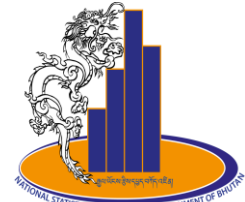


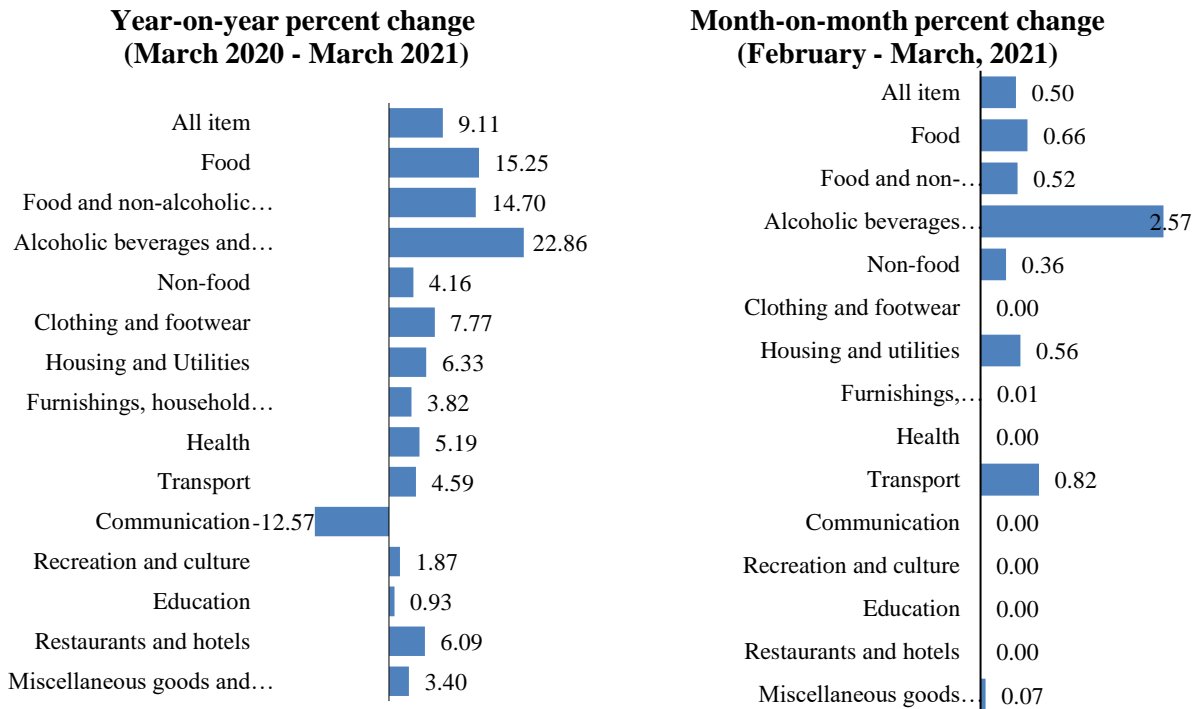


དབལ་ལྗན་འབྲུག་གཞུང་།  
 རྒྱལ་ཡོངས་ཚེས་དཔྱད་བཞོན་འཛིན།  
**Royal Government of Bhutan**  
**National Statistics Bureau**



