

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3315
ANSWERED ON:13.08.2010
VARIATION IN RATES OF INFLATION
Mishra Shri Mahabal

Will the Minister of FINANCE be pleased to state:

- (a) whether the rates of inflation obtaining in rural and urban areas vary;
- (b) if so, the details thereof along with reasons therefor;
- (c) whether the Union Government has ever taken any steps to address the issue;
- (d) if so, the details thereof; and
- (e) the steps proposed to be taken in this direction?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): India has four consumer price indices, CPI for industrial workers (CPI-IW), agricultural labour (CPI-AL), urban non-manual employees (CPI-UNME) and rural labour (CPI-RL). These are specific to a group, or class of consumers. The rate of inflation varies because of the variation in scope and data coverage for both indices. In 2010, year-on year inflation rates of CPI for Urban Non-Manual Employees and CPI for Rural labour are given in table below:

Table: Inflation for price indices (per cent)

2010 CPI-UNME# CPI-RL

JAN 16.90 17.35

FEB 15.83 16.45

MAR 14.90 15.52

APR 14.41 14.96

MAY - 13.68

JUNE - 13.02

Price collection for CPI (UNME) was discontinued with effect from April 2008. As decided by the National Statistical Commission, linked All-India CPI (UNME) numbers are given in Table.

(c) to (e) The National Statistical Commission (2001) has, inter alia, recommended that the CSO compile a single national consumer price index by computing the CPI (Urban) and CPI (Rural) separately and then combining together into an All India Index. CSO has taken initiative to collect data for CPI (Urban) and CPI (Rural). The construction work of CPI-U is at advanced stage.