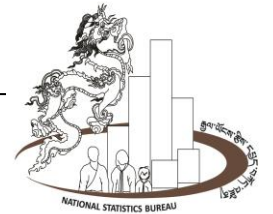




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NATIONAL STATISTICS BUREAU  
Royal Government of Bhutan



## MONTHLY CONSUMER PRICE INDEX (CPI) BULLETIN FEBRUARY 2015

NATIONAL ACCOUNTS & PRICE DIVISION  
NATIONAL STATISTICS BUREAU

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## FOREWARD

National Statistics Bureau (NSB) is pleased to release the Consumer Price Index (CPI) Bulletin for January 2015. This is the 15<sup>th</sup> series of monthly CPI Bulletin published by National Accounts and Price Division, NSB.

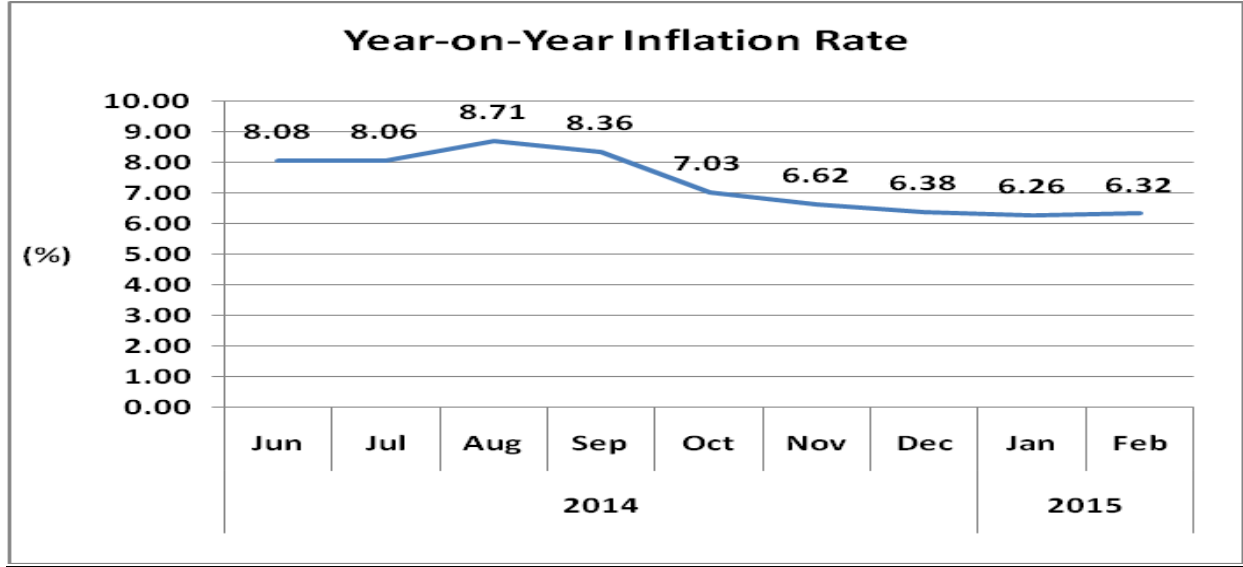
The Bulletin is compiled using December 2012 as the price reference period and tracks the price movements of 436 commodities and services in 20 districts and 2 major urban areas. The rebased CPI uses the Geometric Modified Laspeyres formula, and has separate indices for domestic and imported goods and services.

We thank all agencies and stakeholders for their support in bringing out this bulletin and look forward for their continued support.

March 2015

National Statistics Bureau

**GRAPH 1: YEAR-ON-YEAR INFLATION**



**YEAR-ON-YEAR INFLATION RATE**

The annual inflation rate for February 2015 [i.e., from February 2014 to February 2015] rose by 6.32%. This was 0.06 percentage point higher than the previous month which was 6.26%. Price of food has risen by 4.77% and non-food by 7.37%. Within the food group, milk, cheese and egg recorded an increase of 10.14% followed by meat prices which rose by 9.76%. Among the non-food, the prices of vehicle recorded the highest increase with about 37% followed by house rent with 14.79%.

Prices of local produced goods & services increased by 6.95% while imported goods increased by 5.86% over one year period [i.e. from February 2014 to February 2015].

