GOVERNMENT OF INDIA MINISTRY OF FINANCE DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA UNSTARRED QUESTION NO. 3335 TO BE ANSWERED ON DECEMBER 09, 2019

RBI INFLATION INDEX AND CONSUMER PRICE INDEX

†3335. SHRIMATI POONAMBEN MAADAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether on the basis of wholesale price index, there is a vast difference between RBI's inflation index and consumer price index;
- (b) if so, the reasons therefor;
- (c) whether there has been reduction in inflation and increase in consumer price as per the said index; and
- (d) if so, the reaction of the Government thereto?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR)

(a) to (d): The Consumer Price Index-Combined (CPI-C) and Wholesale Price Index (WPI) inflation during the current financial year may be seen below in Table:

| | 2019-20 (in per cent) | | | | | | |
|---------------|------------------------|-----|------|------|--------|-----------|---------|
| | April | May | June | July | August | September | October |
| CPI-Combined | | _ | | | _ | - | |
| Inflation | 3.0 | 3.0 | 3.2 | 3.2 | 3.3 | 4.0 | 4.3 |
| WPI Inflation | 3.2 | 2.8 | 2.0 | 1.2 | 1.2 | 0.3 | 0.2 |

Source: Ministry of Statistics and Programme Implementation, Ministry of Commerce & Industry

The difference in the WPI and CPI inflation is inter-alia, on account of difference in scope, composition of item basket, weighting diagrams and price quotations of the two indices.
