

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:121
ANSWERED ON:01.08.2011
WHOLESALE PRICE INDEX
Paranjpe Shri Anand Prakash

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details including methodology adopted and parameters included in determining Wholesale Price Index (WPI):
- (b) the details of figures of annual rate of inflation based on WPI as compared to last year including price of food articles:and
- (c) the measures proposed to be taken for reducing the inflation especially in respect of food prices and other essential articles?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): The current series of Wholesale Price Index (WPI) with base 2004-05=100 is compiled based on 5482 quotations covering 676 items. It is calculated on the principle of weighted arithmetic mean, with fixed weights which continue for the life span of the series.

(b): The rates of inflation based on monthly WPI for 'All Commodities' and 'Food Articles' during the current and previous year are as follows:

Period	ALL COMMODITIES		FOOD ARTICLES	
	2011	2010	2011	2010
January	9.47	8.68	16.68	20.19
February	9.54	9.65	10.95	21.85
March	9.68	10.36	9.41	20.65
April	9.74	10.88	10.66	20.49
May	9.06#	10.48	8.37#	21.37
June	9.44#	10.25	8.38#	20.97

The Figures are Provisional

(c): Government monitors the price situation regularly as price stability remains high on its agenda. Government has taken various fiscal, administrative and monetary measures to contain inflation. The fiscal measures to contain prices of essential commodities include selective ban on exports, zero import duty on selected food items and adjustment in the export price to regulate exports, particularly, the onions, from time to time. Reserve Bank of India has used the monetary policy tools to contain inflation and anchor inflationary expectations. It has revised the repo rates from 4.75% in March, 2010 to 8% in July, 2011. Government has also constituted Inter Ministerial Group (IMG) to review the overall inflation situation with particular reference to primary food articles.