

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 538
DUE FOR ANSWER ON 07.02.2023

Wholesale Price-based Inflation

538 SMT. RAJANI ASHOKRAO PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether Wholesale Price-based Inflation (WPI) rose to a record high of 10.70 per cent in September 2022 due to rising prices of food items and crude oil;
- (b) whether the WPI inflation has remained in double-digit for the 21st consecutive month since April 2021 and has been in the upper trajectory for three straight months;
- (c) if so, the reasons therefor;
- (d) whether retail inflation in September 2022 was 7.04 per cent, remaining above the Reserve Bank's inflation target for the fifth straight month; and
- (e) if so, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Wholesale price inflation rate declined from a peak of 16.63 per cent in June 2022 to 10.55 per cent in September 2022 and to 4.95 per cent in December 2022. At the same time, the WPI-based 'food inflation' and 'fuel & power' inflation rate declined for the same period.

(b) to (e): Wholesale price inflation rate has remained double-digit for 18 consecutive months from April 2021 to September 2022 and has been decreasing since May 2022. Consumer Price Index-Combined (CPI-C) based retail inflation stood at 7.41 per cent in September 2022. Thereafter it started declining and reached 5.88 per cent in November 2022, and subsequently 5.72 per cent in December 2022, which are within Reserve Bank's inflation target of 6 per cent.

Soaring commodity prices at the international level and pandemic-induced supply-demand imbalances have caused a rise in the inflation rate worldwide, including in India. The Russia-Ukraine conflict has exacerbated the inflationary pressures in crude oil, edible oils (sunflower) and metals. Recently, with the easing of global commodity prices and weather extremities in India, retail and wholesale inflation declined.
