

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. *101

TO BE ANSWERED ON 11.12.2023

Retail Inflation

***101. SHRI SUSHIL KUMAR RINKU:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note that the country's retail inflation is increasing steeply;
- (b) if so, the details of the inflation at the current rate;
- (c) whether the Government has conducted any study to find out the reasons for the increase in inflation;
- (d) if so, the details thereof; and
- (e) the steps taken/being taken by the Government to bring down the level of inflation in the country?

ANSWER

THE FINANCE MINISTER
(SMT NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.101 RAISED BY SHRI SUSHIL KUMAR RINKU FOR 11th DECEMBER, 2023 ON “RETAIL INFLATION”

(a) & (b): India’s retail inflation has declined from an average of 7.1 per cent in April-October 2022 to 5.4 per cent in the corresponding period of 2023. The retail inflation is now stable and within the notified tolerance band of 2 per cent to 6 per cent. A steady decline in core inflation, estimated after removing volatile food and fuel items from retail inflation, has been critical in weakening the inflationary pressure in the Indian economy. The core inflation has declined from 5.1 per cent in April 2023 to 4.3 per cent in October 2023.

(c) & (d): After the notification of the inflation tolerance band in 2016, retail inflation in India has been mostly within acceptable limits. Temporary increases in inflation on a few occasions are caused by demand-supply mismatches arising out of global shocks and adverse weather conditions. Proactive supply side initiatives by the Government and effective demand stabilization measures by the Reserve Bank of India have helped resolve the demand-supply mismatches and to rein in inflation.

(e): The measures taken by the Government to restrain inflation include strengthening of buffers of key food items and making periodic open market releases, easing imports of essential food items through trade policy measures, preventing hoarding through imposition/revision of stock limits, and channelling supplies through designated retail outlets. To ensure food security to the poor, the Pradhan Mantri Garib Kalyan Anna Yojana, providing free food grains to about 81.35 crore beneficiaries, has been extended for a period of five years with effect from 1st January 2024. In October 2023, Government also increased the subsidy under Pradhan Mantri Ujjwala Yojana from Rs. 200 to Rs.300 per 14.2 kg cylinder.
