

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

UNSTARRED QUESTION NO:1618
ANSWERED ON:30.11.2009
CALCULATION OF WPI
Paranjpe Shri Anand Prakash

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

- (a) Whether the present Wholesale Price Index (WPI) showing negative inflation is contrary to the ground realities of prices;
- (b) If so, whether there is rethinking in the matter of collecting data for wholesale price index; and
- (c) If so, the details thereof alongwith the basis on which the wholesale price index is calculated?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): The annual rate of inflation, based on WPI, became negative during the months of June, July and August 2009. Negative inflation during this period was both because of the base effect and because of decline in the prices of petroleum products and some manufactured products. WPI and rate of inflation from April 2009 to October 2009 for three Broad Groups is indicated below:

Wholesale Price Index (WPI) and Inflation for Broad Groups from April 09 to October09

Weight	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09
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Wholesale price Index (1993-94=100)

All Commodities	100	231.5	234.3	235	238.4	240.8	242.7	242.2
I. Primary Articles	22.02	254.4	257.2	259.8	266.6	269.2	275.8	273.4
II. Fuel, Power, Light & Lubricants	14.23	323.4	325.7	327.5	338.2	342.9	344.6	345.0
III. Manufactured Products	63.75	203.0	205.9	205.8	206.4	208.1	208.6	208.5

Rate of Inflation (per cent)

All Commodities	100	1.31	1.38	-1.01	-0.67	-0.17	0.50	1.34
I. Primary Articles	22.02	6.62	6.32	6.52	7.20	7.98	9.36	8.71
II. Fuel, Power, Light & Lubricants	14.23	-5.69	-6.14	-12.53	-10.34	-9.26	-8.18	-6.55
III. Manufactured Products	63.75	1.75	2.18	0.64	0.05	0.10	0.29	1.36

Note: Figures of September 2009 and October 2009 are provisional

(b) & (c): The current series of WPI with base year 1993-94 continues to be compiled based on 1918 quotations covering 435 commodities. Number of items and quotations covered for broad groups along with their weights in the Wholesale Price Index (WPI) [Base: 1993-94 = 100] is given below:

Description	Weight (%)	Number of items	Number of quotations
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All Commodities	100.00	435	1918
I. Primary Articles	22.02	98	455
II. Fuel, Power, Light & Lubricants	14.23	19	72
III. Manufactured Products	63.75	318	1391

