

FICCI Comments on Wholesale Price Index (WPI)

NEW DELHI, 15 July 2013: The Wholesale Price Index released today indicated price levels inching up marginally. The inflation rate for the month of June 2013 was reported at 4.86%, vis-à-vis 4.70% last month and 7.58% in the same month last year.

“The current increase in price levels is on account of twin factors – one) pressure arising from the primary articles segment and two) the depreciating rupee”, said Ms. Naina Lal Kidwai, President, FICCI.

The food article prices especially prices of vegetables witnessed a sharp spike owing to seasonal factors. The price of vegetables increased by 16.47% in June 2013, relative to 4.85% in May 2013. Also the prices of cereals remain elevated. The overall food articles inflation was 9.74% in June 2013, the corresponding number last month was 8.25% and a year back was 10.91%.

“FICCI would once again like to reiterate the need to gear up steps to address the issue of supply side bottlenecks. There is an urgent need to enhance public investment in agriculture as against subsidies and step up agriculture productivity ”, added Ms. Naina Lal Kidwai, President, FICCI.

“Further, with the weakening of the rupee, imported inflation may be a concern going ahead. Already prices of petroleum have seen an upward revision. Nonetheless, it might also be noted that imports excluding gold and oil have remained by and large flat indicating weak industrial activity. This is also corroborated by the IIP numbers released last week indicating a growth of (-) 1.6%.

The fuel and power segment inflation rate was 7.12% in June 2013, vis-à-vis 7.32% in May 2013 and 12.07% in June 2012.

FICCI MEDIA DIVISION