	0.05	164.04	181.91	182.77
58 House Hold Equipments	0.10	157.29	174.61	176.81
59 Furniture (Ready Made)	0.31	183.46	202.26	203.77
60 Furnishing	0.64	161.43	180.23	182.49
61 Elect. Iron Fans & Washing Machine	0.19	161.83	173.69	174.70
62 Sewing Machine, Clock And Needles	0.13	149.61	161.18	163.70
63 Refrigerator & Air conditioner	0.18	132.29	144.25	144.25
64 Marriage Hall	0.04	201.57	230.11	235.28
65 House Hold Servant	1.19	181.16	196.28	197.53
Transport & Communication.	7.32	203.09	235.11	229.49
66 Petrol	1.73	234.18	240.37	240.37
67 Diesel	0.21	456.67	498.07	498.07
68 CNG . Filling Charges	0.16	226.80	236.39	236.39
69 Service Charges	0.38	174.92	190.66	191.03
70 Vehicles	0.26	131.97	144.11	145.18
71 Tyre & Tube	0.28	163.48	192.33	195.90
72 Transport Fare/Charges	2.12	259.82	299.46	299.76
73 Train Fare	0.15	253.24	253.04	253.24
74 Air Fare	0.10	342.93	365.51	365.51
75 Communication	1.93	93.29	127.92	127.93
Recreation & Entertainment.	0.83	122.20	139.56	139.61
76 Recreation	0.34	134.04	142.98	142.98
77 Entertainment	0.49	114.77	137.16	137.24
Education.	3.45	185.65	194.79	195.46
78 Tuition Fees	2.36	179.86	191.16	191.98
79 Stationery	0.35	179.63	193.94	195.09
80 Text Books	0.69	216.25	215.90	215.90
81 Computer & Allied Products	0.05	84.57	86.29	86.29
Cleaning Laundry & Per. Appearance.	5.88	182.79	201.77	202.36
82 Washing Soap & Detergent	1.55	166.11	178.64	179.92
83 Toilet Soap	0.74	186.50	194.80	194.80
84 Tooth Paste	0.40	116.23	120.84	120.84
85 Shaving Articles	0.35	153.05	164.77	164.94
86 Cosmetics	1.43	164.32	176.81	176.97
87 Watches	0.06	138.95	152.72	152.72
88 Jewellery	0.39	435.06	534.53	534.93
89 Laundry Charges	0.22	192.93	220.93	220.98
90 Hair Cut & Beauty Parlour Charges	0.73	165.88	187.82	189.24
Medicare.	2.07	158.16	181.45	183.71
91 Drugs & Medicares	1.08	125.09	137.83	138.00
92 Doctor's Fee	1.00	193.81	228.46	232.97

Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities				
Item and Specifications	Jan-10	Nov-10	Dec-10	Jan-11
GENERAL	230.80	275.46	278.38	282.96
FOOD	241.37	290.52	286.07	291.06
1 WHEAT	315.81	308.38	312.17	315.15
2 WHEAT FLOUR	300.42	299.59	301.67	302.98
3 MAIDA	294.27	277.81	281.25	284.32
4 BESAN	169.10	233.82	238.11	238.88
5 RICE	313.24	351.56	359.52	380.15
6 MAIZE	213.02	341.87	336.23	347.51
7 JOWAR	226.63	360.30	358.86	357.42
8 BAJRA	190.04	268.71	272.12	279.95
9 BEANS	255.79	306.47	308.77	312.89
10 GRAM WHOLE	226.92	241.69	249.51	250.88
11 GRAM SPLIT	157.90	226.73	232.48	234.71
12 MASOOR	333.47	318.16	313.26	315.01
13 MASH	256.61	319.06	316.21	312.92
14 MOONG	257.29	443.29	450.21	458.64
15 POTATOES	217.86	457.43	276.90	224.48
16 ONIONS	243.90	628.11	552.50	435.27
17 TOMATOES	98.93	291.82	387.42	531.23
18 VEGETABLES	238.88	485.73	336.34	317.10
19 FRESH FRUITS	164.81	202.72	201.66	201.93
20 DRY FRUITS	253.97	286.67	302.49	313.91
21 FRESH MILK	206.74	239.89	242.14	244.25
22 POWDERED MILK	222.10	229.09	229.11	232.63
23 MILK FOOD	171.18	182.52	186.46	188.09
24 VEGETABLE GHEE	260.46	334.36	353.20	378.76
25 MUSTARD & RAPESEED OIL	282.65	326.75	338.06	351.56
26 COTTON SEED OIL	282.29	319.21	327.60	348.02
27 COOKING OIL	220.70	247.35	257.50	266.91
28 OIL CAKES	315.95	364.53	364.72	366.13
29 GUR	248.94	313.22	306.82	313.98
30 SUGAR REFINED	239.57	317.71	274.55	273.10
31 CHICKEN	227.30	229.31	227.80	241.25
32 EGGS	381.33	302.17	328.81	359.72
33 FISH	140.28	157.71	162.97	164.25
34 MEAT	286.54	367.22	368.58	372.60
35 SPICES	230.63	277.84	286.51	332.14
36 CONDIMENTS	291.51	301.29	301.57	303.35
37 SALT	166.70	171.87	174.83	182.71
38 TEA	165.01	169.50	170.14	172.03
39 BEVERAGES	141.85	151.18	151.85	154.59
40 MINERAL WATER	126.74	137.99	139.50	140.19
41 FRUIT PREPARED/PRESERVED	173.34	224.04	225.08	227.04
42 VEGETABLES PREPARED/PRESERVED	177.29	197.79	198.21	200.30
43 SUGAR CONFECTIONARY	100.46	100.57	100.57	100.57
RAW MATERIAL	235.19	356.30	386.42	402.36
44 COTTON	200.42	369.80	404.05	422.26
45 COTTON SEEDS	287.12	330.24	347.69	356.41
46 MUSTARD/RAPESEEDS	291.66	349.30	364.94	376.57
47 TOBACCO	221.77	248.01	250.41	255.01
48 SUGAR CANE	356.16	499.09	555.70	584.97
49 WOOL	141.45	153.72	153.72	153.73
50 HIDES	131.68	139.06	141.45	143.03
51 SKINS	99.92	106.04	107.11	107.76
52 PIG IRON	321.93	321.93	321.93	321.93

(continued)

Table A11: Wholesale Price Index Numbers by major Groups and Selected Commodities

Item and Specifications	Jan-10	Nov-10	Dec-10	Jan-11
FUEL & LIGHT	313.87	332.06	335.15	338.54
53 COAL	141.00	144.00	160.00	160.00
54 COKE	555.18	693.98	693.98	693.98
55 DIESEL OIL	446.65	486.97	486.97	486.97
56 MOTOR SPRIT	231.95	237.66	237.66	237.66
57 MOBIL OIL	199.46	214.24	216.39	216.39
58 FURNACE OIL	391.84	397.28	405.38	420.08
59 KEROSENE OIL	434.90	481.70	481.70	481.70
60 NATURAL GAS	256.00	256.00	256.00	256.00
61 ELECTRICITY IND. SUPPLY TARIFF-B	201.01	217.55	220.68	220.68
62 ELEC. AGRICULTURE TARIFF-D	205.07	237.51	238.86	238.86
63 FIRE WOOD	274.99	303.63	319.51	330.55
MANUFACTURE	156.61	193.44	200.05	201.97
64 SOLE LEATHER	137.13	134.06	134.06	134.06
65 CHROME LEATHER	212.23	212.23	212.23	212.23
66 COTTON YARN	145.11	227.32	241.23	244.54
67 BLENDED YARN	166.18	197.69	214.58	223.23
68 NYLON YARN	119.00	150.92	171.00	174.85
69 COTTON TEXTILES	146.95	163.45	166.39	166.51
70 HOSIERY	156.75	165.03	169.20	171.79
71 SILK & REYON TEXTILES	148.39	156.03	158.79	159.41
72 WOOLEN TEXTILES	139.79	146.21	146.34	146.88
73 JUTE MANUFACTURES	128.60	143.28	144.32	146.42
74 MATTRESSES	139.72	150.22	154.56	156.11
75 READY MADE GARMENTS	118.87	121.18	123.49	123.49
76 UTENSILS	148.79	149.98	152.05	153.01
77 PLASTIC PRODUCTS	138.32	150.30	151.55	153.20
78 GLASS PRODUCTS	179.65	182.18	182.18	182.18
79 CHEMICALS	185.62	211.90	227.92	231.61
80 DYING MATERIALS	87.20	96.14	96.14	96.14
81 SOAPS	182.91	194.85	198.22	199.15
82 COSMETICS	119.84	152.22	161.81	161.81
83 DRUGS & MEDICINES	113.17	123.48	123.48	123.48
84 FERTILIZERS	289.10	324.79	339.55	347.45
85 PESTICIDES & INSECTICISED	148.15	156.80	157.48	160.57
86 MACHINERY	177.90	191.25	192.92	196.32
87 TRANSPORTS	129.02	157.98	162.72	162.74
88 TYRES	208.57	226.37	228.02	228.02
89 TUBES	187.73	205.86	214.77	214.77
90 AUDIO-VISUAL INSTRUMENTS	92.28	92.60	92.61	94.02
91 OTHER ELECTRICAL GOODS	131.11	136.86	138.26	139.60
92 CIGARETTES	190.55	262.67	262.35	262.35
93 PAPER	105.98	107.79	107.79	107.79
94 MATCHES	124.26	126.93	129.78	130.85
95 FOOT WEAR	192.15	199.97	199.97	199.97
BUILDING MATERIAL	196.26	222.70	224.13	225.32
96 CEMENT	124.02	134.70	134.47	134.47
97 BRICKS	246.93	281.96	304.72	310.85
98 CEMENT BLOCKS	170.83	170.83	170.83	170.83
99 TILES	99.67	99.67	99.67	99.67
100 IRON BARS & SHEETS	249.30	289.10	291.57	293.69
101 PIPE FITTINGS	184.74	186.36	186.87	190.29
102 TIMBER	208.88	223.10	226.07	226.36
103 GLASS SHEETS	177.94	187.35	187.35	188.34
104 PAINTS & VARNISHES	146.05	178.02	180.97	180.97
105 SANITARY WARES	162.20	162.40	162.77	162.77
106 WIRES AND CABLES	262.08	286.09	286.09	286.09

