

CONSUMER PRICE INDEX (CPI) REPORT



July 2026 Monthly Bulletin

Release Date: 21st August 2026

Headline Inflation
6.83% (Y-o-Y)

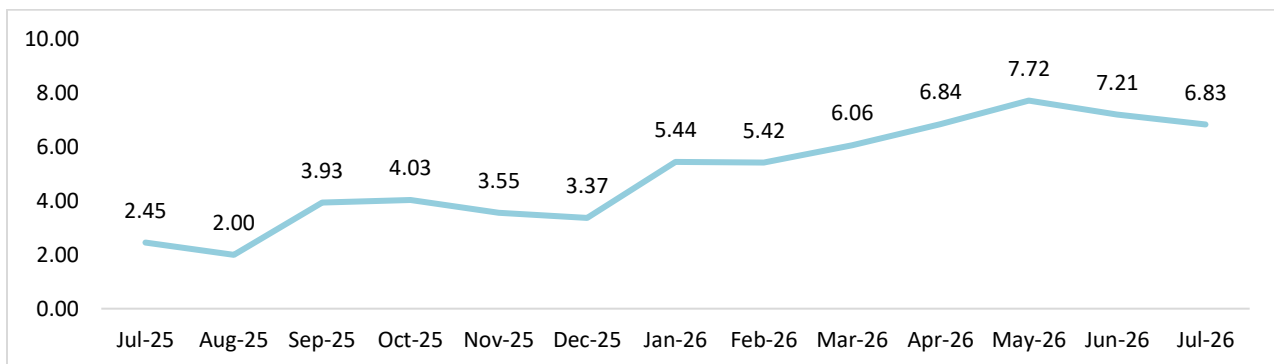
Food Inflation
5.66% (Y-o-Y)

Non-Food Inflation
8.16% (Y-o-Y)

EXECUTIVE SUMMARY & KEY HIGHLIGHTS

- Headline Inflation (Y-o-Y): Decelerated to 6.83% in July 2026, down from the previous month due to a slowdown in Food price escalation.
- Headline Inflation (M-o-M): Stood at 0.24% in July 2026.
- Average Headline Inflation (Jan - July 2026): Recorded at 6.50%.
- Purchasing Power of Ngultrum (PPN): Stood at Nu. 51.6 relative to December 2012 baseline prices, representing a 6.40% erosion over the past year.

Figure 1: Year-on-year Inflation, National (% change)



1. National Level CPI Analysis

1.1 Headline Inflation (Year-on-Year)

Headline inflation in July 2026 decelerated to 6.83 percent year-on-year, primarily due to a slowdown in food price increases. The average headline inflation for the year (January to July 2026) stood at 6.50 percent.

Food Inflation (Y-o-Y)

Food inflation recorded at 5.66 percent in July 2026. Within the Food category, the Food & Non-Alcoholic Beverages index rose 4.57 percent, while the Alcoholic Beverages & Betel Nuts index rose 20.11 percent.

Non-Food Inflation (Y-o-Y)

Non-food inflation reached 8.16 percent in July 2026. Key drivers within non-food items include the Transport index, which climbed by 11.99 percent, followed by Housing & Utilities at 9.79 percent.

1.2 Headline Inflation (Month-on-Month)

On a month-on-month basis, national inflation increased to 0.24 percent in July 2026. This upward movement was driven by an increase in the Food index (1.16%)

Food Inflation (M-o-M)

Month-on-month Food inflation rose to 1.16 percent in July 2026. This upward trend was led by Food & Non-Alcoholic Beverages (1.37%).

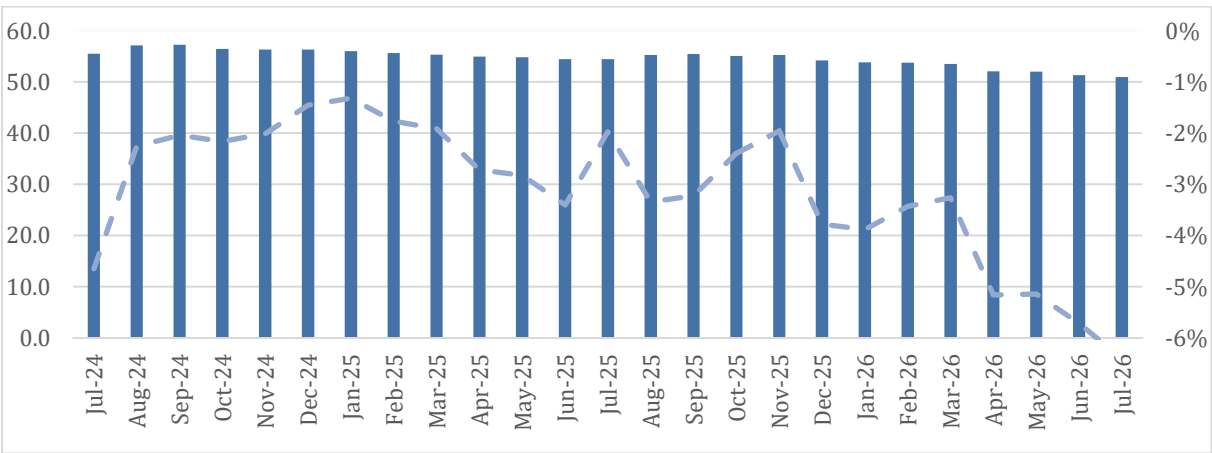
Non-Food Inflation (M-o-M)

