14th August 2017

Index Numbers of Wholesale Price in India (Base: 2011-12=100)
Review for the month of July, 2017

The official Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) for the month of July, 2017 rose by 1.1 percent to 113.9 (provisional) from 112.7 (provisional) for the previous month.

INFLATION

The annual rate of inflation, based on monthly WPI, stood at **1.88% (provisional) for the month of July, 2017 (over July,2016) as compared to 0.90% (provisional) for the previous month and 0.63% during the corresponding month of the previous year.** Build up inflation rate in the financial year so far was 0.62% compared to a build up rate of 3.81% in the corresponding period of the previous year

The movement of the index for the various commodity groups is summarized below:-

PRIMARY ARTICLES (Weight 22.62%)

The index for this major group rose by 4.3 percent to 132.4 (provisional) from 126.9 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Food Articles' group rose by 6.2 percent to 147.6 (provisional) from 139.0 (provisional) for the previous month due to higher price of fruits & vegetables (29%), peas/chawali (6%), ragi (4%) and condiments & spices, barley, poultry chicken and paddy (1% each). However, the price of betel leaves (21%), masur, urad and tea (5% each), arhar (4%), moong, bajra, maize and gram (3% each), fish-inland (2%) and fish-marine and jowar (1% each) declined.

The index for 'Non-Food Articles' group rose by 0.6 percent to 118.5 (provisional) from 117.8 (provisional) for the previous month due to higher price of raw rubber (8%), safflower (kardi seed) (4%), fodder, floriculture and copra (coconut) (3% each) and mesta, rape & mustard seed and castor seed (1% each). However, the price of groundnut seed (4%), raw silk and raw jute (3% each), guar seed and sunflower (2% each) and cotton seed and gingelly seed (sesamum) (1% each) declined.

The index for 'Minerals' group rose by 2.8 percent to 119.6 (provisional) from 116.3 (provisional) for the previous month due to higher price of manganese ore (23%), sillimanite and bauxite (22% each), chromite (10%) and copper concentrate and limestone (4% each). However, the price of lead concentrate (20%), zinc concentrate (9%), phosphorite (2%) and iron ore (1%) declined.

The index for 'Crude Petroleum & Natural Gas' group declined by 7.8 percent to 64.0 (provisional) from 69.4 (provisional) for the previous month due to lower price of crude petroleum (11%).

FUEL & POWER (Weight 13.15%)

The index for this major group declined by 1.4 percent to 88.4 (provisional) from 89.7 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Mineral Oils' group declined by 2.8 percent to 75.3 (provisional) from 77.5 (provisional) for the previous month due to lower price of naphtha (7%), ATF (6%), furnace oil (5%), petrol (4%), bitumen (3%) and LPG and HSD (2% each). However, the price of petroleum coke (3%) moved up.

MANUFACTURED PRODUCTS (Weight 64.23%)

The index for this major group rose by 0.2 percent to 112.7 (provisional) from 112.5 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Manufacture of Food Products' group rose by 0.2 percent to 126.9 (provisional) from 126.7 (provisional) for the previous month due to higher price of manufacture of cocoa, chocolate and sugar confectionery (4%), salt (3%), butter and processed tea (2% each) and cotton seed oil, copra oil, manufacture of health supplements, powder milk, rice products, sunflower oil and ghee (1% each). However, the price of instant coffee (5%), processing and preserving of fish, crustaceans & molluscs & products thereof (3%), buffalo meat, fresh/frozen (2%) and wheat bran, gram powder (besan), bagasse, groundnut oil, spices (including mixed spices), manufacture of prepared animal feeds, molasses, mustard oil, processing & preserving of fruit & vegetables, manufacture of macaroni, noodles, couscous and similar farinaceous products, wheat flour (atta) and manufacture of starches & starch products (1% each) declined.

The index for 'Manufacture of Tobacco Products' group declined by 0.5 percent to 143.6 (provisional) from 144.3 (provisional) for the previous month due to lower price of other tobacco products (3%). However, the price of cigarette (2%) moved up.

The index for 'Manufacture of Textiles' group declined by 0.3 percent to 113.4 (provisional) from 113.7 (provisional) for the previous month due to lower price of viscose yarn (3%), manufacture of cordage, rope, twine & netting (2%) and woollen yarn, cotton yarn and manufacture of other textiles (1% each). However, the price of manufacture of knitted and crocheted fabrics (2%) moved up.

The index for 'Manufacture of Wearing Apparel' group rose by 2.1 percent to 136.0 (provisional) from 133.2 (provisional) for the previous month due to higher price of manufacture of wearing apparel (woven), except fur apparel (3%) and manufacture of knitted & crocheted apparel (1%).