Table 1: Year on Year Index & percent change (National)																						
Group	Weights	Index (December 2012=100)												percent change(%)								
		2013					2014					2015		2014					2015			
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Food	39.92	109.66	110.78	113.48	114.40	115.49	115.34	115.60	120.25	120.90	120.98	121.39	121.42	121.04	121.11	9.66	9.14	6.62	6.12	5.13	4.94	4.77
Non-Food	60.08	107.85	108.40	109.06	109.30	109.44	110.29	110.45	116.56	116.90	117.04	116.91	117.36	118.17	118.59	8.08	7.84	7.31	6.96	7.23	7.15	7.37
Overall	100	108.57	109.34	110.80	111.31	111.82	112.28	112.48	118.02	118.48	118.60	118.68	118.96	119.31	119.59	8.71	8.36	7.03	6.62	6.38	6.26	6.32

Table 2: Year-on-Year Index & percentage change (Domestic)																						
Group	Weights	Index (December 2012=100)												Percent change(%)								
		2013					2014					2015		2014					2015			
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Food	17.15	109.70	111.34	115.58	116.92	118.54	117.87	117.13	121.02	121.17	121.31	121.82	122.07	121.89	122.15	10.32	8.82	4.96	4.19	2.98	3.41	4.29
Non-Food	30.24	106.43	106.70	107.92	107.97	107.97	108.64	109.31	116.51	116.58	116.92	116.93	117.59	117.84	118.58	9.48	9.25	8.34	8.30	8.91	8.46	8.48
Total	47.39	107.60	108.36	110.63	111.12	111.68	111.89	112.08	118.12	118.22	118.49	118.68	119.19	119.29	119.86	9.78	9.10	7.10	6.80	6.72	6.61	6.95

Table 3: Year-on-Year Index & percentage change (Import)																						
Group	Weights	Index (December 2012=100)												Percent change(%)								
		2013					2014					2015		2014					2015			
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	
Food	22.77	109.58	110.34	111.92	112.56	113.30	113.55	114.54	119.92	120.97	121.03	121.39	121.27	120.75	120.67	9.43	9.64	8.14	7.85	7.04	6.35	5.34
Non-Food	29.84	109.30	110.14	110.23	110.68	110.96	111.98	111.61	116.61	117.22	117.16	116.89	117.12	118.51	118.60	6.69	6.43	6.29	5.61	5.55	5.83	6.26
Total	52.61	109.42	110.23	110.96	111.49	111.96	112.66	112.87	118.03	118.83	118.82	118.82	118.90	119.48	119.49	7.86	7.81	7.08	6.57	6.19	6.05	5.86

