

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

UNSTARRED QUESTION NO:4441

ANSWERED ON:22.04.2013

WIDE GAP BETWEEN WPI AND CPI

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

- (a) whether a new Consumer Price Index (CPI) is being prepared by the Government;
- (b) if so, the extent of additional benefits this system is expected to yield;
- (c) whether a big gap has been found between Wholesale Price Index (WPI) and Consumer Price Index (CPI) in the country in the recent past;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the corrective measures taken by the Government in this regard?

**Answer**

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a) & (b) Yes Madam. The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has been bringing out the new Consumer Price Indices (CPI) on base 2010=100 with effect from January, 2011.

The existing CPI for Industrial Workers, Agricultural Labourers and Rural Labourers brought out by the Labour Bureau reflect change in price level of goods and services consumed by these specific population segments. The new series is broad based and covers the entire rural and urban population. Therefore, the CPI released by the CSO reflects change in prices more comprehensively.

(c) & (d) A statement showing the WPI with base 2004-05 and CPI with base 2010 is given in the Annexure.

Differences between various price indices occur due to the methodology and composition followed in the computation of the index. The gap between WPI and CPI may also be explained by the fact that the WPI indicates the price changes of wholesale transactions of a basket of commodities, whereas the CPI measures the changes in retail prices of goods and services. Additionally, the difference also lies in the base year adopted, the commodity basket selected, coverage, etc.

(e) The Base year, commodity basket and their weights are revised periodically for these indices to better reflect the price changes.