

Inflation Monitor

December 2010



State Bank of Pakistan

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1. Overview

Inflationary pressures remained firm in the economy during recent months. CPI inflation (YoY) registered at 15.5 percent in December 2010-unchanged from the preceding month (**Figure 1.1**). While SPI inflation eased marginally, WPI inflation continued to accelerate on YoY basis during the month under review (see **Table 1.1**).

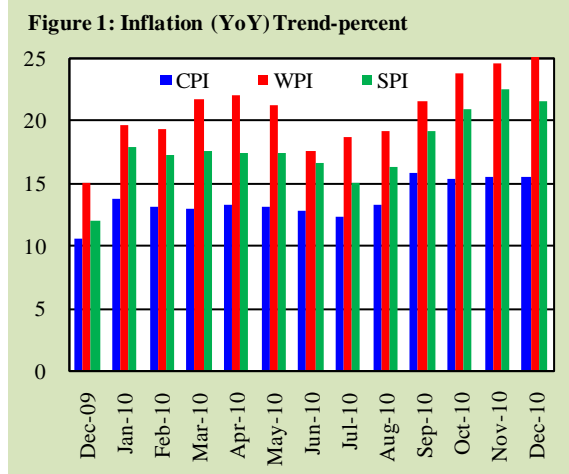


Table 1.1: Inflation Trends

	percent													
	CPI						Core Inflation							
	General		Food		Non-food		NFNE*		Trimmed		WPI		SPI**	
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM
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
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

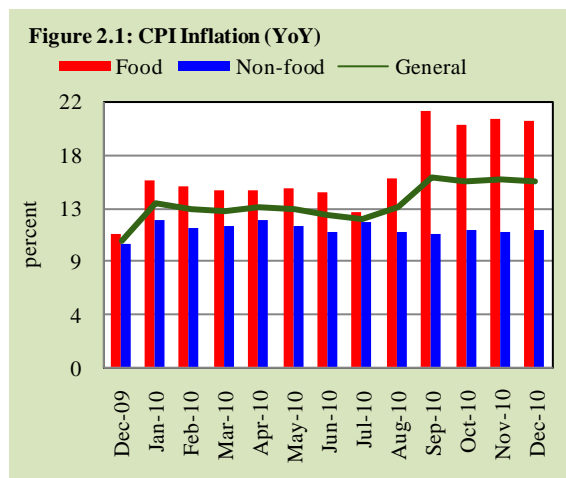
* NFNE is Non-food non-energy inflation; ** SPI for all income groups combined.

The strength of inflationary pressures is also evident from the increasing core inflation (measured by 20% trimmed mean), which rose to 13.6 percent (YoY) during December 2010; not only higher than 13.4 percent in the preceding month but also significantly higher than 10.4 percent in the same month of last year. Similar to headline CPI inflation, core inflation (YoY) measured by NFNE remained unchanged at the level of 9.5 percent in the month under review.

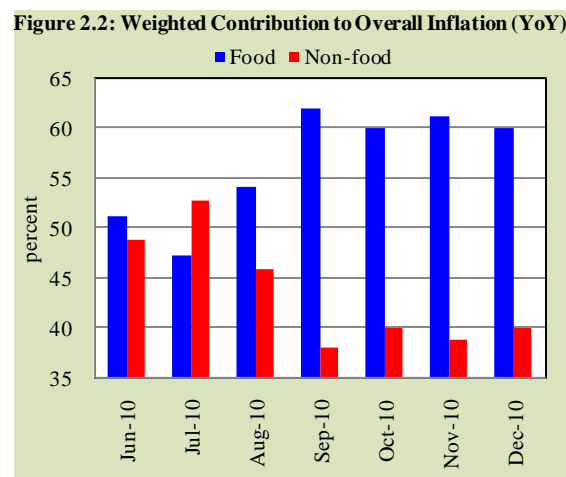
Global commodity price index witnessed sharp increase on YoY basis during December 2010 - highest rise during the last seven months of 2010. The current rise in commodity prices was contributed by all sub-groups, excluding agricultural raw material and metal sub-groups where price pressures eased during the month.

2. Consumer Price Index

In December 2010, CPI inflation (YoY) remained unchanged at 15.5 percent at the level of November 2010 (see **Figure 2.1**). A rise in CPI non-food inflation was offset by weakening CPI food inflation.



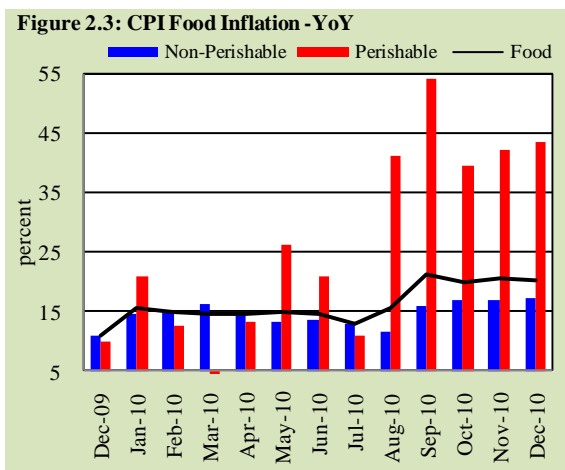
The latter meant that the weighted contribution of food inflation in overall CPI inflation declined from 61.2 percent in November 2010 to 60.0 percent in December 2010. The low food inflation was helped by improved supply on the back of arrival of new crops, and import of some commodities. Non-food contribution increased to 40.0 percent mainly due to rising prices of items in the textiles, fuel & lighting and transport & communication sub-groups (see **Figure 2.2**).



However, CPI inflation on month on month basis fell by 0.5 percent during the month under review as against a surge of 1.5 percent in the preceding month. This decline appears largely to be a seasonal phenomenon.

2.1 Food Inflation

CPI food inflation (YoY) eased slightly from 20.5 percent in November 2010 to 20.4 percent during December 2010. In contrast to YoY food inflation, a deflation of 0.5 percent on MoM basis was witnessed in food prices in December 2010 as against 1.9 percent inflation during the previous month. It is interesting to note that during the last twenty years (from 1991 to 2010); deflation was recorded for 14 times in the month of December. This may be due to the arrival of new harvests of important minor crops (such as potatoes, tomatoes, garlic and onions).



A further classification of food group into perishable and non-perishable sub-groups reveals that rising trend continued in the prices of perishable items during the last three months of 2010. Inflation in perishable food sub-group increased by 4.2 percentage points during the last quarter of 2010, while inflation in non-perishable items remained almost unchanged in the same period (see **Figure 2.3 and Table 2.1**). Higher inflationary pressures in perishable food items are attributed to : (a) damages due to floods; (b) strong exports of vegetables; and (c) continuous rise in the prices of food items in international markets. In particular, prices of vegetable ghee, dry fruits, cooking oil, vegetable ghee, different meat, and fresh milk rose because of high global prices, and rising international demand, and supply constraints.

In food group, out of the reported 108 items in December 2010, prices of 72.2 percent food items

Table 2.1: Top Ten Contributors to CPI Food Inflation (YoY)

Items	Weights	YoY change		Weighted Contribution
		Dec-09	Dec-10	
1 Milk Fresh	16.51	14.73	17.65	14.54
2 Meat	6.69	17.00	30.41	12.69
3 Vegetable Ghee	6.61	11.21	28.66	9.41
4 Onions	1.47	-9.09	124.95	9.05
5 Vegetables	4.77	24.19	30.50	7.63
6 Sugar	4.83	52.19	35.85	7.04
7 Tomatoes	1.13	-22.02	150.83	5.08
8 Readymade Food	4.17	11.52	19.74	4.17
9 Wheat Flour	12.67	8.04	4.37	3.43
10 Fresh Fruits	4.01	18.76	16.03	2.92
Total	62.9			75.9

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 Food, which is 20.4 percent in December 2010

recorded double digit inflation compared with 48.1 percent items in the same period of 2009. Prices of only 8.3 percent items either declined or remained unchanged during the month under review as against 25.9 percent items during the corresponding month of preceding year.

2.2 CPI Non-food Inflation

CPI non-food inflation accelerated to 11.4 percent on YoY basis in December 2010; higher than both 11.1 percent during November 2010 and 10.0 percent in December 2009. CPI non-food inflation has been around 11 percent during the last five months of 2010, converging with the twelve months moving average CPI, which shows resilience of the non-food inflation during the same period (see **Figure 2.4**).

Out of nine sub-groups of CPI non-food component, seven registered rising inflation on YoY basis in December 2010, whereas two sub-groups (house rent index and education) having about 45 percent weight in non-food group recorded ease in inflation. The highest increase was recorded in fuel & lighting sub-group (see **Figure 2.5**), which increased

Figure 2.4: CPI Non-food Inflation

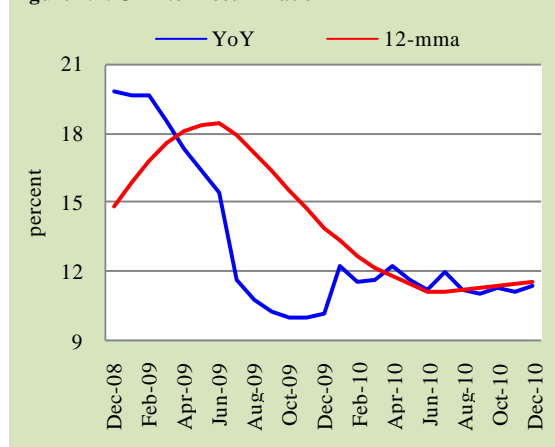


Figure 2.5: Inflation in Selected CPI Sub-groups (YoY)

