

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:432
ANSWERED ON:20.11.2009
INFLATION RATE
Rathod Shri Ramesh

Will the Minister of FINANCE be pleased to state:

- (a) the rate of inflation registered during the last six months;
- (b) the reasons for rise or fall in inflation rate during the same period;
- (c) whether the Government has proposals to change the existing system for assessment of the inflation rate;
- (d) if so, the details thereof;
- (e) whether the Government has taken any decision to announce the inflation rate on monthly basis instead of weekly; and
- (f) if so, the details thereof and reasons therefor?

Answer

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

(a) The following are the annual rates of inflation, year-on-year basis, registered during the last six months based on Wholesale Price Index (WPI) with base 1993-94.

May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09
1.38	-1.01	-0.67	-0.17	0.50	1.34

(b) The reasons for negative inflation during June 2009 to August, 2009 was decrease in the domestic prices of fuel group and non-food commodities (metal, etc.) and effect of higher statistical base of Wholesale Price Index during the corresponding months of last year.

(c)&(d) There is no proposal to change the existing system for the assessment of inflation rate.

(e)&(f) Government has decided to release WPI inflation on a monthly basis to address the issue of low response rate in the manufactured products included in the WPI which has weight of 63.75 per cent.