Month-on-month Non-Food inflation decreased slightly to -0.69 percent in July 2026. The decline was mainly driven by Health (-1.25%) and Clothing & Footwear (-1.17%).

1.3 Purchasing Power of Ngultrum (PPN)

The purchasing power of the Ngultrum (PPN), as measured by the CPI, stood at Nu. 51.6 as of July 2026 compared to the base period of December 2012. This indicates that Nu. 100 in July 2026 is equivalent to only Nu. 51.6 at December 2012 price levels. The purchasing power of the currency has eroded by 6.40 percent between July 2025 and July 2026 because of general price inflation.

Figure 2: Purchasing Power of Ngultrum & % Change in PPN



2. Regional CPI Trends

2.1 Capital City CPI

Year-on-year inflation for the Capital City increased to 5.66 percent in July 2026, driven by a 5.77 percent rise in Food and a 5.55 percent rise in Non-Food indices.

- **Food Breakdown:** Food & Non-Alcoholic Beverages increased by 5.54%, and Alcoholic Beverages & Betel Nuts rose by 9.18% Y-o-Y.
- **Non-Food Breakdown:** Driven by Housing & Utilities (+13.02%) and Restaurants & Hotels (+8.68%). Furnishings & Household Equipment dropped by -1.56%.
- **Month-on-Month:** Capital City inflation dropped by -0.06% M-o-M in July 2026, largely influenced by Non-Food (-0.83%).

2.2 Central Region CPI

Year-on-year inflation in the Central Region increased to 6.41 percent in July 2026.

- **Food Inflation:** Stood at 6.21% Y-o-Y (Food & Non-Alcoholic Beverages: +5.17%, Alcoholic Beverages & Betel Nuts: +19.35%).
- **Non-Food Inflation:** Stood at 6.60% Y-o-Y (Housing & Utilities: +13.47%, Restaurants and Hotels: +10.46%).
- **Month-on-Month:** M-o-M inflation increased by 0.68% in July 2026, with Food rising by 1.78% and Non-Food falling by -0.36%.

2.3 Eastern Region CPI

The year-on-year headline inflation rate for the Eastern region increased to 5.32 percent in July 2026.

- **Food Inflation:** Increased to 6.67% Y-o-Y (Food & Non-Alcoholic Beverages: +5.94%, Alcoholic Beverages: +16.40%).
- **Non-Food Inflation:** Increased to 3.76% Y-o-Y (Health: +13.26%, Restaurants and Hotels: +7.44%).
- **Month-on-Month:** Headline inflation rose by 0.95% M-o-M, with Food increasing by 2.57% and Non-Food declining slightly by -0.91%.

2.4 Western Region CPI

The year-on-year headline inflation in the Western region rose to 5.80 percent in July 2026.

- **Food Inflation:** Recorded an increase of 4.85% Y-o-Y (Food & Non-Alcoholic Beverages: +3.41%, Alcoholic Beverages & Betel Nuts: +24.88%).

- **Non-Food Inflation:** Recorded an increase of 6.81% Y-o-Y (Housing & Utilities: +15.62%, Transport: +11.38%).
- **Month-on-Month:** M-o-M inflation fell by -2.23% in July 2026, driven by a -4.66% drop in Non-Food and a slight increase of 0.10% in Food.

3. Long-Term Trends & Annual Averages

The annual average national headline inflation from January 2025 to December 2025 increased to 3.50 percent, up by 0.69 percentage points from 2.82 percent in 2024. The upward trend was primarily driven by steady increases in both the food and non-food indexes.

- **Food Annual Average:** Average food inflation rose to 9.39 percent in 2025 (compared to 0.48% in 2024), driven by a 9.96% increase in Food & Non-Alcoholic Beverages.
- **Non-Food Annual Average:** Non-food index inflation increased to 2.53 percent in 2025 (from 0.25% in 2024), led by Clothing & Footwear (+8.76%) and Furnishings (+6.30%). Transport and Communication indices saw annual declines of -2.93% and -0.56%, respectively.

