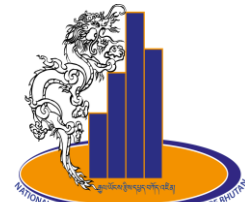




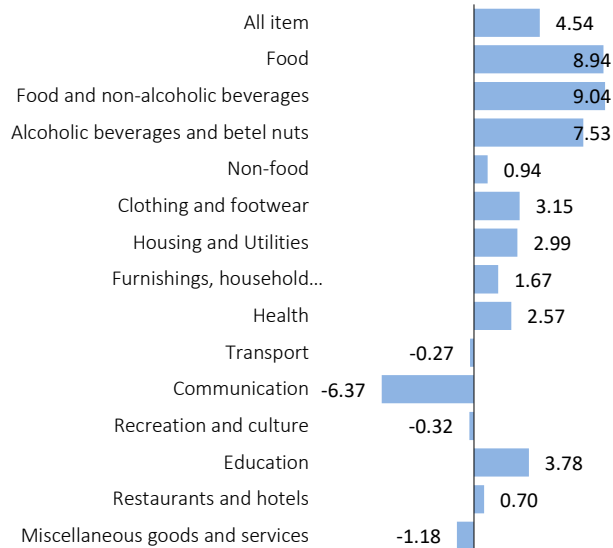
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རྒྱལ་ཡོངས་ཆེས་དམུད་བཞོན་འཛིན།  
Royal Government of Bhutan  
National Statistics Bureau



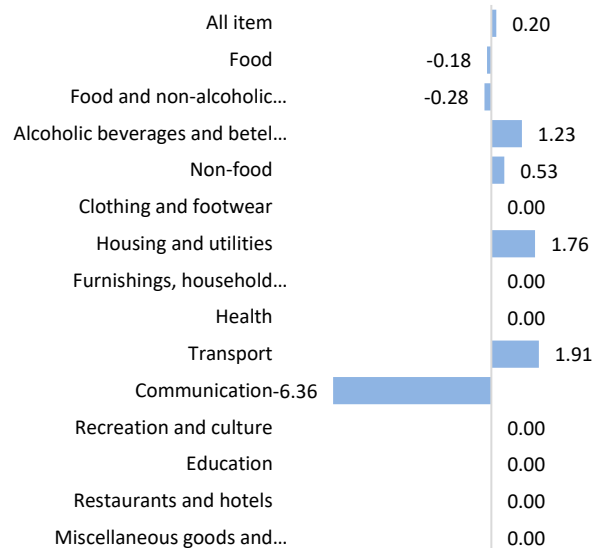
Consumer Price Index (CPI): June 2020

(Release date: 6 August 2020)

Year-on-year percent change



Month-on-month percent change



The year-on-year CPI increased by 4.54 percent in June 2020 compared to June 2019. This is 0.37 percentage point higher than the previous month of May and 1.80 percentage point higher than the rate recorded for the same month last year. The higher increase in June is due to increase in food and non-alcoholic beverages by 9.04 percent and alcoholic beverages and betel nuts by 7.53 percent. The lower rate of increase (0.94 percent) for the non-food category is due to drop in prices of communication by 6.37 percent and transport by 0.27 percent, although, some of the categories recorded an increase.