Table 4: Year on Year index: Group Level

Table 4: Year on Year index: Group Level																						
12 Major Groups		Index (December 2012=100)																				
		2013					2014					2015			2014					2015		
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb
FOOD AND NON-ALCOHOLIC BEVERAGES	36.89	108.92	109.29	112.14	113.09	114.25	114.02	114.22	119.25	119.96	120.02	120.47	120.48	120.02	120.05	9.48	9.76	7.02	6.53	5.45	5.26	5.10
ALCOHOLIC BEVERAGES AND NARCOTICS	3.03	119.01	130.60	131.05	131.61	131.76	132.68	133.67	133.54	133.59	134.24	134.24	134.64	135.49	135.97	12.21	2.28	2.44	2.01	2.19	2.12	1.72
CLOTHING AND FOOTWEAR	9.20	113.64	114.94	115.57	116.52	117.01	118.79	117.69	118.20	118.49	118.66	119.06	119.98	120.77	121.56	4.01	3.09	2.67	2.18	2.54	1.67	3.28
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	21.70	107.73	107.79	109.53	109.58	109.58	109.74	110.14	120.87	120.93	121.49	121.18	122.08	122.22	122.80	12.20	12.19	10.92	10.59	11.40	11.38	11.50
FURNISHING, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	2.20	117.13	118.82	119.31	120.10	120.61	122.52	123.37	124.09	124.46	124.53	124.70	125.69	126.98	127.20	5.95	4.75	4.37	3.83	4.21	3.64	3.11
HEALTH	4.68	104.58	104.58	104.58	105.17	105.17	106.98	104.64	105.16	105.16	105.28	105.28	105.28	107.06	107.39	0.55	0.55	0.66	0.10	0.10	0.08	2.63
TRANSPORT	11.98	103.86	104.63	104.44	104.46	104.57	106.26	106.54	118.15	119.45	118.96	118.49	118.09	119.70	119.07	13.76	14.16	13.91	13.43	12.93	12.65	11.76
COMMUNICATION	3.03	100.22	100.22	99.58	99.58	99.58	99.77	99.76	95.46	95.44	95.47	95.47	95.47	95.47	95.47	-4.74	-4.77	-4.12	-4.12	-4.12	-4.31	-4.30
RECREATIONAL AND CULTURE	2.35	108.60	108.66	108.37	108.37	108.34	108.86	110.48	109.59	109.68	109.69	109.72	109.81	110.41	110.44	0.91	0.94	1.22	1.24	1.36	1.43	-0.04
EDUCATION	1.64	109.63	109.63	109.63	109.63	109.63	109.63	114.96	116.03	116.03	116.03	116.03	116.03	116.03	122.40	5.84	5.84	5.84	5.84	5.84	5.84	6.48
RESTAURANTS AND HOTELS	1.24	110.59	115.24	115.24	115.24	115.24	113.03	112.92	114.60	114.60	114.60	114.73	115.63	118.58	118.62	3.63	-0.56	-0.56	-0.44	0.34	4.91	5.05
MISCELLANEOUS GOODS AND SERVICES	2.06	113.44	114.36	114.88	115.10	115.97	115.57	117.84	119.06	119.11	119.22	119.22	119.74	121.01	121.52	4.96	4.15	3.78	3.58	3.25	4.71	3.12
All	100.00	108.57	109.34	110.80	111.31	111.82	112.28	112.48	118.02	118.48	118.60	118.68	118.96	119.31	119.59	8.71	8.36	7.03	6.62	6.38	6.26	6.32

Table 5: Year-on-year Index & Percent Change: Food Group

Table 5: Year-on-year Index & Percent Change: Food Group																									
Group		Index (December 2012=100)																		Percent change(%)					
		2013					2014					2015			2014					2015					
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb			
FOOD	39.92	109.66	110.78	113.48	114.40	115.49	115.34	115.60	120.25	120.90	120.98	121.39	121.42	121.04	121.11	9.66	9.14	6.62	6.12	5.13	4.94	4.77			
Bread and Cereals	9.75	110.98	114.43	114.56	115.31	115.90	116.91	117.07	121.15	120.74	120.83	121.53	121.74	121.17	121.36	9.16	5.52	5.47	5.39	5.04	3.64	3.66			
Meat	3.10	112.80	115.38	115.38	115.47	115.59	116.70	117.07	126.06	128.78	128.45	128.00	128.58	128.93	128.49	11.76	11.61	11.33	10.85	11.24	10.48	9.76			
Fish	1.06	116.94	116.75	116.81	117.44	117.44	125.39	125.77	132.25	131.48	132.66	129.41	129.98	129.91	130.73	13.10	12.62	13.57	10.19	10.67	3.60	3.94			
Milk, cheese and eggs	6.88	107.36	107.76	108.58	109.26	110.87	112.47	112.94	119.70	120.20	120.51	123.10	123.95	124.27	124.38	11.49	11.54	10.99	12.66	11.80	10.49	10.14			
Oils and fats	3.19	108.42	107.92	110.08	110.07	110.24	110.27	110.59	111.54	112.10	112.10	112.82	113.17	113.57	113.50	2.88	3.88	1.84	2.49	2.66	3.00	2.63			
Fruit	1.68	102.35	101.16	107.13	108.58	113.89	115.97	116.15	116.69	116.62	115.06	114.09	113.28	112.30	112.45	14.02	15.28	7.41	5.08	-0.53	-3.17	-3.19			
Vegetables	7.82	106.72	102.95	112.60	114.75	116.50	110.78	110.49	117.87	120.13	120.13	119.58	118.10	116.16	115.96	10.45	16.69	6.69	4.21	1.38	4.86	4.95			
Sugar, jam, honey etc	0.98	107.69	108.65	109.07	109.10	109.10	110.23	109.82	109.53	109.70	109.70	109.84	109.88	109.78	109.68	1.71	0.96	0.58	0.68	0.72	-0.41	-0.12			
Food products n.e.c	0.64	108.39	114.75	115.20	119.50	122.69	120.56	121.55	125.49	124.27	125.27	125.36	126.41	125.34	125.39	15.77	8.29	8.74	4.91	3.03	3.96	3.16			
Coffee, tea and cocoa	0.68	111.05	111.50	114.51	114.59	115.29	116.68	118.34	119.19	119.24	119.53	119.18	119.66	121.18	120.96	7.34	6.94	4.38	4.01	3.79	3.85	2.21			
Mineral water, softdrinks & juices	1.11	105.80	105.81	105.95	105.95	105.95	105.93	106.55	106.47	106.49	106.62	106.62	107.26	107.71	107.96	0.63	0.64	0.63	0.63	1.23	1.68	1.33			
Spirits	0.65	107.63	107.63	107.63	108.17	108.51	109.11	109.38	111.53	111.59	112.55	112.55	112.96	114.79	115.12	3.62	3.68	4.57	4.05	4.10	5.21	5.24			
Wine	0.44	116.81	116.81	116.81	117.39	117.77	118.41	118.71	121.04	121.11	121.11	121.11	121.50	121.50	121.50	3.62	3.68	3.68	3.17	3.17	2.61	2.35			
Beer	0.56	107.81	109.81	111.84	113.34	113.34	113.56	113.78	111.57	111.64	111.85	111.85	111.85	112.24	112.33	3.49	1.67	0.01	-1.31	-1.31	-1.16	-1.27			
Narcotics	1.38	130.65	159.06	159.06	159.06	159.06	160.70	162.89	161.34	161.34	162.32	162.32	162.91	163.72	164.73	23.49	1.44	2.05	2.05	2.42	1.88	1.13			