The index for 'Manufacture of Leather and Related Products' group declined by 0.3 percent to 119.5 (provisional) from 119.9 (provisional) for the previous month due to lower price of canvas shoes (4%), chrome tanned leather (3%), harness, saddles & other related items (2%) and gloves of leather (1%). However, the price of belt & other articles of leather (3%) and leather shoe (1%) moved up.

The index for 'Manufacture of Wood and of Products of Wood and Cork' group rose by 0.9 percent to 131.7 (provisional) from 130.5 (provisional) for the previous month due to higher price of lamination wooden sheets/veneer sheets and particle boards (3% each) and wooden block-compressed or not (1%). However, the price of timber/wooden plank & sawn/resawn (2%) declined.

The index for 'Manufacture of Paper and Paper Products' group rose by 1.6 percent to 117.5 (provisional) from 115.7 (provisional) for the previous month due to higher price of duplex paper (6%), corrugated sheet box (4%), bristle paper board (3%), kraft paper (2%) and newsprint (1%). However, the price of poster paper (3%) and pulp board, base paper, map litho paper,

laminated paper and press board (1% each) declined.

The index for 'Printing and Reproduction of Recorded Media' group rose by 0.8 percent to 143.6 (provisional) from 142.4 (provisional) for the previous month due to higher price of journal/periodical (2%) and printed form & schedule (1%).

The index for 'Manufacture of Chemicals and Chemical Products' group declined by 0.3 percent to 111.3 (provisional) from 111.6 (provisional) for the previous month due to lower price of poly propylene (pp) (7%), paint, phthalic anhydride and aniline (including pna, ona, ocpna) (4% each), acrylic fibre (3%), powder coating material, rubber chemicals and sulphuric acid (2% each) and alkyl benzene, other petrochemical intermediates, liquid air & other gaseous products, mixed fertilizer, ammonium sulphate, epoxy, liquid, organic surface active agent, hair oil/body oil, superphospate/phosphatic fertilizer, others, poly vinyl chloride (pvc), safety matches (match box), amine, adhesive tape (non-medicinal) and insecticide & pesticide (1% each). However, the price of xlpe compound and camphor (6% each), caustic soda (sodium hydroxide) (4%), ammonium nitrate (3%), nitrogenous fertilizer, others and perfume/scent (2% each) and sodium silicate, polyethylene, agro chemical formulation, di ammonium phosphate, tooth paste/tooth powder, gelatine, organic chemicals, detergent cake, washing soap cake/bar/powder, shampoo, varnish (all types), fatty acid, acetic acid and its derivatives, additive, foundry chemical and soda ash/washing soda (1% each) moved up.

The index for 'Manufacture of Pharmaceuticals, Medicinal Chemical and Botanical Products' group declined by 0.2 percent to 120.0 (provisional) from 120.2 (provisional) for the previous month due to lower price of simvastatin (12%), anti cancer drugs (3%) and antioxidants, cotton wool (medicinal) and steroids and hormonal preparations (including anti-fungal preparations) (1% each). However, the price of anti allergic drugs and antibiotics & preparations thereof (3% each) and antipyretic, analgesic, anti-inflammatory formulations (1%) moved up.

The index for 'Manufacture of Rubber and Plastics Products' group declined by 0.6 percent to 107.9 (provisional) from 108.5 (provisional) for the previous month due to lower price of plastic components (4%), processed rubber, medium & heavy commercial vehicle tyre, rubber moulded goods, plastic tank, rubber crumb and polypropylene film (2% each) and rubberized dipped fabric, solid rubber tyres/wheels and polyester film (non-metalized) (1% each). However, the price of v belt (6%), rubber cloth/sheet (5%), plastic button (4%), cycle/cycle rickshaw tyre (3%) and acrylic/plastic sheet, tooth brush and elastic webbing (1% each) moved up.

The index for 'Manufacture of Other Non-Metallic Mineral Products' group rose by 0.4 percent to 112.8 (provisional) from 112.3 (provisional) for the previous month due to higher price of porcelain sanitary ware (5%), clinker (4%), graphite rod (3%), marble slab (2%) and porcelain crockery, poles & posts of concrete and fibre glass incl. sheet (1% each). However, the price of cement superfine (4%), white cement (3%), slag cement (2%) and electric insulating material, ordinary sheet glass, glass bottle, plain bricks, stone, chip, granite and cement blocks (concrete) (1% each) declined.

The index for 'Manufacture of Basic Metals' group rose by 0.3 percent to 97.0 (provisional) from 96.7 (provisional) for the previous month due to higher price of other ferro alloys (15%), silicomanganese (6%), angles, channels, sections, steel (coated/not) (4%), mild steel (MS) blooms and aluminium disk and circles (3% each), alloy steel castings, brass metal/sheet/coils, copper shapes - bars/rods/plates/strips, ms wire rods and ferrosilicon (2% each) and copper metal/copper rings, stainless steel pencil ingots/billets/slabs, sponge iron/direct reduced iron (dri) and hot rolled (hr) coils & sheets, including narrow strip (1% each). However, the price of ferrochrome (10%), ms pencil

ingots (3%), alloy steel wire rods and stainless steel bars & rods, including flats (2% each) and aluminium shapes - bars/rods/flats, aluminium ingot, ferromanganese, aluminium alloys and MS bright bars (1% each) declined.

