

**Target on containing inflation set by RBI**

\*254. SHRI DEVENDER GOUD T.: Will the Minister of FINANCE be pleased to state:

(a) what are the reasons due to which retail inflation has gone up to nearly 6 per cent recently;

(b) whether higher retail inflation has been impacted by the rate cut by RBI;

(c) how the Ministry is planning to maintain the target of 5 per cent inflation set by the RBI for 2016-17; and

(d) the remedial measures taken/proposed to be taken to contain inflation in the country?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (d) Inflation in terms of the latest Consumer Price Index (combined) for the month of June 2016 was 5.8 per cent. The increase in overall inflation and food inflation in particular was mainly on account of rise in the prices of pulses, vegetables and sugar. Pulses and Sugar Prices have increased due to lower production during 2015-16 and the current spike in vegetables prices is seasonal. The prevailing retail inflation has not been impacted by the last RBI rate cut as the uptick in inflation is mainly driven by supply side constraints.

As per the revised Monetary Policy Framework, the Government has fixed the inflation target of 4 per cent with tolerance level of +/-2 per cent for the period beginning from 5th August, 2016 to March 31, 2021. If the average inflation is more than or lower than the prescribed tolerance level for three consecutive quarters, it would mean a failure to achieve the inflation target. RBI shall set out a report stating the reasons for failure to achieve the inflation target, remedial actions proposed to be taken by it and estimate of the time period within which the inflation target shall be achieved pursuant to the timely implementation of proposed remedial actions. In order to bring down the inflation, the Government has been holding regular review meetings on price and availability situation at the highest level including at the level of Finance Minister, Committee of Secretaries, Inter-Ministerial Committee and Price Stabilization Fund Management Committee. The Government has already taken a number of measures to control inflation. The steps taken, *inter alia*, include, (i) increased allocation of ₹ 900 crore for Price Stabilization Fund in the budget 2016-17 to check volatility of prices of essential commodities, in particular of pulses. (ii) decision to create buffer stock of pulses through domestic procurement and imports; (iii) announced higher Minimum Support Prices so as to incentivize

production; (iv) issued advisory to States/UTs to take strict action against hoarding and black marketing under the Essential Commodities Act 1955 and the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980; (v) imposed 20 per cent duty on export of sugar; and (vi) imposed minimum export price (MEP) of US\$ 360 per tonne on potato to increase domestic availability and control prices. All these steps would help to ensure that CPI inflation would remain within the target during 2016-17

### **Mandatory bar-coding of drugs**

\*255. SHRIMATI AMBIKA SONI: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government proposes to make bar-coding mandatory for all drugs sold at retail shops in India to ensure patients' safety and curb flow of fake drugs;

(b) if so, the details thereof and the timeline given to the drug companies to comply with it;

(c) whether the technology would help curb trade of spurious drugs into the country, if so, the details thereof;

(d) the progress made to check genuine medicines by way of texting unique number; and

(e) the number of companies which have followed this procedure and why it did not take off and the details thereof?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI JAGAT PRAKASH NADDA): (a) and (b) The Ministry of Health and Family Welfare had, with a view to establish trackability and traceability of drugs, issued a draft notification on 03.06.2015 to make barcoding compulsory on the Primary, Secondary and Tertiary packs to be marketed in the country and invited objections and suggestions from the stakeholders. The notification was, however, not finalized keeping in view the reservations expressed by manufacturers including with regard to the high cost of barcoding and technical difficulties in printing barcodes on primary packs.

(c) to (e) Technology will definitely help to a large extent to reduce the extent of 'Not of Standard Quality' drugs and enhance their trackability and traceability. Some of the larger companies have started barcoding on Secondary and Tertiary packs for export purposes.

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