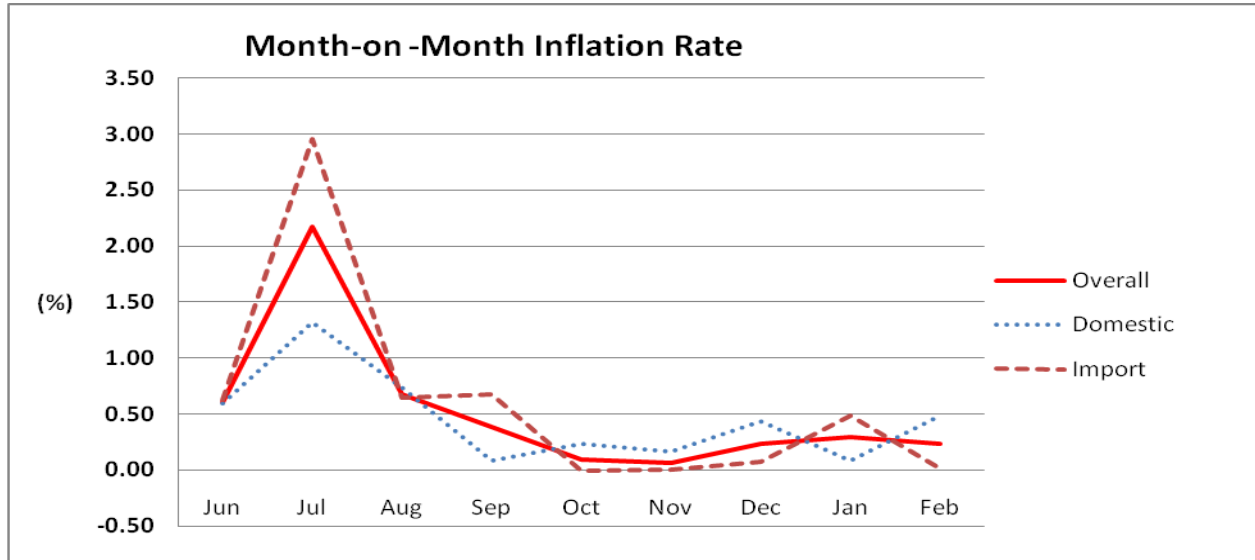
Table 6: Year-on-Year Index & Percent Change: Non-Food Group																							
Group	Weights	Index (December 2012=100)												Percent Change(%)									
		2013					2014					2015		2014					2015				
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Clothing	6.24	113.27	115.19	115.90	116.65	117.16	118.22	117.50	117.79	117.42	117.45	118.03	119.14	119.79	120.88	3.99	1.93	1.33	1.19	1.69	1.33	2.88	
Footwear	2.96	114.41	114.41	114.88	116.23	116.69	119.99	118.10	119.06	120.79	121.25	121.26	121.75	122.88	123.00	4.06	5.58	5.55	4.32	4.34	2.40	4.15	
Housing (rental)	15.12	107.48	107.48	107.48	107.48	107.48	107.58	108.10	121.19	121.26	121.97	121.97	123.24	123.24	124.08	12.76	12.83	13.49	13.49	14.67	14.56	14.79	
Maintenance & repair of the dwelling	1.88	110.02	110.75	112.09	112.73	112.80	112.17	112.56	111.34	111.35	112.07	111.93	112.20	113.71	113.71	1.20	0.54	-0.02	-0.70	-0.53	1.38	1.02	
Electricity, gas & other fuels	4.54	107.57	107.57	115.53	115.53	115.53	116.19	116.19	124.42	124.42	124.42	122.96	122.96	122.96	122.96	15.67	15.67	7.70	6.44	6.44	5.83	5.83	
Furniture and furnishing, carpets and other floor coverings	0.37	103.88	105.38	105.38	106.24	106.24	115.07	114.73	119.15	119.84	119.84	119.84	119.84	119.98	119.98	14.70	13.72	13.72	12.80	12.80	4.27	4.58	
Household textiles	0.57	137.25	140.15	140.15	142.12	143.86	143.99	144.01	146.41	146.58	146.65	147.58	149.17	150.76	151.22	6.68	4.59	4.64	3.84	3.69	4.70	5.01	
Household appliances	0.42	106.79	108.81	110.06	110.76	110.16	110.67	111.16	110.07	110.09	110.10	110.12	112.09	113.09	113.20	3.07	1.18	0.04	-0.58	1.75	2.19	1.83	
Glassware, tableware & utensils	0.25	123.21	126.43	125.23	121.33	123.65	129.19	133.12	132.90	133.15	133.23	133.19	134.24	136.65	136.84	7.87	5.32	6.39	9.78	8.56	5.77	2.80	
Tools and equipments for house and garden	0.24	115.31	115.31	115.63	118.50	117.00	115.81	116.06	113.13	113.44	113.58	113.27	113.97	116.18	116.35	-1.89	-1.62	-1.77	-4.41	-2.59	0.32	0.24	
