GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 2504

TO BE ANSWERED ON 03.08.2026/ *Shravana 12, 1948 (Saka)*

WHOLESALE PRICE INFLATION

2504. Shri Anand Bhadauria:

Will the Minister of FINANCE be pleased to state:

(a) whether wholesale price inflation has accelerated to 9.87 per cent in June from 9.68 per cent in May, 2026 as per the data released recently;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government has taken any steps to contain inflation within 4 per cent limit set by Reserve Bank of India (RBI);

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) and (b): According to the latest data published by the Department for Promotion of Industry and Internal Trade (DPIIT), between May and June 2026, the Wholesale Price Index (WPI) based inflation increased from 9.68 to 9.87 per cent. The rise in WPI inflation is largely driven by the price pressures in commodities that are more sensitive to global energy and commodity price movements, particularly mineral oils (including petroleum products), food articles, basic metals, chemicals and chemical products.

(c) to (e): As per Section 45Z of the Reserve Bank of India Act, 1934, the Central Government, in consultation with the RBI, determines the inflation target in terms of the Consumer Price Index (CPI), once in every five years, to maintain price stability, while keeping in mind the objective of growth. Accordingly, in exercise of the powers conferred by section 45ZA of the RBI Act, 1934 (2 of 1934), the Government notified on March 25, 2026, the inflation target as 4% with a lower tolerance level of 2% and upper tolerance level of 6%, for the period from April 01, 2026 to March 31, 2031. The inflation target measure for the RBI is Consumer Price Index (CPI)-based headline inflation, rather than WPI-based inflation. The Government has been actively undertaking a series of measures to control inflation and mitigate its impact on consumers. These measures include, *inter alia*, the augmentation of buffer stocks for essential food items, strategic sales of procured grains in the open market, calibrating trade policies, implementation of stock limits to push more supplies of select commodities into the market, retail sales of select food items under the Bharat brand at subsidised rates, and above all, distribution of food grains free of cost to around 81 crore beneficiaries under the National Food Security Act and increasing the disposable income of individuals by exempting annual incomes up to ₹12 lakh (and ₹12.75 lakh for salaried individuals with standard deduction) from income tax. Further, the recent rationalisation of the Goods & Services Tax (GST) rates, especially on items consumed by the common man, such as food products, household articles, medicines, medical equipment, agricultural goods and specified automobiles etc., complements inflation management. Some of the other recent measures taken by the Government to ease the inflationary pressures include reduction of Basic Customs Duty (BCD) on crude palm oil, crude soybean oil and crude sunflower oil from 20 per cent to 10 per cent in June 2025; on critical petrochemical products to Nil from 2 April to 15 July 2026; on whole Tur to Nil with effect from 4 March 2023; reduction of Agriculture Infrastructure and Development Cess (AIDC) on Masur to Nil from 13 February 2022 to 7 March 2025; imposition of Export Levies on exports of petrol, diesel and Aviation Turbine Fuel with effect from 27 March 2026; reduction of Central Excise duty on petrol and diesel by ₹10 per litre in March 2026; and exemption of imports of raw cotton from BCD and AIDC from 1 June to 31 October 2026. As a result of these measures, over the last two quarters, the CPI inflation rate has been below the 4 per cent target - 3.1% (Q4 FY26) and 3.9% (Q1 FY27).

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