

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1074
TO BE ANSWERED ON 29.07.2024

Inflation and Financial Health of the Country

1074. SHRI ANIL YESHWANT DESAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that inflation has a negative effect on the financial health of any country,
if so, the details thereof;
- (b) the rate of inflation in the country during the last five years; and
- (c) the details of the steps taken to control inflation in the country?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Persistent high level of inflation in any country can impact its financial health by adversely affecting the domestic cost of funds, credit growth, price competitiveness of exports and purchasing power of population.

(b): Retail inflation rate in India based on Consumer Price Index-Combined for the last five years is given below:

Financial Year	Inflation rate (%)
2019-20	4.8
2020-21	6.2
2021-22	5.5
2022-23	6.7
2023-24	5.4

Source: MoSPI

(c): The steps taken by the Government to control inflation, *inter alia*, include strengthening of buffer stock of essential food items and making periodic open market releases, subsidised retail sale of items like rice, atta and pulses in specified outlets, easing imports of essential food items through rationalization of duties, prevention of hoarding through imposition/revision and monitoring of stock limits and price reduction of petrol, diesel and LPG.
