

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2902
TO BE ANSWERED ON 07.08.2023

Retail Inflation

2902. SHRI NALIN KUMAR KATEEL, SHRI D.K. SURESH and SHRIMATI SUMALATHA AMBAREESH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the country's retail inflation is increasing steeply;
- (b) if so, the details of the inflation at the current rate;
- (c) whether the Government has conducted any study to find out the reasons for the increase in inflation;
- (d) if so, the details thereof; and
- (e) the steps taken/being taken by the Government to bring down the inflation level in the country?

ANSWER

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

(a) & (b): Retail Inflation, indicated by Consumer Price Index (Combined), averaged 4.6 per cent during the first quarter of 2023-24 (April-June 2023), which was lower than the inflation of 6.2 per cent recorded during the last quarter of the previous year (January-March 2023). Retail Inflation stood at 4.8 per cent in June 2023.

(c) & (d): The Government is monitoring the retail and wholesale prices of 22 essential food commodities submitted by the 536 price monitoring centres across the country. Prices of essential food commodities get affected by several factors, such as mismatch in demand and supply, seasonality, supply chain constraints, rise in international prices, etc. Sometimes, slight disruptions in supply chain or damage due to heavy rains lead to spike in prices of agricultural commodities.

(e): Government has taken various measures to augment domestic availability and stabilize the prices of essential food items. These steps, *inter-alia*, include releases from the buffer stock, imposition of stock limits, monitoring of stocks declared by entities to prevent hoarding as also requisite changes in trade policy instruments like rationalization of import duty, changes in import quota, and restrictions on exports of specific commodities. Besides, in order to control core (non-food, non-fuel) inflation, the Government has, from time to time, calibrated the import duty and excise duty on specified key inputs.