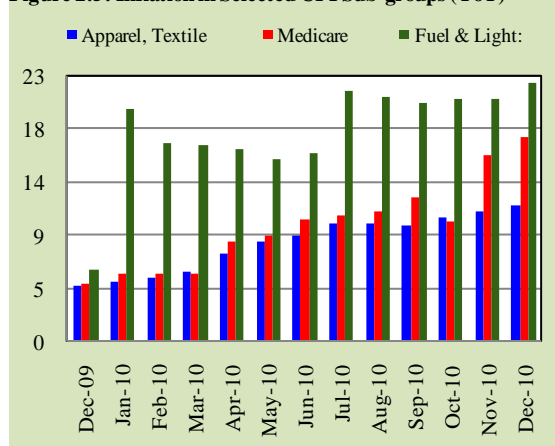
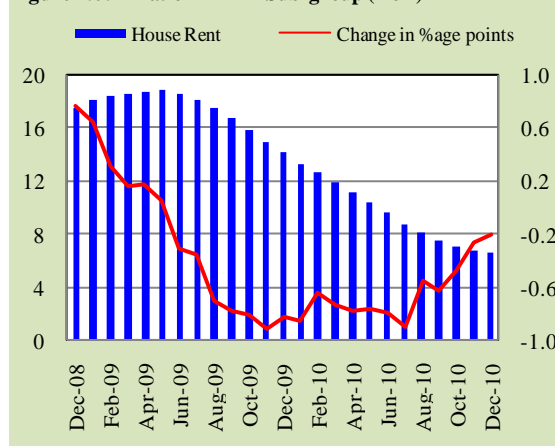
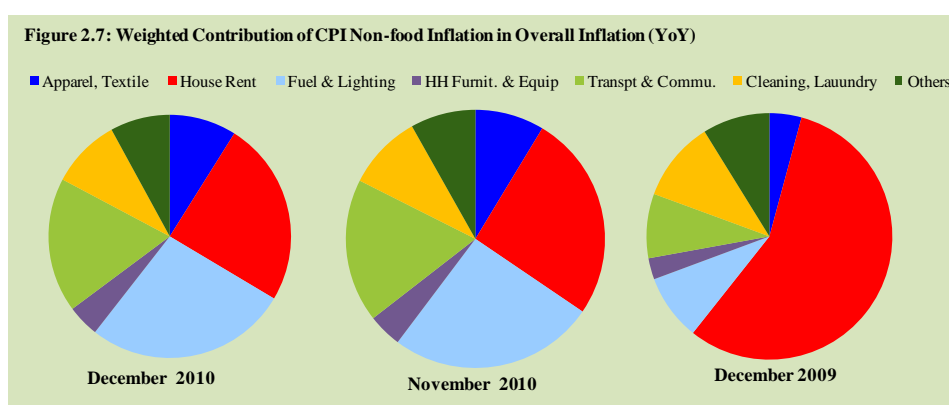


Figure 2.6: Inflation in HRI Sub-group (YoY)



by 1.4 percentage points in December 2010 over the previous month mainly due to rise in the prices of kerosene, firewood, and natural gas on account of cold weather in the country as well as upward adjustment in electricity tariff in an effort to reduce subsidy.

In contrast, education sub-group recorded 5.2 percent inflation in December 2010; the lowest since May 2008. House rent index sub-group also continued its declining trend in the month under review (see **Figure 2.6**). HRI inflation on YoY basis dropped from 6.9 percent in November 2010 to 6.7 percent in December 2010. The December 2010 HRI inflation level is equal to that of June 2007.



Consequently, a declining trend was observed in the weighted contribution of HRI and education sub-groups in the month under review compared with other sub-groups (weighted share of these groups rose or remained unchanged) in December 2010 (see **Figure 2.7**).

Segregated item-wise analysis shows that out of the 250 non-food items, 123 items witnessed price rises of up to 5.0 percent, only 19 items recorded price rises up to 10.0 percent, and the remaining 108 items registered significant price rises, i.e., above 10.0 percent.

2.3 Income Group-wise Inflation

The lowest income group (having income up to Rs. 3000) experienced the same

Table 2.2: Income Group-wise Inflation (YoY)									
	Dec-09			Nov-10			Dec-10		
	General	Food	Non-food	General	Food	Non-food	General	Food	Non-food
Up to Rs. 3000	11.2	12.1	10.1	17.4	22.2	11.0	16.9	21.2	11.4
Rs. 3001-5000	10.8	11.6	9.9	17.0	21.7	11.1	16.6	20.9	11.5
Rs. 5000-12000	10.5	11.0	9.9	16.1	20.8	11.2	16.0	20.4	11.4
Above Rs. 12000	10.5	10.5	10.4	14.5	19.6	11.3	14.7	20.0	11.5
All income groups	10.5	10.9	10.2	15.5	20.5	11.1	15.5	20.4	11.4

level of inflation as in the preceding month in terms of incidence of overall and food inflation during December 2010. Similarly, incidence of overall and food inflation was the lowest for highest income group (see **Table 2.2**) in the month under review. Unusually, incidence of non-food inflation was almost equally for all income groups. In other words, there is now a disproportionate food inflation incidence on the purchasing power of low income groups.

2.4 City-wise Inflation

City-wise inflation data shows that out of 35 cities, 24 cities recorded inflation higher than overall inflation in December 2010 compared to 17 cities in the same month of previous year (see **Table 2.3**).

Highest overall inflation was recorded in Khuzdar, mainly driven by food inflation whereas lower inflation was recorded in Islamabad.

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.

Table 2.3: City-wise Inflation of Selected Cities percent

	Dec-09		Nov-10		Dec-10	
	MoM	YoY	MoM	YoY	MoM	YoY
Over all CPI	-0.5	10.5	1.5	10.5	-0.5	15.5
Islamabad	-0.5	9.2	1.5	9.2	-0.5	12.4
Lahore	0.0	9.9	0.6	9.9	0.1	13.3
Karachi	-0.7	9.7	-0.1	9.7	-1.0	14.0
Quetta	-0.3	7.9	2.0	7.9	-0.7	17.6
Peshawar	-0.6	7.8	2.2	7.8	0.9	16.5

3. Wholesale Price Index

While CPI inflation (YoY) is moving in a narrow range, the uptrend in WPI

Figure 3.1: Wholesale Price Inflation (YoY)

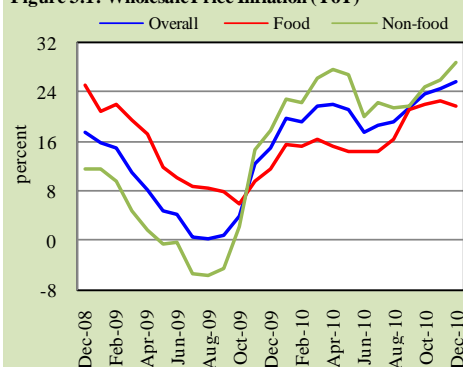
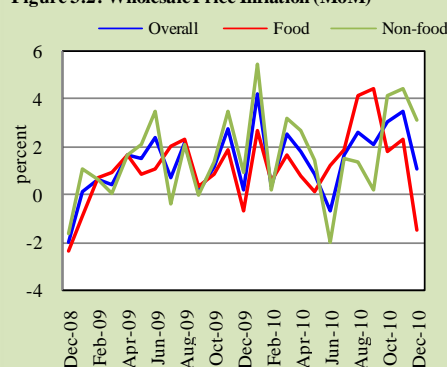


Figure 3.2: Wholesale Price Inflation (MoM)



inflation (YoY) was continued since the start of FY11. WPI inflation was 25.7 percent in December 2010, which is not only 1.8 percentage points higher than the last month inflation but also 10.8 percentage points higher than the corresponding month of preceding year (see **Figure 3.1**). This rise is principally attributed to jump in non-food inflation on the back of surge in international commodity prices.

WPI inflation on MoM basis recorded subdued increase during the month under review compared to the last month. WPI inflation (MoM) rose by 1.1 percent during December 2010; the lowest during the second half of 2010. Like WPI YoY inflation, major contribution to WPI inflation (MoM) came from non-food component (see **Figure 3.2**). Non-food component showed 3.1 percent inflation (MoM) during December 2010 compared to 4.4 percent in the preceding month. WPI food group showed deflation in December 2010. This is probably a seasonal phenomenon as it is the third consecutive December, when WPI food group recorded deflation. In the present decade, WPI food group witnessed deflation during in 7 years during the month of December. This is probably a reflection of improvement in supply of perishable food commodities in the month.

Food Group

WPI food inflation rose to 21.7 percent on YoY basis during December 2010, slightly lower than 22.7 percent inflation in November 2010. Within the WPI basket 43 items belong to food group, out of which 30 items recorded double-digit increase during December 2010 compared with 29 items in the last year. Only 2 items of food group registered decline in the month under review

Figure 3.3A: Top Ten Food items Registered Price Rise in December 2010

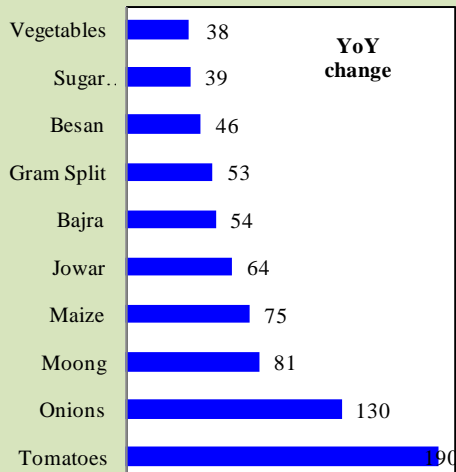
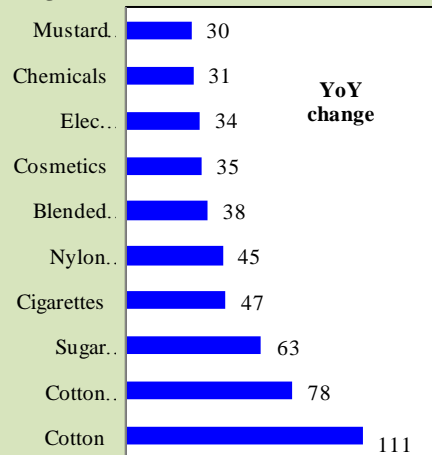


Figure 3.3B: Top Ten Non-food Items Registered Price Rise in December 2010



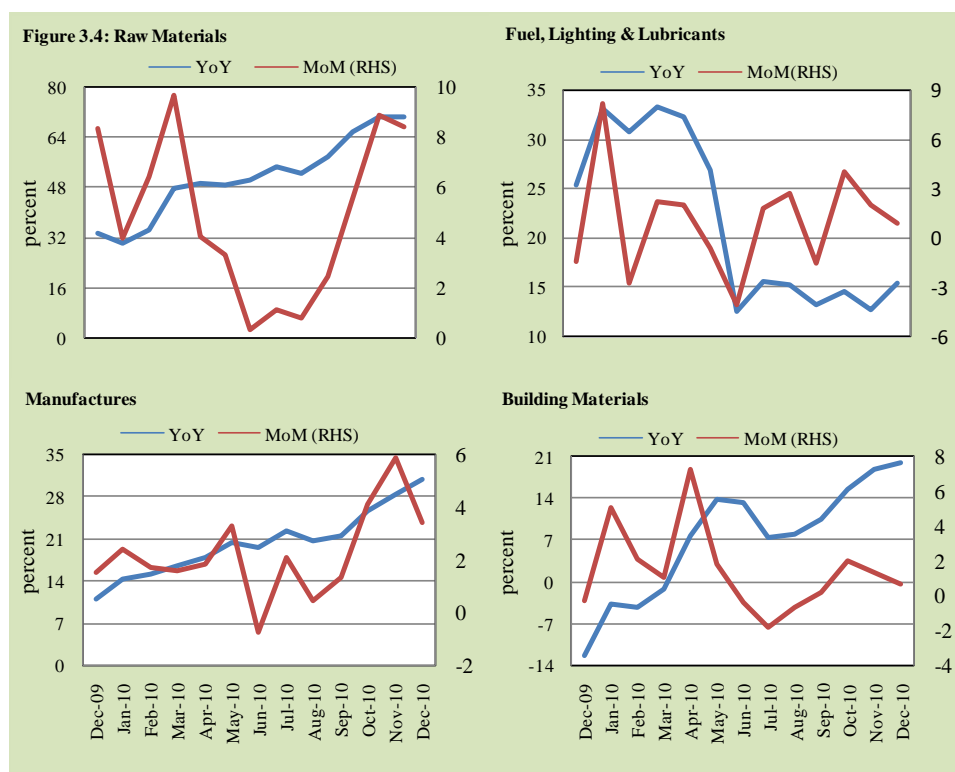
compared to five items in the previous month.

