

INFLATION

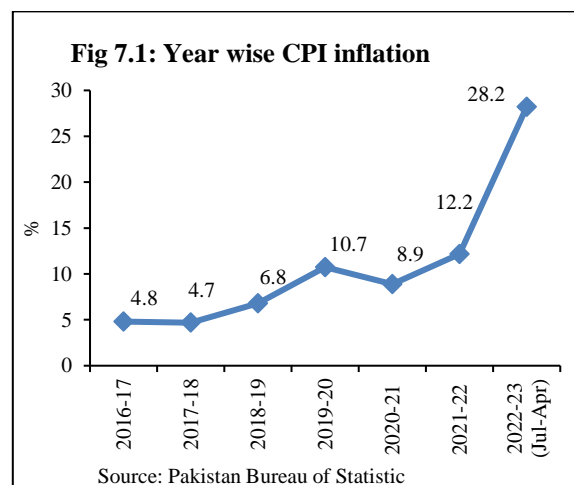
Inflation is an increase in the general price level of goods and services in an economy over a period of time. The demand-supply imbalance in the economy creates inflation. Since the emergence of globalisation and industrialisation of markets, domestic as well as global factors are responsible for inflationary pressure. It has been noted that Russia-Ukraine war, disruptions in the global supply chain, overloaded ports, logistical issues, and strong merchandise demand have intensified inflationary pressures in recent years.

In 2022, inflation increased considerably in many countries around the world. The United States and United Kingdom had its worst inflation in decades i.e. US (9.1 percent in June 2022) and UK (11.1 percent in October 2022). The higher inflation also recorded in Iran (53.4 percent in February 2023), Turkiye (43.7 percent in April 2023), Egypt (30.6 percent in April 2023), and Argentina (109 percent in April 2023). Despite the recent downward trajectory of food and fuel prices in international market, general price level is still higher than pre-pandemic and pre-war (Russia-Ukraine) level. All countries have not benefitted from declining prices as the US dollar appreciated in value and currencies in many developing countries have depreciated against US dollars.

Pakistan is the net importer of food and petroleum products. The surge in crude oil prices due to the global crisis has resulted in double digit inflation in the country since November 2021. The Pak-Rupee depreciation further amplified the prices of imported items. The dollar appreciation is mostly driven by fundamental forces such as the tightening of monetary policy in the US and the energy crisis. Additionally, the conflict between Russia and Ukraine has also caused major disruptions to the supply of commodities as both countries are

key exporters of energy and agricultural products. Moreover, the recent floods have caused colossal damage to the economy. The agriculture sector is the hardest hit sector. The floods have caused massive supply disruptions of perishable essential items and resulted in price hikes for these items. For the outgoing fiscal year, the inflation target was set at 11.5 percent. The inflationary trend can be gauged from the Fig-7.1.

During the first ten months of the current fiscal year, inflationary pressure has persisted. It is the 18th consecutive month since from November 2021 witnessing double digit inflation. Consumer Price Index (CPI) in April 2023 stood at 36.4 percent on a year-on-year (YoY) basis which was higher from 35.4 percent in the previous month and 13.4 percent in April 2022. On average, CPI inflation, recorded at 28.2 percent during July-April FY2023 as against 11.0 percent in the same period last year.



The US monetary policy measures have appreciated the US dollar against the other currencies of the world including Pak-rupee. During FY2022, Pak-rupee was depreciated by

around 23.0 percent, while during current fiscal year Pak-rupee depreciated by 28.4 percent, that is from Rs 204.6 in end June 2022 to Rs 285.4 on 1st June, 2023. The current inflationary pressure in the domestic market is being impacted due to exchange rate depreciation in FY2022 and FY2023 as Pakistan imported crude oil, edible oil, pulses, etc. from the global market. Government is cognizant of the current inflationary spiral in the country and taking possible measure to provide relief to the common man. For the provision of essential

commodities (i.e. wheat flour, sugar, ghee/oil and pulses) on subsidized rates, USC was allocated Rs 17 billion in FY2023 which also includes Rs 5 billion for Ramzan Relief Package. Subsequently, an additional amount of Rs 17.4 billion was allocated to the USC including Rs 540 million for provision of essential commodities in flood affected areas through USC. The allocation of BISP Welfare schemes is extended from Rs 360 billion to Rs 400 billion. Under BISP Kafalat Program, Rs 9000/- is being paid to eligible beneficiaries w.e.f April, 2023.

Box-I: 5F Crisis and Upsurge in the Food Market of Pakistan

Pakistan has been facing a severe crisis in the agriculture sector, known as the 5 F's crisis, which includes food, fuel, fertilizer, feed, and finance. The weakening of exchange rate, global commodity price surges, reduced domestic subsidies, and flood-related disruptions have significantly reduced the purchasing power of low-income households, threatening poverty and food security gains achieved in the last decade. Inflation has risen from 13.4 percent in April 2022 to 36.4 percent in April 2023, with food inflation even higher, reaching 46.8 percent in urban and 52.2 percent in rural areas. Food prices in Pakistan have rapidly increased in the second half of 2022 with wheat flour prices increased by 106.7 percent, chicken prices by 43.1 percent, pulse gram prices by 48.4 percent, rice by 87.9 percent, milk by 36.4 percent and cooking oil by 34.7 percent in April 2023 as compared to a year ago.

Pakistan's reliance on imported commodities, such as edible oil, tea, pulses, wheat, and other agricultural inputs has increased due to a shortage of domestic production. The rise in international prices of commodities has exacerbated the trade deficit. The food imports increased to USD 8 billion with food exports remaining at USD 5.4 billion in 2022. The current financial crisis in the country has made it challenging to import essential food commodities and inputs. The country is importing around 10 percent of its wheat requirement mainly from Russia and Ukraine, which has contributed to an increase in domestic prices and high support prices for wheat for the 2022-23 seasons. High fuel prices have led to higher production and transportation cost, making food more expensive, while the high cost of fertilizer has made it difficult for farmers to afford essential inputs. The poultry industry is also facing a crisis due to high import costs and restrictions on the import of soybean.

Although the international prices of agriculture-related commodities have started to decrease in the third quarter of 2022, however, Pakistan's currency depreciation and high fuel prices have prevented the impact reflected in the domestic markets. Resolving the 5F crisis requires not only the stabilization of international prices but also the implementation of supportive policies and measures that can address the domestic factors, which are driving up inflation.

Source: Food and Agriculture Organization (FAO) of the United Nations

7.2 Consumer Price Index

The headline inflation, measured by the growth in CPI, is recorded at 28.2 percent during July-April FY2023 as against 11.0 percent during the same period last year. The increase in inflation was broad-based with all categories recorded higher inflation except for communication services. Across product categories, inflation for

transportation, given its direct link to fuel prices, registered a sharp increase of 52.8 percent as against 19.4 percent during July-April FY2022. Similarly, housing, water, electricity, gas and other fuel have recorded an increase of 13.6 percent as against 11.0 percent during the same period last year. The increase in domestic energy prices was attributed to rising global oil

prices, exchange rate depreciation and adjustment in energy tariffs/petroleum levy.

Perishable food items are the main contributory factor in jacking up the food inflation. Inflation in perishable food items were increased by 47.0 percent as compared to 4.1 percent during same period last year. The major increase is witnessed in the prices of potatoes, onions and fresh vegetables. Production of tomatoes and onion suffered due to flooding in Sindh and

Balochistan. Duty-free imports of onion and tomatoes were allowed to ensure there is no shortage of the commodities in the market. Non-perishable food items recorded a 36.4 percent increase during July-April FY2023 against the increase of 13.1 percent during the same period last year. Item wise data reveals that upward pressure came from wheat flour, rice, chicken, eggs, edible oil/ghee and pulses. CPI movements by major groups are given in Table 7.1.

Table 7.1: Composition of CPI-National Inflation (July-April)

Group	Weights	% Change On Average Basis	
		2021-22	2022-23
CPI National	100.0	11.0	28.2
Food & Non-alcoholic Beverages	34.6	11.8	37.9
i) Non- perishable Food Items	29.6	13.1	36.4
ii) Perishable Food Items	5.0	4.1	47.0
Alcoholic Beverages & Tobacco	1.0	2.4	55.1
Restaurant & Hotels	6.9	11.3	31.1
Clothing &Foot wear	8.6	10.0	18.2
Housing, Water, Electricity, Gas& other Fuel	23.6	11.0	13.6
Furnishing &Household Equipment Maintenance	4.1	11.6	29.8
Health	2.8	9.1	16.3
Transport	5.9	19.4	52.8
Communication	2.2	2.5	2.7
Recreation & culture	1.6	7.7	36.2
Education	3.8	3.8	9.9
Miscellaneous	4.9	9.8	26.8

Source: Pakistan Bureau of Statistics

In Q1-FY2023, CPI national showing the exorbitant increase of 25.1 percent compared to 8.6 percent in corresponding quarter last year. This was on account of higher pace of inflation in perishable items. The same is the case with non perishable food items. The food inflation is primarily due to the impact of catastrophic floods, higher global food and fuel prices and currency depreciation. Similarly in Q2 and Q3-

FY2023, major groups like food, transport, health, recreation & culture experiencing the double digit inflation which jack up the overall national CPI as indicated in Table 7.2. Price increase was broad based except for communications as all categories of goods and services recorded double digit inflation during current fiscal year.

