

Other Consumer Price Indices - CPI-IW and CPI-AL

5.14 Compared to its weight in the WPI, food items have a higher weight in the Consumer Price index for industrial workers (CPI-IW). The CPI-IW is also based on retail prices and hence captures the impact of prices of selected essential goods and services on the household budget. Although indices of both general and food groups have showed fluctuating trends in 2005-06 so far, inflation rate for food group has been lower than that of the overall inflation. Thus, the annual rate of inflation in CPI-IW was lower than that in WPI until October 2005 (Figure 5.3).

5.15 The year 2005-06 started with CPI-IW inflation rate at 5.0 per cent, up from 4.2 per cent in March 2005. Thereafter, CPI inflation rate had a fluctuating trend and stood at 5.6 per cent in December 2005 compared to average WPI inflation of 4.4 per cent in December 2005. During April to October 2005, food group inflation remained less than the general index (CPI) and for the first time in November 2005, the food group

inflation exceeded the general index (Table 5.6).

5.16 Inflation in terms of consumer price index for agricultural laborers (CPI-AL) worked out to 3 per cent in April 2005 over April 2004. It rose to 3.6 per cent by July 2005. In August and September 2005, the increase was 3.2 per cent and the same fell marginally in October 2005. However, it increased to 4.7 per cent in November 2005. For each of the months during 2005-06 (till October 2005) inflation in CPI-AL was lower than corresponding increase in the CPI-IW. The differential, however, fluctuated between 2 per cent in April 2005 to around 0.2 per cent in August 2005. Thus, the year 2005 witnessed success in containing inflation in terms of not only WPI but also CPI-IW and CPI-AL.

5.17 Trends of quarterly inflation in terms of CPI-IW indicated marginal increase in the first quarter of 2005 over the previous quarter. CPI inflation in the second quarter was higher by 2.2 per cent over the first quarter. The details of the variations in the sub-groups are in Table 5.7.

Table 5.6 : Annual Inflation Rate of WPI and CPI for selected groups

(per cent)

Year	Month	CPI-IW (General)	Food Group (CPI)	WPI (All Commodities)	WPI (Essential Commodities)	Food Group (WPI)
		Weight→100.0	57.0	100.0	17.6	26.9
2004-05	Apr	2.2	1.2	4.5	4.6	3.4
	May	2.8	1.8	5.0	4.9	3.6
	Jun	3.0	2.0	6.7	4.9	2.3
	Jul	3.2	1.2	7.6	4.8	3.6
	Aug	4.6	3.4	8.5	4.8	5.3
	Sep	4.8	3.9	7.9	5.9	4.9
	Oct	4.6	3.4	7.3	5.3	3.6
	Nov	4.2	2.6	7.5	5.0	4.1
	Dec	3.8	1.8	6.8	5.2	3.7
	Jan	4.4	1.6	5.5	6.1	3.3
	Feb	4.2	1.2	5.0	3.8	2.3
	Mar	4.2	1.6	5.4	3.7	3.0
2005-06	Apr	5.0	2.6	5.9	4.4	2.4
	May	3.7	2.0	5.5	3.3	1.4
	Jun	3.3	1.6	4.3	3.1	2.0
	Jul	4.1	4.0	4.3	4.3	3.6
	Aug	3.4	3.1	3.7	4.2	2.8
	Sep	3.6	3.5	4.1	3.3	2.3
	Oct	4.2	4.1	4.7	4.1	3.0
	Nov	5.3	6.6	4.3	4.6	4.2
	Dec	5.6	NA	4.4	4.7	4.9

**Table 5.7 : Quarterly inflation in terms of CPI-IW for major groups
(Change over previous quarter)**

(Per cent)

Group	Weight	2004-05				2005-06	
		Apr-June	July-Sep	Oct-Dec	Jan-Mar	Apr-June	July-Sep
General	100.00	0.8	2.5	0.6	0.3	0.6	2.2
Food	57.00	0.8	2.1	0.5	-1.9	1.4	3.5
Pan, Supari, Tobacco & Intoxicants	3.15	0.5	0.4	0.9	0.1	0.5	0.4
Fuel & Light	6.28	1.8	2.5	1.7	0.9	-6.6	-2.4
Housing	8.67	0.0	10.0	0.0	9.5	0.0	2.0
Clothing, Bedding & Footwear	8.54	1.3	0.2	-0.3	1.3	1.1	0.4
Miscellaneous Group	16.36	0.5	0.8	1.2	1.3	0.7	1.1

Source : Labour Bureau, Shimla/Chandigarh.