

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

UNSTARRED QUESTION NO:870

ANSWERED ON:19.03.2012

WPI

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

- (a) the details of Wholesale Price Index (WPI) of food articles and their weights in urban and rural areas during the current financial year, month-wise;
- (b) the details including methodology adopted and parameters included in determining WPI;
- (c) whether the Cabinet Committee on Economic Affairs has prohibited the weekly release of food inflation rate and decided to release WPI based monthly data; and
- (d) if so, the details thereof along with the measures proposed to be taken for reducing the inflation especially in respect of food prices and other essential articles ?

Answer

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

(a): The details of All India WPI for Food Articles from April, 2011 to February, 2012 are given in the following Table. WPI is compiled on All India basis and no separate indices for urban and rural areas are estimated.

SUB GROUP Weight Apr-11 May-11 Jun-11 Jul-11 Aug-11 Sep-11 Oct-11 Nov-11 Dec-11 Jan-12 Feb-12

FOOD ARTICLES 14.337 186.8 186.3 188.8 192.8 193.7 197.2 199.3 196.5 190.9 191.4 192.3

Figures are provisional.

(b): 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 during the life span of the series.

(c) & (d): The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 24th January, 2012 directed that WPI may be released on a monthly basis. Government monitors the price situation regularly and it has taken appropriate action such as fiscal, administrative and monetary measures to contain high rate of inflation especially for food and essential goods. These include temporary ban on exports, zero import duty and stipulation of minimum export price to regulate exports of selected items from time to time. Government also makes additional allocations of rice, wheat, pulses and edible oils through State Governments/ UTs, when required. Reserve Bank of India (RBI) has used the monetary policy tools to contain inflation and anchor inflationary expectations. Government has also constituted Inter Ministerial Group to review the overall inflationary situation with particular reference to primary food articles.