### Consumer Price Index (CPI): March 2021

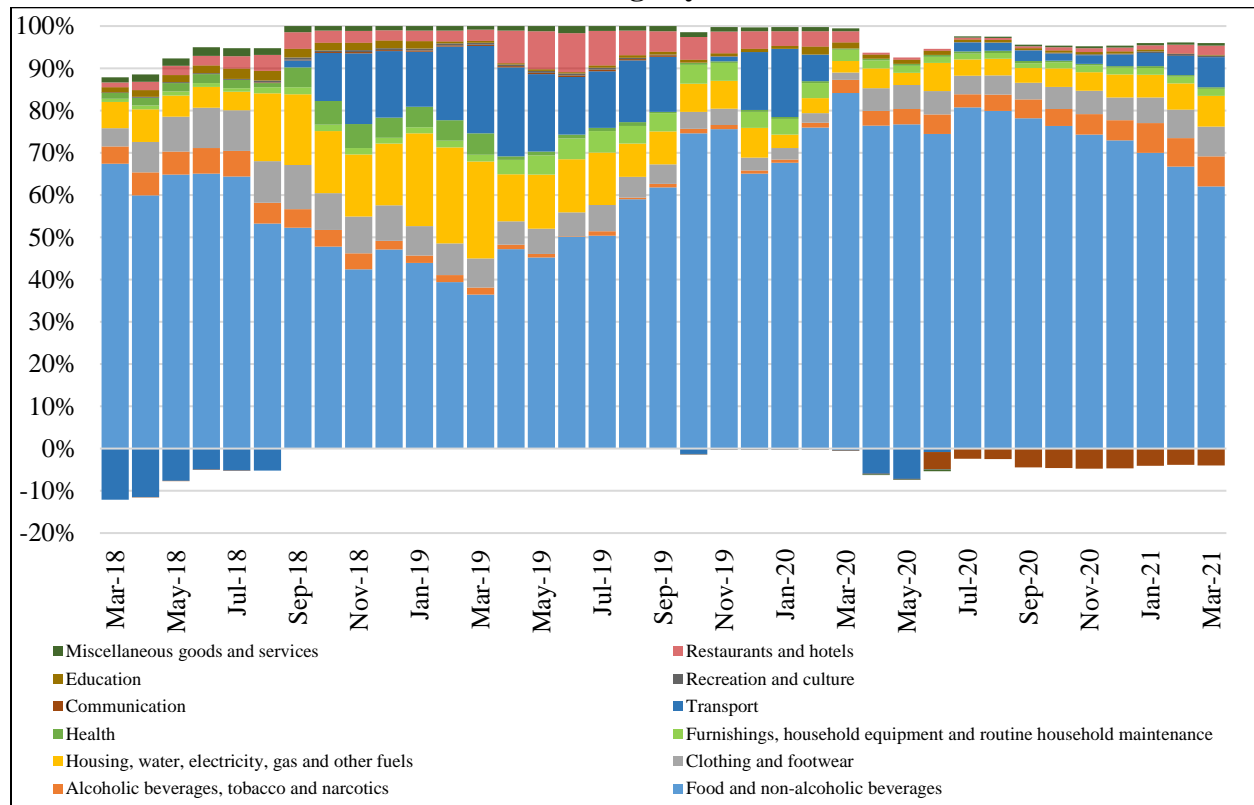
(Release date: 18<sup>th</sup> May 2021)



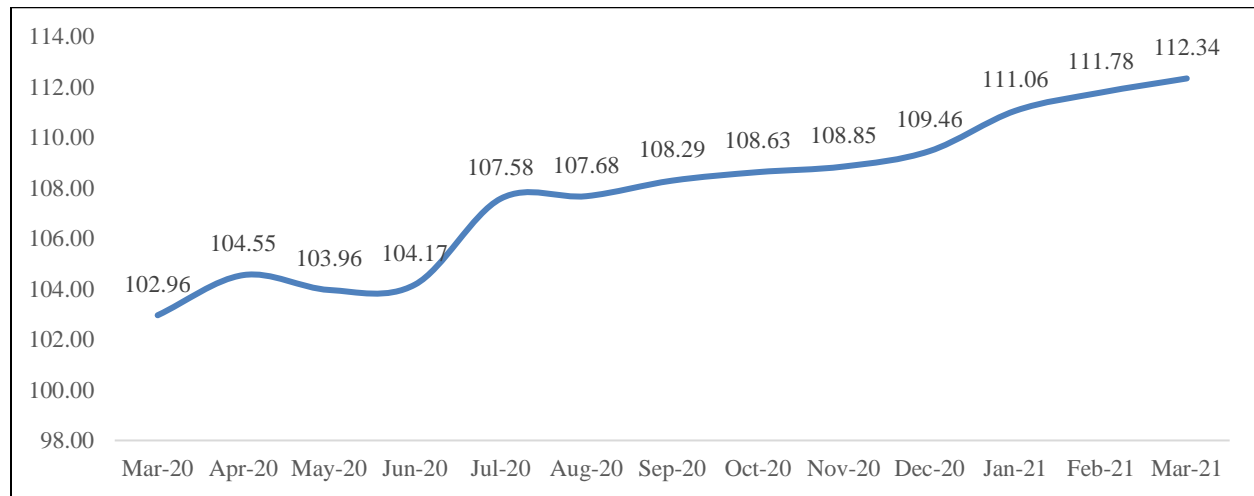
The prices of goods and services as measured by CPI in March 2021 has increased by 9.11 percent from March 2020. The increase slowed by 0.43 percentage point as compared to February which recorded 9.54 percent increase. The increase in March is due to increase in food prices which went up by 15.25 percent. Within the food group, prices of betel nut and betel leaves recorded the highest increase with 43.97 percent followed by meat prices which went up by 36.56 percent; and fish and vegetables with 26.54 percent and 21.04 percent respectively.