Food inflation eased on YoY basis amid improved supplies of perishable food-items. Food inflation declined on MoM basis due to major decline in the prices of potatoes, onions and vegetables. Fresh crops of onions and potatoes eased pressures on prices. Similarly prices of refined sugar also declined on MoM basis amid ample supplies in market after government's decision to allow sugar import to private sector and arrival of domestically manufactured sugar in the market.

Non-food Group

WPI non-food inflation increased significantly during December 2010, reaching 29.0 percent YoY compared to 26.2 percent in the previous month. Continued rising prices of cotton, coal and metals due to tight supplies contributed in accelerating WPI non-food inflation.

Within the sub-indices of WPI non-food group, all sub-indices witnessed increase in inflation during December 2010. Highest inflation of 70.8 percent was observed in *raw materials*. In particular, prices of cotton, cotton seeds, mustard/rapeseeds and sugarcane saw substantial increases during the month

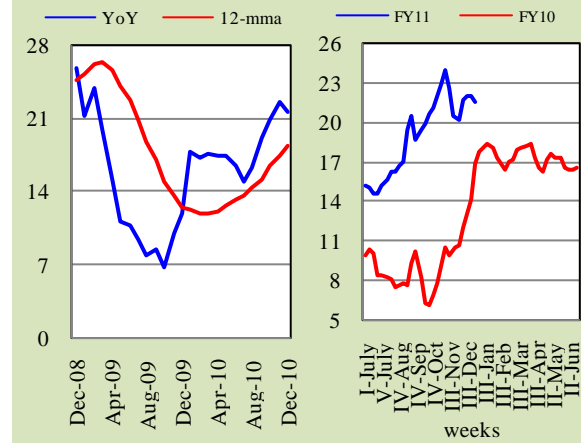


under review (see **Figure 3.3A & 3.3B**). Rise in cotton and sugarcane prices was partly due to increasing international prices and partly on account of supply shortages in domestic market. *Fuel, lightening, & lubrications* sub-group registered 15.5 percent inflation, whereas 20 percent inflation was recorded in *building materials* sub-group. Similarly *manufacture* sub group witnessed 30.8 percent inflation compared to 28.4 percent growth in the previous month (see **Figure 3.4**).

4. Sensitive Price Indicator (SPI)

Similar to CPI food inflation, inflation measured by sensitive price indicator (SPI) eased to 21.5 percent YoY during December 2010 compared to 22.5 percent during the month of November 2010 (see **Figure 4.1**). Comparative weakening of SPI inflation is attributed to decline in the prices of perishable food items due to improved supplies of vegetables in the market.

Figure 4.1: SPI Inflation - YoY (in percent)

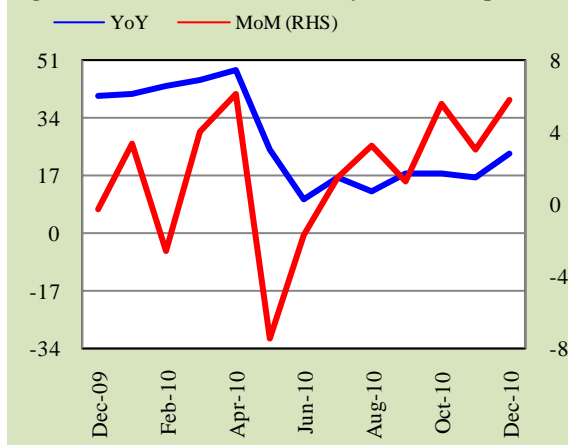


This ease was more prominent in weekly SPI, which recorded a deflation of 0.5 percent (WoW) during the month of December 2010 compared to 3.3 percent inflation in the preceding month. Moreover, weekly SPI inflation (WoW) declined during the first and last week of December, whereas it remained unchanged during the third week of December.

5. Global Commodity Prices

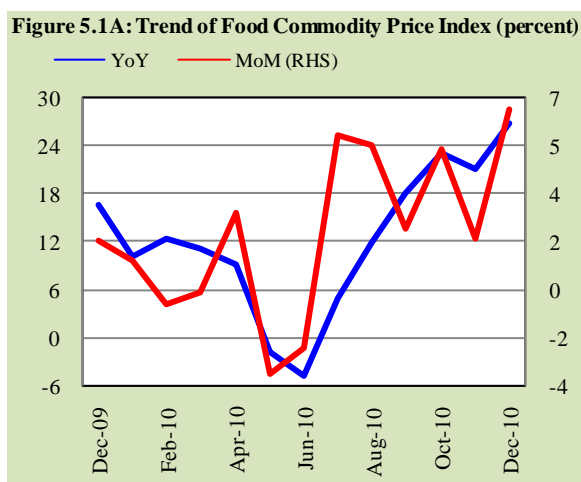
IMF commodity price index witnessed sharp increase of 23.6 percent YoY during December 2010 compared with 16.5 percent in the preceding month (see **Figure**

Figure 5.1: Trend of IMF Commodity Price Index (percent)



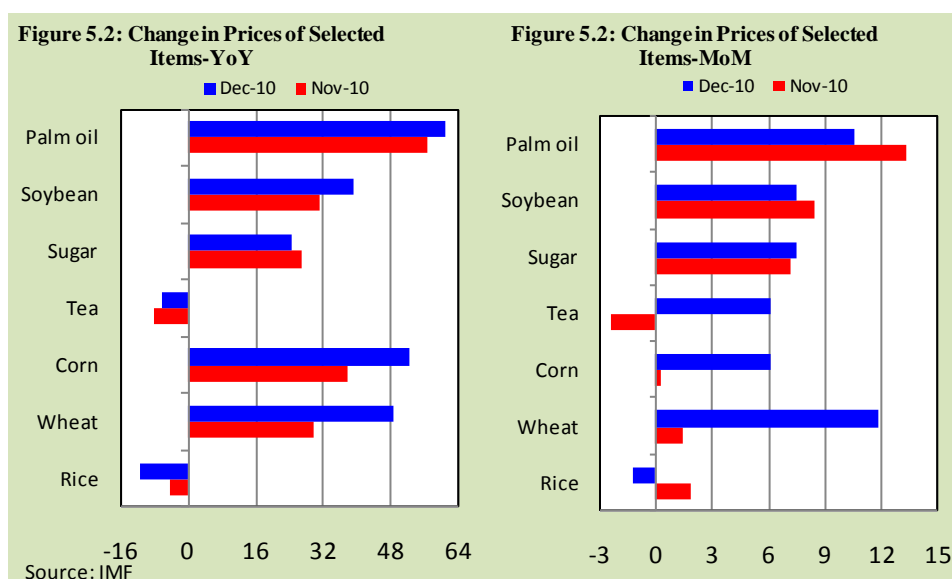
5.1). This monthly rise in global commodity prices is the highest during the last seven months of 2010. The current rise in commodity prices came from all sub-groups, excluding agricultural raw material and metal sub-groups where prices pressures eased during the month under review.

Similarly, global commodity prices also surged on month-over-month basis during December 2010. The monthly (MoM) increase of 5.9 percent during the month was not only significantly higher than 3.1 percent rise in the previous month, but also in contrast to a decline of 0.2 percent in the corresponding month of the preceding year.



Food Group

The pressures on prices of food commodities remained strong during the month under review (see **Figure 5.1A**). This is evident from the IMF food commodity prices index, which recorded 26.8 percent (YoY) rise during December 2010. The monthly increase in food groups is the highest since December 2008. Surge in the index is mainly attributed to acceleration in the prices of edible oil, wheat, corn, and different types of meat (fish, beef).



International corn prices witnessed sharp increase during December 2010 as it rose by 52.5 percent (see **Figure 5.2**), which is not only higher than 37.8 percent rise in the previous month but also significantly higher than 4.0 percent increase in the preceding month of the last year. Corn prices rose on the speculation of rising demand for ethanol, which will reduce US grain inventories and hot, dry weather will damage crop in South America. Moreover, strong demand in China, the largest importer, threatened to cause a global supply deficit.

The prices of wheat continued its rising trend during the last three months of 2010 and registered an increase of 48.8 percent (on YoY basis) in the last month of 2010 - highest growth recorded during the last two and half years. Wheat prices increased on concerns over global supply. Unusual heavy rains have damaged the wheat crop in Australia, the fourth largest exporter. According to the agricultural department of Australia, rains may have cut as much as half of the wheat crop in Victoria, Australia's third-largest producing state while yields may drop by 10 percent after month end storms. Australia's harvest of winter crops including wheat, barley and canola was running four to six weeks behind normal due to continuing rain. Moreover, dry weather eroded prospects for winter grain in the US and China.

International edible oil prices remained strong during the month of December 2010. Palm oil prices increased by 61.0 percent YoY during the month under review compared to 57.0 percent increase in the preceding month. Prices surged on concerns of global supplies amid extreme weather in producing countries as

heavy rains caused by La Nina have reduced palm oil yields in Indonesia and Malaysia. Strong demand from China before the Lunar New Year also put upward pressure on palm oil prices.

