

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:2402
ANSWERED ON:27.08.2012
CALCULATION OF CPI
Pal Shri Jagdambika

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the method evolved by the Government to calculate various Consumer Price Indices;
- (b) the respective weights assigned to various items on the list of commodities included in the indices;
- (c) whether services like education, health/medicine, transportation are also included in the Consumer Price Indices;
- (d) if so, the details and the weight assigned to respective services; and
- (e) the extent upto which weightage of services on the CPI has increased?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a): The Labour Bureau has been compiling and maintaining three different series of Consumer Price Index numbers viz. (i) Consumer Price Index Numbers for Industrial Workers (CPI-IW) on base 2001=100, (ii) Consumer Price Index Numbers for Agricultural Labourer on base 1986-87=100, (iii) Consumer Price Index Numbers for Rural Labourer on base 1986-87=100.

These index numbers measure a temporal change in prices of fixed basket of goods and services consumed by the target groups and are compiled on the basis of the prices of selected goods and services which are collected every week/month and the weights assigned to them. Weights to the selected items are assigned on the basis of the expenditure incurred on them as revealed by the surveys conducted for the purposes.

The index numbers for centre/state are compiled in several stages i.e. Sub-group, Group and General level. These centre/state level indices are then weighed to work out all-India indices.

(b): The weights (Group / Sub-group wise) under Consumer Price Index for Industrial Workers on base 2001=100 and Consumer Price Index Numbers for Agricultural Labourer / Rural Labourer on base 1986-87=100 are given at Annexure.

(c)&(d): Yes Madam, the services like education, health/medicine, transportation are included in the compilation of all three Consumer Price Index Numbers. The details of the weights assigned to services like education, health/medicine, transportation, etc. are given in Annexure.

(e): There is substantial increase in the weights attached to services like education, health/medicine, transportation in successive series of Consumer Price Index number for Industrial Workers which is revealed from the statement given below:

1. Consumer Price Index numbers for Industrial Workers on base 2001=100

Group/Sub-group	Weights Base 1982=100	Weights Base 2001=100	Percentage increase/ decrease
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Medical Care	2.59	4.56	76.06
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Education, Recreation & Amusement	3.14	6.18	96.82
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Transport & Communication	2.65	4.87	83.77
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Personal Care 3.31 4.22 27.49
& Effects

2. For Consumer Price Index Numbers for Agricultural Labourer/Rural Labourer on base 1986-87=100, there was no separate sub-groups in respect of Education, Health / Medicine and Transportation in the previous series i.e. 1960-61=100. However, the weights assigned to them during the current series i.e. 1986-87=100 are as under:

Group/Sub-groups Weights
AL RL

Medical Care 4.38 4.23

Education, 0.94 0.99
Recreation
& Amusement

Transport & 1.67 1.80
Communication

Personal Care 2.04 2.28
& Effects