

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:544

ANSWERED ON:02.03.2007

WHOLESALE PRICE INDEX

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Will the Minister of FINANCE be pleased to state:

- (a) the actual number of commodities for calculation of Wholesale Price Index;
- (b) whether the daily consumable items are also included in these commodities; (
- (c) if so, the name of these commodities alongwith the price hike registered from March, 2004 to January, 2007;
- (d) whether inflation is calculated on the basis of Consumer Price Index; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Sir, there are 435 commodities in the basket used for calculation of the Wholesale Price Index (WPI).

(b) & (c) Of the 435 commodities, 30 commodities with 17.63 per cent weightage in the WPI basket, which are in the nature of daily consumables, have been identified as essential commodities. These include rice, wheat, gram, arhar, potatoes, onions, tea, sugar, mustard oil, groundnut oil, salt, vanaspati, jowar, bajra, moong, masur, urad, milk, fish-inland, mutton, chillies (dry), atta, gur, coconut oil, coking coal, kerosene, long cloth/sheeting, dhoties-sarees & voils, laundry soap and safety matches. The year on year composite WPI based inflation rate of these 30 commodities as on end weeks of March 2004, 2005 and 2006 were 5.65 percent, 3.27 per cent and 6.22 per cent, respectively. As on January 27 of the current year, the inflation rate for this group stands at 4.96 per cent.

(d) Inflation is also calculated on the basis of the Consumer Price Index, namely Consumer Price Index for Industrial Workers (CPI-IW), Consumer Price Index for Agricultural labourers (CPI-AL), Consumer Price Index for Rural Labour (CPI-RL) and Consumer Price Index for Urban Non-Manual Employees (CPI-UNME).

(e) Does not arise in view of (d) above.