Prices of soybean oil registered an increase of 39.3 percent during the period under review compared to 27.4 percent growth in the corresponding month of preceding year. Prices increased on speculation that the US government will reduce its forecast for world reserves amid dry weather damage to crops in South America. Moreover, concerns over dry weather in Brazil and Argentina may also threaten soybean crops. According to Oil World,¹ the soybean harvest in Argentina, the third-biggest shipper, may fall by 21.0 percent next year as drought delays planting and hurts growing conditions.

Sugar prices witnessed YoY increase of 24.8 percent in the month of December 2010 compared to 26.9 percent increase in the previous month. Prices rose mainly on supply concerns. Adverse weather in Brazil and India has cut sugarcane output in the two largest sugar producers of the world. According to Unica, Brazil's industry association, the cane crop in the country is estimated to decline to 560.0 million metric tons from 570.2 million tons forecasted in August 2010.

Figure 5.3: Monthly Changes in Crude Oil Prices (percent)

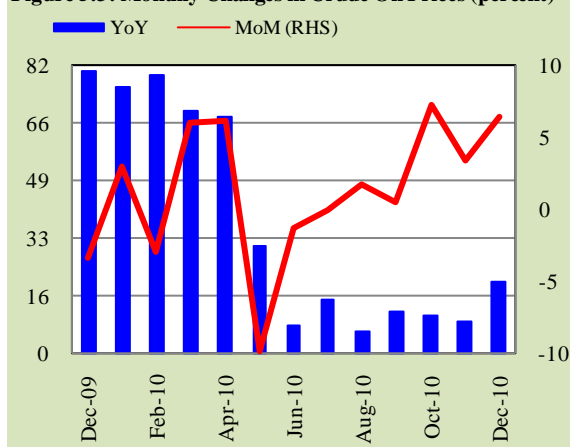
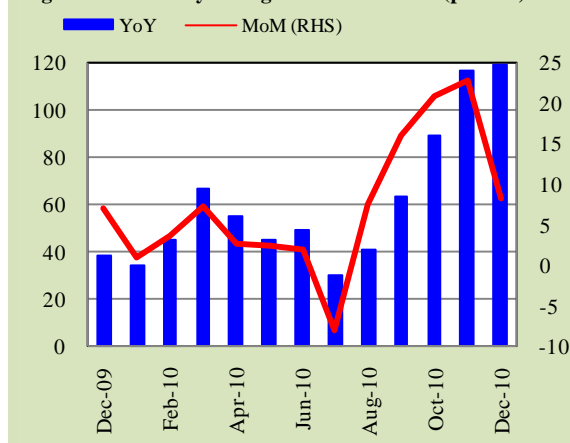


Figure 5.4: Monthly Changes in Cotton Prices (percent)



¹ Oil World is an independent forecasting service for oilseeds, oil and metals, it can be accessed at www.oilworld.biz.

Non Food Group

Within the non-food commodity group, the index of fuel (includes crude oil, natural gas, and coal) commodity sub-group increased by 21.1 percent in December 2010 compared to 11.3 percent growth seen in the previous month. The monthly higher prices are mainly due to crude oil and coal prices.

A significant rise was observed in crude oil prices in December 2010 (see **Figure 5.3**). Average prices of crude oil (simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh) reached US\$ 90.1 per barrel in December 2010, which is approximately equal to the price level of crude oil in January 2008. Crude oil prices index posted a sharp increase of 20.6 percent YoY in December 2010 compared to 9.3 percent rise in the previous month. Improvement in economic outlook for US, world's largest energy consuming country, fall in jobless insurance claims, rise in housing construction activity and rising demand from China were the main factors for the escalating prices of crude oil during December 2010.

Similar to crude oil, the global prices of natural gas and coal also rose in the month under review. In December 2010, the prices of natural gas and coal increased by 35.3 percent YoY and 38.4 percent respectively. These growths are contributed by the strong demand and supply concerns. The strong demand is due to severe cold weather in most parts of European Union and US. While flooding in Australia and wet weather in

Figure 5.5: Monthly Changes in Metal Prices Index (percent)

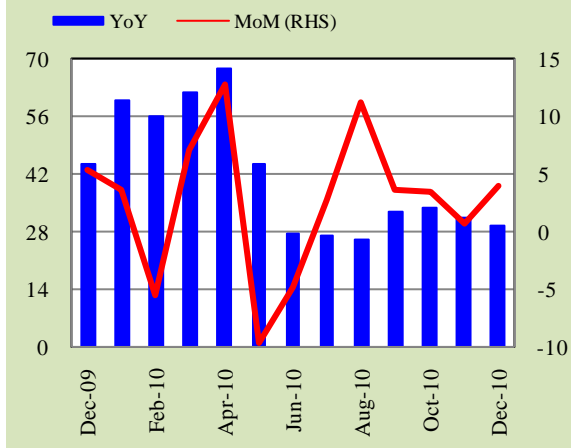
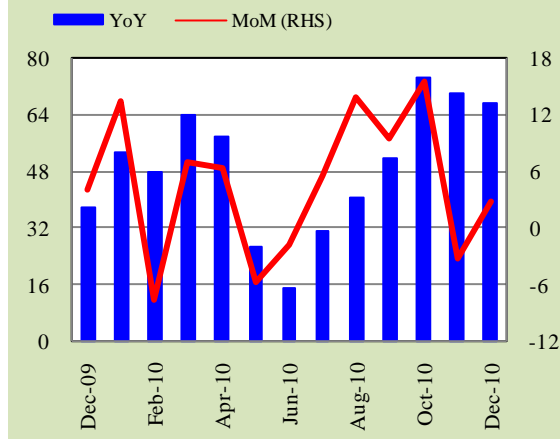


Figure 5.6: Monthly Changes in Tin Prices (percent)



Colombia and Indonesia (affected transportation and mine production) are the major factors for world supply disturbances.

Similarly, cotton prices index also rose by 119.1 percent in December 2010 compared to 116.6 percent rise in the month of November 2010 (see **Figure 5.4**). Lower international availability due to supply shortages in China, curbs on exports by India, higher export demand by US, possibility of reduction in crop production in Australia due to floods and lower year end inventory positions in major consumers of the fiber are the major factors for boosting international cotton prices.

Metal price index registered an increase of 29.6 percent during the period under review whereas it surged by 4.0 percent on MoM basis compared to 0.6 percent increase during the preceding month (see **Figure 5.5**). Prices of metals index increased due to faster-than-expected manufacturing growth in China, upgrading of the economic outlook for US, and improving US consumer confidence, which boosted the global economic outlook.

Within the metals group, tin recorded 67.5 percent YoY rise in the month under review compared to 38.0 percent growth in the same month of the preceding year (see **Figure 5.6**). This YoY rise was contributed by strong demand in China and lower output in Indonesia and China. Similarly, copper prices rose by 31.2 percent in December 2010 on top of 26.6 percent growth during the previous month. This is mainly due to continuous supply constrained, the latest incident being closure of a main port in Chile due to an accident.

Annexure A

Table A1: CPI Inflation by Groups							
	Weights	MoM change			YoY change		
		Dec-09	Nov-10	Dec-10	Dec-09	Nov-10	Dec-10
I. Food Group	40.3	-1.7	2.2	-1.9	10.9	20.5	20.4
II. Non-Food Group	59.7	0.6	0.9	0.8	10.2	11.1	11.4
Apparel, textile, etc.	6.1	0.5	0.9	1.0	4.8	11.3	11.9
House rent	23.4	0.8	0.5	0.6	14.2	6.9	6.7
Fuel & lighting	7.3	0.6	0.8	1.8	6.2	21.1	22.5
Household furniture & equipment	3.3	0.5	1.1	0.8	5.7	9.7	10.0
Transport & communication	7.3	-0.2	0.4	0.2	6.6	15.7	16.2
Recreation & entertainment	0.8	0.0	0.1	0.1	2.5	13.7	13.8
Education	3.5	0.8	0.3	0.0	13.5	6.0	5.2
Cleaning, laundry, etc.	5.9	0.8	2.3	0.9	11.8	11.3	11.4
Medicare	2.1	0.0	5.3	1.4	5.1	16.3	17.8
Headline	100.0	-0.5	1.5	-0.5	10.5	15.5	15.5

Table A2: Distribution of Price Changes of CPI Basket (YoY)											
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%)	
		Dec-09	Dec-10	Dec-09	Dec-10	Dec-09	Dec-10	Dec-09	Dec-10	Dec-09	Dec-10
I. Food Group	20.4	108	108	28	9	9	8	19	13	52	78
II. Non-Food Group	11.4	250	250	57	53	76	31	64	58	53	108
Apparel, textile, etc.	11.9	42	42	6	5	11	4	18	11	7	22
House rent	6.7	1	1						1	1	
Fuel & lighting	22.5	15	15	4	1	3		3		5	14
Household furniture & equipt	10.0	44	44	1	1	22	2	18	22	3	19
Transport & communication	16.2	43	43	17	15	14	3	9	6	3	19
Recreation & entertainment	13.8	16	16	5	4	7	7	1	1	3	4
Education	5.2	24	24	3	8	3	8	5	5	13	3
Cleaning, laundry, etc.	11.4	36	36	7	6	9	2	9	12	11	16
Medicines	17.8	29	29	14	13	7	5	1		7	11
Overall	15.5	358	358	85	62	85	39	83	71	105	186

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

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

Items		Weights	YoY change		Weighted Contribution
			Dec-09	Dec-10	
A. Ranked by Weighted Contribution					
1	House Rent Index	23.43	14.23	6.67	9.85
2	Milk Fresh	6.66	14.73	17.65	8.7
3	Meat	2.70	17.00	30.41	7.57
4	Electricity	4.37	2.74	29.72	6.52
5	Vegetable Ghee	2.67	11.21	28.66	5.61
6	Onions	0.59	-9.09	124.95	5.40
7	Vegetables	1.92	24.19	30.50	4.55
8	Sugar	1.95	52.19	35.85	4.20
9	Natural Gas	2.05	8.17	18.29	3.32
10	Tomatoes	0.45	-22.02	150.83	3.03
Total		46.79			58.73
B. Ranked by Percentage Change					
1	Tomatoes	0.45	-22.02	150.83	3.03
2	Onions	0.59	-9.09	124.95	5.40
3	Pulse Moong	0.22	54.10	85.88	1.47
4	Pulse Gram	0.43	-14.36	44.19	1.00
5	Besan	0.13	-12.70	39.37	0.29
6	Communication	1.93	2.17	37.12	2.04
7	Sugar	1.95	52.19	35.85	4.20
8	Pulse Mash	0.20	66.26	31.87	0.55
9	Honey	0.04	16.00	31.17	0.07
10	Vegetables	1.92	24.19	30.50	4.55
Total		7.87			22.62
C. Ranked by Weights					
1	House Rent Index	23.43	14.23	6.67	9.85
2	Milk Fresh	6.66	14.73	17.65	8.68
3	Wheat Flour	5.11	8.04	4.37	2.05
4	Electricity	4.37	2.74	29.72	6.52
5	Bakery & Confectionary	2.98	3.67	8.01	1.08
6	Meat	2.70	17.00	30.41	7.57
7	Vegetable Ghee	2.67	11.21	28.66	5.61
8	Tution Fees	2.36	9.03	6.61	0.86
9	Transport Fare/Charges	2.12	3.16	15.32	2.59
10	Natural Gas	2.05	8.17	18.29	3.32
Total		54.45			48.12

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 15.5 percent in December 2010.

