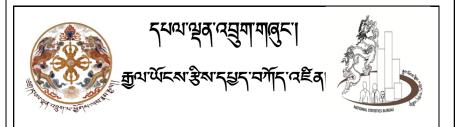
NATIONAL STATISTICS BUREAU

P.O.Box.# 338,Thimphu Bhutan Phone # +00975-2-335851/326802 Fax # +975-2-323069 Website: www.nsb.gov.bt





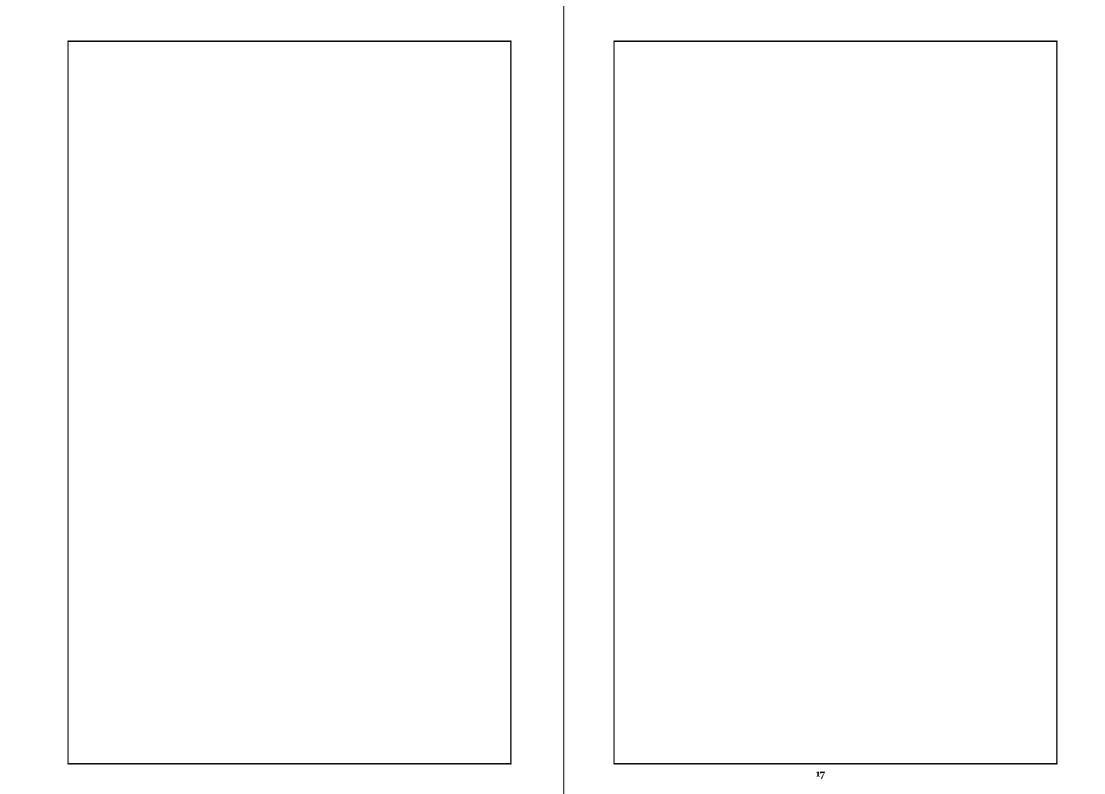
MONTHLY CONSUMER PRICE INDEX (CPI)BULLETIN AUGUST 2014

> NATIONAL ACCOUNTS & PRICE DIVISION NATIONAL STATISTICS BUREAU

> > Catalogue No. 103



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FOREWORD

7. Sample Outlets

Sample outlets are permanent establishments or retail shops from which monthly price of goods and services are collected or quoted. These include groceries, clothing and footwear, restaurants, hardware shops, vegetable vendors and service providers etc. The outlets are selected based on a set of pre-determined criteria. For current CPI, prices are collected from a sample of 557 outlets. Special procedures are applied to replace the outlets or the items, if they are no longer available or sold by the outlet.

8. Data Collection Method

Prices are collected online from the sampled outlets by price collectors using mobile application devices once every month.

National Statistics Bureau (NSB) is pleased to release the Consumer Price Index (CPI) Bulletin for August 2014. This is the 9th 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.

