

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1277
ANSWERED ON:18.07.2014
COMPARATIVE DATA ON INFLATION
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has comparative data on inflation vis-a-vis the other Asian countries; and
(b) if so, the details thereof along with the reaction of the Government thereon?

Answer

FINANCE MINISTER (SHRI ARUN JAITLEY)

- (a) The average annual inflation in terms of consumer price index (CPI) for Asian countries are given in Table 1 below:

Table 1: CPI inflation rates (per cent)

S.
No. Countries 2012 2013

1	China	2.6	2.6
2	Korea	2.2	1.3
3	India	10.2	9.5
4	Pakistan	11.0	7.4
5	Sri Lanka	7.5	6.9
6	Indonesia	4.0	6.4
7	Malaysia	1.7	2.1
8	Thailand	3.0	2.2

Source: World Economic Outlook, April 2014, IMF.

- (b) The differences in inflation rate in Asian countries may be on account of several factors viz; composition, base, weights of the respective CPI basket, the structure of the economy, resource endowments, the distribution of income etc. The high CPI inflation in India owes to higher weight for the food basket (about 50 per cent) as against 14 per cent and 32 per cent weights for Korea and China, respectively. Government is closely monitoring the situation and taking measures on an ongoing basis to bring down inflation. Some of the specific measures announced in the Union Budget 2014-15 to bring down inflation on a sustainable basis inter alia include: laying emphasis on bringing technology driven second green revolution with focus on higher productivity and "Protein revolution"; establishing a Price Stabilization Fund to mitigate the risk of price volatility in the agriculture produce; accelerating the setting up of a National Market with the Central Government working closely with State Governments to re-orient their respective APMC Acts., so as to provide for the establishment of private market yards/ private markets; encouraging the state governments to develop farmers' markets in towns to enable the farmers to sell their produce directly; restructuring FCI on priority basis and reducing transportation and distribution losses and improving efficacy of the public distribution system; developing indigenous cattle breeds and initiating a blue revolution in inland fisheries through allocations of Rs. 50 crore each for 2014-15.