

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 377
TO BE ANSWERED ON 06.02.2024

RETAIL AND WHOLESALE INFLATION RATE IN THE COUNTRY

377. Dr. KANIMOZHI NVN SOMU:

Will the Minister of FINANCE be pleased to state:

- a) the retail and wholesale inflation rate in the country at present;
- b) whether these inflation rates have been hovering high during the last few years and if so, the details thereof and the reasons therefor;
- c) whether Government is aware that the Indian economy is gripped by an unprecedented inflation resulting from the rise in the prices of petroleum products, food and manufactured articles and if so, the details thereof and the reaction of Government thereto; and
- d) the steps taken by the Union Government to check the price rise and to contain inflation rate?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The retail inflation rate based on Consumer Price Index-Combined was 5.7 per cent in December 2023 which was within the target band of 2 per cent to 6 per cent notified by the Government. The wholesale price inflation rate was only 0.7 per cent in December 2023.

(b): The Covid-19 pandemic and repeated global disturbances exerted an upward pressure on prices. Despite this, the average retail inflation rate and wholesale inflation rate during the last five years, i.e., from 2018-19 to 2022-23, could be contained at 5.3 per cent and 5.9 per cent respectively, which were within the target band notified by the Government.

(c): The wholesale and retail prices of petrol, diesel and LPG were lower during 2023-24 (April-December), compared to the same period of the previous year. The wholesale inflation on manufactured items was only (-) 1.9 per cent during 2023-24 (April-December). Temporary increases in food inflation are caused by demand-supply mismatches arising out of global shocks and adverse weather conditions. The Government has taken timely and proactive initiatives that have helped to resolve the demand-supply mismatches and to rein in inflation.

(d) The steps taken by the Government to contain inflation included strengthening buffers of key food items and making periodic open market releases, easing imports of essential food items through trade policy measures, preventing hoarding through imposition/revision of stock limits, channeling supplies through designated retail outlets, and, increasing the targeted subsidy of LPG for Pradhan Mantri Ujjwala Yojana beneficiaries. To ensure food security to the poor, the Pradhan Mantri Garib Kalyan Anna Yojana, providing free food grains to about 81.35 crore beneficiaries, has been extended for a period of five years with effect from 1st January 2024.