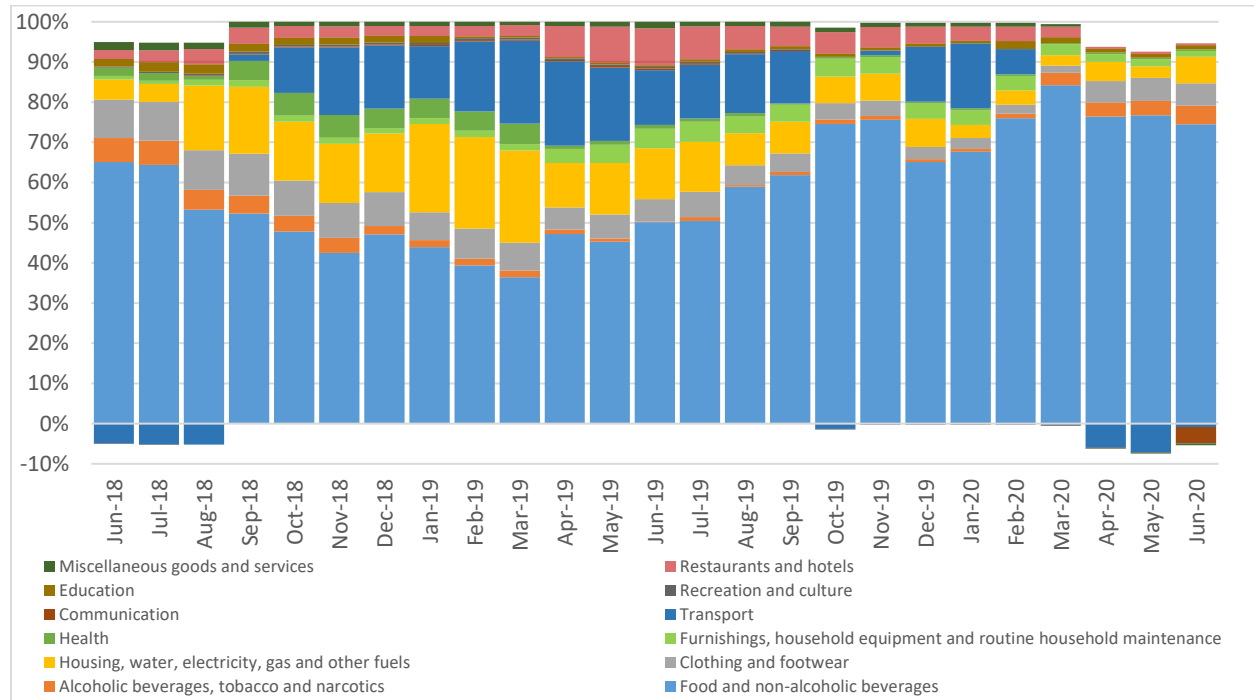
For the month-on-month, prices in June went up by 0.20 percent following a drop in prices for the month of May by 0.56 percent. The increase is due to increases in non-food prices by 0.53 percent and alcoholic beverages and betel nuts by 1.23 percent. After recording an increase in April, food prices continue to fall in the past two months of May and June with 0.98 percent and 0.18 percent respectively. Decreasing vegetable prices contributed to the fall in food prices. Under the non-food category, prices of either increased marginally or remained same over the last one month except for communication, which dropped by 6.36 percent due to drop in data charges for mobile.



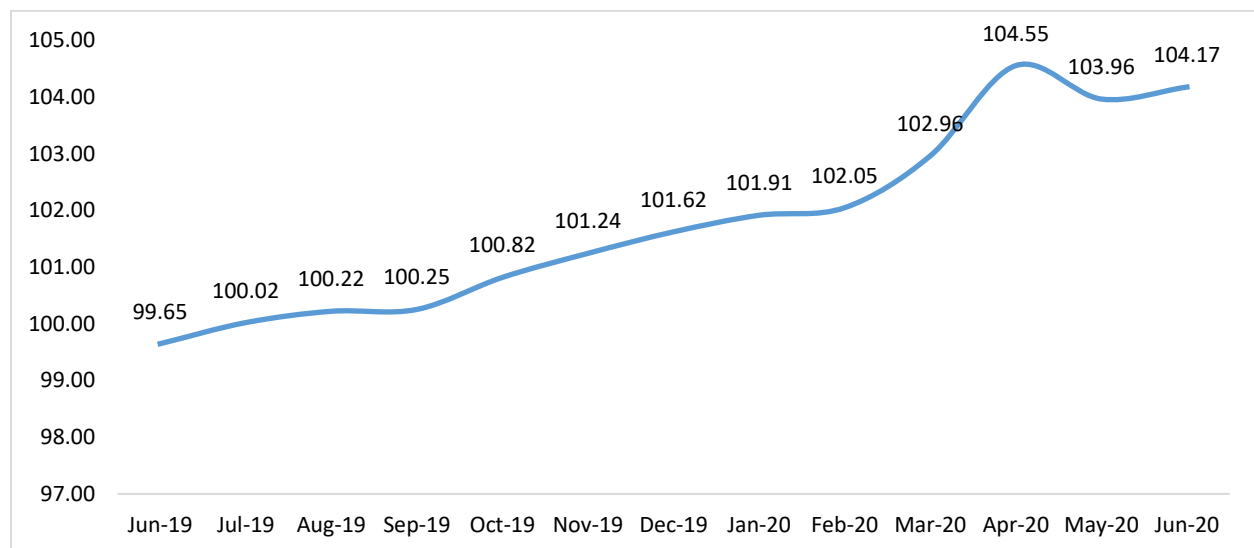
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**Royal Government of Bhutan**  
**National Statistics Bureau**