Goods and services for household maintenance	0.35	111.88	111.88	113.80	114.74	115.73	113.83	115.89	115.94	116.77	116.91	116.94	117.08	118.17	118.49	3.63	4.37	2.73	1.92	1.17	3.81	2.24	
Purchase of vehicles	4.58	100.00	100.00	100.00	100.00	100.00	100.00	100.00	127.65	131.96	131.96	131.96	131.96	137.09	137.09	27.65	31.96	31.96	31.96	31.96	37.09	37.09	
Fuels & Lubricants	3.11	106.85	108.63	107.75	107.75	108.17	109.30	109.43	112.28	111.50	109.76	108.10	106.69	105.90	103.75	5.09	2.65	1.87	0.32	-1.37	-3.12	-5.19	
Telephone and telefax equipment	0.17	103.84	103.84	92.64	92.64	92.64	95.84	95.74	92.26	91.86	92.42	92.42	92.42	92.42	92.42	-11.15	-11.54	-0.23	-0.23	-0.23	-3.56	-3.47	
Audio-visual, photographic & information processing equipments	0.48	107.06	107.06	105.43	105.43	105.43	107.14	112.69	106.85	107.03	107.03	107.03	107.03	107.18	107.18	-0.19	-0.03	1.52	1.52	1.52	0.04	-4.89	
Recreational & cultural services	0.92	99.77	99.77	99.77	99.77	99.66	99.84	99.85	100.04	100.04	100.04	100.04	100.05	100.04	100.04	0.27	0.27	0.27	0.27	0.39	0.20	0.20	
Newspapers, books & stationery	0.72	116.54	116.73	116.75	116.76	116.79	116.95	118.68	119.31	119.43	119.43	119.52	119.88	121.34	121.37	2.38	2.31	2.30	2.37	2.64	3.76	2.27	
Catering services	1.05	109.07	114.31	114.31	114.31	114.31	111.71	111.57	112.33	112.33	112.33	112.48	113.51	116.94	116.94	2.99	-1.73	-1.73	-1.60	-0.71	4.68	4.81	
Accommodation services	0.19	119.34	120.48	120.48	120.48	120.48	120.63	120.63	127.95	127.95	127.95	127.95	128.08	128.08	128.31	7.21	6.20	6.20	6.20	6.31	6.17	6.36	
Personal care	1.59	108.55	109.07	109.71	109.98	111.06	110.69	113.37	115.24	115.42	115.56	115.52	116.17	117.48	117.67	6.16	5.82	5.33	5.03	4.59	6.13	3.79	
Personal effects n.e.c	0.47	131.64	134.23	134.23	134.23	134.23	133.76	134.31	132.96	132.48	132.50	132.64	132.64	133.79	135.47	1.00	-1.30	-1.29	-1.19	-1.19	0.02	0.86	