Table 7.2: Quarter wise CPI National

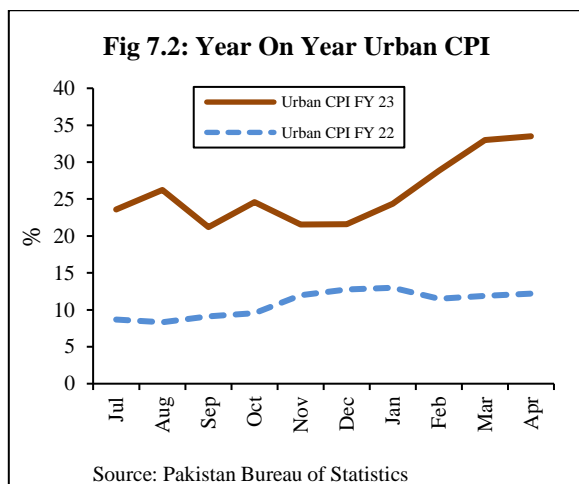
Group	%					
	2021-22			2022-23		
	Q1	Q2	Q3	Q1	Q2	Q3
CPI National	8.6	11.0	12.6	25.1	24.9	31.5
Food Products, Beverages and Tobacco, Textiles Apparel and Leather Products	9.5	9.7	14.3	30.0	34.3	45.1
i) Non- perishable	12.2	13.3	13.1	28.6	30.8	43.9
ii) Perishable	-5.0	-8.0	23.3	39.2	55.1	53.3
Alcoholic Beverages& Tobacco	2.4	1.9	2.0	27.0	35.6	75.2

Table 7.2: Quarter wise CPI National (%)

Group	2021-22			2022-23		
	Q1	Q2	Q3	Q1	Q2	Q3
Restaurant & Hotels	7.9	10.6	14.0	27.1	28.7	34.4
Clothing & Foot wear	9.3	10.1	10.2	16.6	18.0	18.6
Housing, Water, Electricity Gas & other Fuel	9.0	14.4	10.9	17.5	9.5	12.9
Furnishing & Household Equipment Maintenance	9.6	10.6	13.4	22.2	28.7	34.4
Health	8.3	8.6	9.8	12.3	16.9	18.7
Transport	9.2	20.9	24.8	64.1	46.1	48.3
Communication	2.8	2.6	2.6	1.2	1.6	4.0
Recreation & culture	6.4	7.6	8.4	20.0	29.3	47.6
Education	2.5	2.5	5.0	9.9	11.0	9.5
Miscellaneous	7.5	9.7	10.9	20.0	23.7	32.2

Source: Pakistan Bureau of Statistics

CPI inflation-Urban increased by 33.5 percent on YoY basis in April 2023 as compared to an increase of 33.0 percent in the previous month and 12.2 percent in April 2022. The Urban Food and Non-Food inflation recorded at 46.8 percent and 24.9 percent, respectively, as compared to 15.6 percent and 10.2 percent in the same month last year. During the period July-April FY2023, CPI-Urban recorded at 25.9 percent as against 10.9 percent during the same period last year.



On YoY basis, the food commodities that contributed to urban food inflation during April 2023 over the same month of last year include Cigarettes (159.9 percent) followed by Tea (108.8 percent), Wheat Flour (106.7 percent), Wheat (103.5 percent), Eggs (100.9 percent), Rice (87.9 percent), Potatoes (76.9 percent), Pulse Moong (57.2 percent), Pulse Mash (56.4 percent), Gram Whole (55.6 percent), Onions (51.9 percent), Besan (51.2 percent), Dry Fruits (49.1 percent), Pulse Gram (48.4 percent), Beans

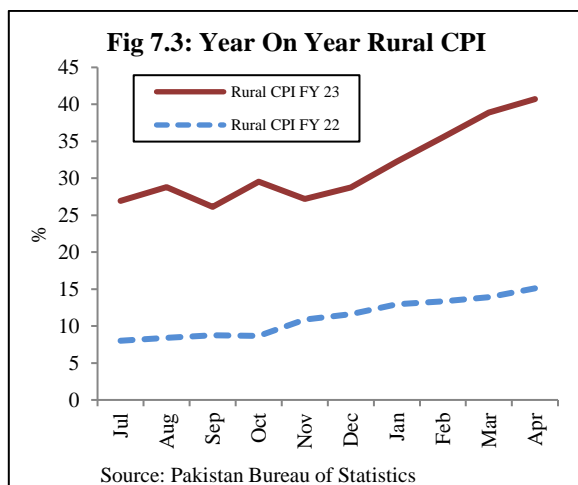
(47.5 percent), Chicken (43.1 percent), Bakery and Confectionary (42.5 percent) and Sugar (42.1 percent). The food commodity that witnessed decline in price is Tomatoes (47.6 percent).

The non-food commodities that witnessed increase in prices include Text books (106.8 percent) followed by stationery (83.7 percent), Motor fuel (75.4 percent), Gas charges (62.8 percent), Washing soap/detergents/match box (60.4 percent), Personal Effects (44.8 percent), Motor vehicle accessories (42.6 percent), Motor vehicles (41.5 percent), Household equipments (40.9 percent), Construction input items (37.2 percent), Marriage Hall Charges (32.9 percent), Solid Fuel (31.9 percent), Personal Grooming Services (31.9 percent), Cotton Cloth (31.5 percent), Electricity Charges (30.8 percent), Plastic Products (30.6 percent), Transport Services (28.8 percent), Mechanical Services (25.0 percent), Cleaning and Laundering (24.3 percent), Doctor (MBBS) Clinic Fee (21.6 percent) and Tailoring (21.2 percent).

CPI inflation-Rural increased by 40.7 percent on a YoY basis in April 2023 as compared to an increase of 38.9 percent in the previous month and 15.1 percent in April 2022.

Food and Non-Food inflation recorded at 52.2 percent and 29.9 percent as compared to 17.7 percent and 12.8 percent, respectively, in the same month last year. During the period July-April FY2023, CPI-Rural recorded at 31.6 percent as against 11.2 percent during the same period last year.

The Rural-Urban inflation differential may be attributed to relatively loose price checks in rural areas as well as higher weight of food basket which are the major contributor in jacking up overall inflation.



In rural YoY inflation, the food commodities that contributed to upward growth of CPI include Cigarettes (137.7 percent), Wheat Flour (104.2 percent), Tea (100.3 percent), Wheat (95.3 percent), Eggs (95.2 percent), Potatoes (82.3 percent), Rice (81.9 percent), Pulse Mash (64.9 percent), Pulse Moong (63.0 percent), Onions (55.6 percent), Besan (55.4 percent), Gram Whole (55.1 percent), Fresh fruits (55.1 percent), Pulse Gram (50.7 percent), Chicken (48.6 percent), Sugar (41.1 percent), Milk fresh (40.3 percent), Beans (38.4 percent), Beverages (35.9 percent) and Mustard oil (33.9 percent). The food commodity that witnessed decline in

price is Tomatoes (57.1 percent).

The non-food commodities that contributed to rural inflation include Text Books (126.9 percent), Motor Fuels (80.5 percent), Personal Effects (53.6 percent), Washing Soaps, Detergents and Match Box (51.2 percent), Stationery (48.1 percent), Motor Vehicles Accessories (43.6 percent) Transport Services (39.3 percent), Household Equipments (37.3 percent), Major Tools and Equipments (36.9 percent), Construction Input Items (33.1 percent), Marriage Hall Charges (32.0 percent) and Electricity Charges (30.8 percent).

7.3: Core Inflation

Core inflation is defined as Non Food and Non Energy (NFNE) inflation which is calculated by excluding the food group and energy items (Kerosene oil, petrol, diesel, CNG, electricity, and natural gas) from the CPI basket. Core inflation has steadily risen since October 2021 in both the rural and urban areas. The rise in core inflation was partly due to the depreciation of exchange rate and rising production cost of core goods including durable goods. Core inflation for urban and rural recorded at 15.6 percent and 19.4 percent, respectively, during July-April FY2023 as compared to 7.6 percent and 8.3 percent during the same period last year. The YoY core inflation remained higher in both Urban and Rural as compared to the same months last year. Table 7.3 shows the trend of core inflation on YoY basis.

Table 7.3: Core Inflation

(%)

Months		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Jul-Apr
2021-22	Urban	6.9	6.3	6.4	6.7	7.6	8.3	8.2	7.8	8.9	9.1	7.6
	Rural	6.9	6.2	6.2	6.7	8.2	8.9	9.0	9.4	10.3	10.9	8.3
2022-23	Urban	12.0	13.8	14.4	14.9	14.6	14.7	15.4	17.1	18.6	19.5	15.6
	Rural	14.6	16.5	17.6	18.2	18.5	19.0	19.4	21.5	23.1	24.9	19.4

Source: Pakistan Bureau of Statistics

7.4: Wholesale Price Index (WPI)

Wholesale prices of 419 items included in WPI are being collected from 19 major cities. During the start of outgoing Fiscal year, WPI is moving

downward till December 2022 and afterward it follows an upward movement while decline witnessed in April 2023 compared to previous month.

The YoY WPI for April 2023 was recorded at 32.8 percent against 37.5 percent in the previous month and 28.1 percent in the same month last year. On period average basis, the change in indices during July-April FY2023 has been recorded at 34.0 percent as against 22.9 percent during the same period last year. Further categorization of the index into 5 groups reveals that the highest inflationary pressure witnessed in metal products machinery and equipment, which was 59.6 percent in July-April FY2023 as against 18.2 percent during the same period FY2022. The group-wise comparison is given in Table 7.4.

