

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1527  
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PRICE INDEX  
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**Will the Minister of FINANCE be pleased to state:**

(a) whether a large gap has been found between the Wholesale Price Index (WPI) and Consumer Price Index (CPI) between the years 2004-05 and 2009-10; and

(b) if so, the details thereof alongwith the reasons therefor?

**Answer**

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

(a) & (b) The Wholesale Price Index (WPI) and Consumer Price Index for Industrial Workers (CPI-IW) series are available with different base years. Whereas WPI has 2004-05 as the base year, CPI (IW) series is with 2001 as the base year. In order to make the two series comparable, the CPI-IW has been converted to the same base (2004-05=100), as in the case of WPI. The comparable series from 2004-05 to 2009-10 are given in the table below. It is also pointed out that the WPI and CPI-IW differ in terms of their weighting pattern. While food items have the maximum combined weight of 46.20 per cent in CPI-IW, in WPI its weight is 24.31. The relatively higher gap between the two series in 2009-10, reflected in the table below, is explained by the relatively high food prices in 2009-10, higher weight of food items in CPI (IW) and the actual price difference between wholesale and retail levels.

Wholesale Price Index Consumer Price Index Gap between  
(2004-05=100) for Industrial Workers CPI and WPI  
(2004-05=100) #

2004-05	100.0	100.0	0.0
2005-06	104.4	104.5	0.1
2006-07	111.2	111.6	0.4
2007-08	116.5	118.8	2.3
2008-09	125.9	129.5	3.6
2009-10	130.4	145.5	15.1

# Base converted to 2004-05=100 from original CPI-IW with base 2001=100