

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2108

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FOOD INFLATION

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

- (a) whether the inflation rate in India is more in comparison to other developing countries of the world;
- (b) if so, the reaction of the Government thereto;
- (c) whether the inflation rate in China, Russia, Brazil, Indonesia, Bangladesh, Sri Lanka, Thailand etc. was less than India during the bygone period of the current financial year;
- (d) if so, the facts in this regard; and
- (e) the reasons for comparative higher inflation rate in India?

**Answer**

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

(a) to (e) Inflation has been showing varying movements - upward or downward - in the developing countries. The comparative movement of Consumer Price Index (CPI) based inflation rates of India and some other countries particularly other developing countries are given in Table 1 below:

Table 1. Inflation (year-on-year) based on CPI in selective countries (%)

Country    June-2010    June-2009

India#	13.7	9.3
Pakistan	12.7	13.1
Argentina	11.0	5.3
Egypt	10.7	10.0
Venezuela	31.8	27.4
Malaysia	1.7	-1.4
Thailand	3.3	-4.0
Indonesia	5.1	3.7
Brazil	4.8	4.8
China	2.9	-1.7
Russia	5.8	11.9
Sri Lanka	4.8	0.9
Bangladesh##	8.5	5.4

# CPI-IW, ## in April Source: RBI, Economist, IMF and Bangladesh Central Bank

In India, Inflation based on Consumer Price Index for Industrial Workers (CPI-IW) remains in double digit since July, 2009. The reason behind double digit inflation was high food inflation and industrial growth. As a result of the measures taken by Government and continuous decline in food inflation since January, 2010, the inflation in CPI-IW has declined to 13.7 per cent in June, 2010. The Government monitors the price situation regularly, with price stability being high on its agenda.