September 2014

National Statistics Bureau

| | | | | Tal | ole 1: Y | ear on | Year In | ndex & | Table 1: Year on Year Index & percent change | chang | a | | | | | | | | |
|----------|----------|--------|--|------------------------------------|----------|---------|---------|---------------------------|--|---------|--------|--------|--------|-------|-------|-------------------|---------|-------|-------|
| | | | | | | Index | (Decem | Index (December 2012=100) | =100) | | | | | | _ | percent change(%) | hange(% | | |
| | Wichts | | | 2013 | 13 | | | | | 2014 | 4 | | | | | 20 | 2014 | | |
| aroup | weignis | Mar | Apr | May | nnf | Int | Aug | Mar | Apr | May | nn | ľ | Aug | Mar | Apr | May | nı | Þ | Aug |
| Food | 39.92 | 102.42 | 104.12 | 104.12 104.16 106.04 107.87 109.66 | 106.04 | 107.87 | 109.66 | 115.60 | 116.71 117.54 118.81 119.80 120.25 | 117.54 | 118.81 | 119.80 | 120.25 | 12.87 | 12.09 | 12.85 | 12.04 | 11.06 | 9.66 |
| Non-Food | 60.08 | 104.03 | 104.49 | 104.49 104.97 106.23 108.88 107.85 | 106.23 | 108.88 | 107.85 | 110.75 | 110.75 111.11 111.77 112.10 115.54 116.56 | 111.77 | 112.10 | 115.54 | 116.56 | 6.46 | 6.34 | 6.47 | 5.52 | 6.12 | 8.08 |
| Overall | 100 | 103.38 | 104.34 | 104.65 | 106.15 | 108.47 | 108.57 | 112.66 | 103.38 104.34 104.65 106.15 108.47 108.57 112.66 113.31 114.04 114.73 117.22 118.02 8.97 | 114.04 | 114.73 | 117.22 | 118.02 | 8.97 | 8.60 | 8.97 | 8.08 | 8.06 | 8.71 |
| | | | Tat | ole 2: Y | ar-on- | Year In | dex & | percen | Table 2: Year-on-Year Index & percentage change: Domestic | ange: D | omest | | | | | | | | |
| | | | | | | Index | (Decemt | Index (December 2012=100) | =100) | | | | | | | Percent change(%) | hange(% | | |
| | | | | 20 | 2013 | | | | | 2014 | | | | | | 20 | 2014 | | |
| eroup | weignts | March | April | May | June | ylul | Aug | Mar | Apr | May | Iun | ЪЦ | Aug | Mar | Apr | May | nnſ | In | Aug |
| Food | 17.15 | 103.50 | 17.15 103.50 103.92 103.77 105.41 107.76 109.70 | 103.77 | 105.41 | 107.76 | 109.70 | | 117,44 117,94 118.31 119.84 120.97 121.02 | 118.31 | 119.84 | 120.97 | 121.02 | 13.47 | 13.49 | 14.01 | 13.69 | 12.26 | 10.32 |
| Non-Food | 30.24 | 104.24 | 30.24 104.24 104.26 104.46 106.09 106.21 106.43 | 104.46 | 106.09 | 106.21 | 106.43 | | 110.22 110.80 113.25 113.48 115.22 116.51 | 113.25 | 113.48 | 115.22 | 116.51 | 5.74 | 6.27 | 8.41 | 6.97 | 8.48 | 9.48 |
| Total | 47.39 | 103.97 | 104.14 | 104.21 | 105.84 | 106.77 | 107.60 | 112.78 | 47.39 103.97 104.14 104.21 105.84 106.77 107.60 112.78 113.33 115.06 115.74 117.27 118.12 | 115.06 | 115.74 | 117.27 | 118.12 | 8.47 | 8.83 | 10.41 | 9.35 | 9.83 | 9.78 |
| | | | Ta | ible 3: \ | 'ear-on | -Year I | ndex & | percer | Table 3: Year-on-Year Index & percentage change : Import | ange : | Impor | | | | | | | | |
| | | | | | | Index | (Deceml | Index (December 2012=100) | =100) | | | | | | - | Percent change(%) | hange(% | | |
| | -their | | | 2013 | 13 | | | | | 2014 | | | | | | 20 | 2014 | | |
| aroup | สายสีเวล | Mar | April | May | June | ylul | Aug | Mar | Apr | May | Iun | Int | Aug | Mar | Apr | May | lun | Iu | Aug |
| Food | 22.77 | 101.67 | | 104.35 104.56 106.64 108.11 109.58 | 106.64 | 108.11 | 109.58 | | 114.35 115.93 117.13 118.22 119.14 119.92 | 117.13 | 118.22 | 119.14 | 119.92 | 12.47 | 11.10 | 12.02 | 10.86 | 10.21 | 9.43 |
| Non-Food | 29.84 | 103.81 | 103.81 104.72 105.49 106.38 111.65 109.30 | 105.49 | 106.38 | 111.65 | 109.30 | 111.28 | 111.28 111.43 110.28 110.71 115.86 116.61 | 110.28 | 110.71 | 115.86 | 116.61 | 7.19 | 6.41 | 4.54 | 4.08 | 3.78 | 6.69 |
| Total | 52.61 | 102.88 | 104.56 | 105.09 | 106.49 | 110.10 | 109.42 | 112.60 | 102.88 104.56 105.09 106.49 110.10 109.42 112.60 113.36 113.20 113.90 117.27 118.03 | 113.20 | 113.90 | 117.27 | 118.03 | 9.45 | 8.41 | CT T | 96 9 | 651 | 7.87 |

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.

