

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

UNSTARRED QUESTION NO:4437

ANSWERED ON:22.04.2013

WHOLESALE PRICE INDEX

Jaiswal Shri Gorakh Prasad ;Laguri Shri Yashbant Narayan Singh

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

- (a) the details of rate of inflation based on Wholesale Price Index (WPI) during the last year and the current year;
- (b) the criteria and process laid down for estimating the rate of inflation on the WPI;
- (c) whether the said rate of inflation based on the WPI does not reflect properly the inflation prevailing in the country; and
- (d) if so, the reaction of the Government thereto along with the corrective steps taken in this regard?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI ANAND SHARMA)

(a): The details of rate of inflation based on WPI (Base 2004-05) for all commodities, and Major Groups/ Sub Groups for 2011-12 and 2012-13 are at Annexure.

(b): The inflation rate based on WPI for a month is calculated with reference to the corresponding month of previous year.

(c): WPI measures the average price movement over time for a fixed basket of goods. WPI is a weighted average of relative prices. The current series of WPI, with base 2004-05=100 consists of 676 items, classified into three major groups, viz. Primary Article (102 items), Fuel & Power (19 items) and Manufactured Products (555 items). Inflation computed on the basis of WPI captures price movements in a most comprehensive way.

(d): In view of reply to (c) above, does not arise.