Table A4: Distribution of Price Changes (YoY)- Selected CPI Items, December 2010				
Groups	Decrease or no change	Subdued increase (upto 5%)	Moderate increase (5 to 10%)	Increase of over 10%
Food Group	Peas, Pulse Masoor, Guava, Maida	Ice Cream Walls, Cuminseed White National, Coriander Seed Powd.National, Curry Powd. National 200 Gm, Wheat, Wheat Flour Fine/Superior., Pepper Black National, Tea Lipton Yellow Label 200G, Milo 200 Gm., Fruit Juice Tetra Pack, Coffee-Nescafe 75 Gm.,	Wheat Flour Bag, Tea(L/R) Brookbond Supreme 250Gm., Tea Loose Kenya Av.Qlty 250G, Chillies Powd.National 200Gm, Chicken , Biscuits-Packed, Vinegar Synthetic (Sirka), Cigarettes Gold Leaf 20'S, Eggs, Tomato Ketchup Ahmed/Mitchl, Pickles Ahmed/Mitchelles, Custard Powder Rathnan 300 Gm	Rice Basmati 385/386, Kinnu, Apple, Powder Milk Nido 400Gm., Rice Basmati Sup. Qlty., Bananas, Cold Drink (Standard Siz), Bread Tandoori St. Size, Biscuit-Bakery (Loose), Beef With Bone, Onion, Tomatoes
Apparel & Textile	Apparel, Textile & Footwear., Gents Shoes Paul Bata, Gents Sandal Bata	Nylon Jogger 27 Size 2-5, Pullover Gents Oxford/Bon., Pullover Ladies Oxford/Bon.	Gents Spoung Chappal Bata, Ladies Spoung Chappal Bata, School Uni. Pant,Shirt Boys	Second-Hand Coat For Men, Lungi/Dhoti(Cotton) Avg. Qlt, Tailoring Suit Female
House Rent Index	House Rent Index			
Fuel & Lighting	Match Box Small			Gas Chrg Upto 3.3719 Mmbtu, Gas Chrg 3.3719 - 6.7438 Mmbtu, Elect.Charges 01 - 100 Unit, Elect.Charges Upto 50 Units
Household Furniture & Equipment	Washing Machine Singer	Carpet Plain Av. Qlty, Tea-Set S.Steel 3 Pcs. M.Siz, S.Steel Deghchi Medium Size	Wall Clock Quartz Av.Qlty, Sewing Thread/Reel(Asli Pari, Airconditioner 1.5 Ton Pel	Sofaset Wooden With Foam Sea, Blanket (90" X 54"), Bedsheet Single Bed Sup.Qlty
Transport & Communication	Train Fare 1st Slp.101-500 K, Train Fare A/C Slp > 500Km., Plateform Ticket, Car Tax For 800Cc To 1300Cc	Motorcycle Honda Cd-70., Internet Charges, Motorcycle Yamaha 100Cc.,	Air Fare Economy Class., Car Service Charges, A/C Bus Fare Outside City, Motor Cycle Service Charges	T.C.S. Ch. Min.With In Zone, Petrol Super, Cng Filling Charges, Minibus Fare Max.With In Cit
Recreation & Entertainment	Daily "Dawn", Weekly "Akhbar-E-Jahan", Weekly "Mag"	Radio With C.Player National, Tape Recorder Cassette Blan, T.V. 20" Colored With R/Cont	Cinema Non-A/C High Class, ,	Daily "Jang", Daily "Nawa-E-Waqt", Cinema A/C. Highest Class
Education	Com. C.D. (Tdk/Imation), Urdu Book Class 1x/X(T.B.B), Govt. College Fee 1st. Year	Maths Book Class 1x Or X, Govt. University Fee Msc., Pen Ink Dollor 57 Ml Bottle	School Fee Primary Eng.Med., School Fee 2Nd-Ry Eng.Med., Fountain Pen Youth China	Exercise.Book Lined 80/100 P, Pencilgoldfish/Deer, 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 ML	Shampoo Plain Medora 200 ML., Cleanser Powder Vim 1000 Gm, Nail Polish S.Miss/Medora, Wrist Watch Ladies Citizen	Tissu Paper Perfumed 100 Pcs, Haircut Charges For Men, Gold Tezabi 24 Ct, Silver Tezabi 24 Ct
Medicare	Septran Tablets, Sancos Syrup (50 ML), Calpol Syrup 60 ML	Daonil Tab. 5 Mg, O.R.S. (Nimcol), Lederplex Syrup		Cac. 1000 Tab, Thermometer China, Polyfax Eye Ointment

Table A5: City-wise Inflation by Income Groups, December 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	-1.5	14.4	-3.4	18.5	1.7	8.6	-1.5	14.2	-3.8	18.0	1.8	9.4
2	Faisalabad	-2.4	14.6	-5.2	19.8	2.6	7.1	-2.3	15.0	-4.9	19.7	1.6	9.0
3	Rawalpindi	-0.3	15.0	-1.3	20.7	1.3	7.5	-1.0	14.4	-2.7	19.1	1.5	8.7
4	Multan	-1.9	17.2	-4.1	20.7	1.4	12.7	-2.0	16.8	-4.2	20.2	1.1	12.5
5	Gujranwala	-2.8	17.0	-5.2	22.8	1.0	9.0	-2.5	15.8	-4.7	20.9	0.7	9.8
6	Islamabad	-0.1	14.0	-1.2	22.3	1.6	3.8	-0.2	14.5	-1.6	22.3	1.7	5.3
7	Sargodha	-1.6	16.9	-2.9	22.3	0.4	9.9	-1.5	17.2	-2.9	21.9	0.5	11.4
8	Sialkot	-1.2	13.3	-2.6	14.9	0.9	11.2	-1.6	13.4	-3.6	15.6	1.3	10.5
9	Bahawalpur	-1.2	19.2	-3.3	22.8	2.0	14.4	-0.9	18.7	-2.8	21.8	1.8	14.6
10	Karachi	-1.1	16.4	-2.3	22.2	0.7	9.0	-1.5	15.9	-3.1	21.8	0.8	8.9
11	Hyderabad	-1.6	17.0	-3.4	20.9	1.0	11.9	-1.4	17.6	-3.0	22.2	1.0	12.0
12	Sukkur	-0.4	18.1	-1.2	24.1	0.8	10.3	-0.5	17.1	-1.3	21.9	0.6	11.6
13	Larkana	-2.2	16.3	-3.9	21.1	0.6	9.8	-2.3	16.6	-4.0	21.1	0.1	10.9
14	Peshawar	-0.9	16.3	-2.5	19.3	1.4	12.4	-1.3	17.6	-3.1	21.3	1.0	13.2
15	Bannu	0.0	17.8	-1.1	20.6	1.5	14.2	0.1	17.5	-1.2	20.3	1.7	14.1
16	Quetta	1.7	20.3	2.1	28.3	1.0	8.9	1.1	19.5	1.4	27.7	0.8	8.9
17	Khuzdar	0.9	20.6	0.1	25.9	2.2	13.8	1.5	19.2	0.4	24.3	2.8	13.1
		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	13.7	-3.6	17.5	1.6	9.7	-0.7	12.8	-3.0	17.2	1.0	9.9
2	Faisalabad	-2.0	14.6	-4.6	19.3	1.1	9.7	-1.1	13.7	-3.7	19.1	0.7	10.2
3	Rawalpindi	-0.8	13.8	-2.5	18.2	1.2	9.4	-0.3	13.8	-2.0	17.9	0.7	11.4
4	Multan	-1.6	15.7	-3.8	19.4	1.0	11.7	-0.6	15.0	-2.6	18.8	0.8	12.5
5	Gujranwala	-1.9	15.2	-3.9	20.6	0.5	9.8	-1.0	14.4	-2.8	20.2	0.1	11.0
6	Islamabad	-0.4	13.4	-1.9	21.1	1.4	5.8	0.1	12.2	-0.8	20.0	0.8	7.7
7	Sargodha	-1.6	17.8	-3.1	21.8	0.1	13.7	-0.9	18.0	-2.5	23.0	0.2	14.8
8	Sialkot	-1.6	13.1	-3.7	15.1	0.9	10.9	-1.1	12.6	-3.3	13.8	0.4	11.9
9	Bahawalpur	-0.8	17.7	-2.5	21.4	1.4	13.5	0.0	17.1	-1.6	21.0	1.1	14.4
10	Karachi	-1.2	15.1	-2.7	21.2	0.6	9.1	-0.1	12.8	-1.6	20.6	0.9	8.2
11	Hyderabad	-1.1	17.0	-2.8	21.4	0.8	12.5	-0.6	16.5	-2.2	20.5	0.4	14.1
12	Sukkur	-0.4	16.4	-1.2	20.6	0.4	12.3	-0.3	16.5	-1.2	20.2	0.2	14.4
13	Larkana	-2.3	15.7	-4.0	20.0	-0.2	11.4	-1.6	15.3	-3.1	19.1	-0.6	12.9
14	Peshawar	-0.8	16.8	-2.5	21.4	1.2	12.2	-0.3	16.0	-1.9	21.7	0.7	12.5
15	Bannu	0.1	17.4	-1.5	20.4	1.9	14.4	0.2	16.7	-1.4	19.0	1.2	15.3
16	Quetta	0.9	17.7	1.1	25.8	0.6	9.3	0.9	17.1	1.2	25.2	0.6	12.1
17	Khuzdar	1.5	16.1	0.7	21.4	2.4	10.6	1.1	12.3	0.6	17.3	1.5	9.3

