

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4510
ANSWERED ON:20.08.2010
EFFECT OF HIKE IN TRUCK RENTALS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has conducted any assessment of the relative hike in food prices due to hike in truck rentals and due to hike in diesel prices; and

(b) if so, the details thereof?

Answer

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

(a) and (b) It is difficult to assess the relative impact on food prices due to recent revision in diesel prices. The diesel prices were revised on 25-06-2010, which reflects in inflation of June, 2010. WPI based year-on-year headline and food inflation relative to diesel oil and contribution to headline inflation of diesel oil from May to July, 2010 is indicated in Table below.

Table: WPI based year-on-year headline and food inflation relative to diesel oil (%) (Contribution to headline inflation of diesel oil - basis points)

Items	Weight%	May-10	Jun-10	Jul-10
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WPI headline y-o-y inflation (%)	100.0	11.14	10.55	9.97
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Movement in High-speed diesel oil inflation and contribution

High-speed diesel y-o-y inflation (%)	2.02	15.77	17.38	14.67
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Its point contribution to headline inflation in basis points	0.61	0.68	0.60	
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Movement in Food Combined Index and Inflation, before and after revision, in diesel prices

Food Combined Index	269.6	269.3	270.4	
	25.43			
Food Combined y-o-y inflation (%)	14.47	12.73	9.63	

Primary food articles and food products in manufactured sector.