

Mehtab Haider

### **Base year for price statistics through CPI changed to 2015-16**

ISLAMABAD: The government on Thursday reviewed and granted its nod in principle to change the base year from 2007-08 to 2015-16 for publishing price statistics through monthly Consumer Price Index (CPI).

The change of base year means that the PBS will now calculate price increase on basis of increased items and number of cities. Under the new base year, some rural areas have also been included for capturing the data of prices for calculation of CPI based inflation on monthly basis.

The Economic Coordination Committee (ECC) of the Cabinet under chairmanship of Adviser to PM on Finance and Revenue Dr Abdul Hafeez Shaikh has referred the matter to Governing Council of Pakistan Bureau of Statistics (PBS) for approving the change of base year for determining weightage of each item on the basis of consumption pattern in line with the Family Budget Survey done by the PBS.

Minister for Planning Makhdoom Khusró Bakhtiar convened a meeting in the Planning Commission to review the change in base year from 2007-08 to 2015-16 on Thursday in which PTI leader Jehangir Khan Tareen was among the special invitees.

Earlier, a technical committee comprising 30 members, both from public as well as private sector, was constituted to review the methodology for CPI. The technical committee had recommended to change base year for price statistics from 2007-08 to 2015-16 with introduction of Rural Price Index along with urban and National Price Index.

The new base year 2015-16 was approved with features including inclusion of rural markets, introduction of population weights based on recent population census, 2017, computation indices based on weighted geometric mean, introduction of consumption quintiles of income quintiles, introduction of consumer weighted approach to compute gas prices for combined income group and introduction of GST, other taxes, fuel price adjustment to compute electricity tariff using consumer weighted approach.

For the purpose of transparency and consistency, it has been decided that the PBS would continue publishing CPI data on the basis of old and new base year simultaneously for certain period to allow analysts to get actual picture on inflation on monthly basis.