

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:238  
ANSWERED ON:06.12.2013  
RATE OF INFLATION  
Naranbhai Shri Kachhadia

**Will the Minister of FINANCE be pleased to state:**

- (a) the rate of inflation in the month of August and September, 2013 in the country;
- (b) the criterion for measuring inflation in the country;
- (c) whether retail prices of food items have gone up steeply during the last few months in spite of Wholesale Price Index (WPI) going down;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps being taken by the Government to contain inflation in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) The year-on-year rate of inflation based on wholesale and various retail price indices in the country for August and September, 2013 is given below:

Indices	Based on wholesale prices		Based on retail prices			
	WPI		CPI-IW	CPI-RL	CPI-AL	CPI-NS
Base	2004-05		2001	1986-87	1986-87	2010
Aug-13	6.99		10.75	12.89	13.21	9.52
Sep-13	6.46 P		10.70	12.44	12.78	9.84

P: Provisional

(b) The Wholesale Price Index (WPI) captures inflation at the overall economy level while Consumer Price Index (CPI) captures the impact of price rise for consumers as a class. Wholesale Price Index and Consumer Price Index are aimed at capturing prices of different commodity baskets with different weighting diagram and at different stages of marketing. Hence the two series of price indices need not always move in tandem. Different price indices like the Consumer Price Index for Industrial Workers (CPI-IW), Consumer Price Index for Rural Labourers CPI(RL), Consumer Price Index for Agricultural Labourers CPI(AL) and Consumer Price Index- New Series (CPI-NS) are being compiled to meet the requirements of specific sections of population consuming different commodities and services.

(c) & (d) Food inflation remained in double digits during the last few months for different price indices.

Table: Food inflation in WPI and CPIs (Per cent)

Indices	WPI	CPI-IW	CPI-RL	CPI-AL	CPI-NS
Weight of food (%)	24.31	46.20	66.77	69.15	47.60
Aug-13	13.29	13.91	14.02	14.22	11.06
Sep-13	12.47 P	13.36	13.08	13.27	11.44
Oct-13	12.43 P	15.02	13.11	13.62	12.44 P

P: Provisional

(e) Government and Reserve Bank of India (RBI) monitor the price situation regularly, as price stability remains high on their policy agenda. Various fiscal, monetary and administrative measures have been taken to reduce inflation. Some of the specific measures in place include: reducing import duties for wheat, onion, pulses and refined edible oils; banning export of edible oils and pulses; imposing stock limits from time to time in the case of select essential commodities; maintaining the Central Issue Price (CIP) for rice

(at Rs 5.65 per kg for BPL and Rs.3 per kg for AAY) and wheat ( at Rs 4.15 per kg for BPL and Rs 2 per kg for AAY) since 2002; suspending futures trading in rice, urad and tur; fixing the Minimum Export Price (MEP) of onion at USD 1150 per MT and allocating 1,95,000 tonnes of rice and 3,27,000 tonnes of wheat for distribution to retail consumers under Open Market Sales Scheme (Domestic) for the period upto March, 2014.