Non-food prices increased by 4.16 percent, up by 0.56 percentage point from February which is due to increase in transport and housing and utilities. The month-on-month prices increased by 0.50 percent due to increase in alcoholic beverages and narcotics (betel nut and betel leaves) by 2.57 percent, followed by transport with 0.82 percent and housing and utilities by 0.56 percent.

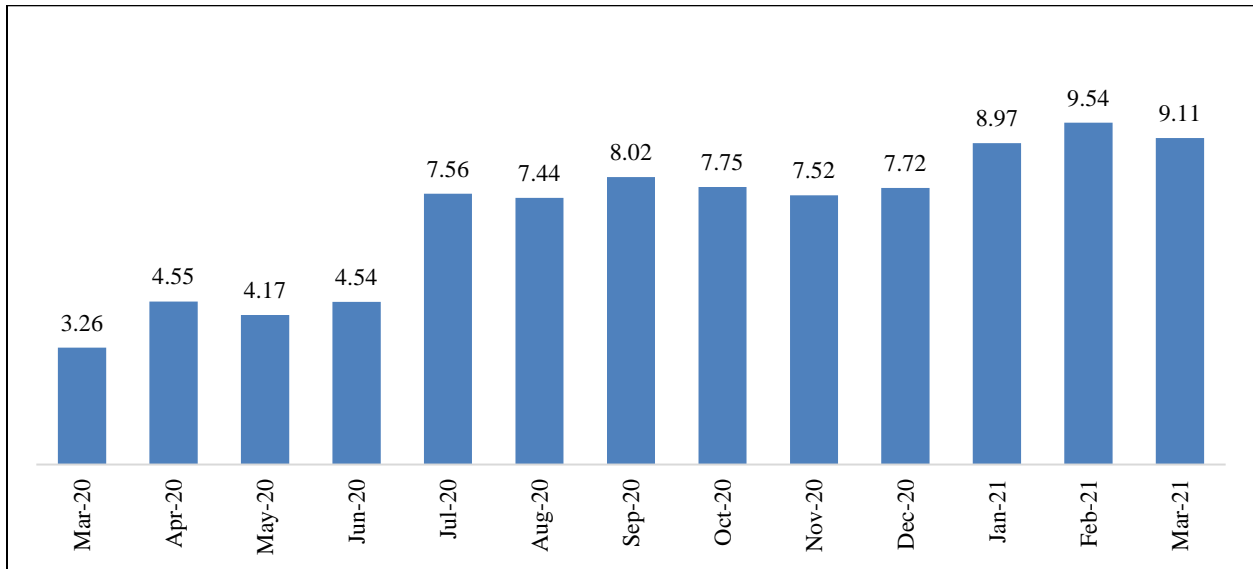
**Chart 1: Percent contribution to overall change by Division**