4. Detailed Statistical Tables

Table 1: Consumer Price Index, National (Base: 2023-24 = 100)

Division / Category	Weight (%)	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
All item	100.00	109.59	111.00	111.83	111.12	110.21	110.48
Food	51.28	114.06	115.24	115.25	113.62	111.90	113.20
Food & non-alcoholic beverages	47.43	113.23	114.32	114.46	112.74	110.97	112.48
Alcoholic beverages & betel nuts	3.85	124.82	127.22	125.48	125.07	124.11	122.50
Non-food	48.72	105.52	107.30	108.73	108.93	108.82	108.07
Clothing and footwear	5.63	112.21	113.05	112.55	112.57	111.70	110.40
Housing and Utilities	12.46	109.27	111.00	112.32	112.32	112.19	111.20
Furnishings, household equipment...	3.49	109.19	109.34	109.36	109.36	109.22	110.17
Health	0.63	107.27	108.87	108.52	108.52	109.49	108.12
Transport	9.88	96.54	101.05	107.68	108.64	108.98	107.89
Communication	4.49	102.39	102.74	102.73	102.73	102.73	101.23
Recreation and Culture	2.56	106.80	107.19	106.83	106.87	106.76	106.05
Education	0.74	100.36	100.36	100.36	100.36	100.36	100.36
Restaurants and hotels	2.81	111.61	112.71	112.68	112.68	112.30	111.78
Miscellaneous goods & services	6.04	104.67	105.70	104.07	104.07	103.92	104.11

Table 2: Year-on-Year Percentage Change by Major Categories, National (% Change)

Division / Category	Weight (%)	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
All item	100.00	5.42	6.06	6.84	7.72	7.21	6.83
Food	51.28	6.62	6.55	6.22	7.88	7.01	5.66
Food & non-alcoholic beverages	47.43	5.32	5.10	4.90	6.71	5.85	4.57
Alcoholic beverages & betel nuts	3.85	24.09	26.19	23.97	23.37	22.42	20.11
Non-food	48.72	4.61	5.84	7.65	7.70	7.54	8.16

Clothing and footwear	5.63	5.90	5.14	5.30	5.31	4.50	2.39
Housing and Utilities	12.46	10.19	11.94	12.70	11.03	10.91	9.79
Furnishings, household equipment...	3.49	4.57	4.43	4.22	4.23	4.09	3.72
Health	0.63	5.80	7.17	6.96	6.96	7.92	5.33
Transport	9.88	-0.94	3.94	12.58	14.96	15.01	11.99
Communication	4.49	0.55	0.90	1.45	1.45	1.45	0.03
Recreation and Culture	2.56	4.09	2.77	3.66	3.70	3.60	1.70
Education	0.74	0.00	0.00	0.00	0.00	0.00	0.00
Restaurants and hotels	2.81	8.56	9.63	8.47	8.48	8.11	7.23
Miscellaneous goods & services	6.04	3.47	2.25	1.12	1.12	0.98	0.60

Table 3: Month-on-Month Percentage Change by Major Categories, National (% Change)

Division / Category	Weight (%)	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
All item	100.00	0.22	0.65	0.75	-0.64	-0.82	0.24
Food	51.28	0.30	0.35	0.01	-1.42	-1.51	1.16
Food and non-alcoholic beverages	47.43	0.18	0.33	0.13	-1.50	-1.57	1.37
Alcoholic beverages & betel nuts	3.85	1.89	0.54	-1.37	-0.32	-0.77	-1.30
Non-food	48.72	0.13	0.96	1.33	0.18	-0.10	-0.69
Clothing and footwear	5.63	0.00	0.00	-0.44	0.01	-0.77	-1.17
Housing and utilities	12.46	0.00	0.00	1.19	0.00	-0.11	-0.88
Furnishings, household equipment...	3.49	0.00	0.00	0.02	0.00	-0.13	0.88
Health	0.63	0.00	0.00	-0.32	0.00	0.89	-1.25
Transport	9.88	0.72	4.85	6.56	0.89	0.31	-1.01
Communication	4.49	-0.11	0.00	-0.01	0.00	0.00	-1.46
Recreation and Culture	2.56	0.00	0.00	-0.33	0.04	-0.10	-0.66
Education	0.74	0.00	0.00	0.00	0.00	0.00	0.00
Restaurants and hotels	2.81	0.00	0.00	-0.03	0.00	-0.33	-0.46
Miscellaneous goods & services	6.04	0.00	0.00	-1.54	0.00	-0.14	0.17