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
Aug.	233.50	271.35	207.91	252.93	267.12	242.60	261.70
Sep.	239.69	285.63	208.62	258.22	279.03	243.08	270.74
Oct.	241.17	285.89	210.93	266.19	283.96	253.26	275.31
Nov.	244.84	292.20	212.81	275.46	290.52	264.50	284.33
Dec.	243.60	286.64	214.50	278.38	286.07	272.78	282.83
2011 Jan.	246.76	292.52	215.82	282.96	291.06	277.07	284.47

*: all groups combined

Table A13: International Commodity Prices/Indices

	Nov-10	Dec-10	Jan-11
Energy			
Crude Oil (US\$ per barrel)*	84.6	90.1	92.7
IMF Energy Index (2005 =100)	156.4	166.4	173.0
WB Energy Index (1990=100) @	287.8	307.3	320.4
Food			
Rice (\$/MT)	543.1	536.8	527.5
Wheat (\$/MT)	274.4	307.0	326.5
Sugar (US cent / pound)	28.9	31.1	32.1
Palm Oil (\$/MT)	1,059.0	1,171.2	1,238.6
Soybean Oil (\$/MT)	1,123.3	1,208.4	1,257.1
Non-Food Non-Energy			
Cotton Outlook 'A' Index #	155.5	168.2	178.9
IMF Metal Price Index (2005=100)	186.3	193.7	243.8
Copper (\$/MT)	8,458.4	9,152.9	9,533.2
Aluminum (\$/MT)	2,324.1	2,356.7	2,439.7
Iron Ore (\$ cents/dry MT)	182.0	182.0	179.6
Tin (\$/MT)	25,403.1	26,103.9	27,439.4
Nickel (\$/MT)	22,836.2	24,099.6	25,621.2
Zinc (\$/MT)	2,283.3	2,287.3	2,375.8
Lead (\$/MT)	2,365.0	2,413.2	2,584.0
Uranium (\$/pound)	57.2	60.7	63.9
DAP (\$/MT)	423.8	468.9	533.2
Urea (\$/MT)	340.6	354.0	367.5

\$/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.

