

## Annual Inflation in Major commodity groups

### *(i) Primary Products group*

5.6 The primary products group has a weight of 22.03 percent in the WPI series. This group which incorporates major essential commodities of daily use like foodgrains, pulses, fruits and vegetables, milk, tea etc exhibited stability during the current financial year. Though fruits and vegetables did record a seasonal spurt in prices during the summer months and the following festival season, the price rise in this group remained moderate and is presently 3.0 percent. (Table 5.3 and Fig.5.1)

### *(ii) Manufactured Products group*

5.7 The manufactured products group representing the core sector of the economy has a weight of 63.75 percent in the WPI series. It not only includes processed food products like sugar and edible oils but also includes other important industrial products like textiles, paper, wood products, cement and iron and steel. The price rise in this group was negligible during 2001-02.

5.8 In the latest release of data on the WPI , the manufactured products prices recorded an increase of only 0.1 percent over last year, the price index having remained virtually steady since December 2000. (Table 5.3) The impact of global recession, increased international competition through the opening of trade coupled with

subdued domestic demand and industrial slowdown dampened inflation in this sector during the year.

5.9 Since the manufactured sector accounts for more than 63 percent of the WPI, low inflation in this group gets translated into an overall low inflation rate for the economy.

### *(iii) Fuel, Power, Light & Lubricants group*

5.10 The Fuel, Power, Light & Lubricants sub group, which has a weight of 14.23 in the WPI, comprises mainly of energy products which fall within the purview of the Administered Price Mechanism (APM). Domestic fuel prices are linked to international prices of crude oil, and global price changes get translated into administered price changes of energy products. Consequent to the crude oil price rise last year, administered prices of energy products were raised twice during 2000-01. The price rise in this group is presently 3.2 percent as against 30.1 percent last year. (Table 5.3)

5.11 The attack on the World Trade Centre in the USA on September 11, 2001 and the following Afghan war had initially led to uncertainty in the demand for crude oil, but global crude oil supplies have so far remained steady and prices too have been close to \$22 per barrel. Consequently, global oil prices have remained subdued. This trend may help reduce the country's oil pool deficit and help keep domestic fuel prices steady.

**TABLE 5.3**  
**Wholesale Price Index Movement by commodities and their contribution to Inflation**  
**(Base: 1993-94=100) – (As on January 19, 2002)**