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 (weights from BLSS)
- P_i^t

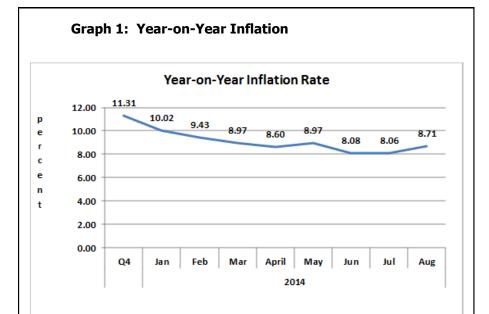


 $\begin{pmatrix} \frac{P_i^t}{P_I^o} \\ \frac{P_I^o}{P_I^o} \end{pmatrix}$

= Previous Period Price

= Current Period Price

= Price Relatives



Year-on-Year Inflation

The annual inflation rate for August 2014 *[i.e., from August 2013 to August 2014]* is 8.71% compared to 8.06% for previous month of July 2014. The corresponding inflation rates for the Food was 9.66% and Non-food was 8.08%. It was mainly driven by increase in prices of Housing and electricity at 12.20%; and Food and non-alcoholic beverages at 9.45%.

Prices for domestically produced goods & services increased by 9.78% while imported goods increased by 7.87% over one year period i.e. from August 2013 to August 2014.

| | | | | | Table 4 | : Year o | n Year | index: | Table 4: Year on Year index: Group Level | Level | | | | | | | | | |
|---|---------|------------------------------------|---------------|-----------------------------|---------------|--|---------------|---------------------------|--|---------------|--------|---------------|--------|-------|-------|-------------------|----------|-------|-------|
| | | | | | | Index | (Decemb | Index (December 2012=100) | =100) | | | | | | 4 | Percent change(%) | hange(%, | | |
| 12 M.C. | | | | 2013 | 3 | | | | | 2014 | 4 | | | | | 20 | 2014 | | |
| 77 Major Aroups | Weights | Mar | Apr | May | nnſ | Int | Aug | Mar | Apr | May | nn | Ъ | Aug | Mar | Apr | May | nn | Ы | Aug |
| FOOD AND NON-ALCOHOLIC BEVERAGES | 36.88 | 102.14 | 103.82 | 103.40 105.26 | | 107.03 | 108.92 | 114.21 | 115.40 116.32 | | 117.63 | 118.69 | 119.22 | 11.82 | 11.15 | 12.49 | 11.75 | 10.89 | 9.45 |
| ALCOHOLIC BEVERAGES AND NARCOTICS | 3.03 | 105.90 | 107.77 | 113.85 | 115.98 118.66 | | 119.01 | 134.02 | 133.85 | 133.57 | 134.14 | 134.17 | 133.54 | 26.55 | 24.19 | 17.32 | 15.66 | 13.07 | 12.21 |
| CLOTHING AND FOOTWEAR | 9.20 | 105.46 | 106.52 107.58 | 107.58 | 109.16 109.40 | 109.40 | 113.64 | 117.82 | 119.33 | 114.47 115.34 | 115.34 | 116.81 | 118.20 | 11.72 | 12.03 | 6.41 | 5.66 | 6.77 | 4.01 |
| HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS | 21.70 | 103.73 | 103.80 | 104.02 | 106.33 | 103.73 103.80 104.02 106.33 113.08 107.73 111.38 | 107.73 | | 112.16 115.75 116.68 119.06 120.87 | 115.75 | 116.68 | 190.01 | l | 7.38 | 8.06 | 11.27 | 9.73 | 5.29 | 12.20 |
| FURNISHING, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE | 2.22 | 111.81 | 112.41 | 114.65 | 114.71 | 115.74 | 117.13 | 123.54 | 11181 112.41 114.65 114.71 115.74 117.13 123.54 122.30 123.05 123.05 123.60 124.12 10.48 | 123.05 | 123.05 | 123.60 | 124.12 | 10.48 | 8.80 | 7.33 | 7.27 | 6.79 | 5.97 |
| неытн | 4.67 | 101.26 | 102.27 | 102.59 | 104.34 | 102.59 104.34 104.53 104.58 | 104.58 | 103.66 | 104.31 104.93 104.95 105.02 105.16 | 104.93 | 104.95 | 105.02 | 105.16 | 2.38 | 2.00 | 2.29 | 0.59 | 0.47 | 0.55 |
| TRANSPORT | 11.98 | 102.89 | 102.97 | 103.21 103.24 103.47 | 103.24 | 103.47 | 103.86 | 106.36 | 105.74 105.97 106.35 | 105.97 | | 117.66 | 118.15 | 3.37 | 2.69 | 2.68 | 3.02 | 13.72 | 13.76 |
| COMMUNICATION | 3.03 | 100.17 | 100.20 | 100.20 100.52 | 100.18 100.22 | 100.22 | 100.22 | 99.73 | 99.64 | 99.57 | 95.47 | 95.47 | 95.46 | -0.44 | -0.57 | -0.95 | -4.70 | -4.74 | -4.74 |
| RECREATIONAL AND CULTURE | 2.35 | 106.12 | 107.66 | 107.66 107.43 107.87 108.10 | 107.87 | | 108.60 109.63 | | 109.80 109.44 109.55 | 109.44 | | 109.50 109.59 | 109.59 | 3.31 | 1.98 | 1.87 | 1.56 | 1.30 | 0.91 |
| EDUCATION | 1.64 | 108.35 | 108.35 108.35 | 108.35 | 108.35 109.63 | | 109.63 | 114.96 | 114.96 114.96 114.96 | 114.96 | | 116.03 116.03 | 116.03 | 6.10 | 6.10 | 6.10 | 6.10 | 5.84 | 5.84 |
| RESTAURANTS AND HOTELS | 1.24 | 106.47 | 106.70 | 106.70 108.21 108.46 109.59 | 108.46 | 109.59 | 110.59 | 113.00 | 113.45 112.35 112.70 | 112.35 | 112.70 | 113.45 | 114.60 | 6.13 | 6.32 | 3.83 | 3.91 | 3.52 | 3.63 |
| MISCELLANEOUS GOODS AND SERVICES | 2.06 | 104.44 107.28 108.90 109.91 111.50 | 107.28 | 108.90 | 109.91 | 111.50 | 113.44 | 117.11 | 116.34 116.67 117.30 118.17 119.06 | 116.67 | 117.30 | 18.17 | 119.06 | 12.14 | 8.44 | 7.13 | 6.73 | 5.98 | 4.96 |
| AI | 100.00 | 103.38 | 104.34 | 104.65 | 106.15 | 108.47 | 108.57 | 112.66 | 100.00 103.38 104.34 104.65 106.15 108.47 108.57 112.66 113.31 114.04 114.73 117.22 118.02 | 114.04 | 114.73 | 117.22 | 118.02 | 8.97 | 8.60 | 8.97 | 8.08 | 8.06 | 8.71 |
| | | | | | | | | | | | | | | | | | | | |