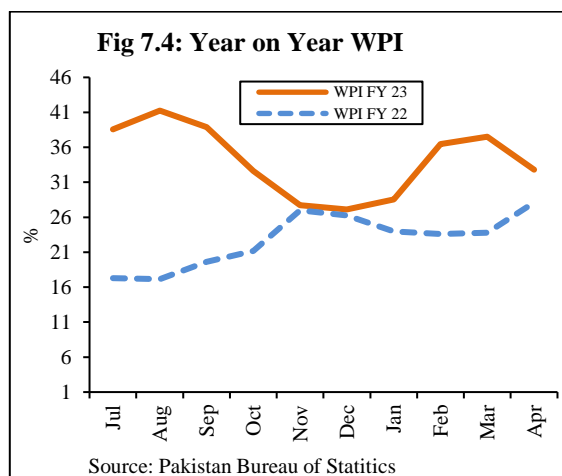


Table 7.4: Wholesale Price Index (WPI) (%)

Group	Weights	July-April	
		2021-22	2022-23
General (WPI)	100.0	22.9	34.0
Agriculture Forestry & Fishery	25.8	23.8	26.9
Ores & Minerals, electricity gas & water	12.0	9.4	22.6
Food Products, Beverages and Tobacco, Textiles Apparel and Leather Products	31.1	18.4	25.5
i) Food Products and Bev. & Tobacco	20.1	16.0	32.1
ii) Textiles & Apparel	10.3	24.1	14.0
iii) Leather Products	0.7	4.7	27.4
Other Transportable Goods Except Metal Products, Machinery and Equipments	22.4	38.0	48.3
Metal Products Machinery & Equipment	8.7	18.2	59.6

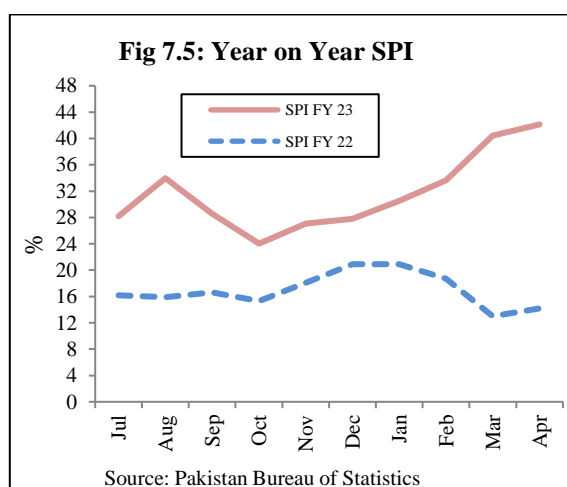
Source: Pakistan Bureau of Statistics

7.5: Sensitive Price Indicator (SPI)

SPI is computed on weekly basis to assess the price movements of essential commodities at a shorter interval of time to review the price situation in the country. SPI comprises of 51 essential items and the prices are collected from 50 markets in 17 cities/urban centers of the country.

The trend of SPI is monitored regularly and immediate measures are being taken to control fluctuation in prices. The SPI YoY basis in FY2023 remained volatile as presented in the Fig 7.5. The annualized increase in SPI during July-April FY2023 was recorded at 31.7 percent against 16.9 percent in the same period last year. Twenty four (24) major food items including wheat, wheat flour, rice, tomatoes, onions,

masoor pulse, moong pulse, mash pulse, chicken, sugar, red chilies, etc. having a weight of 57 percent influenced SPI by (+) 28.2 percent.



Source: Pakistan Bureau of Statistics

Table 7.5: Change in prices of major food items of SPI

Items	Units	Weights	Apr-23	Apr-22	%Change Apr-23/ Apr-22	Contributions
Wheat Flour Bag	20 Kg	4.0	2659.0	1092.1	143.5	5.7
Rice Basmati Broken	1 Kg	1.3	193.6	104.0	86.1	1.1
Bread plain	Each	0.6	102.6	65.1	57.7	0.3
Beef with Bone	1 Kg	3.4	732.9	622.1	17.8	0.6
Mutton	1 Kg	2.4	1541.7	1285.0	20.0	0.5
Chicken	1 Kg	3.9	390.1	272.1	43.4	1.7
Milk fresh (Un-boiled)	1 Ltr	18.4	165.1	118.0	39.9	7.3
Curd	1 Kg	1.8	190.8	135.8	40.5	0.7
Powdered Milk	390 gm	0.4	683.2	523.4	30.5	0.1
Eggs Hen	1 Dozen	1.4	266.3	135.3	96.8	1.4
Cooking Oil DALDA	5 litre	3.1	3321.5	2437.9	36.2	1.1
Vegetable Ghee	1kg	1.5	604.0	475.7	27.0	0.4
Bananas	1 Dozen	0.9	245.9	130.0	89.2	0.8
Pulse Masoor	1 Kg	0.5	279.4	221.2	26.4	0.1
Pulse Moong	1 Kg	0.5	280.9	167.2	68.0	0.3
Pulse Mash	1 Kg	0.3	428.1	271.1	3.6	0.0
Pulse Gram	1 Kg	0.5	247.1	166.1	48.8	0.2
Potatoes	1 Kg	2.1	67.9	35.6	90.8	1.9
Onions	1 Kg	1.7	82.9	63.1	31.4	0.5
Tomatoes	1 Kg	1.4	55.8	91.8	-39.2	-0.6
Sugar Refined	1 Kg	3.2	122.0	85.9	42.0	1.3
Chilies Powder Packet	200 gm	0.8	215.0	229.9	-6.5	-0.1
Garlic	1 Kg	0.6	372.5	315.5	18.1	0.1
Tea Lipton Packet	190 gm	2.4	520.6	259.1	100.9	2.4

Source: Pakistan Bureau of Statistics

7.6: Trend of Global Prices

The conflict between Russia and Ukraine in 2022 has triggered global disruptions in markets for key food crops and fertilizers, threatening food security worldwide. With the war now entering its second year, high international food prices have shown early sign of adjustment, though domestic price levels remained high in many low and middle-income countries due to lag effect. The value of US dollar appreciated and currencies in many developing countries including Pakistan depreciated. The currency depreciation causes to increase import costs of developing countries as many of which rely heavily on imports.

One example that demonstrates this fact is the case of wheat, as its international reference price

has declined since October 2022. Yet in some cases, the cost of purchasing wheat in local currencies has increased during the same period. As a result, many of those living in poorer import dependent countries pay more for basic food items.

In global market, prices of sugar and rice are showing an increase of 23.3 percent and 18.0 percent respectively, in April 2023 compared to corresponding month of last year. While the prices of crude oil, palm oil, soyabean oil, wheat and tea recorded decline of 20.5 percent, 40.3 percent, 47.1 percent, 23.6 percent and 8.6 percent, respectively, compared to April 2022. Table 7.6 depicts international prices of major commodities.

Table 7.6: International Prices of Major Commodities

Months	Sugar (\$/Mt)	Palm Oil (\$/Mt)	Soyabean oil (\$/Mt)	Crude oil (\$/Brl)	Wheat (\$/Mt)	Rice (\$/Mt)	Tea (\$/Mt)	DAP (\$/Mt)	Urea (\$/Mt)
Apr-22	430.0	1683.0	1948.0	105.8	495.3	409.1	3240.0	954.0	925.0
May-22	430.0	1717.0	1963.0	112.4	522.3	442.9	2990.0	842.5	707.5
Jun-22	420.0	1501.0	1752.0	120.1	459.6	427.6	2960.0	783.8	690.0
Jul-22	400.0	1057.0	1533.0	108.9	382.5	405.7	3310.0	784.0	601.0
Aug-22	390.0	1026.0	1599.0	98.6	382.9	412.6	3370.0	749.4	591.3
Sep-22	390.0	909.0	1548.0	90.2	419.1	423.4	3330.0	752.0	678.0
Oct-22	390.0	889.0	1576.0	93.1	438.0	411.6	3140.0	725.0	636.3
Nov-22	410.0	946.0	1652.0	91.1	422.7	417.5	3050.0	665.6	588.8
Dec-22	420.0	940.0	1409.0	80.9	386.3	446.4	2950.0	625.0	519.4
Jan-23	420.0	942.0	1352.0	83.1	380.4	484.6	2770.0	631.0	443.8
Feb-23	450.0	950.0	1243.0	82.7	394.8	469.0	2700.0	612.5	357.5
Mar-23	450.0	972.0	1113.0	78.5	369.9	460.9	2690.0	606.0	313.4
Apr-23	530.0	1005.0	1030.0	84.1	378.2	482.9	2960.0	637.0	313.4
% Change									
Apr 23/ Apr 22	23.3	-40.3	-47.1	-20.5	-23.6	18.0	-8.6	-33.2	-66.1
Apr 23/ Mar 23	17.8	3.4	-7.5	7.1	2.2	4.8	10.0	5.1	0.0

Source: Commodities Price Pink Sheet, WB

The FAO Food Price Index (FFPI), which tracks international prices of the most globally traded food commodities, averaged 143.7 points in 2022, showing an increase of 14.3 percent compared to 2021. Four of the FAO's five food sub-indices - cereals, meat, dairy and vegetable

oils - had reached record highs, while the fifth one, sugar, was at a 10-year high. The index had already gained 28 percent in 2021 from the previous year as the world economy recovered from the impact of the pandemic.

Table 7.7: FAO Food Price Index

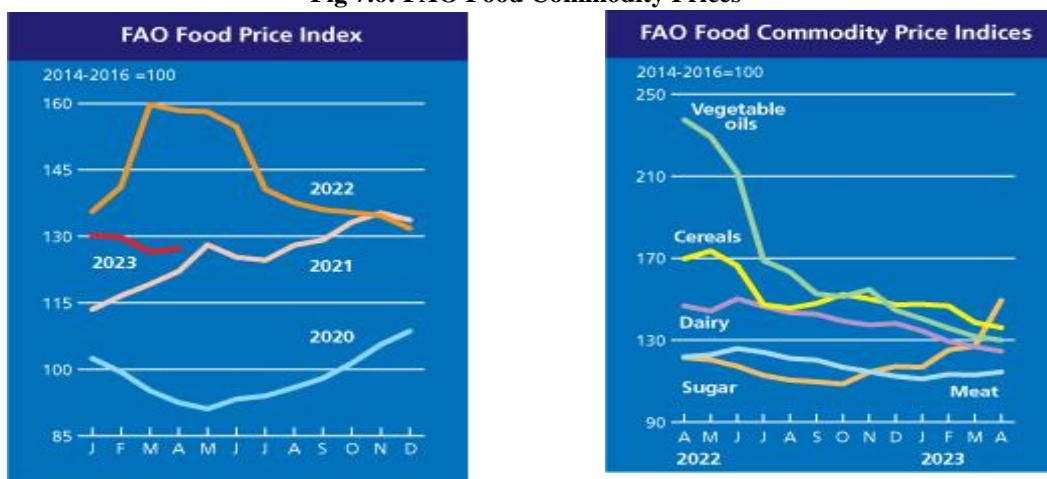
Years/Month	Food Price Index	Meat	Dairy	Cereals	Vegetable oil	Sugar
2020	98.1	95.5	101.8	103.1	99.4	79.5
2021	125.7	107.7	119.1	131.2	164.9	109.3
2022	143.7	118.8	142.4	154.7	187.8	114.5
Apr-22	158.4	121.9	146.7	169.7	237.5	121.5
Apr-23	127.2	114.5	124.6	136.1	130.0	149.4
% Change						
2021/2020	28.1	12.8	17.0	27.3	65.9	37.5
2022/2021	14.3	10.3	19.6	17.9	13.9	4.8
Apr-23/Apr-22	-19.7	-6.1	-15.1	-19.8	-45.3	23.0

Source: FAO

The FFPI Month on Month (MoM) increased by 0.6 percent in April 2023 after the twelfth consecutive monthly decline since March 2022. The YoY declined by 19.7 percent compared to

April 2022. The decline in the index was led by drops in the meat, cereal, vegetable oil and dairy price indices, while sugar increased in April 2023 compared to same month last year.

