

FICCI comments on Inflation Data, December 2013

New Delhi, 15 January, 2014: The inflation numbers released today moved southwards on the back of an evident decline in vegetable prices. The wholesale price index for the month of December 2013 witnessed a growth of 6.16%, a decline by over one percentage point from 7.52% growth seen in November 2013.

The prices of vegetables clocked a growth of 57.33% in December 2013 (vis-à-vis 95.25% growth in November 2013). Although this is still very high, a moderating in inflation has come about on the back of improved supply of the winter crop in the market. This has had a bearing on primary articles inflation that receded to 10.78% in December 2013 from 15.92 % in the previous month. Increase in fuel prices also saw some moderation in the month of December 2013.

“Just like the WPI numbers, the CPI data for December 2013 also indicated moderation on account of easing food prices. Food inflation is largely determined by supply side factors and we hope the government pursues policies that would help address the shortages so that food inflation further softens in the months ahead. As for manufactured goods inflation, this is certainly on the lower side and with industrial production limping, we hope the RBI will consider a downward revision in policy rates later this month”, said **Mr. Sidharth Birla, President, FICCI.**

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