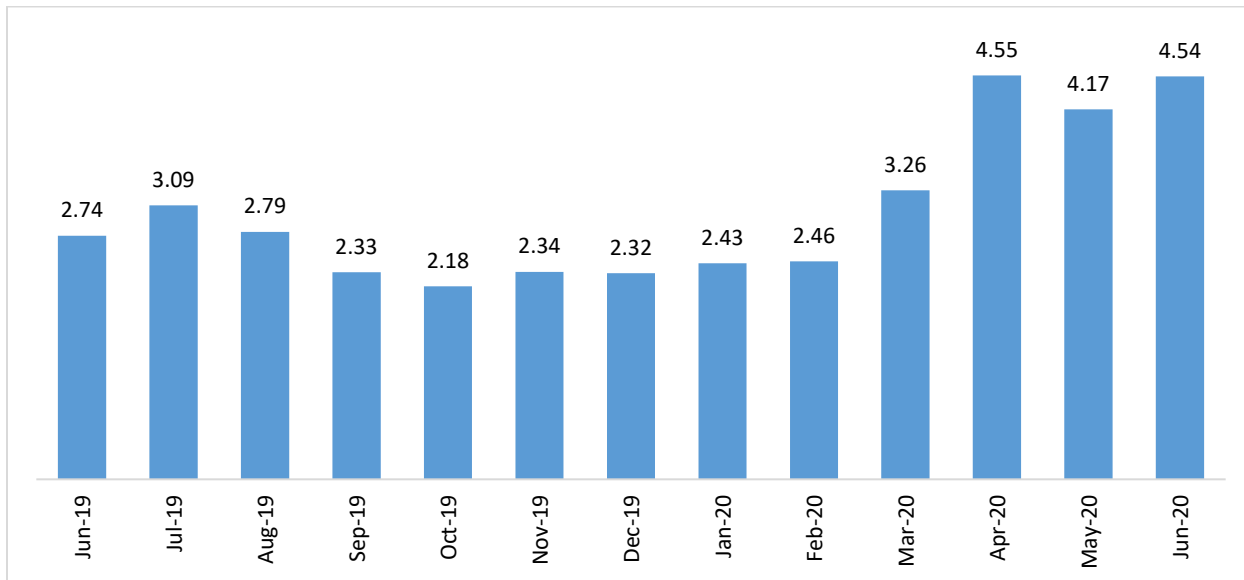
**Chart 1: Percent contribution to overall change by Division**