Fig 7.6: FAO Food Commodity Prices



Source: FAO

International wheat prices fell by 2.3 percent, driven by ample global supplies and strong competition among exporters. The extension of the black sea grain initiative, allowing Ukraine to continue to export from its Black Sea ports, also contributed to the decline. Higher estimates for Australia's production, along with improved crop conditions in the European Union this month, boosted the global supply outlook further. Strong competition from the Russian Federation, where high supplies continue to support competitive prices, also sustained the downward pressure on markets. World maize prices also fell, by 3.2 percent, in April 2023. Similarly, international barley and sorghum prices eased by 4.3 percent and 0.3 percent in April 2023, reflecting weak global demand and spillover from weakness in international maize and wheat markets.

The continued decrease of the vegetable oil price index reflected the combine effect of stable world palm oil prices and lower soyabean, rapeseed and sunflower oil quotations. International palm oil prices remained virtually unchanged in April, as the downward pressure stemming from a lackluster import demand from key importing countries was offset by support from comparatively limited supplies of leading producers. The sugar price marking the third consecutive monthly increase and reaching its highest level since October 2011. The hike in prices on account of tighter global availabilities in the 2022 and 2023 season after further downward revisions to the production forecasts for India and China along with lower than earlier expected outputs in Thailand and the European Union.

Box-II: Role of SBP's Policy rate in Controlling Inflation

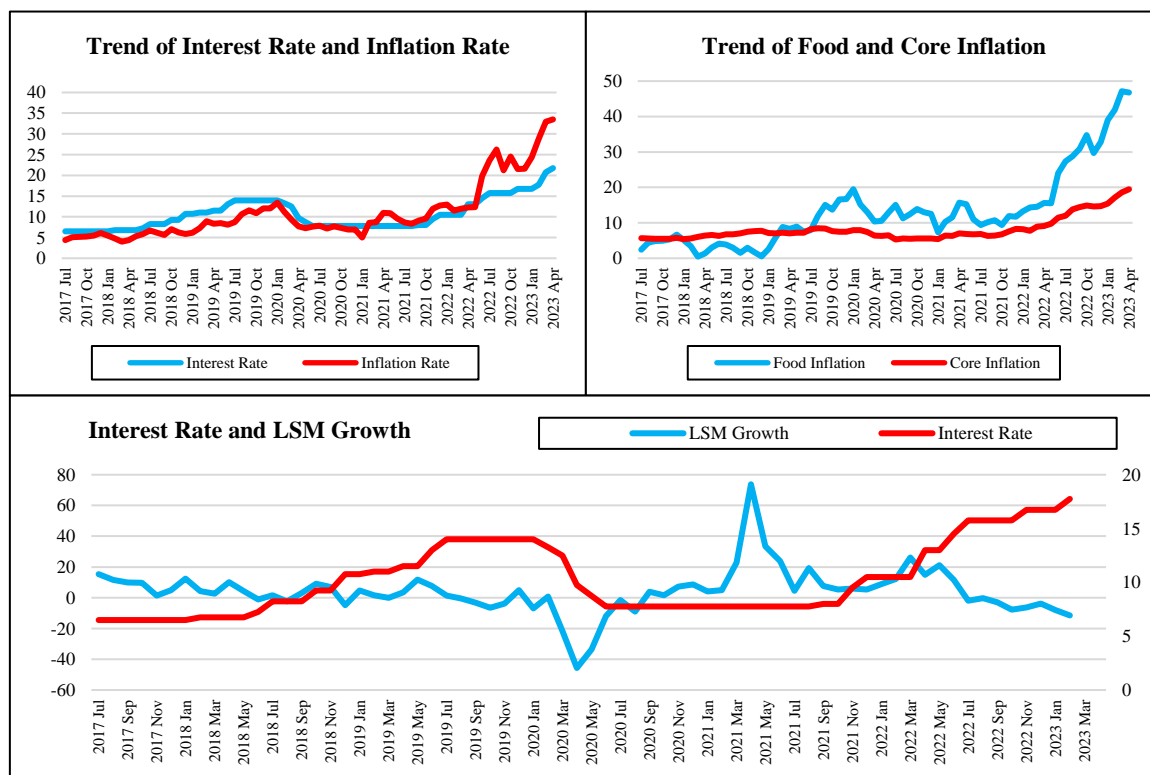
The prime objective of monetary policy is to maintain price stability by keeping inflation rate low. Central Bank of every country achieves this objective through changes in a policy instrument, usually short term interest rate. High and volatile inflation has turned out to be one of the main problems the global economy has been facing after Covid-19, especially after the start of Russia-Ukraine war. The central banks around the globe have responded to high inflation by raising their policy rates to curtail aggregate demand and ease out demand driven inflation.

Pakistan economy is no exception as the country has been experiencing food and energy led inflation during the same period. The general price level is persistently on the rise as a result of other factors too. Among them the key factors are dwindling foreign exchange reserves and the resulting currency depreciation, shortage of essential crops due to flash floods and the political and economic uncertainty.

In response to this recent price hike, the SBP has raised its policy rate from 7 percent in June, 2020 to 21 percent in April, 2023 to contain inflation. The tight policy stance, taken by SBP, has not resulted in containing

inflation, while creating some unintended consequences for real economic activity and burdening government expenditure. There seems to be a positive co-movement between the inflation rate and the interest rate in Pakistan, as shown in the upper left panel of the figure below. This however, does not indicate whether causality runs from the interest rate to the inflation rate or the other way round. Therefore, we go deeper to analyze the issue further. First, high interest rate has a positive effect on cost of borrowing, part of which is passed on to consumers by producers. This makes interest rate and inflation rate positively correlated. Moreover, interest rate has negative consequences for investment due to high cost of borrowing for both fixed investment and working capital. This translates into slowdown of economic activity, especially in the industrial sector. Same thing happened in Pakistan in the recent past as shown in lower panel of the figure below. This further added to supply shortages and kept inflation rate high. Hence, monetary policy remained ineffective in targeting inflation as supply side bottlenecks were not simultaneously removed.

Second, the food inflation is more pronounced as can be seen in the upper right panel of the figure below. This component of inflation rate can be responded through interest rate only to the extent it has second round effect on the overall inflation, as reflected in the core inflation. However, food component of inflation is directly insensitive to interest rate and can be more effectively managed through market integration, easy transportation from farm to market, better access to information, and regulating retailer’s margin through district price committees. Moreover, Pakistan economy experiences cost push inflation due to its over reliance on international commodity market. Hence, inflation in the country is largely an outcome of deficient domestic supply.



* In all of these panels urban inflation rates have been used

7.7: Government Steps to Control Inflation

Government is cognizant of the current inflationary spiral in the country and taking following possible measure to provide relief to the common man.

- Ministry of National Food Security and

Research (NFS&R) and Ministry of Industries & Production are working to maintain strategic reserves of wheat, sugar and pulses.

- Under the SBP amended Act 2021, being its primary objective, SBP is taking measures to maintain low and stable inflation in the

country. SBP has enhanced policy rate to 21 percent to contain the demand pressure.

- For the provision of essential commodities (i.e. wheat flour, sugar, ghee/oil and pulses) on subsidized rates, USC was allocated Rs 17 billion in FY2023 which also includes Rs 5 billion for Ramzan Relief Package. Subsequently, an additional amount of Rs 17.4 billion was allocated to the USC including Rs 540 million for provision of essential commodities in flood affected areas through USC.
- The allocation of BISP Welfare schemes is enhanced to Rs 400bn from the previous of Rs 360bn. Under BISP Kafalat Program, Rs 9000/- is being paid to eligible beneficiaries w.e.f April, 2023.
- Minister for PD&SI is chairing the NPMC meetings to ensure smooth supply of essential items and to monitor the prices with consultation of provincial governments and federal organizations.
- Government is expanding the network of Sasta Bazaars and Utility Store outlets for provision of smooth supply of daily use items.
- Competition Commission of Pakistan (CCP) is taking measures to control Cartelization and undue Profiteering.

- District Price Control Committees are monitoring the prices of essential items to ensure their availability at reasonable prices.
- Government has announced Kissan package to boost the agriculture in the aftermath of floods. The package includes subsidized loans to flood affected farmers and youth of rural areas, subsidy on DAP as well as import of used tractors and relaxation of duties for tractor manufacturing. These measures will enhance agriculture produce & supply of food items will improve.

7.8: Outlook

The available information suggests that inflation will remain in the range of 28.5 -29.0 percent in FY2023. The global inflationary pressure intensified during recent years while during last couple of months global supply chain has shown little improvement. The international commodity price outlook is favorable which may offset the negative impact of currency depreciation. In addition the better crop outlook due to timely measures i.e. Kissan Package, expected political stability and stable exchange rate would help to achieve price stability. The inflation rate in the medium term will be expected to normalized due to improvement in the agriculture sector, and expected favorable global and domestic environments.