4

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.

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 (BLLS) in March – May 2012. Expenditure details were broken down into imported and domestic goods to facilitate calculation of domestic and imported inflation.

| | | | | | | and a second sec | | | | | | | | | | | | | |
|------------------------------------|---------|---------------|---|---------------|----------------------|--|--------|--|------------------------------------|--------|-----------------------------|---------------|--------|-------|-------|-------------------|---------|-------|-------|
| | | | | | | Index (I | Decemb | Index (December 2012=100) | 100) | | | | | | 4 | Percent change(%) | hange(% | _ | |
| | | | | 2013 | 5 | | | | | 2014 | 4 | | | | | 20 | 2014 | | |
| Group | Weights | March | April | May | June | ylıl | Aug | Mar | Apr | May | nn | lut | Aug | Mar | Apr | May | nnſ | lut | Aug |
| FOOD | 39.92 | 102.37 | 104.04 | 103.52 | 105.26 | 107.05 | 108.84 | 114.26 | 115.52 | 116.47 | 117.85 | 118.95 | 119.49 | 11.61 | 11.03 | 12.51 | 11.95 | 11.12 | 9.79 |
| Bread and Cereals | 9.72 | 104.94 | 106.26 | 106.53 | 106.78 | 108.09 1 | 110.98 | 117.25 | 117.61 | 118.81 | 119.57 | 120.43 121.15 | 121.15 | 11.73 | 10.69 | 11.53 | 11.98 | 11.42 | 9.16 |
| Meat | 3.1 | 105.57 | 104.54 | 108.07 | 109.48 | 109.66 | 112.80 | 118.93 | 122.44 | 124.02 | 124.49 | 125.57 126.06 | 126.06 | 12.66 | 17.13 | 14.76 | 13.71 | 14.51 | 11.76 |
| Fish | 1.06 | 108.27 | 105.95 | 108.38 | 109.63 | 108.38 109.63 116.24 116.94 | | 125.27 | 125.63 | 127.28 | 128.68 130.34 132.25 | 130.34 | 132.25 | 15.70 | 18.58 | 17.44 | 17.38 | 12.13 | 13.10 |
| Milk, cheese and eggs | 6.88 | 104.97 | 105.37 | 104.93 | 105.59 106.85 | | 107.36 | 113.04 | 115.63 | 117.04 | 117.38 119.11 | 119.11 | 119.70 | 7.68 | 9.74 | 11.53 | 11.17 | 11.47 | 11.49 |
| Oils and fats | 3.19 | 104.50 | 104.50 103.93 | 103.12 | 103.72 | 108.42 | 108.42 | 111.69 | 112.43 | 114.08 | 114.08 113.63 113.64 111.54 | 113.64 | 111.54 | 6.87 | 8.18 | 10.63 | 9.55 | 4.82 | 2.88 |
| Fruit | 1.68 | 110.32 | 103.90 | 106.54 | 106.54 104.24 101.91 | | 102.35 | 116.75 | 116.93 | 117.92 | 117.49 | 117.92 116.69 | 116.69 | 5.83 | 12.54 | 10.68 | 12.70 | 15.71 | 14.02 |
| Vegetables | 7.83 | 92.92 | 100.17 | 95.40 | 101.33 | 104.37 1 | 106.72 | 109.63 | 110.63 | 110.46 | 114.65 | 116.17 | 117.87 | 17.98 | 10.43 | 15.79 | 13.15 | 11.31 | 10.45 |
| Sugar, jam, honey etc | 0.98 | 103.57 | 102.60 105.10 106.25 107.36 | 105.10 | 106.25 | | 107.69 | 106.31 | 107.46 107.21 108.82 109.28 109.53 | 107.21 | 108.82 | 109.28 | 109.53 | 2.65 | 4.74 | 2.01 | 2.41 | 1.79 | 1.71 |
| Food products n.e.c | 0.64 | 100.12 | 102.40 | 109.23 | 109.92 | 106.31 | 108.39 | 120.11 | 119.82 | 121.06 | 125.01 | 125.58 125.49 | | 19.97 | 17.01 | 10.83 | 13.73 | 18.12 | 15.77 |
| Coffee, tea and cocoa | 0.68 | 98.08 | 100.86 | 103.09 103.17 | 103.17 | 108.85 111.05 | | 117.50 | 117.07 | 117.39 | 117.72 118.37 | 118.37 | 119.19 | 19.80 | 16.07 | 13.87 | 14.11 | 8.74 | 7.34 |
| Mineral water, softdrinks & juices | 1.11 | 98.87 | 100.12 | 103.81 | 106.44 | 103.81 106.44 105.21 105.80 | 05.80 | 106.12 | 106.36 106.36 | 106.36 | 106.36 106.36 106.47 | 106.36 | 106.47 | 7.33 | 6.23 | 2.45 | -0.08 | 1.09 | 0.63 |
| Spirits | 0.65 | 105.54 101.90 | | 104.23 108.13 | | 107.63 1 | 107.63 | 109.71 | 109.70 | 11.53 | 112.16 112.16 111.53 | 112.16 | 111.53 | 3.96 | 7.65 | 7.00 | 3.72 | 4.21 | 3.62 |
| Wine | 0.44 | 104.13 | 105.64 | 106.00 | 06.83 | 116.81 1 | 116.81 | 119.06 | 119.05 | 121.04 | 121.72 121.72 121.04 | 121.72 | 121.04 | 14.34 | 12.69 | 14.19 | 13.94 | 4.21 | 3.62 |
| Beer | 0.56 | 97.32 | 100.59 | 103.59 | 103.59 106.69 107.81 | 107.81 1 | 107.81 | 112.18 | 112.41 112.41 113.28 113.28 111.57 | 112.41 | 113.28 | 113.28 | | 15.28 | 11.76 | 8.51 | 6.18 | 5.07 | 3.49 |
| Narcotics | 1 38 | 110 37 | 110 37 114 53 176 16 177 30 170 81 130 65 | 17616 | 102 201 | 10.01.1 | 17.00 | 111 11 111 111 111 111 111 111 111 111 111 | 00 00 1 | 0000 | | | | | | | 1 | | |