The index for 'Manufacture of Fabricated Metal Products, Except Machinery and Equipment' group declined by 0.2 percent to 107.8 (provisional) from 108.0 (provisional) for the previous month due to lower price of bolts, screws, nuts & nails of iron & steel and stainless steel razor (3% each), forged steel rings (2%) and hose pipes in set or otherwise and pressure cooker (1% each). However, the price of steel door (2%) and steel drums and barrels, steel structures, electrical stamping- laminated or otherwise and copper bolts, screws, nuts (1% each) moved up.

The index for 'Manufacture of Computer, Electronic and Optical Products' group rose by 0.7 percent to 109.3 (provisional) from 108.5 (provisional) for the previous month due to higher price of microscope (9%), meter (non-electrical), colour tv and computer peripherals (2% each) and ups in solid state drives and capacitors (1% each). However, the price of watch (2%) declined.

The index for 'Manufacture of Electrical Equipment' group rose by 0.1 percent to 108.4 (provisional) from 108.3 (provisional) for the previous month due to higher price of pvc insulated cable, dry cells such as torch light batteries and electric wires & cables (3% each), transformer (2%) and generators & alternators, a c motor, electric & other meters, insulator, incandescent lamps and flourescent tube (1% each). However, the price of electrical resistors (except heating resistors), domestic gas stove and fibre optic cables (4% each), light fitting accessories, batteries, solenoid valve, rubber insulated cables and fan (2% each) and electric switch, connector/plug/socket/holder-electric, safety fuse, aluminium wire, electric welding machine and insulating & flexible wire (1% each) declined.

The index for 'Manufacture of Machinery and Equipment' group rose by 0.3 percent to 108.1 (provisional) from 107.8 (provisional) for the previous month due to higher price of furnaces & ovens (6%), excavator (5%), evaporator and injection pump (4% each), gasket kit (3%), chillers, roller mill (raymond), moulding machine and pharmaceutical machinery (2% each) and industrial valve, drilling machine, water pump, chemical equipment & system and soil preparation & cultivation machinery (other than tractors) (1% each). However, the price of conveyors - non-roller type and pressure vessel and tank for fermentation & other food processing (2% each) and threshers, motor starter, sugar machinery, open end spinning machinery, mining, quarrying & metallurgical machinery/parts and hydraulic pump (1% each) declined.

The index for 'Manufacture of Motor Vehicles, Trailers and Semi-Trailers' group declined by 0.4 percent to 111.1 (provisional) from 111.6 (provisional) for the previous month due to lower price of cylinder liners (5%), radiators & coolers and engine (2% each) and light, medium & heavy commercial vehicles, minibus/bus, filter element and wheels/wheels & parts (1% each). However, the price of brake pad/brake liner/brake block/brake rubber, others (4%), head lamp and crankshaft (3% each) and body (for commercial motor vehicles), shock absorbers, piston ring/piston and compressor, seat for motor vehicles and gear box and parts (1% each) moved up.

The index for 'Manufacture of Other Transport Equipment' group rose by 1.2 percent to 111.0 (provisional) from 109.7 (provisional) for the previous month due to higher price of diesel/electric locomotive (11%), auto rickshaw/tempo/matador/three wheelers (3%), motor cycles (2%) and tanker and propellers & blades of boats/ships (1% each). However, the price of wagons (3%) and bicycles of all types (2%) declined.

The index for 'Manufacture of Furniture' group rose by 1.4 percent to 117.8 (provisional) from 116.2 (provisional) for the previous month due to higher price of foam and rubber mattress (4%), wooden furniture (2%) and iron/steel furniture (1%).

The index for 'Other Manufacturing' group rose by 5.1 percent to 115.9 (provisional) from 110.3 (provisional) for the previous month due to higher price of gold & gold ornaments (6%). However, the price of silver (2%) declined.

WPI FOOD INDEX (Weight 24.38%)

The rate of inflation based on WPI Food Index consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products group increased from -1.25% in June, 2017 to 2.12% in July, 2017.

FINAL INDEX FOR THE MONTH OF MAY, 2017 (BASE YEAR: 2011-12=100)

For the month of May, 2017, the final Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) stood at 112.9 as compared to 112.8 (provisional) and annual rate of inflation based on final index stood at 2.26 percent as compared to 2.17 percent (provisional) respectively as reported on 14.06.2017.

Secretary