

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.62
TO BE ANSWERED ON JULY 19, 2021

RETAIL INFLATION

62. SHRI GNANATHIRAVIAM S.:
SHRI VIJAYAKUMAR (ALIAS) VIJAY VASANTH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the retail inflation jumps to six months high of 6.3 per cent;
- (b) if so, the details thereof;
- (c) whether the Government has assessed the reasons for higher inflation;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken by the Government to curtail retail inflation?

ANSWER

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

(a) to (d) Government regularly monitors the inflation situation in the economy. The Consumer Price Index-combined (CPI-C) and Food and beverages inflation rates (in percent) from December 2020 to June 2021 are given in the table below.

	Dec - 20	Jan - 21	Feb - 21	Mar - 21	Apr - 21	May - 21	Jun - 21*
Inflation	4.59	4.06	5.03	5.52	4.23	6.30	6.26
Food & beverages	3.87	2.67	4.25	5.24	2.60	5.24	5.58

* Provisional Source: NSO, MoSPI

The recent rise in retail inflation is mainly on account of increase in inflation of food commodities viz, 'oil & fats', and 'pulses & products.' The rise in prices of palm oil in international market is major factor contributing to 'oil & fats' inflation. High food inflation is also because of supply chain bottlenecks owing to Covid-19 induced disruptions.

(e) Government has taken many steps to control recent rise in retail inflation in food items. Government has eased the import restrictions to enhance domestic availability of pulse Tur, Urad and Moong and also entered into MoUs with Myanmar, Malawi, Mozambique for pulses import. The dynamic buffer stock of pulses have been used to tackle price volatility of these commodities. Stock limits were imposed for all pulses except Moong from 2.7.2021 to 31.10.2021. Duty of crude palm oil and refined palm oil have been reduced.
