

## Pakistan's Inflation Eases for Fifth Consecutive Month:

The monthly rate of inflation eased to 11.8% in May 2024 on a year-over-year basis in Pakistan, marking the lowest annual inflation rate in nearly 29 months. In the previous month (April 2024), the CPI recorded at 17.3% on Y-o-Y basis. Further, the inflation rate dropped for the fifth consecutive month as domestic food supplies improved and fuel costs fell, coinciding with the central bank maintaining interest rates at a record level of 22% for nearly a year. Additionally, the food inflation rates in urban and rural areas decreased to 2.2% and -0.1%, respectively, in May 2024. Moreover, to contain inflation, the SBP has maintained the policy rate at 22% in the last Monetary Policy Committee meeting held on April 29<sup>th</sup>, 2024. Furthermore, the average inflation in Jul-May period of FY24 amounted to 24.5%.

In addition to that, the wholesale price index (“WPI”) stood at 9.9% on a Y-o-Y basis, which was recorded 13.9% in the previous month. This further increases the chances of reducing inflation in the coming months. Whereas, on a monthly basis, the National CPI has recorded a deflation of 3.2%. Similarly, the Food inflation rates in urban and rural areas decreased by 6.3% and 7.4%, respectively, compared to April 2024. lastly, in May 2024, the Core inflation, which is calculated by excluding energy and food items, rose by 12.3% and 17.0% in urban and rural areas on a Y-o-Y basis, respectively.

	YoY	MoM	Jul-May FY24
CPI National	11.80	(3.20)	24.52
Food Inflation (Urban)	2.20	(6.30)	25.30
Food Inflation (Rural)	(0.10)	(7.40)	25.00
WPI	9.90	(2.50)	21.12
Core Inflation (Urban)	12.30	0.40	16.60
Core Inflation (Rural)	17.00	0.50	23.50

*(Source: PBS)*

## CPI OF URBAN AND RURAL AREAS BY GROUP AND ESSENTIAL COMMODITIES:

Essential Goods	Urban				Rural					
	Weightage	% Change over April 2024 (MoM)	% Change over May 2023 (YoY)	Weightage	% Change over April 2024 (MoM)	% Change over May 2023 (YoY)	Weightage	% Change over April 2024 (MoM)	% Change over May 2023 (YoY)	
<b>Food and Beverages</b>	30.42	↑ 7.37	↓ 1.06	40.86	↓ 8.32	↓ 1.47				
Wheat flour	3.01	↓ 20.12	↓ 28.48	3.43	↓ 18.14	↓ 25.82				
Rice	1.18	↓ 2.42	↑ 6.06	1.55	↓ 1.72	↑ 8.79				
Meat	2.04	↑ 4.06	↑ 21.67	1.71	↑ 2.18	↑ 21.01				
Milk fresh	7.10	↑ 0.60	↑ 9.23	10.38	↑ 0.90	↑ 10.65				
Cooking oil	1.10	↑ 1.26	↓ 19.39	0.60	↑ 0.25	↓ 19.95				
Fresh fruits	1.43	↓ 8.06	↓ 18.20	1.45	↓ 11.66	↓ 22.40				
Fresh vegetables	1.53	↓ 51.23	↑ 55.46	2.09	↓ 17.96	↑ 28.22				
Sugar	1.11	↑ 0.59	↑ 19.03	2.02	↑ 0.72	↑ 18.60				
<b>Clothing and footwear</b>	8.00	↑ 0.21	↑ 17.40	9.48	↑ 0.75	↑ 18.69				
<b>Housing, water, Elec. Gas</b>	27.03	↓ 1.20	↑ 40.61	18.48	↓ 1.64	↑ 17.57				
House rent	19.25	↓ 0.00	↑ 5.80	8.61	↑ 0.00	↑ 7.73				
Electricity charges	4.56	↓ 4.50	↑ 58.78	3.44	↓ 4.50	↑ 58.78				
Gas charges	1.08	↑ 0.00	↑ 318.74	-	-	-				
<b>Health</b>	2.31	↑ 2.50	↑ 20.47	3.51	↑ 0.77	↑ 18.39				
<b>Transport</b>	6.14	↓ 1.14	↑ 8.29	5.55	↓ 2.41	↑ 13.94				
<b>Education</b>	4.88	↑ 1.01	↑ 13.54	2.13	↑ 2.76	↑ 24.19				

*(Source: PBS)*