

Parameters for measuring inflation

†961. SHRI NARESH AGARWAL: Will the Minister of FINANCE be pleased to state:

- (a) whether there is any practical parameter to measure the inflation;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the reasons for the gap between Government's data on rate of inflation and actual rate of inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Inflation is measured in terms of price indices. There are two comprehensive or all-sector price indices for measuring inflation. Inflation in prices of commodities traded at wholesale level is measured by Wholesale Price Index (WPI) and inflation in prices of goods and services traded at retail level are measured by Consumer Price Index (CPI). While the WPI is compiled/released by Department of Industrial Policy and Promotion, the CPI is compiled/released by Central Statistics Office under Ministry of Statistics and Programme Implementation. In addition, there are inflation measures specific to certain sectors. These are price indices like CPI-Industrial Workers (IW), CPI-Agricultural Labourers (AL) and CPI-Rural Labourers (RL). These are compiled/released by Labour Bureau under Ministry of Labour and Employment.

(c) These indices reflect actual rate of inflation only. The difference in the inflation rate reflects (1) the level of transaction, *i.e.*, whether wholesale or retail, at which the prices are collected, (2) the base year of the price indices, (3) the basket of goods and services for which the prices are taken for computing the indices, (4) the weights assigned to different goods/services, or, weighting pattern, used for computing the indices, and (5) the sector covered by the price index.

Diversion of agricultural credit

962. SHRI NARESH GUJRAL : Will the Minister of FINANCE be pleased to state:

- (a) the estimated quantum of subsidized agricultural credit allegedly being diverted for non-agricultural purposes; and
- (b) the corrective measures taken or being taken by Government or RBI to address the issue?

† Original notice of the question was received in Hindi.