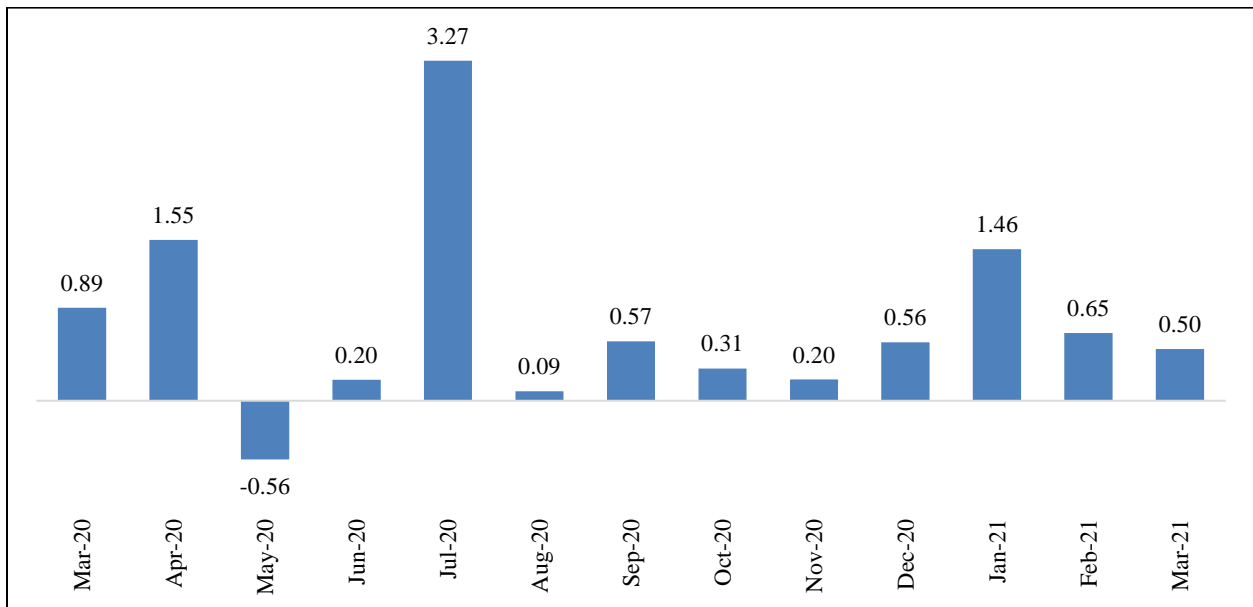
**Chart 2: Index**



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



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



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

<b>Division</b>	<b>Weight (%)</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>	<b>Jan-21</b>	<b>Feb-21</b>	<b>Mar-21</b>
<b>All item</b>	<b>100.00</b>	<b>108.63</b>	<b>108.85</b>	<b>109.46</b>	<b>111.06</b>	<b>111.78</b>	<b>112.34</b>
<b>Food</b>	<b>45.95</b>	<b>116.90</b>	<b>117.34</b>	<b>118.25</b>	<b>120.91</b>	<b>121.41</b>	<b>122.22</b>
Food and non-alcoholic beverages	42.78	117.29	117.62	118.61	120.74	121.24	121.87
Alcoholic beverages and betel nuts	3.17	111.67	113.57	113.57	123.12	123.75	126.94
<b>Non-food</b>	<b>54.05</b>	<b>102.07</b>	<b>102.12</b>	<b>102.51</b>	<b>103.32</b>	<b>104.20</b>	<b>104.58</b>
Clothing and footwear	9.17	105.23	105.37	105.37	106.88	108.06	108.06
Housing and Utilities	11.57	103.55	103.57	104.50	105.43	106.55	107.15
Furnishings, household equipment and routine household maintenance	4.44	104.14	104.27	104.27	105.32	105.54	105.55
Health	0.81	105.65	105.65	105.65	106.63	106.63	106.63
Transport	15.63	101.70	101.67	102.31	102.91	103.49	104.33
Communication	3.25	87.41	87.41	87.41	87.41	87.42	87.42
Recreation and culture	2.30	100.45	100.54	100.54	101.29	101.56	101.56
Education	1.35	104.75	104.75	104.75	104.75	104.75	104.75
Restaurants and hotels	3.62	101.93	102.21	102.21	102.72	106.24	106.24
Miscellaneous goods and services	1.92	102.23	102.34	102.34	103.31	103.88	103.95

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

<b>Division</b>	<b>Weight (%)</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>	<b>Jan-21</b>	<b>Feb-21</b>	<b>Mar-21</b>
<b>All item</b>	<b>100.00</b>	<b>7.75</b>	<b>7.52</b>	<b>7.72</b>	<b>8.97</b>	<b>9.54</b>	<b>9.11</b>
<b>Food</b>	<b>45.95</b>	<b>15.45</b>	<b>14.77</b>	<b>14.82</b>	<b>16.89</b>	<b>16.98</b>	<b>15.25</b>
Food and non-alcoholic beverages	42.78	15.76	14.90	14.95	16.48	16.56	14.70
Alcoholic beverages and betel nuts	3.17	11.27	13.00	13.07	22.54	22.75	22.86
<b>Non-food</b>	<b>54.05</b>	<b>1.61</b>	<b>1.72</b>	<b>2.02</b>	<b>2.67</b>	<b>3.59</b>	<b>4.16</b>
Clothing and footwear	9.17	5.02	5.16	5.16	6.59	7.77	7.77
Housing and Utilities	11.57	3.34	3.30	4.16	4.72	5.73	6.33
Furnishings, household equipment and routine household maintenance	4.44	2.88	3.00	3.00	3.62	3.81	3.82
Health	0.81	4.27	4.27	4.27	5.19	5.19	5.19
Transport	15.63	0.94	1.12	1.55	2.04	3.09	4.59
Communication	3.25	-12.58	-12.58	-12.58	-12.58	-12.57	-12.57
Recreation and culture	2.30	0.76	0.86	0.86	1.59	1.87	1.87
Education	1.35	3.42	3.42	3.42	3.42	0.93	0.93
Restaurants and hotels	3.62	1.88	2.17	2.17	2.63	6.09	6.09
Miscellaneous goods and services	1.92	1.88	1.99	1.99	2.76	3.33	3.40