Table A6: City-wise Inflation in CPI (YoY) Dec 2010

	High inflation cities				Low inflation cities		
	General	Food	Non-food		General	Food	Non-food
Khuzdar	20.4	28.0	14.3	Gujranwala	15.1	20.6	10.7
Bahawalnagar	18.1	19.9	16.6	Attock	15.0	21.3	10.2
D.I.Khan	17.8	23.0	13.6	Jehlum	14.7	20.1	10.3
Bahawalpur	17.8	21.6	14.5	Okara	14.5	17.3	12.2
Sargodha	17.7	22.1	14.1	Faisalabad	14.2	19.2	9.8
Mardan	17.6	21.7	14.3	Karachi	14.0	21.0	8.5
Quetta	17.6	25.7	10.8	Rawalpindi	13.9	18.2	10.4
Kunri	17.4	22.6	13.2	Turbat	13.7	16.3	11.7
Mirpur Khas	17.4	22.4	13.5	Lahore	13.3	17.4	9.8
Nawabshah	17.4	20.7	14.7	Sialkot	12.9	14.4	11.5
Bannu	17.3	20.0	15.0	Islamabad	12.4	20.2	6.2
D.G. Khan	17.3	21.9	13.6				
Mianwali	17.1	22.9	12.3				
Jhang	17.1	19.3	15.3				
Hyderabad	16.9	21.3	13.4				
Vehari	16.8	20.9	13.4				
Abbotabad	16.8	21.0	13.3				
Sukkur	16.5	20.8	13.3				
Peshawar	16.5	21.5	12.4				
Shahdarpur	16.3	19.1	14.1				
Samundari	16.3	18.6	14.4				
Loralai&Cantt	16.1	21.4	12.2				
Larkana	15.8	20.0	12.3				
Multan	15.6	19.4	12.4				

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		
	Dec-09	Nov-10	Dec-10		Dec-09	Nov-10	Dec-10
<u>Up to Rs. 3000</u>							
General	-0.6	2.3	-1.0		11.2	17.4	16.9
Food	-1.6	3.0	-2.4		12.1	22.2	21.2
Non-food	0.7	1.3	1.1		10.1	11.0	11.4
<u>Rs. 3001-5000</u>							
General	-0.7	2.1	-1.0		10.8	17.0	16.6
Food	-1.8	2.8	-2.5		11.6	21.7	20.9
Non-food	0.7	1.1	1.0		9.9	11.1	11.5
<u>Rs. 5000-12000</u>							
General	-0.6	1.7	-0.7		10.5	16.1	16.0
Food	-1.8	2.4	-2.1		11.0	20.8	20.4
Non-food	0.6	1.0	0.8		9.9	11.2	11.4
<u>Above Rs. 12000</u>							
General	-0.3	1.1	-0.1		10.5	14.5	14.7
Food	-1.7	1.6	-1.4		10.5	19.6	20.0
Non-food	0.5	0.8	0.7		10.4	11.3	11.5
<u>All income groups</u>							
General	-0.5	1.5	-0.5		10.5	15.5	15.5
Food	-1.7	2.2	-1.9		10.9	20.5	20.4
Non-food	0.6	0.9	0.8		10.2	11.1	11.4

Table A8: SPI Item-wise Price Movements					
S.No	Items	Unit	Prices Dec-10	Percentage change	
				YoY	Monthly
1	Wheat	Kg.	26.8	2.5	1.0
2	Wheat flour average qlt.	Kg.	30.7	6.1	0.3
3	Rice basmti.broken	Kg.	49.6	17.8	0.9
4	Rice irri-6	Kg.	37.5	14.0	0.1
5	Masur pulse washed	Kg.	120.1	-1.5	-1.2
6	Moong pulse washed	Kg.	138.6	82.0	-1.5
7	Mash pulse washed	Kg.	162.9	27.8	-2.4
8	Gram pulse washed	Kg.	72.5	44.6	0.8
9	Beef	Kg.	215.9	26.1	0.7
10	Mutton	Kg.	411.8	36.4	1.2
11	Egg hen (farm)	Doz.	85.8	10.3	8.8
12	Bread plain	Each	28.1	8.3	0.4
13	Sugar	Kg.	73.7	27.6	-17.3
14	Gur	Kg.	87.1	26.0	-3.3
15	Milk fresh	Ltr	49.7	19.7	1.4
16	Milk powdered nido	400g	200.0	11.1	0.0
17	Curd	Kg.	57.7	18.1	0.6
18	Veg.ghee tin	2.5kg	423.4	19.9	3.5
19	Veg.ghee loose	Kg.	153.2	37.5	5.1
20	Mustard oil	Kg.	156.0	18.3	2.2
21	Cooking oil	2.5ltr	423.4	19.9	3.5
22	Potatoes	Kg.	25.2	11.8	-33.6
23	Onions	Kg.	57.0	126.4	-14.1
24	Tomatoes	Kg.	64.3	148.3	39.8
25	Bananas	Doz.	42.7	14.5	8.5
26	Salt powdered	Kg.	7.2	7.8	2.3
27	Red chillies(powder)	Kg.	239.9	45.0	8.4
28	Garlic	Kg.	216.1	49.5	-6.5
29	Tea packet	250g	132.5	7.1	1.7
30	Tea (prepared)	Cup	13.0	27.6	4.8
31	Cooked beef plate	Each	52.8	18.8	1.6
32	Cooked dal plate	Each	33.8	21.4	2.5
33	Cigarettes k-2	10's	13.7	24.1	0.4
34	Coarse latha	Mtr.	54.2	18.6	1.5
35	Lawn (avg.+s.qlty)	Mtr.	105.8	14.3	0.0
36	Voil printed	Mtr.	54.4	15.3	0.1
37	Shirting	Mtr.	86.0	5.4	0.2
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	82.7	13.2	0.5
42	Firewood	40kg	347.2	16.4	3.4
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	14.7	15.6	3.2
46	Bath soap lifebuoy	Cake	24.0	9.1	0.0
47	Chicken (farm)	Kg.	113.0	0.8	-4.1
48	Gas chrg. All clb. Comb	mmbtu	337.2	17.8	0.0
49	L.P.G.(cylender 11kg.)	Each	1343.6	29.5	10.2
50	Elec.chrg.all slabs comb	per unit	8.9	26.7	0.0
51	Petrol	Ltr	73.7	10.3	0.0
52	Diesel	Ltr	79.1	11.1	0.0
53	Telephone local	Call	3.6	48.3	0.0
Maximum				148.3	39.8
Median				17.8	0.4
Minimum				-1.5	-33.6

Table A9: Distribution of Price Change (YoY) - WPI Items: December 2010

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

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities				
Item and Specification	Weights	Index		
		Dec-09	Nov-10	Dec-10
General	100.00	210.99	244.84	243.60
Food & Beverages.	40.34	238.16	292.20	286.64
1 Wheat	0.48	304.84	308.05	312.17
2 Wheat Flour	5.11	299.24	311.54	312.31
3 Maida	0.11	282.63	280.45	282.06
4 Besan	0.13	184.92	255.53	257.73
5 Rice	1.34	265.75	299.58	301.18
6 Pulse Masoor	0.22	333.83	332.61	329.99
7 Pulse Moong	0.22	250.22	471.70	465.11
8 Pulse Mash	0.20	278.93	375.36	367.82
9 Pulse Gram	0.43	173.17	247.47	249.70
10 Gram Whole	0.15	203.09	232.80	234.07
11 Mustard Oil	0.05	242.32	278.95	284.65
12 Cooking Oil	0.69	221.73	256.28	266.96
13 Vegetable Ghee	2.67	239.48	296.79	308.12
14 Sugar	1.95	196.40	308.29	266.80
15 Gur	0.07	265.44	350.34	334.29
16 Tea	1.26	198.61	207.68	207.98
17 Milk Fresh	6.66	240.63	280.88	283.10
18 Milk Powder	0.11	209.68	235.29	235.38
19 Milk Products	0.56	222.63	256.82	258.89
20 Honey	0.04	202.51	263.97	265.64
21 Cereals	0.09	245.56	266.06	268.91
22 Jam, Tomato, Pickles & Vinegar	0.25	183.25	209.02	211.00
23 Beverages	0.73	176.06	204.65	205.12
24 Condiments	0.34	245.11	253.66	254.51
25 Spices	0.60	199.08	241.98	245.71
26 Dry Fruit	0.28	328.33	374.31	386.27
27 Bakery & Confectionary	2.98	146.87	156.93	158.64
28 Cigarettes	0.95	208.02	239.91	239.91
29 Betel Leaves & Nuts	0.19	176.28	209.56	209.94
30 Readymade Food	1.68	244.24	286.56	292.45
31 Sweetmeat & Nimco	0.38	246.85	300.05	304.08
32 Fish	0.27	201.29	242.80	246.21
33 Meat	2.70	301.00	386.55	392.54
34 Chicken Farm	0.92	208.16	226.34	222.56
35 Eggs	0.41	291.55	288.88	317.89
36 Potatoes	0.58	244.39	450.62	286.01
37 Onions	0.62	237.02	666.93	533.17
38 Tomatoes	0.48	144.37	278.11	362.12
39 Vegetables	1.84	252.88	392.49	330.00
40 Fresh Fruits	1.62	219.44	257.51	254.62
Apparel, Textile & Footwear.	6.10	160.70	178.08	179.84
41 Cotton Cloth	1.62	159.46	188.62	190.12
42 Silk, Linen, Woolen/Cloth	0.58	162.70	182.24	185.50
43 Tailoring Charges	0.86	176.98	198.96	200.71
44 Hosiery	0.15	175.59	193.59	195.22
45 Readymade Garments	1.20	148.45	160.70	163.64
46 Woolen Readymade Garments	0.15	191.72	209.83	215.49
47 Footwear	1.53	157.23	162.65	162.82
House Rent.	23.43	205.61	217.91	219.32
48 House Rent Index (Combined)	23.43	205.61	217.91	219.32

(continued)