Table 7: Month-on-Month Index & Percent Change in the CPI (National)																					
Group	Weights	Index (December 2012=100)										Percent Change(%)									
		2014					2015					2014					2015				
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Food	39.92	117.54	118.81	119.80	120.25	120.90	120.98	121.39	121.42	121.04	121.11	1.08	0.84	0.38	0.54	0.07	0.34	0.02	-0.31	0.05	
Non-Food	60.08	111.77	112.10	115.54	116.56	116.90	117.04	116.91	117.36	118.17	118.59	0.30	3.07	0.89	0.29	0.12	-0.11	0.38	0.69	0.36	
Overall	100.00	114.04	114.73	117.22	118.02	118.48	118.60	118.68	118.96	119.31	119.59	0.61	2.17	0.68	0.39	0.10	0.07	0.24	0.29	0.23	
Purchasing Power of Ngultrum (Nu.)		88	87	85	85	84	84	84	84	84	84										

Table 8: Month-on-Month Index (Domestic)																					
Group	Weights	Index (December 2012=100)										Percent Change (%)									
		2014					2015					2014					2015				
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Food	17.15	118.31	119.84	120.97	121.02	121.17	121.31	121.82	122.07	121.89	122.15	1.29	0.94	0.04	0.12	0.12	0.42	0.21	-0.15	0.22	
Non-Food	30.24	113.25	113.48	115.22	116.51	116.58	116.92	116.93	117.59	117.84	118.58	0.20	1.53	1.13	0.05	0.30	0.01	0.56	0.21	0.63	
Domestic	47.39	115.06	115.74	117.27	118.12	118.22	118.49	118.68	119.19	119.29	119.86	0.60	1.32	0.73	0.08	0.23	0.16	0.43	0.08	0.48	

Table 9: Month-on-Month Percent Change in the CPI (Import)																					
Group	Weights	Index (December 2012=100)										Percent Change (%)									
		2014					2015					2014					2015				
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Food	22.77	117.13	118.22	119.14	119.92	120.97	121.03	121.39	121.27	120.75	120.67	0.93	0.78	0.65	0.88	0.05	0.30	-0.10	-0.43	-0.07	
Non-Food	29.84	110.28	110.71	115.86	116.61	117.22	117.16	116.89	117.12	118.51	118.60	0.39	4.65	0.65	0.52	-0.05	-0.23	0.20	1.19	0.07	
Import	52.61	113.20	113.90	117.27	118.03	118.83	118.82	118.82	118.90	119.48	119.49	0.62	2.96	0.65	0.68	-0.01	0.00	0.07	0.49	0.01	

**GRAPH 2: MONTH-TO-MONTH INFLATION RATE (OVERALL, DOMESTIC AND IMPORTED)**



**MONTH-TO-MONTH INFLATION RATE**

The Month-to-Month inflation for February over previous month of January was 0.23%. Food price has risen by 0.05% and Non-Food by 0.36% over the previous month.

Prices for domestic goods and services increased by 0.48% on average over the previous month with corresponding increase in non-food and food prices by 0.63% and 0.22% respectively. Imported goods increased by 0.01% only due to decrease in food prices by 0.07%. However, the Non-food price has gone up by 0.07. The minimal increase in imported goods was also due to the decreasing fuel prices by about 5% between January and February.

