

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1065
ANSWERED ON:05.08.2011
EFFECT OF FUEL PRICE HIKE ON WPI
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Will the Minister of FINANCE be pleased to state:

(a) whether the steep hike in prices of diesel, kerosene and cooking gas announced in June this year has driven the inflation into double digit zone; and

(b) if so, the real effect of the fuel price hike in the increase of Wholesale Price Index (WPI) based inflation in the country?

Answer

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

(a) and (b) In June over May, 2011, the overall wholesale price index is calculated to have risen by 0.86 per cent as a result of a direct impact of the price hike in diesel, kerosene and cooking gas (LPG) (by 2.28 %, 4.58% and 3.65% respectively). Overall WPI inflation remained in single digit. The detailed information is given in Table below:

Commodities	Weight (%)	WPI May-2011	WPI Jun-2011	WPI Increase in index In May-11	Inflation (y-o-y) In Jun-11	Inflation (y-o-y)
All commodities	100.00	151.7	153.0	0.86	9.06	9.44
LPG	0.91	128.9	133.6	3.65	-	-
Kerosene	0.74	135.3	141.5	4.58	-	-
Diesel	4.67	153.6	157.1	2.28	-	-