

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:319

ANSWERED ON:16.04.2010

INFLATION

Rama Devi Smt. ;Singh Shri Rajiv Ranjan (Lalan)

**Will the Minister of FINANCE be pleased to state:**

(a)whether the inflation has spread from the food sector to the other sectors;

(b)if so, the reaction of the Government thereto;

(c)whether the rise in prices of cement, steel and truck freight charges in the beginning of March, 2010 are indicative of the rise in inflation in the manufacturing sector; and

(d)if so, the reaction of the Government thereto?

**Answer**

FINANCE MINISTER(SHRI PRANAB MUKHERJEE)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 319 due for answer on 16th April, 2010 by Shrimati Rama Devi & Shri Rajiv Ranjan Singh alias Lalan Singh.

The whole sale prices index (WPI) based on year on year inflation for the relevant sectors are given below:

WPI    Weight (%)    Rate of Inflation  
(year on year) (%)

Dec 2009    March 2010

All Commodities	(100.00)	8.10	9.90
Food articles	(15.40)	20.00	16.65
Food products	(11.54)	26.70	16.98
Manufacturing			
sector	(63.75)	5.40	7.13
Cement	(1.73)	(-) 4.20	(-) 3.14
Iron steel	(3.64)	(-) 9.49	1.91
HSD	(2.02)	(-) 0.20	14.99

The above data indicates rate of inflation in all commodities as well as food articles. The rate of inflation in manufacturing sector

during the year, has had some impact on the price index of cement and steel.

The Government monitors the price situation regularly, with price stability being high on its agenda. Measures taken to contain prices of essential commodities include selective ban on exports and futures trading in food grains, zero import duty on select food items, removal of restrictions on licensing, stock limits and movement of food articles under the Essential Commodities Act of 1955, permitting imports of pulses and sugar by public sector undertakings, distribution of imported pulses and edible oils through the PDS and release of higher quota of non-levy sugar.

In addition a Standing Core Group of Chief Ministers and concerned Central Ministers has been constituted on 15th March, 2010 to discuss issues related to prices of essential commodities with Ministry of Agriculture as nodal agency.