**GRAPH 3: TIME SERIES INDEX LEVEL TREND**

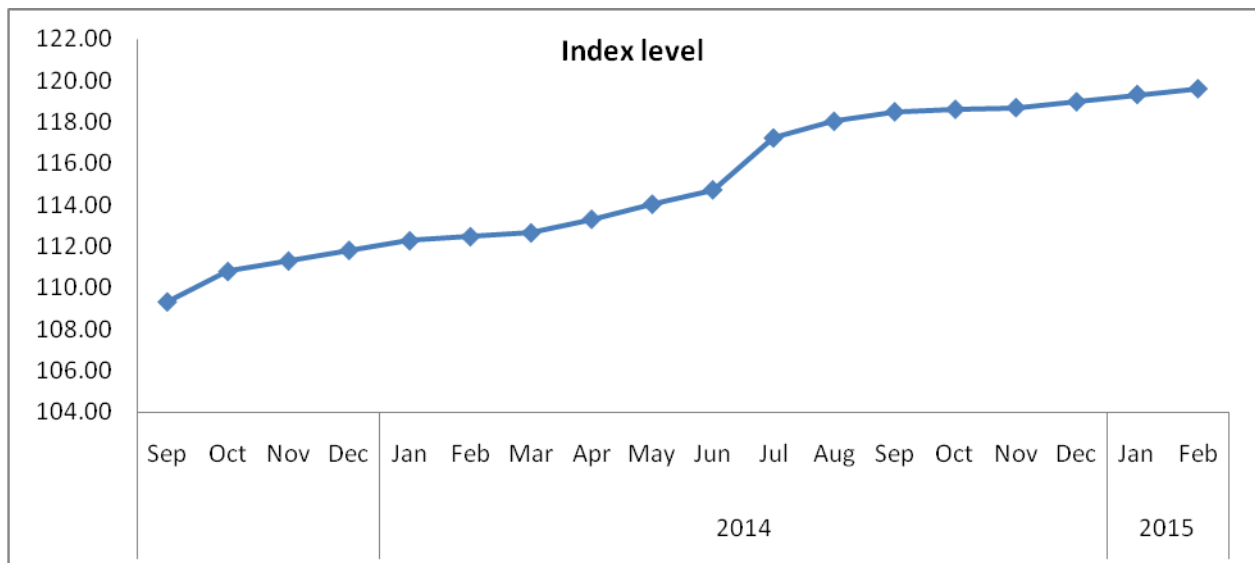
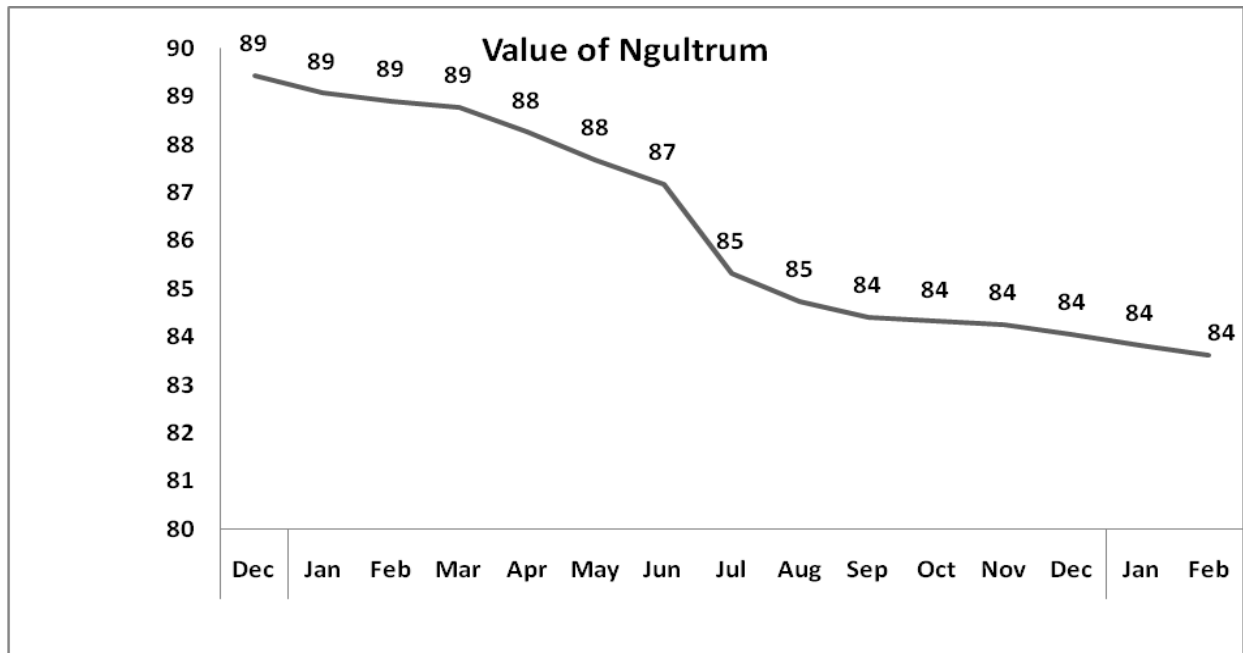