Commodity group/ Sub-group	Weight (Per cent)	Annual rate of inflation (Per cent)		Percentage share in inflation	
		2001-02	2000-01	2001-02	2000-01
<b>ALL COMMODITIES</b>	<b>100.000</b>	<b>1.3</b>	<b>8.7</b>	<b>100.0</b>	<b>100.0</b>
<b>PRIMARY ARTICLE</b>	<b>22.030</b>	<b>3.0</b>	<b>4.0</b>	<b>50.3</b>	<b>10.8</b>
Food Articles	15.400	4.1	3.1	49.9	6.1
Food Grains	5.010	-1.1	-2.3	-4.5	-1.6
Cereals	4.410	-1.6	-3.9	-5.9	-2.4
Rice	2.450	-1.6	-1.3	-3.1	-0.4
Wheat	1.380	-0.9	-2.7	-1.0	-0.5
Pulses	0.600	2.5	10.0	1.3	0.8
Gram	0.220	17.0	29.8	2.7	0.6
Fruits & Vegetables	2.920	17.0	15.2	37.2	4.8
Vegetables	1.460	25.3	8.7	20.8	1.1
Potatoes	0.260	163.4	0.2	13.3	0.0
Onions	0.090	-12.9	61.9	-0.8	0.4
Fruits	1.460	12.0	19.3	16.5	3.7
Milk	4.370	5.6	9.4	18.3	4.7
Eggs, Meat & Fish	2.210	1.9	-2.2	3.7	-0.7
Condiments & Spices	0.660	-0.7	-9.6	-0.4	-1.1
Other Food Articles	0.240	-26.7	-1.4	-4.4	0.0
Tea	0.160	-31.3	7.2	-3.6	0.1
Coffee	0.080	-15.6	-17.3	-0.7	-0.2
Non-Food Articles	6.140	-0.3	6.3	-1.5	4.3
Fibres	1.520	-11.8	16.4	-13.7	2.7
Raw Cotton	1.360	-14.6	15.3	-15.2	2.3
Raw Jute	0.110	16.7	49.0	1.4	0.5
Oil Seeds	2.670	1.4	-0.6	2.3	-0.2
Groundnut seed	1.030	-4.6	-0.5	-3.0	0.0
Rape & mustard seed	0.580	8.2	-13.8	2.7	-0.9
Other Non-Food Articles	1.950	6.5	7.0	10.2	1.7
Sugarcane	1.310	6.2	10.5	7.0	1.8
Minerals	0.490	4.6	12.5	1.2	0.5
<b>FUEL POWER LIGHT &amp; LUBRICANTS</b>	<b>14.230</b>	<b>3.2</b>	<b>31.0</b>	<b>48.1</b>	<b>58.4</b>
Coal Mining	1.750	15.7	0.1	20.5	0.0
Mineral Oil	6.990	-4.3	42.1	-35.3	40.0
Electricity	5.480	11.5	25.7	62.7	18.4
<b>MANUFACTURED PRODUCTS</b>	<b>63.750</b>	<b>0.1</b>	<b>4.4</b>	<b>3.0</b>	<b>30.6</b>
Food Products	11.540	0.6	-4.5	4.4	-6.2
Sugar, Khandsari & Gur	3.930	-4.3	-4.3	-12.0	-2.1
Sugar	3.620	-5.1	1.4	-12.2	0.5
Khandsari	0.170	1.8	0.4	0.2	0.0
Gur	0.060	3.2	-2.7	0.1	0.0
Edible Oils	2.760	14.8	-14.2	19.5	-3.6
Rape & Mustard Oil	0.490	5.7	-17.9	1.5	-1.0
Groundnut Oil	0.170	9.3	-14.9	0.9	-0.3
Oil Cakes	1.420	3.8	0.9	3.6	0.1
Beverages Tobacco & Tobacco Pdts.	1.340	5.0	4.1	5.8	0.7
Textiles	9.800	-2.2	3.4	-12.1	3.1
Wood & Wood Products	0.170	4.5	-10.8	0.6	-0.3
Paper & Paper Products	2.040	-2.2	15.4	-3.7	3.8
Leather & Leather Products	1.020	-4.2	-4.4	-3.0	-0.6
Rubber & Plastic Products	2.390	-1.1	2.5	-1.6	0.6
Chemicals & Chemical Products	11.930	0.8	7.5	7.4	10.9
Fertilisers	3.690	0.6	13.1	1.8	5.4
Urea	2.160	0.0	16.0	0.0	3.9
Non-Metallic Mineral Products	2.520	-2.2	18.9	-3.8	4.6
Cement	1.730	-4.6	26.3	-5.9	4.4
Basic Metals Alloys & Metals Products	8.340	-0.6	3.7	-3.2	3.3
Iron & Steel	3.640	-0.1	2.1	-0.2	0.8
Other Non-Ferrous Metals	0.610	-2.2	0.3	-0.8	0.0
Machinery & Machine Tools	8.360	2.5	9.4	12.7	7.2
Transport Equipment & Parts	4.300	0.5	7.3	1.6	3.4
<b>Administered items</b>	<b>16.380</b>	<b>2.9</b>	<b>29.3</b>	<b>47.9</b>	<b>62.3</b>
<b>Seasonal items</b>	<b>29.640</b>	<b>2.7</b>	<b>1.3</b>	<b>59.6</b>	<b>4.8</b>
<b>Raw materials</b>	<b>6.620</b>	<b>0.0</b>	<b>6.6</b>	<b>-0.2</b>	<b>4.7</b>
<b>Essential Commodities</b>	<b>17.631</b>	<b>1.5</b>	<b>5.8</b>	<b>20.5</b>	<b>12.2</b>