**Table 3: Month-on-month percent change**

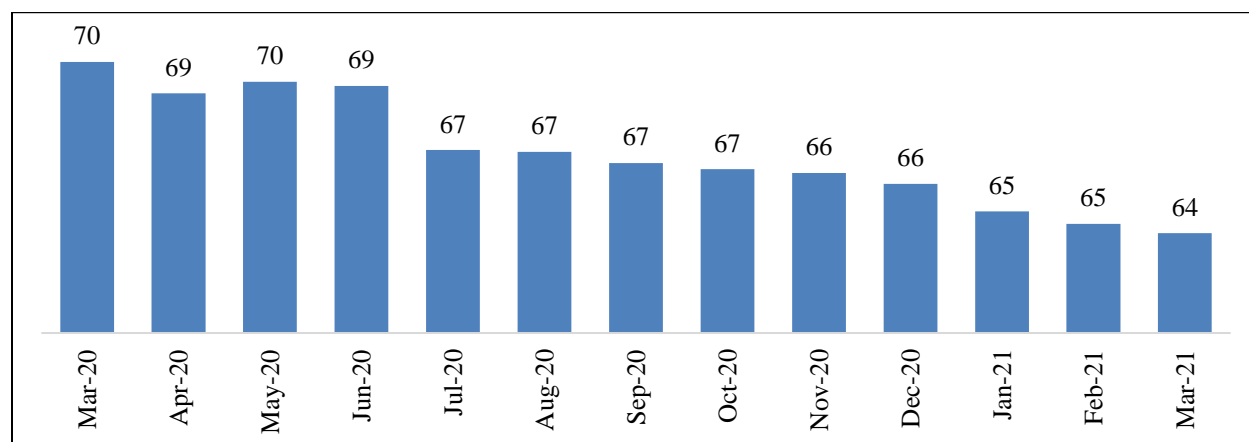
Division	Weights (%)	Month-on-month percent change					
		Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
<b>All item</b>	<b>100.00</b>	<b>0.31</b>	<b>0.20</b>	<b>0.56</b>	<b>1.46</b>	<b>0.65</b>	<b>0.50</b>
<b>Food</b>	<b>45.95</b>	<b>0.41</b>	<b>0.38</b>	<b>0.78</b>	<b>2.24</b>	<b>0.42</b>	<b>0.66</b>
Food and non-alcoholic beverages	42.78	0.51	0.28	0.84	1.80	0.41	0.52
Alcoholic beverages and betel nuts	3.17	-0.92	1.70	0.00	8.41	0.52	2.57
<b>Non-food</b>	<b>54.05</b>	<b>0.23</b>	<b>0.06</b>	<b>0.37</b>	<b>0.80</b>	<b>0.85</b>	<b>0.36</b>
Clothing and footwear	9.17	0.82	0.14	0.00	1.43	1.10	0.00
Housing and utilities	11.57	0.21	0.03	0.89	0.89	1.06	0.56
Furnishings, household equipment and routine household maintenance	4.44	0.51	0.12	0.00	1.01	0.21	0.01
Health	0.81	0.18	0.00	0.00	0.93	0.00	0.00
Transport	15.63	-0.21	-0.02	0.63	0.58	0.56	0.82
Communication	3.25	-0.19	0.00	0.00	0.00	0.01	0.00
Recreation and culture	2.30	0.16	0.10	0.00	0.74	0.27	0.00
Education	1.35	0.00	0.00	0.00	0.00	0.00	0.00
Restaurants and hotels	3.62	0.86	0.28	0.00	0.50	3.43	0.00
Miscellaneous goods and services	1.92	0.21	0.11	0.00	0.95	0.55	0.07