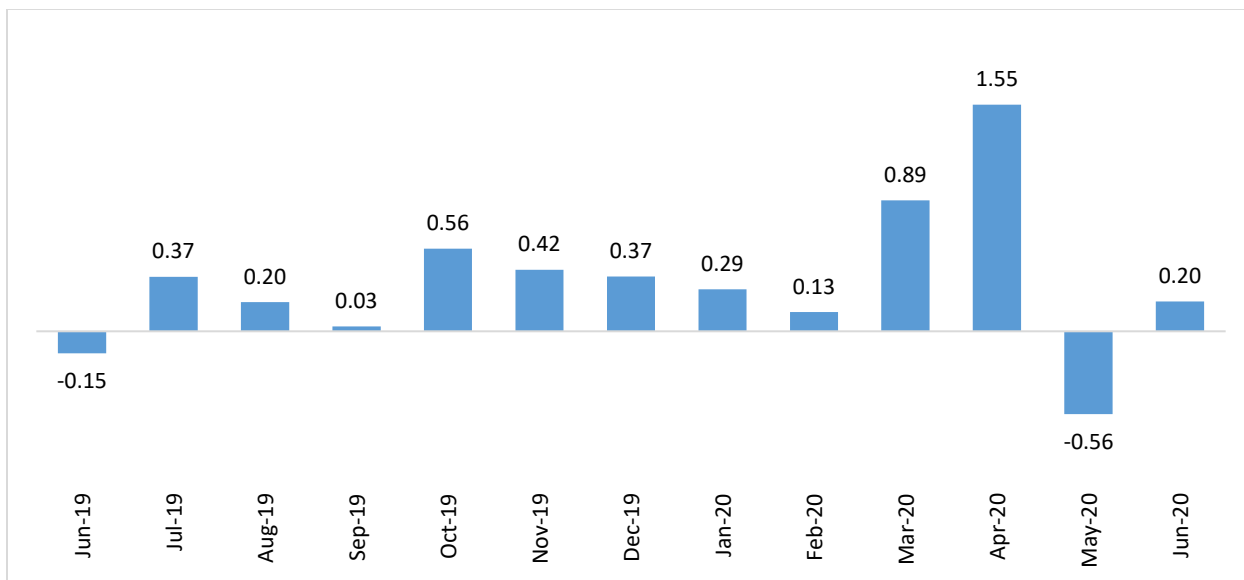
**Chart 2: Index**



**Chart 3: Year-on-year percent change**



**Chart 4: Month-on-month percent change**



**Table 1: Index (April 2019 = 100)**

Division	Weight (%)	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
<b>All item</b>	<b>100.0</b>	<b>101.91</b>	<b>102.05</b>	<b>102.96</b>	<b>104.55</b>	<b>103.96</b>	<b>104.17</b>
<b>Food</b>	<b>45.9</b>	<b>103.44</b>	<b>103.79</b>	<b>106.05</b>	<b>109.24</b>	<b>108.17</b>	<b>107.98</b>
Food and non-alcoholic beverages	42.8	103.66	104.01	106.25	109.49	108.41	108.11
Alcoholic beverages and betel nuts	3.2	100.47	100.82	103.32	105.85	104.91	106.21
<b>Non-food</b>	<b>54.1</b>	<b>100.64</b>	<b>100.59</b>	<b>100.40</b>	<b>100.73</b>	<b>100.52</b>	<b>101.05</b>
Clothing and footwear	9.2	100.27	100.27	100.27	103.14	103.14	103.14
Housing and Utilities	11.6	100.68	100.78	100.77	102.17	101.24	103.02
Furnishings, household equipment and routine household maintenance	4.4	101.64	101.67	101.67	102.29	102.29	102.29
Health	0.8	101.37	101.37	101.37	102.57	102.57	102.57
Transport	15.6	100.85	100.39	99.75	97.96	97.92	99.78
Communication	3.2	99.99	99.99	99.99	99.99	99.99	93.63
Recreation and culture	2.3	99.70	99.70	99.70	99.68	99.68	99.68
Education	1.3	101.28	103.78	103.78	103.78	103.78	103.78
Restaurants and hotels	3.6	100.09	100.15	100.15	100.71	100.71	100.71
Miscellaneous goods and services	1.9	100.53	100.53	100.53	99.64	99.64	99.64