TABLE 7.1 (A)
PRICE INDICES

A. COMBINED CONSUMER PRICE INDEX BY GROUPS\													
(Base Year : 2007-08 = 100)													
Groups/ Fiscal Year	General	Food & Non Alcoholic Beverages	Beverages & Tobaco	Clothing & Foot wear	Housing, Water, Elec.Gas & Fuel	Household Equipment & Repair Maintenance	Health	Transport	Communi- cation	Recreation & Culture	Education	Restaurant & Hotels	Miscellan- ous
2010-11	146.45	164.10	151.64	133.35	135.27	135.59	123.79	149.01	122.47	134.62	128.17	164.04	152.45
2011-12	162.57	182.20	165.01	153.45	146.17	160.28	137.97	171.39	122.94	145.35	143.83	185.82	181.47
2012-13	174.53	195.18	191.02	175.58	151.34	179.87	156.56	186.43	126.16	169.07	156.69	203.63	199.49
2013-14	189.58	212.74	223.38	198.01	164.60	195.85	167.15	195.15	129.76	183.77	172.57	228.61	210.15
2014-15	198.16	220.20	269.93	213.82	174.93	208.68	176.19	187.22	130.09	190.29	196.40	244.58	221.13
2015-16	203.82	219.42	329.25	224.18	183.90	217.38	182.69	174.25	130.56	194.21	213.02	256.79	228.22
2016-17	212.29	226.59	368.88	233.36	192.91	223.90	201.82	172.93	131.79	196.31	235.72	256.79	240.23
2017-18	220.62	232.95	310.09	244.45	202.50	233.06	218.13	182.18	133.26	200.24	264.79	285.88	254.99
2018-19	236.81	242.62	345.33	260.88	221.07	251.44	235.29	211.50	141.29	215.90	289.97	302.04	276.48
Base Year 2015-16=100													
	General	Food & Non- Alcoholic Beverages	Alcoholic Beverages Tobaco	Clothing and Footwear	Housing, Water, Elec., Gas and other fuels	Furnishing and Household Equipment Maintenance	Health	Transport	Communi- cation	Recreation & Culture	Education	Restau- ants and hotels	Misc. goods and services
2016-17	104.83	110.24	110.76	105.29	105.98	102.34	107.97	99.26	100.03	102.27	110.83	106.04	104.39
2017-18	110.18	117.60	100.83	110.94	111.23	106.00	114.98	108.04	100.65	104.91	123.88	113.15	109.93
2018-19	117.99	112.24	112.26	118.13	120.08	114.00	122.92	125.31	103.27	111.54	134.74	119.10	118.86
2019-20	129.99	129.59	135.80	129.56	128.33	125.70	136.81	138.71	106.84	118.70	141.90	127.78	132.96
2020-21	140.58	146.74	143.36	142.61	136.35	136.23	148.36	140.38	107.62	123.99	143.71	138.66	148.34
2021-22	157.19	165.58	158.71	154.51	150.58	151.41	162.67	175.68	112.53	131.14	153.19	155.07	162.79
July-April													
2021-22	154.99	162.40	155.43	152.44	150.32	148.98	161.14	168.64	112.44	129.62	151.42	152.56	160.65
2022-23	195.17	220.54	242.77	180.89	166.91	193.07	185.15	255.76	116.08	175.19	165.91	201.51	204.14

(Contd.)

Note: i) On the adoption of each new base year the data for the common periods may not be matched
ii) July to April cumulative indices

TABLE 7.1 (B)

PRICE INDICES (HEADLINE & CORE INFLATION)

Year	Indices				Headline & Core Inflation			
	General	Food	Non-Food	Core	General	Food	Non-Food	Core
(Base Year : 2007-08 = 100)								
2010-11	146.45	164.10	135.87	131.03	13.66	18.02	10.71	9.38
2011-12	162.57	182.20	150.81	144.78	11.01	11.03	11.00	10.49
2012-13	174.53	195.18	162.16	158.62	7.36	7.12	7.53	9.56
2013-14	189.58	212.74	175.69	171.82	8.62	9.00	8.35	8.32
2014-15	198.16	220.20	184.95	183.08	4.53	3.50	5.27	6.55
2015-16	203.82	224.78	191.25	190.71	2.86	2.08	3.41	4.17
2016-17	212.29	233.37	199.65	200.61	4.16	3.82	4.39	5.19
2017-18	220.62	237.59	210.45	212.34	3.92	1.81	5.41	5.85
2018-19	236.81	248.44	229.84	229.21	7.34	4.57	9.21	7.94
CPI Indices (Base Year : 2015-16 = 100)								
	National	Urban			Rural			
	CPI	Food	Non-food	Core	Food	Non-food	Core	
2016-17	104.81	104.32	105.13	106.10	105.11	104.48	105.60	
2017-18	109.72	108.33	111.25	112.27	107.57	110.29	111.05	
2018-19	117.18	113.35	120.70	120.34	112.68	118.74	118.55	
2019-20	129.76	128.74	130.72	129.38	130.62	128.41	128.83	
2020-21	141.31	144.74	138.17	137.13	147.74	137.89	138.62	
2021-22	158.48	164.20	153.11	148.29	167.00	154.84	151.13	
<u>July-April</u>								
2021-22	156.08	161.11	151.43	146.79	163.58	152.76	149.35	
2022-23	200.14	219.31	181.12	169.61	228.81	189.63	178.33	
CPI (%) (Base Year : 2015-16 = 100)								
	National	Urban			Rural			
	CPI	Food	Non-food	Core	Food	Non-food	Core	
2016-17	4.81	4.32	5.13	6.10	5.11	4.48	5.60	
2017-18	4.68	3.84	5.82	5.82	2.34	5.56	5.16	
2018-19	6.80	4.63	8.49	7.19	4.75	7.66	6.75	
2019-20	10.74	13.58	8.30	7.51	15.92	8.14	8.67	
2020-21	8.90	12.43	5.70	5.99	13.11	7.38	7.60	
2021-22	12.15	13.44	10.83	8.14	13.04	12.29	9.02	
<u>July-April</u>								
2021-22	11.04	12.14	10.20	7.63	11.01	11.37	8.30	
2022-23	28.23	36.12	19.61	15.55	39.88	24.14	19.40	

(Contd.)

Note: (i) Core Inflation is defined as overall inflation adjusted for food and energy.

(ii) On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.1 (C)
PRICES INDICES

B. Wholesale Price Index by Groups											
(Base Year : 2007-08 = 100)											
Groups/ Fiscal Year	General	Agriculture Forestry & Fishery Product	Ores & Minerals, Materials electricity gas & water	Food Product, Beverages & Tobacco, Textiles Apparel Leather Products	Other Transportable Goods	Metal Products Machinery & Equipment	Sensitive Price Indi- cator	GDP Deflator			
2010-11	164.17	183.20	159.13	166.49	155.77	128.10	159.48	193.50			
2011-12	181.28	185.03	182.74	176.07	194.64	152.55	170.77	204.45			
2012-13	194.61	198.23	211.17	188.39	203.93	159.29	184.04	219.00			
2013-14	210.48	219.00	240.37	200.70	214.59	168.31	201.15	235.18			
2014-15	209.85	220.56	245.47	206.76	197.12	172.72	205.18	245.40			
2015-16	207.65	226.43	245.91	213.58	171.21	171.46	207.35	246.49			
2016-17	216.02	248.00	242.08	225.59	168.07	174.40	210.59	256.29			
2017-18	223.52	256.02	242.99	229.90	198.27	184.00	212.44	262.33			
2018-19	250.28	276.64	279.87	254.78	220.88	190.87	223.34	284.88			
Base Year 2015-16=100											
	General	Agriculture Forestry & Fishery	Ores/Minerals, Elec., gas & water	Food, Beverages Tobacco, Textiles, Textiles, Leather	Food Products Beverages & Tobacco	Textiles Apparels	Leather Products	Other Transpor- table Goods	Metal Product Machinery & Equipment	Sensitive Price Indicator	GDP Deflator
2016-17	104.45	108.15	99.32	105.63	103.82	109.42	101.83	101.69	103.22	107.62	103.95
2017-18	109.97	113.34	100.88	107.08	104.00	115.64	101.40	115.52	106.06	110.28	107.84
2018-19	127.55	124.35	127.07	119.30	112.45	133.41	107.72	147.71	115.26	115.92	117.74
2019-20	140.63	137.80	163.40	131.68	126.74	141.64	113.65	147.95	131.83	131.85	129.38
2020-21	153.87	155.69	167.57	149.24	146.95	155.76	119.27	151.61	150.09	150.09	142.84
2021-22	192.20	194.98	183.52	177.03	171.86	190.49	127.27	218.97	181.34	175.75	163.01
July-April											
2021-22	186.76	189.98	183.57	174.18	168.25	189.11	124.86	205.78	177.67	173.25	163.01
2022-23	250.39	241.09	225.11	218.58	222.26	215.52	159.07	305.90	283.54	228.22	203.80

