

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1479
ANSWERED ON 20.12.2022

SURGE IN CPI INDEX

1479. SHRI RAGHAV CHADHA:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that combined Consumer Price Index (CPI) rose to 7.41 per cent in September;
- (b) the reasons as to why rural CPI is increasing marginally more than the urban CPI;
- (c) the steps taken by Government to check rural CPI;
- (d) the reasons as to why the Consumer Food Price Index (CFPI) is constantly surging and has gone up to 8.6 per cent year-on-year in October; and
- (e) the steps taken by the Ministry to check surging retail inflation and food inflation?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): Rural retail inflation based on consumer price index stood at 7.56 per cent in September 2022, which is marginally higher than 7.27 per cent in urban retail inflation. The 'clothing and footwear' and 'pan, tobacco and intoxicants' groups have higher rural retail inflation than urban retail inflation in September 2022. Also, these two components have higher weightage in rural CPI than urban CPI. Hence, rural CPI was marginally higher than urban CPI.

(c) to (e): 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 edible oils (sunflower). Further, the onset of heat waves and uneven rainfall in the later part of the monsoon season has led to crop damage and a rise in vegetable prices. With the easing global commodity prices and weather extremities in India, the Consumer Food Price Inflation (CFPI) has declined from 8.6 per cent in September 2022 to 7.01 per cent in October 2022 and 4.67 per cent in November 2022.

The price situation of major essential commodities is monitored by the Central Government on a regular basis and corrective action is taken from time to time. Several supply-side measures have been taken by the Government to address inflation. These include inter alia, reduction in excise duty by Rs. 8 per litre on petrol and Rs. 6 per litre on diesel on May 21, 2022, prohibition of export of wheat products under HS Code 1101, imposition of export duty on rice, reduction in import duties and cess on pulses, rationalization of tariffs and imposition of stock limits on edible oils and oil seeds, maintenance of buffer stock for onion and pulses, the inclusion of soya meal as an essential commodity in the schedule of the Essential Commodities Act, 1955 and imposition of a stock limit on soya meal.