| | | | | | | Index | (Decemb | Index (December 2012=100) | 100) | | | | | | Å | Percent Change(%) | nange(% | | |
|---|---------|--|---|----------------------|---|---------------|---------|---|------------------------------------|----------|----------------------|----------|----------|-------|-------|-------------------|---------|--------|--------|
| | Wainhte | | | 2013 | 13 | | | | | 2014 | _ | | | | | 2014 | 4 | | |
| | weights | March | April | May | June | ylul | Aug | Mar | Apr | May | Iun | Ы | Aug | Mar | Apr | May | nn | lut | Aug |
| Clothing | 6.24 | 106.08 | 105.76 | 106.63 | 105.76 106.63 108.28 108.52 113.27 | 108.52 | å | 117.76 | 118.43 112.37 | 12.37 | 113.98 1 | 115.84 1 | 117.79 | 11.01 | 11.98 | 5.39 | 5.26 | 6.75 | 3.99 |
| Footwear | 2.96 | 104.17 | 108.13 | 109.60 | 109.60 111.04 111.28 114.41 | 111.28 | | 117.97 | 121.26 119.04 | | 118.26 1 | 118.88 1 | 119.06 1 | 13.25 | 12.15 | 8.61 | 6.50 | 6.83 | 4.06 |
| Housing (rental) | 15.12 | 105.07 | 105.07 | 105.07 | 107.48 | 107.48 | 107.48 | 110.04 | 111.35 | 116.38 1 | 117.72 1 | 118.67 1 | 121.19 | 4.73 | 5.98 | 10.76 | 9.53 | 10.41 | 12.76 |
| Maintenancen & repair of the dwelling | 1.88 | 101.88 | | 104.41 | 102.66 104.41 109.33 108.98 110.02 110.98 | 108.98 | 110.02 | 110.98 | 109.42 110.32 110.32 110.75 111.34 | 10.32 | 10.32 1 | 10.75 1 | | 8.93 | 6.59 | 5.65 | 06.0 | 1.62 | 1.20 |
| Electricity, gas & other fuels | 4.54 | 100.25 | 100.25 100.25 100.60 101.65 136.58 | 100.60 | 101.65 | 136.58 | 107.57 | 107.57 116.19 116.19 116.19 | 116.19 | 16.19 | 116.19 124.42 124.42 | 24.42 1 | | 15.90 | 15.90 | 15.49 | 14.30 | -8.90 | 15.67 |
| Furniture and furnishing, carpets and other floor | 0.37 | 117.24 | 115.66 | 113.67 | 106.01 | 103.20 | 103.88 | 114.48 | 117.20 118.40 | | 118.13 1 | 119.00 1 | 119.15 | -2.36 | 1.33 | 4.16 | 11.43 | 15.31 | 14.70 |
| Household textiles | 0.57 | 117.88 | 118.66 | 125.09 | 131.54 | 135.44 | 137.25 | 117.88 118.66 125.09 131.54 135.44 137.25 144.45 143.47 145.44 145.44 146.24 146.41 | 143.47 | 145.44 | 45.44 1 | 46.24 1 | | 22.55 | 20.91 | 16.27 | 10.57 | 7.97 | 6.68 |
| Household appliances | 0.42 | 107.60 | 107.60 108.60 108.94 104.19 104.27 106.79 | 108.94 | 104.19 | 104.27 | | 111.51 | 110.31 108.65 108.67 108.88 110.07 | 108.65 | 08.67 1 | 08.88 1 | | 3.63 | 1.57 | -0.26 | 4.30 | 4.43 | 3.07 |
| Glassware, tableware & utensils | 0.25 | 114.99 | 116.18 | 118.90 | 118.15 | 122.78 | 123.21 | 131.10 | 131.38 132.38 | | 132.52 1 | 132.74 1 | 132.90 1 | 14.01 | 13.08 | 11.34 | 12.16 | 8.11 | 7.87 |