**Table 2: Year-on-year percent change**

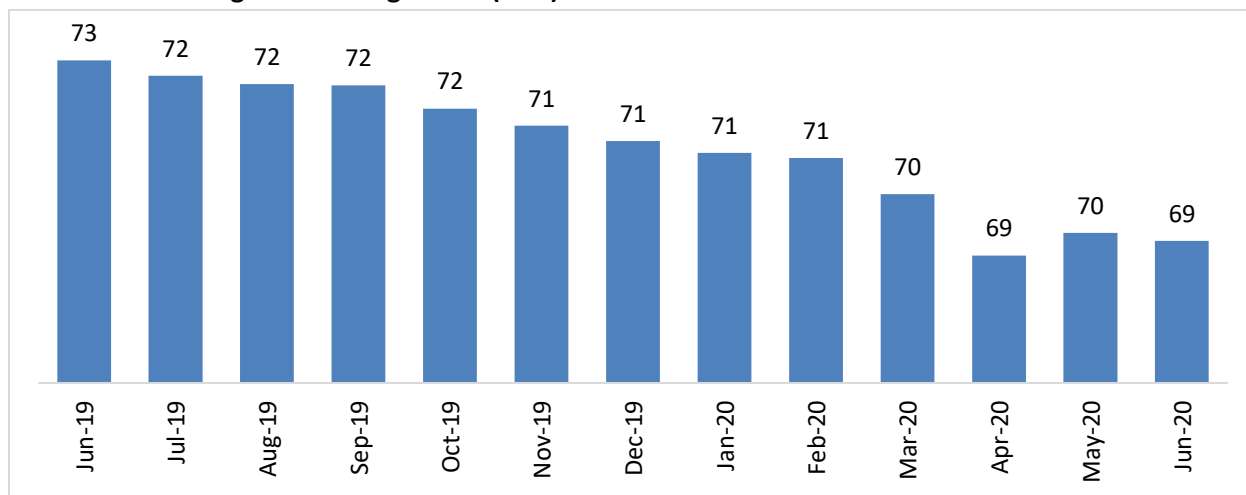
Division	Weight (%)	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
<b>All item</b>	<b>100.0</b>	<b>2.43</b>	<b>2.46</b>	<b>3.26</b>	<b>4.55</b>	<b>4.17</b>	<b>4.54</b>
<b>Food</b>	<b>45.9</b>	<b>3.90</b>	<b>4.38</b>	<b>6.53</b>	<b>9.24</b>	<b>8.76</b>	<b>8.94</b>
Food and non-alcoholic beverages	42.8	4.16	4.64	6.77	9.49	8.99	9.04
Alcoholic beverages and betel nuts	3.2	0.58	0.93	3.39	5.85	5.73	7.53
<b>Non-food</b>	<b>54.1</b>	<b>1.20</b>	<b>0.88</b>	<b>0.59</b>	<b>0.73</b>	<b>0.42</b>	<b>0.94</b>
Clothing and footwear	9.2	0.78	0.65	0.65	3.14	3.14	3.15
Housing and Utilities	11.6	0.73	0.81	0.79	2.17	1.23	2.99
Furnishings, household equipment and routine household maintenance	4.4	2.20	2.09	2.07	2.29	1.94	1.67
Health	0.8	1.37	1.37	1.37	2.57	2.57	2.57
Transport	15.6	2.72	1.05	-0.08	-2.04	-2.29	-0.27
Communication	3.2	-0.01	-0.01	-0.01	-0.01	-0.01	-6.37
Recreation and culture	2.3	-0.28	-0.28	-0.28	-0.32	-0.32	-0.32
Education	1.3	1.28	3.78	3.78	3.78	3.78	3.78
Restaurants and hotels	3.6	2.56	2.61	2.49	0.71	0.71	0.70

Miscellaneous goods and services	1.9	1.30	1.30	1.21	-0.36	-0.36	-1.18
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**Table 3: Month-on-month percent change**