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.2

MONTHLY PERCENTAGE CHANGES IN CPI, WPI AND SPI

Months	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
Base Year 2007-08=100									Base Year 2015-16=100							
A. CONSUMER PRICE INDEX (C.P.I)	1.27	-0.25	2.02	1.70	0.43	1.34	0.34	0.94	-	0.57	1.51	1.83	2.50	1.33	4.35	
Jul	1.40	0.90	1.16	0.33	0.24	-0.30	0.19	0.21	-0.36	0.15	-0.31	1.64	0.63	0.58	2.45	
Aug	1.03	0.79	-0.29	0.35	-0.10	0.20	0.63	-0.06	0.42	0.69	-0.03	0.77	1.54	2.12	-1.15	
Sep	1.44	0.38	1.97	0.21	0.49	0.81	0.75	2.33	0.93	1.09	2.12	1.82	1.70	1.90	4.71	
Oct	0.29	-0.39	1.27	-0.51	0.59	0.21	0.37	0.11	0.47	0.66	-0.12	1.34	0.82	2.98	0.76	
Nov	-0.70	0.23	-1.32	-1.01	-0.57	-0.68	-0.10	-0.41	-0.58	-0.03	-0.30	-0.34	-0.68	-0.02	0.49	
Dec	1.54	1.67	0.49	0.08	0.21	0.18	0.03	1.00	0.43	0.08	0.25	1.97	-0.21	0.39	2.88	
Jan	0.30	-0.34	-0.32	-0.92	-0.25	0.28	-0.31	0.64	0.48	-0.26	0.87	-1.04	1.80	1.15	4.32	
Feb	1.17	0.41	0.96	0.23	0.15	0.84	0.31	1.42	1.05	0.22	2.00	0.04	0.36	0.79	3.72	
Mar	1.83	1.09	1.70	1.32	1.55	1.40	1.82	1.26	0.72	1.08	0.73	-0.84	1.03	1.61	2.41	
Apr	1.15	0.51	-0.26	0.76	-0.21	0.01	0.51	0.78	-0.52	0.46	0.60	0.32	0.10	0.44		
May	0.04	0.72	0.61	0.62	0.64	-0.41	0.56	0.36	0.17	0.83	0.48	0.82	-0.24	6.34		
Jun	Base Year 2015-16=100															
Jul	-	-	-	-	-	-	-	-	-	0.59	1.41	1.98	2.15	1.29	4.47	
Aug	-	-	-	-	-	-	-	-	-0.46	0.20	-0.31	1.46	0.81	0.48	2.62	
Sep	-	-	-	-	-	-	-	-	0.32	0.42	-0.08	0.75	1.26	2.01	-2.06	
Oct	-	-	-	-	-	-	-	-	0.79	0.89	2.23	1.59	1.27	1.67	4.50	
Nov	-	-	-	-	-	-	-	-	0.47	0.63	-0.09	1.00	0.64	2.86	0.38	
Dec	-	-	-	-	-	-	-	-	-0.59	0.05	-0.32	-0.37	-0.35	0.32	0.35	
Jan	-	-	-	-	-	-	-	-	0.82	0.18	0.43	1.68	-0.16	0.06	2.36	
Feb	-	-	-	-	-	-	-	-	0.51	-0.15	0.86	-1.09	2.27	0.93	4.54	
Mar	-	-	-	-	-	-	-	-	1.01	0.28	1.87	0.13	0.27	0.65	3.90	
Apr	-	-	-	-	-	-	-	-	0.96	1.37	0.83	-0.68	1.34	1.60	2.00	
May	-	-	-	-	-	-	-	-	-0.32	0.53	0.68	0.30	0.19	0.31		
Jun	-	-	-	-	-	-	-	-	0.21	0.72	0.34	0.69	-0.37	6.19		
Base Year 2015-16=100																
URBAN CONSUMER PRICE INDEX (U.C.P.I)	-	-	-	-	-	-	-	-	-	0.54	1.67	1.60	3.02	1.40	4.17	
Jul	-	-	-	-	-	-	-	-	-0.21	0.07	-0.30	1.91	0.35	0.72	2.19	
Aug	-	-	-	-	-	-	-	-	0.57	1.10	0.04	0.79	1.95	2.29	0.18	
Sep	-	-	-	-	-	-	-	-	1.15	1.40	1.96	2.17	2.35	2.25	5.01	
Oct	-	-	-	-	-	-	-	-	0.48	0.72	-0.17	1.86	1.09	3.15	1.30	
Nov	-	-	-	-	-	-	-	-	-0.56	-0.14	-0.29	-0.30	-1.17	-0.51	0.70	
Dec	-	-	-	-	-	-	-	-	-0.14	-0.07	-0.02	2.41	-0.29	0.89	3.62	
Jan	-	-	-	-	-	-	-	-	0.45	-0.45	0.87	-0.97	1.12	1.48	4.01	
Feb	-	-	-	-	-	-	-	-	1.12	0.13	2.19	-0.10	0.51	1.00	3.48	
Mar	-	-	-	-	-	-	-	-	0.36	0.64	0.58	-1.08	0.57	1.63	2.97	
Apr	-	-	-	-	-	-	-	-	-0.82	0.35	0.47	0.34	-0.03	0.65		
May	-	-	-	-	-	-	-	-	0.12	1.01	0.70	1.02	-0.06	6.57		
Jun	Base Year 2015-16=100															
RURAL PRICE INDEX (R.P.I)	-	-	-	-	-	-	-	-	-	-0.70	3.69	3.05	5.41	2.28	1.99	
Jul	0.55	1.02	2.65	-0.48	-0.49	-0.03	0.33	0.79	0.06	0.19	0.55	1.25	1.27	1.17	3.14	
Aug	0.25	0.35	0.71	0.15	-0.46	0.06	-1.52	0.79	-0.40	0.28	-1.51	0.07	1.05	3.17	1.43	
Sep	0.37	0.11	1.13	-0.31	0.53	-0.04	0.61	4.17	-0.09	0.88	4.40	2.03	2.88	4.24	-0.47	
Oct	-0.53	-0.37	0.25	-0.99	0.01	-0.21	0.36	0.70	0.54	1.05	1.04	-0.82	-0.94	3.79	-0.02	
Nov	-1.33	0.43	-0.99	-1.89	-0.65	-0.14	0.36	-0.88	0.20	0.49	-1.34	-0.30	0.34	-0.24	-0.71	
Dec	2.26	1.25	0.53	-1.03	-0.53	0.51	1.81	-0.21	0.83	2.60	-0.82	1.83	2.50	0.65	1.77	
Jan	0.56	0.34	-0.14	-1.09	-0.59	0.47	-0.15	0.90	0.81	0.41	1.62	-0.80	2.20	1.91	8.19	
Feb	0.67	0.26	0.34	0.01	-0.40	0.66	0.25	1.70	0.42	-0.08	2.23	-0.88	3.72	3.86	4.67	
Mar	1.80	0.77	0.10	0.86	1.30	0.89	1.27	2.33	0.43	1.28	1.76	-2.04	-0.36	3.16	0.09	
Apr	2.15	-0.43	-0.08	1.10	0.55	-0.20	1.28	1.43	-0.15	2.02	1.47	-2.08	0.30	1.44		
May	-0.05	1.00	1.37	1.18	1.38	-0.46	1.48	0.33	-0.08	2.46	0.25	-0.32	0.91	8.18		
Jun	Base Year 2015-16=100															
B. WHOLESALE PRICE INDEX (W.P.I)	2.38	0.51	2.27	1.95	0.34	1.32	-0.45	1.17	-	0.00	1.39	1.03	3.03	1.80	7.27	
Jul	0.83	1.29	1.54	0.83	-0.19	0.23	0.54	0.22	-0.25	1.06	-0.20	2.72	0.92	0.70	5.25	
Aug	1.34	1.25	0.06	0.24	0.46	0.11	2.13	-0.06	0.21	2.06	-0.42	1.87	2.09	2.72	-1.42	
Sep	0.76	-0.45	1.17	-0.03	1.18	0.67	0.86	1.15	0.49	0.94	2.27	2.66	3.36	2.15	-1.47	
Oct	0.74	0.03	3.22	-1.13	1.00	0.33	0.34	0.26	0.68	0.20	-0.69	3.71	1.10	3.58	6.11	
Nov	-2.01	0.05	-2.54	-1.52	-0.71	-0.78	-0.67	0.02	-1.25	-0.88	-0.25	-1.97	-2.71	-0.43	0.15	
Dec	1.00	1.92	-2.54	-0.87	-0.67	-0.80	-1.04	0.61	-1.00	-1.52	0.36	0.45	-0.82	-0.79	1.35	
Jan	-0.12	0.07	-0.09	-0.99	-0.52	0.21	-1.21	1.48	0.42	-1.16	2.45	-0.79	3.14	1.27	3.66	
Feb	1.49	0.78	2.15	0.00	-0.15	1.79	-0.60	1.56	2.75	-0.91	2.13	-0.31	5.70	0.64	5.77	
Mar	1.67	-0.29	0.07	0.39	-0.12	-0.91	0.45	0.89	-0.69	0.86	0.48	-1.77	0.41	1.48	2.70	
Apr	-0.14	0.07	-1.51	1.31	-0.96	-0.89	-0.15	1.24	-0.38	0.71	0.58	2.15	0.79	0.64		
May	1.39	2.45	1.11	0.99	1.12	0.14	1.78	1.57	0.00	1.45	0.90	1.37	-0.44	6.19		
Jun	Base Year 2015-16=100															
C. SENSITIVE PRICE INDEX (S.P.I)	2.38	0.51	2.27	1.95	0.34	1.32	-0.45	1.17	-	0.00	1.39	1.03	3.03	1.80	7.27	
Jul	0.83	1.29	1.54	0.83	-0.19	0.23	0.54	0.22	-0.25	1.06	-0.20	2.72	0.92	0.70	5.25	
Aug	1.34	1.25	0.06	0.24	0.46	0.11	2.13	-0.06	0.21	2.06	-0.42	1.87	2.09	2.72	-1.42	
Sep	0.76	-0.45	1.17	-0.03	1.18	0.67	0.86	1.15	0.49	0.94	2.27	2.66	3.36	2.15	-1.47	
Oct	0.74	0.03	3.22	-1.13	1.00	0.33	0.34	0.26	0.68	0.20	-0.69	3.71	1.10	3.58	6.11	
Nov	-2.01	0.05	-2.54	-1.52	-0.71	-0.78	-0.67	0.02	-1.25	-0.88	-0.25	-1.97	-2.71	-0.43	0.15	
Dec	1.00	1.92	-2.54	-0.87	-0.67	-0.80	-1.04	0.61	-1.00	-1.52	0.36	0.45	-0.82	-0.79	1.35	
Jan	-0.12	0.07	-0.09	-0.99	-0.52	0.21	-1.21	1.48	0.42	-1.16	2.45	-0.79	3.14	1.27	3.66	
Feb	1.49	0.78	2.15	0.00	-0.15	1.79	-0.60	1.56	2.75	-0.91	2.13	-0.31	5.70	0.64	5.77	
Mar	1.67	-0.29	0.07	0.39	-0.12	-0.91	0.45	0.89	-0.69	0.86	0.48	-1.77	0.41	1.48	2.70	
Apr	-0.14	0.07	-1.51	1.31	-0.96	-0.89	-0.15	1.24	-0.38	0.71	0.58	2.15	0.79	0.64		
May	1.39	2.45	1.11	0.99	1.12	0.14	1.78	1.57	0.00	1.45	0.90	1.37	-0.44	6.19		
Jun	Base Year 2015-16=100															