| Tools and equipments for house and garden | 0.24 | 108.66 | | 109.38 108.72 111.71 | | 114.17 115.31 | | 116.39 | 108.45 111.04 | | 111.26 111.85 | | 113.13 | 7.12 | -0.85 | 2.14 | -0.41 | -2.03 | -1.89 |
| Goods and services for household maintenance | 0.35 | 102.15 | 102.15 103.61 107.87 111.65 110.92 111.88 | 107.87 | 111.65 | 110.92 | 111.88 | 117.17 | 115.19 115.43 | | 115.46 115.90 116.12 | 15.90 1 | | 14.71 | 11.18 | 7.01 | 3.41 | 4.49 | 3.79 |
| Purchase of vehicles | 4.58 | 100.00 | 100.00 | 100.00 | 100.00 100.00 100.00 100.00 | 100.00 | 100.00 | 100.00 | 100.00 100.00 | | 100.00 | 127.65 1 | 127.65 | 0.00 | 0.00 | 0.00 | 0.00 | 27.65 | 27.65 |
| Fuels & Lubricants | 3.11 | 103.39 | 103.97 | 104.05 | 104.05 104.09 105.59 106.85 | 105.59 | 106.85 | 109.05 | 107.08 | 107.39 | 107.60 1 | 110.79 1 | 112.28 | 5.47 | 2.99 | 3.21 | 3.37 | 4.93 | 5.09 |
| Telephone and telefax equipment | 0.17 | 103.07 | 103.70 | 109.76 | 103.16 | 103.84 | 103.84 | 95.25 | 93.61 | 92.42 | 92.42 9 | 92.42 9 | 92.26 | -7.59 | -9.73 | -15.79 | -10.41 | -10.99 | -11.15 |
| Audio-visual, photographic & information processing equipments | 0.48 | 102.41 | 102.41 104.78 100.02 103.02 106.41 107.06 | 100.02 | 103.02 | 106.41 | | 110.38 | 108.22 107.54 107.54 106.97 106.85 | 107.54 | 07.54 1 | 06.97 | | 67.7 | 3.29 | 7.52 | 4.39 | 0.53 | -0.19 |
| Recreational & cultural services | 0.92 | 100.04 | 100.03 | 100.06 | 100.17 | 99.77 | 77.66 | 99.32 | 99.94 1 | 100.04 1 | 100.04 100.04 100.04 | 00.04 1 | | -0.72 | -0.09 | -0.02 | -0.13 | 0.27 | 0.27 |
| Newspapers, books & stationery | 0.72 | 112.85 | 114.32 | 114.43 | 116.06 | 116.10 116.54 | | 117.74 | 118.52 1 | 118.69 1 | 118.71 118.92 | | 119.31 | 4.34 | 3.68 | 3.73 | 2.28 | 2.43 | 2.38 |
| Catering services | 1.05 | 106.54 | 106.51 107.97 | | 107.42 107.91 109.07 | 107.91 | 109.07 | 111.67 | 112.19 110.87 | | 111.00 111.51 112.33 | 11.51 1 | | 4.81 | 5.33 | 2.68 | 3.33 | 3.34 | 2.99 |
| Accommodation services | 0.19 | 106.11 | 106.11 107.77 109.50 114.35 119.34 119.34 | 109.50 | 114.35 | 119.34 | 119.34 | 120.63 | 120.63 120.91 | 120.91 | 122.56 124.79 127.95 | 24.79 1 | 27.95 | 13.69 | 11.94 | 10.42 | 7.18 | 4.57 | 7.21 |
| Personal care | 1.59 | 102.10 | 102.10 104.40 | 105.54 | 105.60 | 106.28 108.55 | | 112.52 | 111.90 112.73 | | 113.17 114.10 115.24 | 14.10 1 | 15.24 | 10.21 | 7.18 | 6.81 | 7.16 | 7.36 | 6.16 |
| Dareonal affacte n a c | 54.0 | 111 76 117 63 131 135 64 135 145 154 154 154 157 33 151 06 153 153 155 157 157 | 0, 1, 1 | | 10 10 1 | | | | | | | | | | | | | | |

