

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:74

ANSWERED ON:27.02.2015

INFLATION

Chandumajra Shri Prem Singh;Kothapalli Smt. Geetha

Will the Minister of FINANCE be pleased to state:

- (a) the rate of inflation reported during the period from March 2014 to January 2015 based on Wholesale Price Index (WPI) and Consumer Price Index (CPI);
- (b) whether the inflation during the last few months has shown a declining trend;
- (c) if so, the details thereof along with the domestic and global reasons therefor; and
- (d) the remedial measures taken/being taken by the Government to curb inflation particularly food inflation?

Answer

FINANCE MINISTER(SHRI ARUN JAITLEY)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 74 BY SHRI PREM SINGH CHANDUMAJRA AND SHRIMATI KOTHPALLI GEETHA DUE FOR ANSWER ON FEBRUARY 27, 2015

(a) The rate of inflation reported during the period from March 2014 to January 2015 based on Wholesale Price Index (WPI) and Consumer Price Index (CPI) is given below:

Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-15	
WPI	6.0	5.5	6.2	5.7	5.4	3.9	2.4	1.7	-0.2	0.1	-0.4
CPI	8.3	8.6	8.3	7.5	8.0	7.7	6.5	5.5	4.4	5.0	5.1

Note: 1. The figures for last two months are provisional.

2. CPI inflation from March to Dec 2014 is in terms of CPI-New series (base 2010) and for January 2015 is in terms of CPI-New series (base 2012).

(b) Both WPI and CPI inflation showed a downward trend from June 2014 with the exception of slight increase in December 2014. Central Statistics Office (CSO) has revised the base year of CPI from 2010 to 2012. CPI inflation in terms of the revised series stood at 5.1 per cent in January, 2015.

(c) The major domestic reasons for decline in inflation are tight monetary policy, release of food grain stocks by the government in the open market and measures taken to improve availability of onion and potato in domestic market. The global factors resulting in moderation of inflation are decline in crude prices, decline in prices of other tradeable global commodities, particularly edible oils.

(d) Government took a number of measures to curb inflation, particularly food inflation. Some of the major steps taken by the Government are:

Higher allocation of rice to BPL and APL families in states and, higher allocation of wheat under Open Market Sales Scheme (Domestic) for 2014-15;

Moderation in increases in the Minimum Support Prices during the last and current season;

Advisory to the states to allow free movement of fruits and vegetables by delisting them from the APMC Act;

Restrictions on hoarding and exports of onions and potatoes.