Table 10: Purchasing Power of Ngultrum														
2013	2014												2015	
Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
89	89	89	89	88	88	87	85	85	84	84	84	84	84	84

**GRAPH 4: PURCHASING POWER OF NGULTRUM (PPN)**



The PPN, as measured by CPI was 84 Ngultrum as of February 2015. This means, Ngultrum 100 in February 2015 is worth only Ngultrum 84 at December 2012 prices. The PPN has decreased by 5.95 percent in the past 12 months (i.e. from February 2014 to February 2015) due to price rise in the economy.



# TECHNICAL NOTES

## 1. concept and Definition of CPI

The Consumer Price Index (CPI) is a measure of changes in the average retail prices of a market basket of goods and services purchased by households for day-to-day living. It shows how much, on average, prices of goods and services have increased or decreased from a particular reference period, commonly known as the base period.

## 2. Uses of CPI

- ✓ As an economic indicator: - CPI is one of the major indicators that determine the effectiveness of an economic policy. It is used to formulate fiscal and monetary policies and monitor their effect on the overall economy. Business executives, labor leaders, and other private citizens use CPI as a guide to make economic decisions.
- ✓ As a means of adjusting income payments: -Many collective bargaining agreements use CPI to determine wage rates, and index various payments to adjust the effects of inflation.
- ✓ As a deflator of economic series: - CPI or its components is used as a deflator to adjust for price changes in various economic data series (e.g., GDP).

## 3. Weights

The weights reflect the relative importance or contribution to the total consumption expenditures of all households. It is determined using the spending patterns of households during some previous weight reference period.

It is important for the weights to reflect the current consumption patterns of the household. The more current the weights, the more reflective they are of current consumer spending patterns. The international standards recommend rebasing CPI every 5 years.

The current CPI weights were updated in 2012 following the conduct of the Bhutan Living Standard Survey (BLSS) in March – May 2012. Expenditure details were broken down into imported and domestic goods to facilitate calculation of domestic and imported inflation.

## 4. Reference Period

There is no single “base period” for a price index. It can mean different things to different users. In practice, there are three “reference periods” used.

- ✓ Weight Reference Period is the period during which household consumption values are

collected. The weight-reference period for the new rebased CPI is 2012, that is, the period when the BLSS was conducted.

- ✓ Index Reference Period is the period when the index is set to 100. In the new CPI, the index reference period is December 2012.
- ✓ Price Reference Period is the period of the first price of each product used to calculate the elementary indices (indices for individual CPI items). The price reference period for the new CPI is the fourth Quarter 2012.

## 5. Index Calculation Formula

Geometric Modified Laspeyres formula is used to calculate the CPI:

$$P_{GYo} = \prod_{i=1}^n \left( \frac{P_i^t}{P_i^0} \right)^{s_i^b}$$

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

$P_i^t$  = Current Period Price

$P_i^0$  = Previous Period Price

$\left( \frac{P_i^t}{P_i^0} \right)$  = Price Relatives

## 6. Market Basket

Market basket refers to a sample of goods and services which is representative of all goods and services purchased by the households. The present market basket has 436 items, as compared to 363 items in the previous CPI basket. The new re-based CPI uses the Classification of Individual Consumption According to Purpose (COICOP). The 12 major groups are:

1. Food and Non-Alcoholics Beverages;
2. Alcoholic Beverages & Narcotics;
3. Clothing and Footwear;
4. Housing, Water, Electricity, Gas and Other Fuels;
5. Furnishing, Household Equipment and Routine Household Maintenance;
6. Health;
7. Transport;
8. Communication;
9. Recreation and Culture;
10. Education;
11. Restaurant and Hotels;
12. Miscellaneous Goods and Services.

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