6

TECHNICAL NOTES

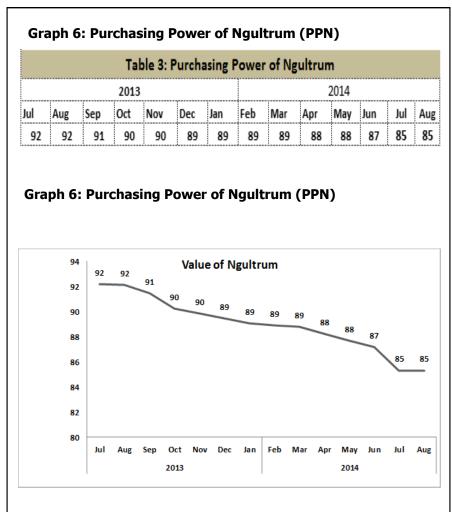
1. Concept and Definition of CPI

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).

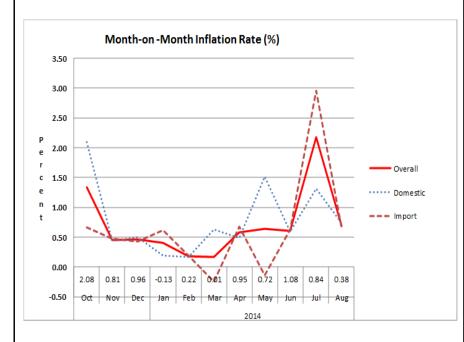
11



The PPN, as measured by CPI was 85 Ngultrum as of August 2014. This means, Ngultrum 100 in August 2014 is worth only Ngultrum 85 at December 2012 prices. The PPN has decreased by 8 percent in the past 12 months (i.e. from August 2013 to August 2014)due to price rise in the economy.