Table A10: Consumer Price Index Numbers by Major Groups and Selected Commodities

Item and Specification		Weights	Index		
			Dec-09	Nov-10	Dec-10
Fuel And Lighting.		7.29	215.18	259.06	264.06
49	Kerosene	0.14	435.58	497.88	497.88
50	Firewood	0.48	335.62	370.74	379.66
51	Match Box	0.13	200.00	200.00	200.00
52	Bulb & Tube	0.13	129.29	150.19	150.72
53	Electricity	4.37	163.57	208.03	212.19
54	Natural Gas	2.05	289.06	336.76	341.94
H.Hold. Furniture & Equipment Etc.		3.29	169.01	184.47	185.96
55	Utensils	0.37	156.10	165.93	168.08
56	Plastic Products	0.11	203.79	229.67	234.03
57	Suitcase	0.05	163.40	178.94	181.91
58	House Hold Equipments	0.10	155.82	172.61	174.61
59	Furniture (Ready Made)	0.31	181.86	200.46	202.26
60	Furnishing	0.64	160.72	178.67	180.23
61	Elect. Iron Fans & Washing Machine	0.19	161.99	173.21	173.69
62	Sewing Machine, Clock And Needles	0.13	149.06	159.92	161.18
63	Refrigerator & Air conditioner	0.18	131.95	143.22	144.25
64	Marriage Hall	0.04	200.00	226.97	230.11
65	House Hold Servant	1.19	179.88	195.26	196.28
Transport & Communication.		7.32	197.26	228.79	235.11
66	Petrol	1.73	214.47	240.37	240.37
67	Diesel	0.21	435.41	498.07	498.07
68	CNG . Filling Charges	0.16	206.43	236.39	236.39
69	Service Charges	0.38	174.68	190.40	190.66
70	Vehicles	0.26	130.35	141.29	144.11
71	Tyre & Tube	0.28	163.30	190.22	192.33
72	Transport Fare/Charges	2.12	259.67	298.73	299.46
73	Train Fare	0.15	253.24	253.24	253.04
74	Air Fare	0.10	342.93	365.51	365.51
75	Communication	1.93	93.29	127.90	127.92
Recreation & Entertainment.		0.83	122.62	139.45	139.56
76	Recreation	0.34	134.04	142.98	142.98
77	Entertainment	0.49	114.63	136.98	137.16
Education.		3.45	185.19	194.75	194.79
78	Tuition Fees	2.36	179.31	191.16	191.16
79	Stationery	0.35	178.83	193.54	193.94
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	181.14	200.02	201.77
82	Washing Soap & Detergent	1.55	165.95	178.07	178.64
83	Toilet Soap	0.74	186.50	194.80	194.80
84	Tooth Paste	0.40	115.31	120.56	120.84
85	Shaving Articles	0.35	152.47	163.91	164.77
86	Cosmetics	1.43	163.23	176.44	176.81
87	Watches	0.06	138.95	152.72	152.72
88	Jewellery	0.39	424.11	520.07	534.53
89	Laundry Charges	0.22	184.14	211.78	220.93
90	Hair Cut & Beauty Parlour Charges	0.73	164.41	186.86	187.82
Medicare.		2.07	153.98	178.98	181.45
91	Drugs & Medicares	1.08	124.80	137.35	137.83
92	Doctor's Fee	1.00	185.03	223.86	228.46

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

Item and Specifications	Dec-09	Oct-10	Nov-10	Dec-10
GENERAL	221.43	266.19	275.46	278.38
FOOD	235.06	283.96	290.52	286.07
1 WHEAT	311.72	300.46	308.38	312.17
2 WHEAT FLOUR	294.45	294.87	299.59	301.67
3 MAIDA	293.34	275.44	277.81	281.25
4 BESAN	163.59	232.02	233.82	238.11
5 RICE	304.89	347.10	351.56	359.52
6 MAIZE	192.19	345.65	341.87	336.23
7 JOWAR	218.34	385.88	360.30	358.86
8 BAJRA	176.41	279.95	268.71	272.12
9 BEANS	247.64	304.94	306.47	308.77
10 GRAM WHOLE	223.04	233.53	241.69	249.51
11 GRAM SPLIT	152.23	226.89	226.73	232.48
12 MASOOR	331.38	317.13	318.16	313.26
13 MASH	251.79	328.13	319.06	316.21
14 MOONG	249.30	455.83	443.29	450.21
15 POTATOES	241.34	374.91	457.43	276.90
16 ONIONS	239.81	448.80	628.11	552.50
17 TOMATOES	133.68	347.41	291.82	387.42
18 VEGETABLES	242.90	543.71	485.73	336.34
19 FRESH FRUITS	161.47	208.26	202.72	201.66
20 DRY FRUITS	248.05	274.09	286.67	302.49
21 FRESH MILK	206.74	233.59	239.89	242.14
22 POWDERED MILK	221.92	228.52	229.09	229.11
23 MILK FOOD	171.44	183.61	182.52	186.46
24 VEGETABLE GHEE	260.46	316.21	334.36	353.20
25 MUSTARD & RAPESEED OIL	276.35	313.33	326.75	338.06
26 COTTON SEED OIL	273.19	305.41	319.21	327.60
27 COOKING OIL	218.40	237.87	247.35	257.50
28 OIL CAKES	310.19	345.44	364.53	364.72
29 GUR	237.13	332.82	313.22	306.82
30 SUGAR REFINED	197.65	300.19	317.71	274.55
31 CHICKEN	218.40	268.78	229.31	227.80
32 EGGS	306.72	313.62	302.17	328.81
33 FISH	139.85	155.00	157.71	162.97
34 MEAT	286.54	362.56	367.22	368.58
35 SPICES	218.24	276.80	277.84	286.51
36 CONDIMENTS	290.92	301.29	301.29	301.57
37 SALT	167.69	171.87	171.87	174.83
38 TEA	163.30	168.34	169.50	170.14
39 BEVERAGES	141.85	147.28	151.18	151.85
40 MINERAL WATER	126.74	138.18	137.99	139.50
41 FRUIT PREPARED/PRESERVED	175.34	223.48	224.04	225.08
42 VEGETABLES PREPARED/PRESERVED	175.53	194.41	197.79	198.21
43 SUGAR CONFECTIONARY	100.46	100.57	100.57	100.57
RAW MATERIAL	226.19	327.07	356.30	386.42
44 COTTON	191.31	320.57	369.80	404.05
45 COTTON SEEDS	277.90	315.54	330.24	347.69
46 MUSTARD/RAPESEEDS	279.88	334.77	349.30	364.94
47 TOBACCO	219.72	247.25	248.01	250.41
48 SUGAR CANE	340.14	499.09	499.09	555.70
49 WOOL	141.83	153.73	153.72	153.72
50 HIDES	133.09	138.66	139.06	141.45
51 SKINS	101.65	106.18	106.04	107.11
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	Dec-09	Oct-10	Nov-10	Dec-10
FUEL & LIGHT	290.11	325.57	332.06	335.15
53 COAL	141.00	142.50	144.00	160.00
54 COKE	555.18	693.98	693.98	693.98
55 DIESEL OIL	425.39	486.97	486.97	486.97
56 MOTOR SPRIT	212.06	237.66	237.66	237.66
57 MOBIL OIL	199.46	210.65	214.24	216.39
58 FURNACE OIL	365.78	370.17	397.28	405.38
59 KEROSENE OIL	412.31	481.70	481.70	481.70
60 NATURAL GAS	217.12	256.00	256.00	256.00
61 ELECTRICITY IND. SUPPLY TARIFF-B	179.27	217.55	217.55	220.68
62 ELEC. AGRICULTURE TARIFF-D	177.78	237.51	237.51	238.86
63 FIRE WOOD	274.99	290.86	303.63	319.51
MANUFACTURE	152.91	182.66	193.44	200.05
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	135.71	198.09	227.32	241.23
67 BLENDED YARN	155.52	191.95	197.69	214.58
68 NYLON YARN	117.98	140.89	150.92	171.00
69 COTTON TEXTILES	146.95	160.30	163.45	166.39
70 HOSIERY	155.97	164.21	165.03	169.20
71 SILK & REYON TEXTILES	150.80	155.31	156.03	158.79
72 WOOLEN TEXTILES	139.79	144.42	146.21	146.34
73 JUTE MANUFACTURES	125.10	141.53	143.28	144.32
74 MATTRESSES	139.72	148.33	150.22	154.56
75 READY MADE GARMENTS	118.87	121.18	121.18	123.49
76 UTENSILS	148.79	149.98	149.98	152.05
77 PLASTIC PRODUCTS	138.32	148.83	150.30	151.55
78 GLASS PRODUCTS	179.65	182.18	182.18	182.18
79 CHEMICALS	173.75	206.69	211.90	227.92
80 DYING MATERIALS	87.20	96.14	96.14	96.14
81 SOAPS	182.91	190.31	194.85	198.22
82 COSMETICS	119.84	129.81	152.22	161.81
83 DRUGS & MEDICINES	113.17	123.55	123.48	123.48
84 FERTILIZERS	286.32	308.54	324.79	339.55
85 PESTICIDES & INSECTICISED	147.16	156.11	156.80	157.48
86 MACHINERY	177.90	191.25	191.25	192.92
87 TRANSPORTS	128.99	149.09	157.98	162.72
88 TYRES	208.57	226.31	226.37	228.02
89 TUBES	187.73	205.86	205.86	214.77
90 AUDIO-VISUAL INSTRUMENTS	92.28	92.60	92.60	92.61
91 OTHER ELECTRICAL GOODS	131.08	136.83	136.86	138.26
92 CIGARETTES	179.05	262.79	262.67	262.35
93 PAPER	105.98	107.79	107.79	107.79
94 MATCHES	124.26	126.93	126.93	129.78
95 FOOT WEAR	192.15	199.97	199.97	199.97
BUILDING MATERIAL	186.76	219.69	222.70	224.13
96 CEMENT	124.02	127.27	134.70	134.47
97 BRICKS	240.80	276.71	281.96	304.72
98 CEMENT BLOCKS	170.13	170.83	170.83	170.83
99 TILES	99.67	99.67	99.67	99.67
100 IRON BARS & SHEETS	231.12	288.78	289.10	291.57
101 PIPE FITTINGS	180.95	185.42	186.36	186.87
102 TIMBER	208.88	222.34	223.10	226.07
103 GLASS SHEETS	177.94	187.35	187.35	187.35
104 PAINTS & VARNISHES	146.05	170.10	178.02	180.97
105 SANITARY WARES	162.20	162.40	162.40	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

