

**GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**

**LOK SABHA
UNSTARRED QUESTION No.2829
TO BE ANSWERED ON 03.08.2022**

BURDEN OF INFLATION

2829. SHRI VINCENT H. PALA:

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the Government has made any official projections or estimates with regard to inflation for the current fiscal year;

(b) if so, the details of year-on-year comparison with inflation during the last eight years;

(c) the details of major goods which are driving up prices in the market and the reasons for each one of them; and

(d) the details and the steps, if any, taken by the Government to address the growing burden of inflation on the public?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS [RAO INDERJIT SINGH]

(a) and (b) National Statistical Office (NSO), Ministry of Statistics & Programme Implementation (MoSPI) releases the inflation rate on 12th of every month (next working day if 12th is a holiday), based on Consumer Price Index (CPI) with base 2012=100, for the previous month. This is released with a lag of only 12-14 days. The year-on-year average inflation rates during the last eight years is given at Annexure.

(c) Overall increase in CPI based inflation is broad based and major contributions is due to increase in Food and Fuel related index. Food inflation is led by cereals, milk, fruits, vegetables, spices and prepared meals. Fuel inflation was driven up by a rise in LPG and kerosene prices. CPI excluding food and fuel hardened across almost all components, mainly by the transport and communication sub-group due to increase in the prices of Petrol and Diesel. A large part of the increase in inflation in the recent months can be primarily attributed to supply shocks linked to the war in Europe.

(d) The price situation of major essential commodities is monitored by the 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 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 etc. Further, buffer stock of pulses and onion has been maintained for price stabilization by the Government. Calibrated release of pulses and onions from the buffer has been initiated to moderate the prices in the market. Import of Tur and Urad has been kept under 'Free Category' till 31.03.2023. In respect of Masur, the basic import duty and Agriculture Infrastructure and Development Cess have been brought down to zero.

The Monetary Policy Committee (MPC) of RBI increased the policy repo rate by 90 basis points in the financial year so far (by 40 bps in the off-cycle meeting on May 4, 2022 and by 50 basis points on June 8, 2022) taking the policy repo rate to 4.90 per cent. Further, with the institution of the Standing Deposit Facility (SDF) at 40 basis points above the fixed rate reverse repo, the effective policy rate has been raised by 130 basis points by RBI since April, 2022.

Annexure

All India average inflation rate based on CPI for the Combined sector

(Base 2012=100)

Calendar Year	Average Inflation rate
2014	6.65
2015	4.91
2016	4.95
2017	3.33
2018	3.95
2019	3.72
2020	6.62
2021	5.14
2022	6.82*

***Average inflation is based on the period of January 2022 to June 2022**