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	Spliced with Base Year 2007-08 = 100					
	All Income Groups	Upto Rs 8000	Rs 8001 to 12000	Rs 12000 to 18000	Rs 18001 to 35000	Above Rs 35,000
2010-11	146.45	149.04	148.56	147.59	148.91	145.34
2011-12	162.57	164.00	164.37	163.06	165.01	162.09
2012-13	174.53	176.93	178.55	176.83	176.28	172.48
2013-14	189.58	192.57	193.69	193.00	192.26	186.72
2014-15	198.16	199.60	201.15	201.33	200.80	195.76
2015-16	203.82	204.45	206.72	206.14	206.80	201.65
2016-17	212.29	212.28	214.84	214.22	215.25	210.42
2017-18	220.62	218.23	221.44	221.15	222.70	220.09
2018-19	236.81	230.11	234.06	234.21	238.88	239.16
Consumption Group/ Fiscal Year	Base Year 2015-16 = 100					
	Urban					
	Combined	(Upto Rs. 17,732)	(Rs. 17,733 to 22,888)	(Rs. 22,889 to 29,517)	(Rs. 29,518 to 44,175)	(Above Rs. 44,175)
2016-17	104.83	104.21	104.38	104.49	104.60	105.05
2017-18	110.18	108.00	108.52	108.90	109.39	110.98
2018-19	117.99	113.92	115.00	115.57	116.31	119.90
2019-20	129.99	126.97	127.47	129.29	129.29	131.60
2020-21	140.58	140.81	140.22	141.34	140.74	141.11
2021-22	157.19	158.59	157.37	158.38	157.59	157.35
<u>Jul-April</u>						
2021-22	154.99	156.39	155.21	156.16	155.35	155.17
2022-23	195.17	201.23	198.60	199.44	197.75	194.39
	Rural					
	Combined	(Upto Rs. 17,732)	(Rs. 17,733 to 22,888)	(Rs. 22,889 to 29,517)	(Rs. 29,518 to 44,175)	(Above Rs. 44,175)
2016-17	104.77	104.54	104.66	104.69	104.84	104.95
2017-18	109.04	108.25	108.54	108.77	109.11	109.50
2018-19	115.95	114.33	114.94	115.31	115.83	118.02
2019-20	129.42	129.30	129.08	128.87	128.85	130.65
2020-21	142.42	144.61	143.31	142.26	141.40	141.82
2021-22	160.43	162.81	161.18	160.32	159.41	159.84
<u>July-April</u>						
2021-22	157.73	160.13	158.51	157.60	156.68	157.15
2022-23	207.63	212.63	209.71	208.67	206.57	204.07

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.3 (B)

ANNUAL CHANGES IN PRICE INDICES AND GDP DEFLATOR

Fiscal Year	Consumer Price Index			Wholesale Price Index	Sensitive Price Indicator	Annual GDP Deflator
	National	Urban	Rural			
(Base Year : 2007-08 = 100)						
2010-11	13.66	-	-	21.25	16.57	19.52
2011-12	11.01	-	-	10.42	7.08	5.66
2012-13	7.36	-	-	7.35	7.77	7.12
2013-14	8.62	-	-	8.15	9.30	7.39
2014-15	4.53	-	-	-0.30	1.75	4.34
2015-16	2.86	-	-	-1.05	1.31	0.45
(Base Year : 2015-16 = 100)						
2016-17	4.81	5.10	4.77	4.45	7.62	3.95
2017-18	4.68	7.08	4.08	3.90	7.38	3.74
2018-19	6.80	7.09	6.34	15.99	5.11	9.18
2019-20	10.74	10.17	11.62	10.24	13.74	9.88
2020-21	8.90	8.15	10.04	9.41	13.83	10.41
2021-22	12.15	11.82	12.65	24.91	17.10	14.12
<u>July-April</u>						
2021-22	11.04	10.94	11.19	22.89	16.93	14.12
2022-23	28.23	25.92	31.64	34.07	31.73	25.03

Source: Pakistan Bureau of Statistics

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	(Price in Rs.) (Weight in Kg.)											
	Wheat (Av.Qlty)	Wheat Flour (Av.Qlty)	Basmati Rice (Broken)	Moong Pulse (Washed)	Gram Pulse (Av.Qlty)	Beef (Cow/ Buffalo with bone)	Chicken (Farm)	Mutton (Goat) (Av.Qlty)	Eggs Hen (Farm) Doz.	Potato (Av.Qlty)	Dry Onion (Av.Qlty)	Tomato (Av.Qlty)
(Base Year : 2007-08 = 100)												
2010-11	25.98	29.41	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.58	33.28	44.86
2011-12	26.74	30.26	60.36	127.90	83.32	252.41	150.07	482.04	86.95	25.33	32.24	46.46
2012-13	30.61	34.53	69.01	115.95	99.70	268.38	143.93	517.83	92.02	26.09	36.71	49.80
2013-14	37.02	40.98	74.09	137.64	74.77	283.99	161.40	559.49	97.61	42.79	41.63	58.36
2014-15	34.56	39.28	72.38	161.94	79.33	301.55	153.64	592.56	98.71	42.49	35.80	55.05
2015-16	33.92	38.57	63.00	160.30	123.53	316.37	151.95	627.94	89.84	25.75	44.29	49.14
2016-17	33.77	37.99	63.90	139.93	149.85	327.52	145.88	662.65	101.86	34.09	30.08	51.82
2017-18	33.11	37.45	72.07	118.15	118.76	348.64	158.87	733.68	103.17	33.89	48.59	59.62
2018-19	34.95	39.36	76.82	128.64	123.10	376.47	163.06	783.88	102.93	27.21	36.91	64.85
Base Year : 2015-16=100												
2019-20	-	897.48	81.92	213.44	142.21	431.29	169.73	896.00	106.71	44.57	59.90	56.83
2020-21	-	1010.32	90.41	231.42	143.81	482.26	207.39	1004.05	153.10	53.41	43.01	61.38
2021-22	-	1173.32	100.93	171.96	159.66	584.71	234.56	1195.01	163.07	45.52	49.17	80.28
<u>July-April</u>												
2021-22	-	1162.54	98.90	171.63	154.82	573.39	222.84	1167.70	162.32	46.06	44.95	80.99
2022-23	-	1621.17	143.30	248.01	240.37	694.90	325.29	1444.58	247.83	59.07	136.37	93.81

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019

TABLE 7.4 (A)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Mustard Oil (Mill)	Vegetable Ghee (Loose)	Rock Salt (Powder)	Red Chillies (Av.Qlty)	Sugar (Open Market)	Gur (Sup. Qlty)	Milk Fresh (Ltr.)	(Price in Rs.) (Weight in Kg.)
								Tea in* Packet (Sup.Qlty) 200 grams
(Base Year : 2007-08 = 100)								
2010-11	156.56	150.31	7.28	230.27	72.72	83.86	50.10	123.19
2011-12	178.29	166.26	8.13	299.42	60.99	78.27	58.17	135.15
2012-13	185.88	160.73	8.74	254.06	53.25	74.50	65.24	146.01
2013-14	184.48	160.57	9.37	221.33	53.82	82.83	69.86	154.58
2014-15	183.08	151.90	9.98	261.42	57.14	83.95	76.21	133.80
2015-16	179.67	138.35	10.43	274.03	62.60	89.28	78.24	172.76
2016-17	181.15	143.34	10.64	272.60	64.94	88.20	80.59	177.24
2017-18	183.83	146.22	11.10	266.58	53.70	81.49	82.75	189.44
2018-19	195.43	161.85	12.29	335.21	59.84	85.75	86.74	210.27
Base Year : 2015-16=100								
2019-20	208.50	225.75	29.90	157.44	76.60	115.20	93.43	225.54
2020-21	254.12	269.95	30.01	318.56	94.21	128.82	105.17	230.17
2021-22	382.54	402.10	32.24	298.75	94.46	136.98	115.61	248.19
<u>July-April</u>								
2021-22	363.10	382.88	31.63	317.47	96.15	138.37	113.85	245.63
2022-23	543.64	553.67	44.64	217.45	94.31	139.18	147.90	376.06

(Contd.)

Note: In the new base year 2015-16, prices are disseminated started w.e.f July, 2019.

*: Tea packet prices in bases year 2015-16=100 is quoted of 190 grams packet price.

TABLE 7.4 (B)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Cigarettes (Pkt)	Long Cloth (Mtr.)	Georgette (Mtr.)	Shoes Gents Concord Bata*	Firewood (Kikar/ Babul 40 Kgs.)	Match Box (40/ 50 Sticks) Each	Washing Soap (707/555 Cake)	(Rs/unit)
								Life-buoy Soap (Cake)
(Base Year : 2007-08 = 100)								
2010-11	27.44	148.57	72.35	499.00	354.29	1.00	15.14	25.47
2011-12	29.10	111.21	88.07	499.00	441.74	1.06	18.39	30.50
2012-13	32.34	151.14	101.61	549.00	491.55	1.10	21.00	32.29
2013-14	38.45	176.59	112.40	671.92	538.12	1.42	23.34	35.86
2014-15	45.85	200.22	122.90	699.00	566.85	1.74	24.33	36.06
2015-16	57.75	203.29	123.29	699.00	593.42	1.99	24.74	36.16
2016-17	64.85	206.13	124.12	699.00	604.81	2.14	25.74	38.06
2017-18	50.86	215.80	127.34	699.00	621.24	2.24	26.39	40.67
2018-19	57.29	268.31	154.69	699.00	566.61	2.42	36.35	46.66
Base Year 2015-16=100								
2019-20	81.24	306.67	146.50	899.00	668.45	2.51	45.13	44.66
2020-21	83.42	359.53	165.77	1013.60	716.92	3.11	53.78	47.04
2021-22	85.60	396.01	182.26	1260.33	787.06	3.58	72.75	54.77
<u>July-April</u>								
2021-22	83.85	391.72	180.42	1242.01	778.17	3.53	70.46	53.59
2022-23	130.91	453.85	211.74	1499.00	972.96	4.54	105.98	84.29

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

*: Prices of Gents Sandal Bata has been quoted in base year 2015-16 instead of prices of Shoes Gents Concord Bata in previous base year.

