

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:870

ANSWERED ON:25.02.2011

**INFLATION**

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

- (a)whether the rise in the prices of essential commodities coupled with spike in general inflation and food inflation is a cause of concern;
- (b)if so, the details of general and sector-wise inflation registered since January 2010, till date alongwith the reasons for such hike in inflation, month-wise;
- (c)whether the Union Government has suggested/given directions to the State Governments to check inflation;
- (d)if so, the details thereof and the follow-up action taken by the State Governments thereon; and
- (e)the other measures taken/proposed to be taken by the Union Government to check inflation and control food price in the country?

**Answer**

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

(a) & (b) The headline WPI and 31 essential commodities inflation rates were 8.23 per cent and 4.11 per cent in January 2011 respectively compared to 8.53 per cent and 24.17 per cent respectively in January 2010. The sectoral breakups of WPI since January 2010 to January 2011 are given in Table below:

Weight WPI All WPI 31

(%) commodity Essential  
(wt.100%) commodities  
(wt.14.60%)

2010

Jan	8.53	24.17
Feb	9.68	21.88
Mar	10.23	18.55
Apr	11.00	15.95
May	10.60	14.59
Jun	10.28	12.87
Jul	10.02	12.66
Aug	8.82	10.55
Sep	8.93	9.55
Oct	9.12	7.67
Nov	8.08	4.72
Dec	8.43	4.52

2011

Jan 8.23 4.11

Weight Primary Articles

(%)

Total PA Food Non-food Minerals  
 (wt.20.12) articles articles (wt.1.52)  
 (wt.14.34) (wt.4.26)

2010

Jan	20.19	20.19	12.72	36.61
Feb	21.73	21.85	14.35	36.28
Mar	22.16	20.65	20.43	37.94
Apr	21.45	20.49	18.08	34.56
May	20.45	21.37	14.76	25.34
Jun	20.14	20.97	15.83	22.08
Jul	19.09	18.48	15.30	31.60
Aug	15.96	14.96	15.81	23.77
Sep	18.17	16.29	20.75	26.77
Oct	18.09	14.64	25.74	29.38
Nov	14.67	10.14	25.50	29.46
Dec	16.46	13.55	22.31	27.69

2011

Jan	17.28	15.65	23.89	17.28
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Weight Fuel & Power  
 (%) (Wt.14.91)

2010

Jan	6.76
Feb	10.16
Mar	13.81
Apr	13.61
May	14.42
Jun	13.92
Jul	13.26
Aug	12.55
Sep	11.06
Oct	11.02
Nov	10.32
Dec	11.19

2011

Jan	11.41
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Manufactured Products  
 (Wt.64.97)

Total Manufactured Manufactured  
 MP Food Non- Food  
 (Wt. 64.97) (Wt. 9.97) (Wt. 55.00)

2010

Jan	4.77	19.16	2.09
Feb	5.20	17.68	2.85
Mar	5.19	15.11	3.33
Apr	6.43	9.09	5.92
May	5.99	7.09	5.77
Jun	5.65	6.13	5.55
Jul	5.73	7.34	5.41
Aug	5.11	4.58	5.21
Sep	4.84	3.62	5.09
Oct	4.99	3.75	5.25
Nov	4.89	1.07	5.70
Dec	4.46	0.35	5.34

2011

Jan 3.75 -1.03 4.79

(c) to (e) The Government monitors the price situation regularly as price stability remains 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, permitting import 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. State Governments are empowered to act against black marketers and hoarders of food items by holding in abeyance the removal of restrictions on licensing, stock limits and movement of food articles under the Essential Commodities Act 1955. In addition, the Government has been rolling back the fiscal stimulus and the Reserve Bank of India has taken policy measures to curb excess liquidity.