| | | | | | | ndex (De | ndex (December 2012=100 | 2012=10 | (0 | | | | | | | | Percer | Percent Change(%) | e(%) | | | |
|------------------------------------|---------|--|--------|--------|---|----------|---------------------------|---------|--------|---------|---|----------|---------|---------|------|-------|--------|--------------------|-------|---------|------|-----------|
| | | | 2(| 2013 | | | | | 2014 | | | | | 2013 | | | | | 2014 | | | |
| Group | Weights | Sep | ğ | Nov | Dec | Feb | Mar | Apr | May | nıl | P | Aug | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | nı | Jul Aug |
| Food | 39.92 | 111.17 | | 114.40 | 113.48 114.40 115.49 | 115.60 | 115.60 | 116.71 | 117.54 | 118.81 | 119.80 | 120.25 | 2.08 | 0.81 | 0.96 | -0.13 | 0.22 | 0.01 | 0.95 | 0.72 | 1.08 | 0.84 0.38 |
| Non-Food | 60.08 | 108.40 | | 109.30 | 109.06 109.30 109.44 110.45 | 110.45 | 110.75 | 1111 | | 112.10 | 111.77 112.10 115.54 | 116.56 | 0.61 | 0.22 | 0.13 | 0.77 | 0.15 | 0.27 | 0.33 | 0.59 (| 0.30 | 3.07 0.89 |
| Overall | 100 | 109.34 | 110.80 | 111.31 | 1 111.82 | 112.48 | 112.66 | 113.31 | 114.04 | 114.73 | 3 117.22 | 118.02 | 1.34 | 0.46 | 0.46 | 0.41 | 0.18 | 0.16 | 0.58 | 0.64 (| 0.61 | 2.17 0.68 |
| Purchasing Power of Ngultrum (Nu.) | (| 91 | 6 | 8 | 89 | 68 | 68 | 88 | 88 | 87 | 85 | 85 | | | | | | | | | | |
| | | | | | | | | Table 8 | : Mont | h-on-h | Table 8: Month-on-Month Index : Domestic | ndex : L | omest | .0 | | | | | | | | |
| | | | | | Index (December 2012=100) | cember | 2012=10 | (0 | | | | | | | | | Percen | Percent Change (%) | (%) | | | |
| | | | 2(| 2013 | | | | | 2014 | | | | | 2013 | | | | | 2014 | | | |
| aroup | Weights | Sept | oct | Nov | Dec | Feb | Mar | Apr | May | nn | In | Aug | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | nıl | Jul Aug |
| Food | 17.15 | 111.34 | 115.58 | 116.92 | 2 118.54 | 117.13 | 117.44 | 117.94 | 118.31 | 119.84 | 120.97 | 121.02 | 3.80 | 1.16 | 1.39 | -0.57 | -0.63 | 0.27 | 0.43 | 0.31 | 1.29 | 0.94 0.04 |
| Non-Food | 30.24 | 106.70 | 107.92 | 107.97 | 107.97 107.97 109.31 110.22 110.80 113.25 113.48 115.22 116.51 | 109.31 | 110.22 | 110.80 | 113.25 | 113.46 | 3 115.22 | 116.51 | 1.14 | 0.04 | 0.01 | 0.62 | 0.62 | 0.83 | 0.52 | 2.21 (| 0.20 | 1.53 1.13 |
| Domestic | 47.39 | 108.36 | 110.63 | 111.12 | 110.63 11112 111.68 112.08 112.78 113.33 115.06 115.74 117.27 118.12 | 112.08 | 112.78 | 113.33 | 115.06 | 115.74 | 117.27 | 118.12 | 2.10 | 0.44 | 0.50 | 0.19 | 0.17 | 0.63 | 0.49 | 1.52 (| 09.0 | 1.32 0.73 |
| | | | | | | <u> </u> | ble 9: I | Month- | on-Mo | onth Pe | Table 9: Month-on-Month Percent Change in the CPI: Import | hange i | n the C | PI: Imp | ц | | | | | | | |
| | | | | | - | ndex (De | Index (December 2012=100) | 2012=10 | (0 | | | | | | | | Percer | Percent Change (%) | ; (%) | | | |
| | | | 2(| 2013 | | | | | 2014 | | | | | 2013 | | | | | 2014 | | | |
| droup | Weights | Sept | ğ | Nov | Dec | 唇 | Mar | Apr | May | nı | P | Aug | oct | Nov | Dec | Jan | Feb | Mar | Apr | May | nf | Jul Aug |
| Food | 22.77 | 110.34 | 111.92 | 112.56 | 111.92 112.56 113.30 114.54 | 114.54 | | 115.93 | 117.13 | 118.22 | 114.35 115.93 117.13 118.22 119.14 119.92 | 119.92 | 1.43 | 0.57 | 0.66 | 0.22 | 0.88 | -0.17 | 1.38 | 1.04 (| 0.93 | 0.78 0.65 |
| Non-Food | 29.84 | 110.14 | 110.23 | 110.68 | 11014 11023 110.68 11096 111.61 111.28 111.43 110.28 110.71 115.86 116.61 | 111.61 | 111.28 | 111.43 | 110.28 | 110.71 | 1 115.86 | 116.61 | 0.08 | 0.41 | 0.25 | 0.92 | -0.33 | -0.30 | 0.14 | -1.03 (| 0.39 | 4.65 0.65 |
| Import | 52 61 | 110 23 110 96 111 40 111 96 112 87 112 60 113 36 113 20 113 90 117 27 118 03 | 110 QG | 111 /0 | 111 05 | 110 07 | 110 60 | 112 26 | 00 011 | 00 011 | | | 700 | 5 | - | | 4 | | | | | |

Graph 2: Month-to-month inflation rate (Overall, Domestic and Imported)



Month-to-Month Inflation

The Month-to-Month inflation for August over previous month of July was 0.68%. Food prices went up by 0.38% and Non-Food has increased by 0.89% over the previous month.

Prices for domestic goods and services increased by 0.73% on average from the previous month with corresponding price increase in food by 0.04% and non-food by 1.13%. Imported inflation recorded an increase of 0.65%. Within the imported category, food prices increased by 0.65% and non-food prices increased by 0.65%.