TABLE 7.4 (C)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Energy Saver (14-W)	Cooked Beef (Plate)	Cooked Dal (Plate)	Rice Irri-6 (Kg)	Masoor Pulse (Kg)	Mash Pulse (Kg)	Garlic (Kg)	Cooking Oil Dalda (2.5 Ltr*)	(Rs/unit)
									Vegetable Ghee (2.5 Kg)
(Base Year : 2007-08 = 100)									
2010-11	124.75	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
2011-12	139.93	60.54	37.27	45.68	102.64	145.82	107.89	502.66	501.91
2012-13	151.82	68.55	40.16	49.90	100.39	132.72	123.18	535.55	519.06
2013-14	162.69	77.84	45.46	54.05	120.49	134.21	129.71	538.73	511.77
2014-15	165.49	82.86	48.41	51.99	135.32	163.82	139.00	513.55	495.00
2015-16	166.95	87.19	52.62	47.16	146.36	238.59	200.32	457.61	448.92
2016-17	167.79	92.56	56.70	48.71	140.36	223.70	273.46	460.79	452.68
2017-18	168.98	101.49	58.83	51.53	118.44	164.91	166.10	471.26	464.46
2018-19	173.40	113.60	64.17	54.59	107.55	152.18	157.72	497.94	483.96
Base Year 2015-16=100									
2019-20	185.73	133.64	68.75	62.54	141.16	211.13	280.43	1199.22	586.30
2020-21	199.66	148.96	75.60	71.09	156.48	250.28	216.42	1374.94	690.38
2021-22	211.44	170.33	84.54	75.18	201.24	262.50	289.44	2038.51	1015.00
<u>July-April</u>									
2021-22	208.38	167.28	83.04	73.91	191.18	257.04	286.73	1947.02	970.30
2022-23	257.43	218.51	111.29	107.38	284.99	380.18	357.22	2913.85	1410.85

(Contd.)

Note: In the new base year 2015-16. Prices are disseminated w.e.f July, 2019.

*: The unit of cooking oil Dalda has changed from 2.5 Ltr. to 5 Ltr. in base year 2015-16.

TABLE 7.4 (D)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Curd (Kg)	Tea Pre-prepared (Cup)	Banana (Doz.)	Lawn Hussain (Mtr.)	Shirting Hussain (Mtr.)	Shoes Lady Bata	Chappal Gents Spang	Bread Plain (M.Size)	(Rs/Unit)
									Milk Powder Nido (400 grams*)
(Base Year : 2007-08 = 100)									
2010-11	58.41	12.66	49.16	150.31	88.80	397.33	139.00	28.24	204.38
2011-12	68.19	14.25	65.10	166.26	108.37	399.00	152.08	31.23	247.85
2012-13	75.74	15.30	68.83	166.52	124.22	449.00	179.00	34.23	289.78
2013-14	81.88	16.97	70.63	198.05	144.91	499.00	179.00	39.17	310.50
2014-15	89.48	18.70	76.77	239.61	157.72	499.00	179.00	40.78	251.69
2015-16	92.10	19.36	75.70	244.90	162.32	500.61	179.02	40.82	372.70
2016-17	94.66	20.28	78.87	251.98	164.85	502.39	179.09	41.11	378.43
2017-18	99.15	21.23	81.04	260.65	171.58	524.53	183.65	42.07	379.46
2018-19	101.24	22.28	77.11	316.04	206.01	599.00	199.00	44.10	401.08
Base Year 2015-16=100									
2019-20	108.22	25.81	78.82	355.16	201.32	599.00	199.00	47.82	448.85
2020-21	121.53	28.35	86.09	389.20	234.43	599.00	218.48	55.55	478.05
2021-22	133.44	32.70	90.98	420.28	264.98	650.41	277.80	63.55	507.25
<u>July-April</u>									
2021-22	131.67	32.14	86.17	416.24	261.92	641.10	269.88	62.84	502.90
2022-23	170.85	42.46	126.00	465.45	310.72	699.00	379.00	86.74	620.76

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

*: The unit has changed from 400 gms to 390 gms in base year 2015-16.

TABLE 7.4 (E)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 17 Centers)

Fiscal Year	Kerosene (per ltr.)	Gas Charges (100 cf)	Elect Charges (upto 50 units)*	Petrol Super (per ltr.)	Tele Local Call Charges (per Call)
(Base Year : 2007-08 = 100)					
2010-11	84.89	110.20	1.84	75.70	3.59
2011-12	104.84	132.73	1.89	92.93	3.59
2012-13	116.07	119.58	2.00	101.26	3.74
2013-14	123.45	124.18	2.00	110.99	3.94
2014-15	100.94	124.18	2.00	88.58	3.94
2015-16	80.62	127.79	2.00	72.31	3.94
2016-17	77.48	128.66	2.00	69.09	3.94
2017-18	98.74	128.70	2.00	80.70	3.94
2018-19	119.97	140.99	2.00	97.00	4.47
Base Year 2015-16=100					
2019-20	-	141.57	3.90	106.49	1.55
2020-21	-	141.57	4.63	107.12	1.60
2021-22	-	141.57	6.36	144.00	1.79
<u>July-April</u>					
2021-22	-	141.57	6.53	137.53	1.79
2022-23		167.00	6.49	240.01	1.79

-: Not available

Source: Pakistan Bureau of Statistics

Note: In the new base year 2015-16, prices are disseminated w.e.f July, 2019.

*: The unit has been changed from 50 units to lower income group consumers (Q1) in the base year 2015-16.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetable Ghee	Tea	Meat	Vegetables	Fresh Milk	Cotton*	Motor Spirit
(Base Year : 2007-08 = 100)											
2010-11	159.53	123.39	169.24	251.13	118.21	165.31	174.86	173.43	157.40	171.48	126.84
2011-12	163.44	149.45	-	229.24	141.37	192.23	214.40	211.52	190.29	189.55	155.00
2012-13	188.52	165.42	-	201.93	141.75	203.24	228.80	216.66	213.81	168.92	168.70
2013-14	227.13	177.67	-	206.98	141.51	215.49	238.93	254.41	225.98	185.58	184.99
2014-15	209.29	172.20	-	189.35	147.13	145.16	236.14	255.40	249.87	208.86	167.79
2015-16	209.07	147.58	-	237.16	119.85	242.82	267.79	258.45	255.23	249.16	120.71
2016-17	208.21	154.49	-	242.70	124.63	243.24	282.23	280.77	266.08	268.07	115.52
2017-18	202.02	172.15	-	201.60	127.22	261.70	311.25	294.16	275.05	262.92	134.99
2018-19	211.14	191.38	-	226.24	135.10	285.16	348.60	293.46	287.20	269.50	164.47
(Base Year 2015-16=100)											
2019-20	119.09	145.34	-	123.16	138.46	126.36	139.45	178.87	116.22	127.20	150.35
2020-21	158.62	166.97	-	150.78	167.12	129.72	162.32	161.91	141.12	138.85	148.00
2021-22	175.16	182.90	-	153.61	262.71	142.24	192.37	195.68	149.26	146.49	206.78
<u>July-April</u>											
2021-22	171.53	179.12	-	155.99	246.91	140.37	189.42	196.26	146.58	144.20	194.62
2022-23	282.58	256.03	-	153.93	357.42	201.83	221.87	285.39	190.18	171.64	340.52

-: Not available

(Contd.)

*: In the base year 2015-16 prices of Cotton Seeds has been quoted instead of Cotton prices.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Kerosene Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Fertilizers	Transport	Leather	Timber	Cement
(Base Year : 2007-08 = 100)										
2010-11	141.73	151.43	182.87	110.37	130.52	174.65	116.77	107.07	127.27	140.80
2011-12	166.98	190.47	196.06	118.84	151.04	258.65	-	109.08	139.00	162.19
2012-13	177.67	215.48	208.38	132.57	167.01	261.38	-	111.60	149.51	185.77
2013-14	178.30	238.11	213.03	143.20	180.26	266.33	-	168.48	170.36	203.42
2014-15	179.03	252.59	246.11	175.76	160.21	235.83	-	216.67	200.60	225.95
2015-16	162.08	263.90	173.44	162.62	183.87	260.00	-	220.42	214.44	212.15
2015-16	161.99	263.88	173.41	162.62	183.87	260.10	-	220.40	214.35	212.23
2016-17	178.77	272.97	198.86	165.53	189.10	219.37	-	222.98	225.62	214.45
2017-18	186.98	282.43	216.99	171.36	191.32	222.52	-	215.78	233.96	217.99
2018-19	232.43	290.68	267.72	172.07	198.37	258.49	-	224.79	243.08	236.62
Base Year 2015-16 = 100										
2019-20	169.85	111.12	164.90	1164.79	110.25	101.84	-	106.04	111.87	113.42
2020-21	141.77	124.41	179.14	1172.40	113.18	102.06	-	108.77	152.12	122.71
2021-22	230.78	132.99	232.48	1228.39	130.05	142.37	-	119.84	162.32	151.50
<u>July-April</u>										
2021-22	212.79	133.23	231.06	1201.34	127.65	137.48	-	124.86	161.37	145.31
2022-23	377.33	156.38	239.61	1771.31	169.03	204.50	-	142.60	194.61	202.66

-: Not available

Source: Pakistan Bureau of Statistics

In the new Base Year 2015-16, prices are disseminated w.e.f July, 2019.