

PRICES AND DISTRIBUTION

Based on the movement of wholesale prices, fiscal 1997-98 ended with a point to point annual inflation rate of 5.3 per cent and an annual average (52 weeks average) inflation rate of 4.8 per cent. In fiscal 1998-99, the annual inflation after peaking at 8.84 per cent (point to point) as on September 26, decelerated thereafter reaching a low of 4.4 per cent on January 16, 1999. However, the 52 week average rate was still 6.9 percent. The annual inflation stood at 4.6 per cent as on 30th January, 1999 (Table 5.1).

2. Despite the high and unprecedented volatility in the vegetable prices, the general price level was much more stable. Whereas the wholesale price index of primary articles (with weight of 32.3 per cent) rose from 347.8 at the end of March 1998 to 381.5 by January 16, 1999 (in 42 weeks), the WPI of manufactured products sub sector (with weight of 57 per cent) rose during the same period from 322.3 to just 332.9. The fuel, power sub sector hardly moved - its index at 384.1 at the

	End of Year (point-to-point)	52 weeks Average
1992-93	7.0	10.1
1993-94	10.8	8.4
1994-95	10.4	10.9
1995-96	4.4	7.7
1996-97	6.9	6.4
1997-98	5.3	4.8
1998-99*	4.6*	6.9*

*Provisional, as on January 30, 1999

end of March 1998 actually dropping to 374.1 by January 16, 1999. From these unequal movements in the relative magnitudes of the three sub sectors, the dominance of the primary articles movement in this years price behaviour is clearly revealed (Figure 5.1).