Division	Weights (%)	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
<b>All item</b>	<b>100.0</b>	<b>0.29</b>	<b>0.13</b>	<b>0.89</b>	<b>1.55</b>	<b>-0.56</b>	<b>0.20</b>
<b>Food</b>	<b>45.9</b>	<b>0.44</b>	<b>0.34</b>	<b>2.18</b>	<b>3.01</b>	<b>-0.98</b>	<b>-0.18</b>
Food and non-alcoholic beverages	42.8	0.46	0.34	2.15	3.05	-0.99	-0.28
Alcoholic beverages and betel nuts	3.2	0.04	0.35	2.48	2.44	-0.88	1.23
<b>Non-food</b>	<b>54.1</b>	<b>0.16</b>	<b>-0.05</b>	<b>-0.18</b>	<b>0.32</b>	<b>-0.21</b>	<b>0.53</b>
Clothing and footwear	9.2	0.07	0.00	0.00	2.86	0.00	0.00
Housing and utilities	11.6	0.36	0.10	0.00	1.38	-0.91	1.76
Furnishings, household equipment and routine household maintenance	4.4	0.40	0.03	0.00	0.61	0.00	0.00
Health	0.8	0.05	0.00	0.00	1.18	0.00	0.00
Transport	15.6	0.10	-0.47	-0.63	-1.80	-0.04	1.91
Communication	3.2	0.00	0.00	0.00	0.00	0.00	-6.36
Recreation and culture	2.3	0.02	0.00	0.00	-0.02	0.00	0.00
Education	1.3	0.00	2.47	0.00	0.00	0.00	0.00
Restaurants and hotels	3.6	0.05	0.05	0.00	0.56	0.00	0.00
Miscellaneous goods and services	1.9	0.19	0.00	0.00	-0.88	0.00	0.00

**Chart 5: Purchasing Power of Ngultrum (PPN)**



The purchasing power of ngultrum as measured by CPI was Nu. 69 as of June 2020. This means, Nu. 100 in June 2020 is worth only Nu. 69 at December 2019 prices. The PPN dropped by 4.34 percent in the past 12 months (from June 2019 to June 2020) due to price increase in the economy.

## Technical notes

### Concept and Definition of CPI

The Consumer Price Index (CPI) is a measure of average price changes in the basket of goods and services purchased by households over time. It shows how much, on average, prices of goods and services have increased or decreased from a particular reference period, commonly known as the Index reference.

### Scope and coverage

The CPI covers the goods and services consumed by the households and a sample of goods and services are selected using the household expenditure data to measure the inflation experienced by the households. Prices of the sampled goods and services are collected from urban areas in 20 Dzongkhags on monthly, quarterly and annual frequency depending on the price volatility of the items. The outlets for data collection are selected based on purposive sampling considering the popularity of the outlet and availability of the items.

CPI baskets has a total of 113 items (314 varieties) classified according to Classification of Individual Consumption According to Purpose (COICOP). Total of about 450 outlets are selected for pricing.

### Weights

Weights reflect the relative importance or share of the individual item to the total consumption expenditures of the households. It determines the impact an individual item will have to the overall inflation. Weight for the current CPI is derived using the household consumption expenditure data from the Bhutan Living Standard Survey (BLSS) conducted every five years. The current weight is based on BLSS 2017.

### Price reference and index reference

Price reference is the period for which the prices are used as denominator for the index calculation. The price reference period for CPI is April 2019.

Index reference period is the period for which the index is set as 100. The index reference period is April 2019.

### Index Calculation Formula

Geometric Modified Laspeyres formula is used to calculate the CPI:

$$P_{GYo} = \prod_{i=1}^n \left( \frac{P_i^t}{P_i^o} \right)^{S_i^b}$$

$S_i^b$  = Expenditure Shares of the Base Period (weight from BLSS)

$P_i^t$  = Current Period Price

$P_i^o$  = Previous Period Price

$\left( \frac{P_i^t}{P_i^o} \right)$  = Price Relatives

### Calculating Percent Changes

Month-on-month percent change measures the average price change between current month and previous month and serves as useful indicator of short-term price movement.

Year-on-year percent change measures the average price change between the specific month with that of the same month of the previous year.

Following is an example of computing index point and percent changes:

- Index point change

All item price index	104.50
Less previous price index	101.25
Equals index point change	3.25

- Index percent change

Index point change	3.25
Divided by Previous Price Index	101.25
Equals	0.032
Result multiplied by 100	0.032 x 100
Equals percent changes	3.2