**Table 4: Annual Index (April 2019= 100)**

Division	Weight (%)	Annual Index (April 2019= 100)					
		2015	2016	2017	2018	2019	2020
<b>All item</b>	<b>100.00</b>	<b>87.6</b>	<b>90.5</b>	<b>95.0</b>	<b>97.54</b>	<b>100.20</b>	<b>105.84</b>
<b>Food</b>	<b>45.95</b>	<b>83.1</b>	<b>86.3</b>	<b>92.4</b>	<b>96.93</b>	<b>100.26</b>	<b>111.38</b>
Food and non-alcoholic beverages	42.78	82.5	85.8	92.2	96.76	100.29	111.67
Alcoholic beverages and betel nuts	3.17	90.3	92.0	94.4	98.94	99.86	107.51
<b>Non-food</b>	<b>54.05</b>	<b>90.8</b>	<b>93.4</b>	<b>96.7</b>	<b>97.95</b>	<b>100.15</b>	<b>101.39</b>
Clothing and footwear	9.17	89.7	92.4	95.8	98.35	100.04	103.27
Housing and Utilities	11.57	87.9	90.7	96.4	97.73	100.20	102.52
Furnishings, household equipment and routine household maintenance	4.44	93.4	95.2	96.5	98.06	100.57	102.95
Health	0.81	94.2	95.0	96.0	97.85	100.33	103.76
Transport	15.63	92.8	96.3	98.1	97.42	100.07	100.59
Communication	3.25	99.6	99.7	99.7	99.79	100.02	94.27
Recreation and culture	2.30	98.6	98.0	99.2	99.60	99.93	100.04
Education	1.35	86.8	92.8	96.2	99.41	100.64	104.05
Restaurants and hotels	3.62	84.3	87.0	89.1	94.29	99.42	101.00
Miscellaneous goods and services	1.92	92.1	94.4	96.3	98.43	100.05	101.07

**Table 5: Annual percent change**

Division	Weight (%)	Percent change					
		2015	2016	2017	2018	2019	2020
<b>All item</b>	<b>100.00</b>	<b>4.55</b>	<b>3.22</b>	<b>4.96</b>	<b>2.72</b>	<b>2.73</b>	<b>5.63</b>
<b>Food</b>	<b>45.95</b>	<b>3.22</b>	<b>3.86</b>	<b>7.09</b>	<b>4.93</b>	<b>3.44</b>	<b>11.09</b>
Food and non-alcoholic beverages	42.78	3.27	4.02	7.46	4.94	3.64	11.35
Alcoholic beverages and betel nuts	3.17	2.54	1.90	2.68	4.75	0.94	7.66
<b>Non-food</b>	<b>54.05</b>	<b>5.44</b>	<b>2.80</b>	<b>3.56</b>	<b>1.28</b>	<b>2.24</b>	<b>1.24</b>
Clothing and footwear	9.17	4.32	2.97	3.71	2.61	1.72	3.23
Housing and Utilities	11.57	6.45	3.22	6.21	1.41	2.53	2.32
Furnishings, household equipment and routine household maintenance	4.44	3.20	1.85	1.39	1.63	2.56	2.37
Health	0.81	2.77	0.80	1.05	1.96	2.54	3.41
Transport	15.63	8.51	3.73	1.90	-0.70	2.72	0.52
Communication	3.25	-1.71	0.05	0.01	0.08	0.23	-5.75
Recreation and culture	2.30	1.18	-0.58	1.18	0.42	0.33	0.12
Education	1.35	6.55	6.88	3.71	3.31	1.24	3.39
Restaurants and hotels	3.62	7.35	3.19	2.44	5.79	5.44	1.59
Miscellaneous goods and services	1.92	3.80	2.48	1.98	2.23	1.65	1.02

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

The purchasing power of Ngultrum as measured by CPI is Nu. 64 as of March 2021 compared to December 2012. This means, Nu. 100 in March 2021 is worth only Nu. 64 at December 2012 prices. The PPN has dropped by 8.35 percent in the past 12 months (from March 2020 to March 2021) 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