Table 4: Regional Month-on-Month Inflation Comparison (June 2026)

Division / Category	Capital City	Central	Eastern	Western
All Item	-0.06%	0.68%	0.95%	-2.23%
Food	0.77%	1.78%	2.57%	0.10%
Food & non-alcoholic beverages	0.92%	2.01%	2.90%	0.22%
Alcoholic beverages & betel nuts	-1.42%	-0.95%	-1.60%	-1.39%
Non-Food	-0.83%	-0.36%	-0.91%	-4.66%
Clothing and footwear	-3.75%	0.92%	0.12%	-3.08%
Housing and utilities	0.41%	0.31%	-0.22%	-13.53%
Transport	-3.04%	-2.77%	-3.27%	-0.91%
Restaurants and hotels	-1.96%	1.03%	-0.96%	-1.15%

Table 5: Annual Average CPI & Inflation Rates (National Level, 2020 - 2025)

Division / Category	2020	2021	2022	2023	2024	2025	2025 Inflation (%)
All item	83.33	89.45	94.49	98.49	101.27	104.81	3.50%
Food	82.94	90.72	94.31	98.05	98.52	107.76	9.39%
Food and non-alcoholic beverages	83.01	90.52	94.28	97.98	98.47	108.28	9.96%
Alcoholic beverages & betel nuts	79.90	93.50	94.59	98.96	99.20	101.67	2.49%
Non-food	83.69	88.39	94.66	98.87	99.11	101.62	2.53%
Clothing and footwear	77.79	84.95	91.93	98.27	98.73	107.38	8.76%
Housing and utilities	80.52	85.57	89.94	97.33	98.07	100.60	2.58%
Furnishings, household equipment...	85.20	89.69	94.85	98.8	99.13	105.37	6.30%
Health	79.88	83.36	86.86	97.68	98.31	102.38	4.14%
Transport	81.80	87.88	98.95	99.79	99.64	96.73	-2.93%
Communication	117.47	105.23	103.70	102.60	101.95	101.38	-0.56%
Recreation and Culture	89.74	91.77	93.40	99.15	99.39	103.64	4.28%
Education	93.71	94.33	95.82	99.48	99.68	100.36	0.68%
Restaurants and hotels	85.65	91.21	94.43	98.77	99.00	104.04	5.09%
Miscellaneous goods & services	80.81	86.29	92.43	97.79	98.30	102.91	4.69%

5. Technical Notes

5.1 Background & Scope

The Consumer Price Index (CPI) measures relative changes in the prices of consumer goods and services acquired by households over time. It serves as a macro-economic indicator of inflation and cost of living adjustments. Prices are gathered across urban centers in 20 Dzongkhags at monthly, quarterly, and annual intervals depending on price variability.

5.2 Regional Baskets and Coverage

To ensure localized tracking of inflation dynamics, five separate CPI baskets are monitored monthly (introduced June 2024):

- National Basket: 169 items
- Western Basket: 165 items
- Central Basket: 144 items
- Capital City Basket: 134 items
- Eastern Basket: 120 items

Items are classified using the UN Classification of Individual Consumption According to Purpose (COICOP 1999). Approximately 500 representative outlets are sampled.

5.3 Category Weights Across Regions

Category / Division	National	Central	Eastern	Western	Capital City
All item	100.00	100.00	100.00	100.00	100.00
Food	51.28	49.03	54.02	51.66	47.94
Food and non-alcoholic beverages	47.43	45.21	50.08	47.88	44.87
Alcoholic beverages & betel nuts	3.85	3.81	3.95	3.78	3.07
Non-food	48.72	50.97	45.98	48.34	52.06
Clothing and footwear	5.63	5.67	5.88	5.52	4.66
Housing and utilities	12.46	12.03	10.89	13.59	16.65
Furnishings, household equipment...	3.49	3.75	3.38	3.73	3.27
Health	0.63	0.57	0.45	0.66	0.83
Transport	9.88	9.84	10.13	9.85	11.50
Communication	4.49	4.60	4.46	4.46	4.32
Recreation and Culture	2.56	3.68	2.03	2.68	2.44
Education	0.74	0.69	0.41	0.95	1.43
Restaurants and hotels	2.81	3.30	3.24	2.38	1.61
Miscellaneous goods & services	6.04	6.84	5.11	4.52	5.36

5.4 Reference Periods & Computation Methodology

- Weight Reference Period: 2022 (Derived from the Bhutan Living Standard Survey 2022).
- Index Reference Period: 2023-24 (May 2023 to April 2024 = 100).
- Price Reference Period: April 2024.

Index Calculation Formula: The CPI is calculated using the Geometric Modified Young Index Formula:

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

Where:

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