*: all groups combined

Table A13: International Commodity Prices/Indices

	Oct-10	Nov-10	Dec-10
Energy			
Crude Oil (US\$ per barrel)*	81.7	84.6	90.1
IMF Energy Index (2005 =100)	151.0	156.4	166.4
WB Energy Index (1990=100) @	252.1	264.9	278.3
Food	0.0	0.0	0.0
Rice (\$/MT)	533.1	543.1	536.8
Wheat (\$/MT)	270.3	274.4	307.0
Sugar (US cent / pound)	26.9	28.9	31.1
Palm Oil (\$/MT)	933.5	1,059.0	1,171.2
Soybean Oil (\$/MT)	1,034.9	1,123.3	1,208.4
Non-Food Non-Energy			
Cotton Outlook 'A' Index #	126.6	155.5	168.2
IMF Metal Price Index (2005=100)	185.3	186.3	193.7
Copper (\$/MT)	8,289.8	8,458.4	9,152.9
Aluminum (\$/MT)	2,342.2	2,324.1	2,356.7
Iron Ore (\$ cents/dry MT)	182.0	182.0	182.0
Tin (\$/MT)	26,237.1	25,403.1	26,103.9
Nickel (\$/MT)	23,793.7	22,836.2	24,099.6
Zinc (\$/MT)	2,373.6	2,283.3	2,287.3
Lead (\$/MT)	2,383.6	2,365.0	2,413.2
Uranium (\$/pound)	48.8	57.2	60.7
DAP (\$/MT)	575.0	588.0	593.9
Urea (\$/MT)	329.4	366.4	375.1

\$/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 A1: CPI Non-food Inflation (percent)

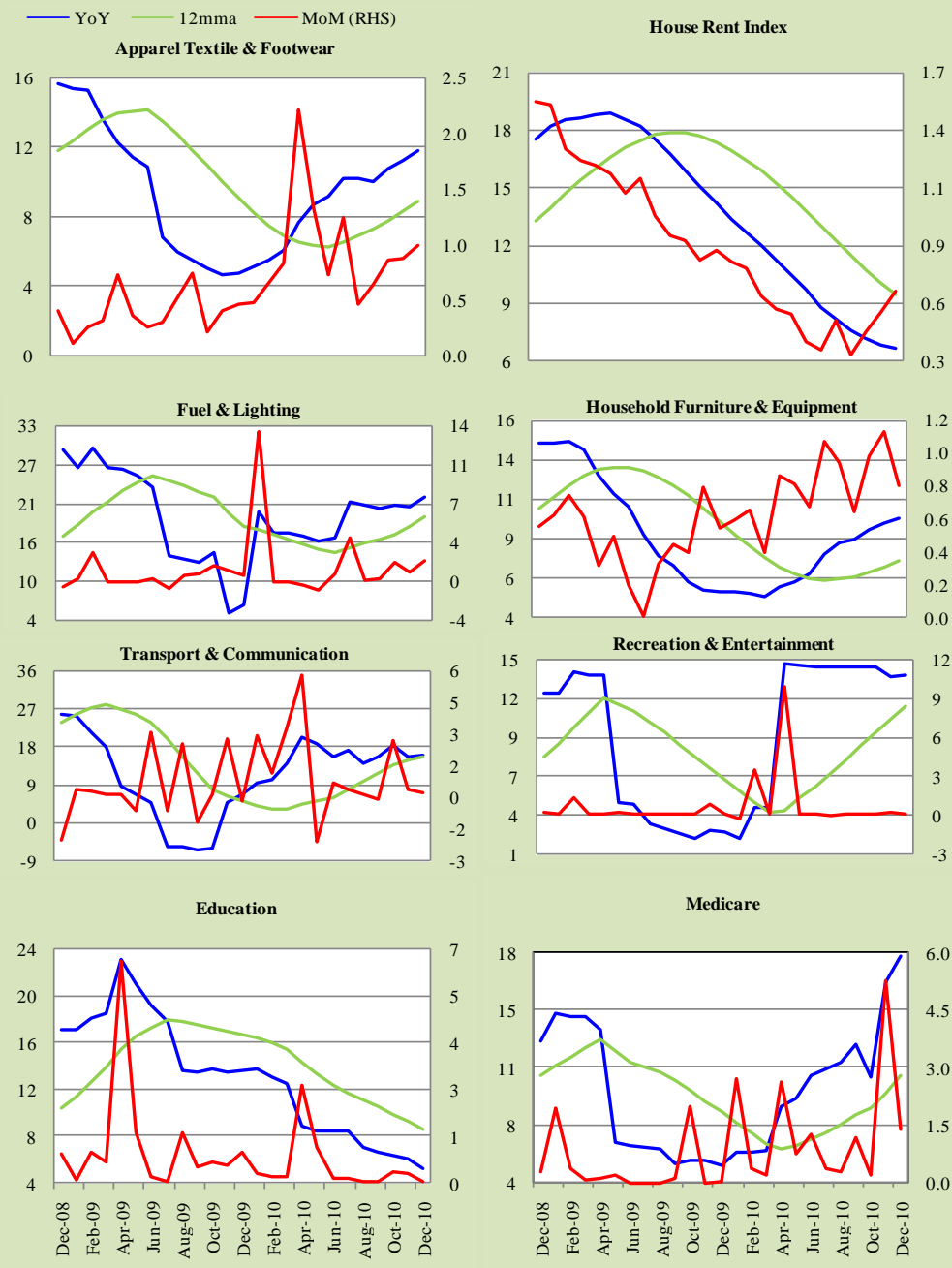


Figure A2: Frequency Distribution of Price Changes of CPI Items, December 2010

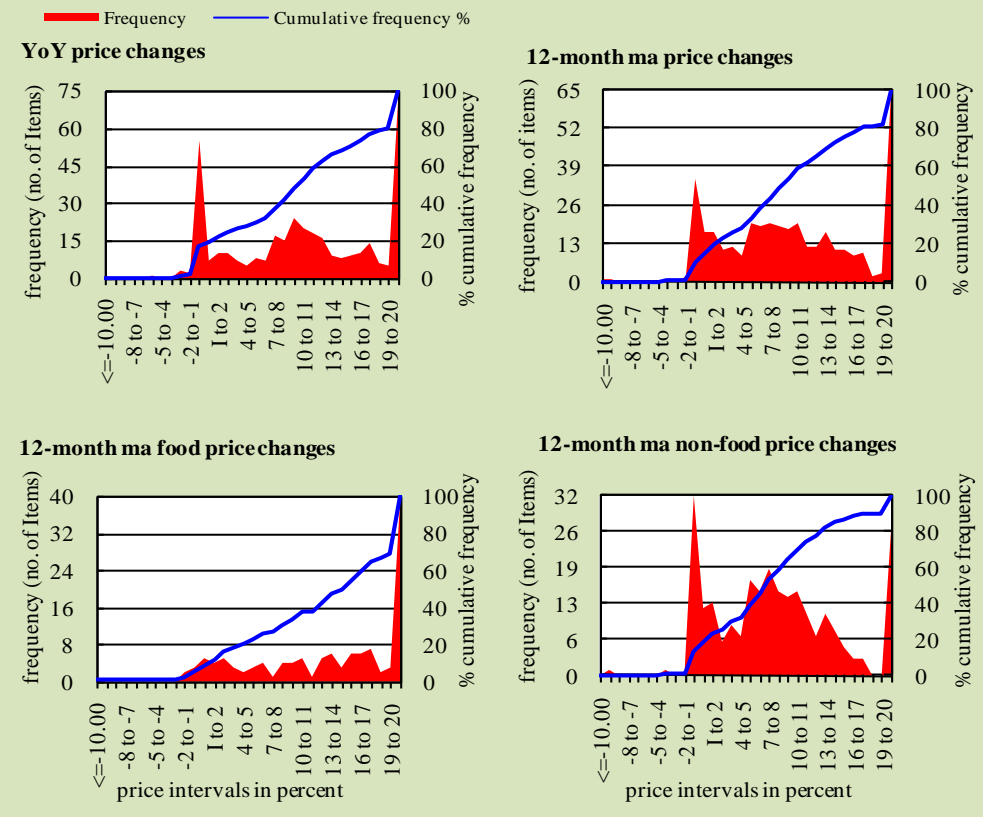
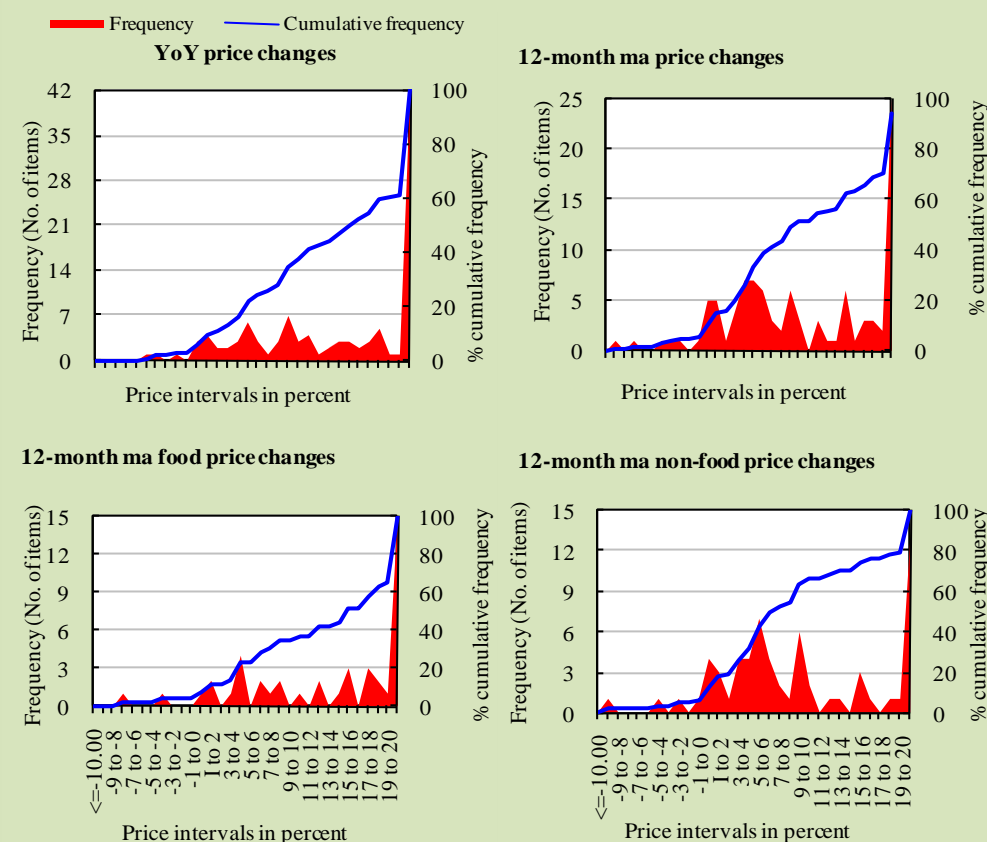


Figure A3: Frequency Distribution of Price Changes of WPI Items, December 2010



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:

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

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