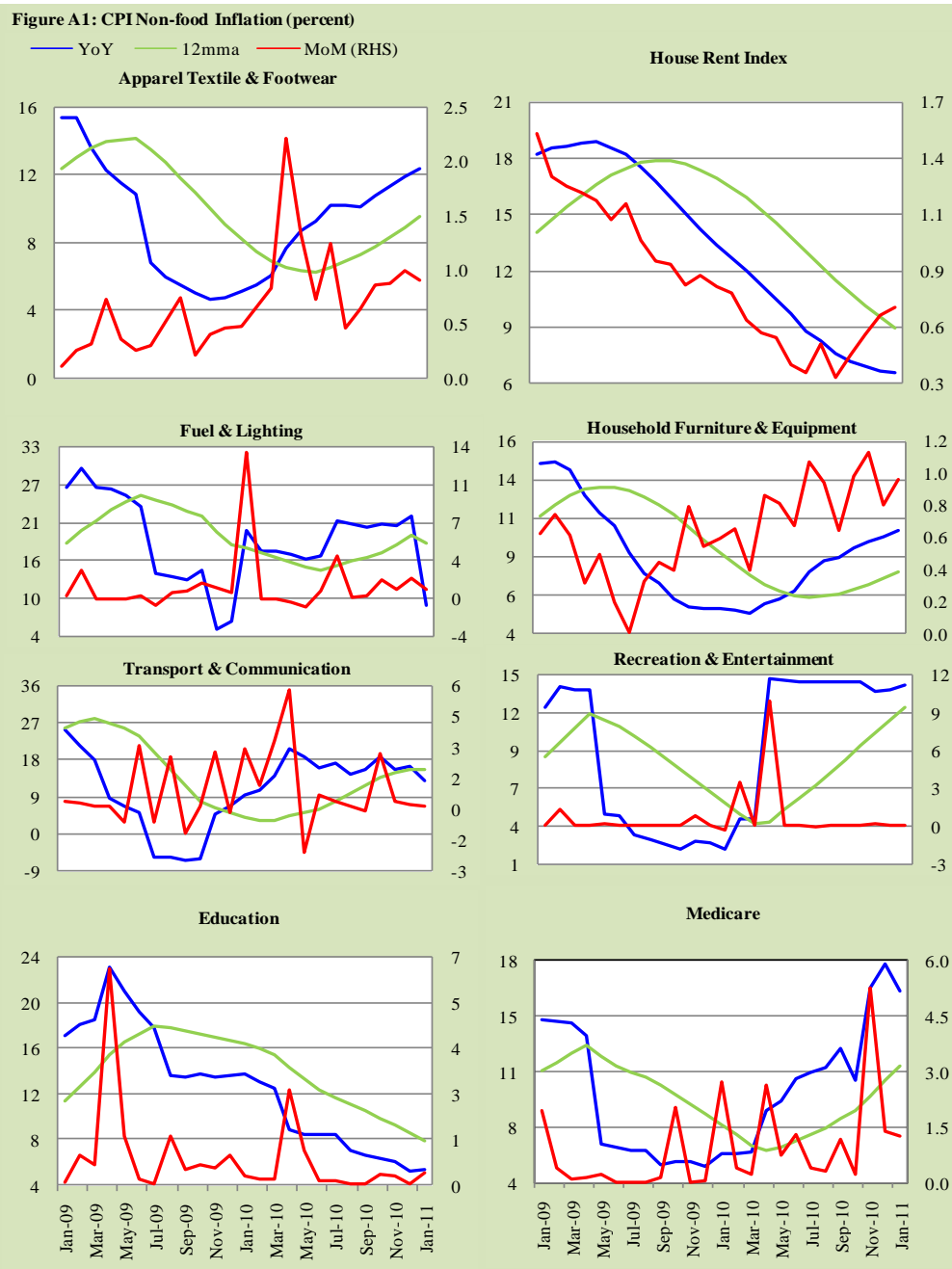


Figure A2: Frequency Distribution of Price Changes of CPI Items, January 2011

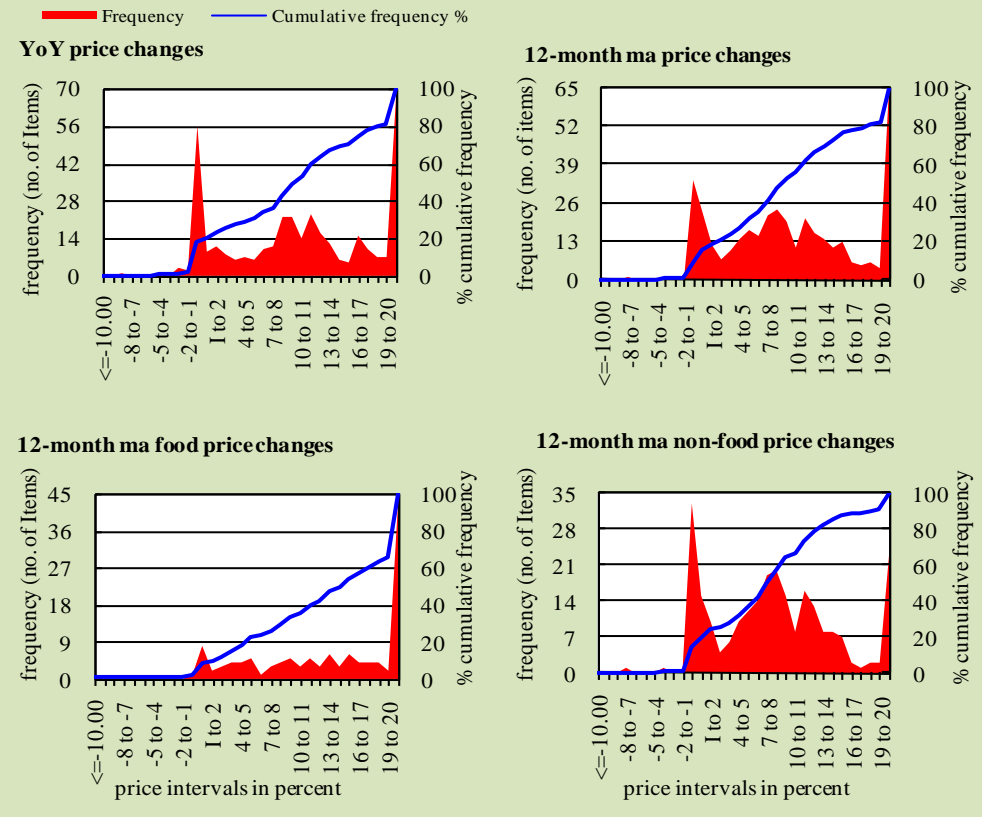
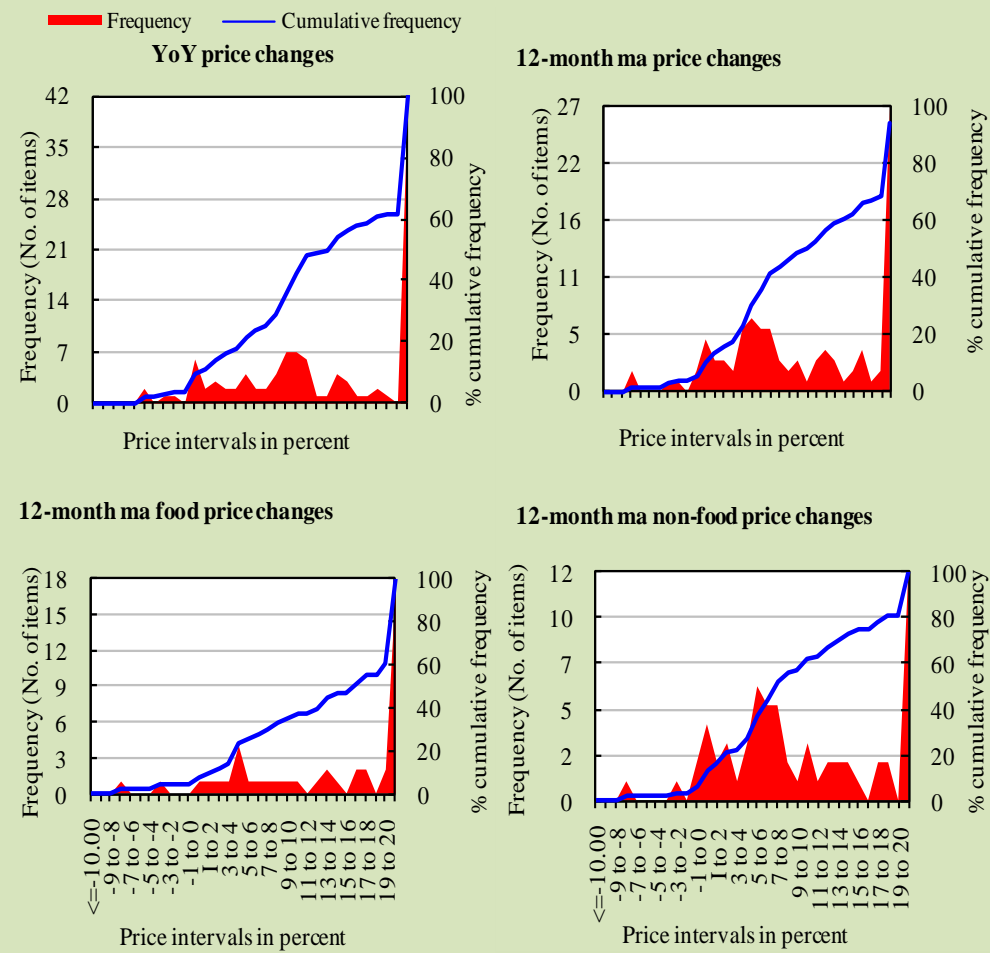


Figure A3: Frequency Distribution of Price Changes of WPI Items, January 2011



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:

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

Where v 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