

THE ECONOMIC TIMES

India's WPI inflation eases to 21-month low of 5.85 per cent in November

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India's wholesale price index-based inflation eased to a 21-month low of 5.85 per cent in November from 8.39 per cent in October on an annual basis, stated provisional data from the Commerce Ministry on Wednesday.

The month-on-month change in WPI index for November 2022 witnessed a contraction of 0.26 per cent as compared to 0.39 per cent growth in October.

"Decline in rate of inflation in November, 2022 is primarily contributed by fall in prices of food articles, basic metals, textiles, chemicals & chemical products and paper & paper products as compared to the corresponding month of the previous year," stated the release.

Index Numbers & Annual Rate of Inflation (Y-o-Y in %)*							
All Commodities/Major Groups	Weight (%)	Sep-22 (F)		Oct-22 (P)		Nov-22 (P)	
		Index	Inflation	Index	Inflation	Index	Inflation
All Commodities	100.0	151.9	10.55	152.5	8.39	152.1	5.85
I. Primary Articles	22.6	175.9	11.54	181.0	11.04	177.7	5.52
II. Fuel & Power	13.2	158.4	33.11	155.2	23.17	159.6	17.35
III. Manufactured Products	64.2	142.2	6.12	141.9	4.42	141.5	3.59
Food Index	24.4	175.1	8.02	177.5	6.48	174.3	2.17

Food articles inflation rose to 2.17 per cent from 8.33 per cent in October. For the primary articles segment, the inflation rate stood at 5.52 per cent as against 11.04 per cent in the preceding month.

Wholesale inflation in crude petroleum and natural gas surged to 48.23 per cent in November from 43.57 per cent in October. Fuel and power inflation eased to 17.35 per cent from 23.17 per cent in October.

Inflation for manufactured products came in at 3.59 per cent in in October.

Month Over Month (M-o-M in %) change in WPI Index#							
All Commodities/Major Groups	Weight	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22 (P)	Nov-22 (P)
All Commodities	100.00	0.26	-0.9	-0.52	-0.85	0.39	-0.26
I. Primary Articles	22.62	1.68	-2.42	0.68	-1.35	2.9	-1.82
II. Fuel & Power	13.15	2.14	-0.3	-4.44	-0.5	-2.02	2.84
III. Manufactured Products	64.23	-0.76	-0.49	0	-0.7	-0.21	-0.28
Food Index	24.38	1.03	-1.8	1.15	-0.62	1.37	-1.8

“WPI inflation has fallen sharply in November, in line with the fall in CPI inflation. There has been a closing of gap between WPI and CPI inflation in November from as high as 10 percentage point a year ago. The fall in WPI inflation was led not just by lower food inflation, but there has also been a fall in manufactured products inflation. Food inflation fell to its lowest in almost one year whereas metal prices contracted (on an annual basis) for the first time since July’20,” Chief Economist, CareEDGE.

Easing Prices

▶ **Wholesale** inflation was at 8.39% in Oct 2022 and 14.87% in Nov 2021

Reduction in global commodity prices have cooled off inflation

▶ **Prices of food, fuel and manufactured goods have come down**



▶ **FM says** govt will work for common man to further bring down inflation

Recently, the retail inflation for the month of November eased to an 11-month low of 5.8 per cent dropping within RBI's tolerance band of 2-6 per cent after 10 months.

India has been focusing on controlling high inflation levels. RBI governor Shaktikanta Das had recently said, "we are extremely watchful of evolving inflation dynamics and look at data almost on a daily basis and we will keep an Arjuna's eye on inflation and we will be ready to act."