

Quarterly Changes in WPI in 1999-2000

5.9 Table 5.4 lists the details of the quarterly changes in the Wholesale Price Index during 1999-2000. During the first quarter (April-June) there was a modest rise of 1.3 percent in the index as against a rise of 3.2 percent in the first quarter of last year. The second quarter (July-September) registered a growth of 2.2 percent as against a rise of 2.6 percent in the corresponding period of last year. In the third quarter (October-December), the index declined by 0.2 per cent. The cumulative growth in wholesale prices (April-December) was 3.4 percent during this financial year.

5.10 The increase in prices in the preceding year was mainly because of a sharp rise in the prices of essential commodities and other seasonal factors, which exerted an upward pressure on the prices of food articles. The lower uptrend during the current financial year in the first two quarters and the decline in the third quarter was due to the relative stability of prices of essential commodities.

5.11 Wholesale prices of Primary articles increased by 2.0 percent in the first quarter, by 4.6 percent in the second quarter and declined by 2.9 per cent in the third quarter of the current financial year.

5.12 The prices of Fuel, Power, Light & Lubricants registered a rise of 1.2 percent in the first quarter, 3.4 percent in the second quarter and 7.3 per cent in the third quarter.

5.13 The rise in prices of Manufactured Products was very modest registering an

increase of 0.9 percent in first quarter and 0.4 percent in the second quarter. The index declined by 0.1 per cent in the third quarter.

5.14 Administered prices recorded an increase of 1.6 percent in the first quarter, 4.0 percent in the second quarter and 6.1 per cent in the third quarter of the current financial year.

5.15 Seasonal items recorded an increase of 2.0 percent in the first quarter and 3.6 percent in the second quarter. The index declined by 3.2 per cent in the third quarter.

5.16 Raw materials recorded a decline of 1.2 percent in the first quarter and an increase of 3.1 percent in the second quarter. The index declined by 0.9 per cent in the third quarter.

5.17 The group of 30 essential commodities whose prices are monitored on weekly basis recorded an increase of 3.3 percent in the first quarter and 3.2 percent in the second quarter. The index declined by 2.5 per cent in the third quarter. Since this group had registered very high price rise in 1998-99 particularly in vegetables like onions and potatoes, the Government kept close watch on the price situation and onions were covered under the Essential Commodities Act and corrective action was taken against hoarders and black marketeers under this Act.

5.18 Annual inflation (Nov/Nov) in essential commodities based both on WPI and CPI (IW) is listed in Table 5.5. Except for rice and wheat, the annual rise was negligible or even negative in some of the essential commodities.

TABLE 5.4
Quarterly Movement in the Wholesale Price Index (average of months)

(Per cent change)

Commodity group	Weight	1998-99					1999-2000			
		Qrt 1 Apr-Jun	Qrt 2 Jul-Sep	Qrt 3 Oct-Dec	Qrt 4 Jan-Mar	Apr-Mar	Qrt 1 Apr-Jun	Qrt 2 Jul-Sep	Qrt 3 Oct-Dec	Apr-Dec
All commodities	100.0	3.2	2.6	-0.3	-0.5	5.02	1.3	2.2	-0.2	3.4
Primary articles	32.3	6.4	5.0	-0.6	-2.4	8.29	2.0	4.6	-2.9	3.6
Fuel, power, light etc.	10.7	-1.0	0.2	0.3	2.1	1.51	1.2	3.4	7.3	12.4
Manufactured Products	57.0	2.2	1.7	-0.3	0.2	3.79	0.9	0.4	-0.1	1.2
Administered items	15.9	-0.9	-0.7	0.3	2.1	0.85	1.6	4.0	6.1	12.0
Seasonal items	34.4	6.6	6.0	-1.8	-2.5	8.10	2.0	3.6	-3.2	2.3
Raw materials	14.9	1.6	2.7	2.2	-1.5	5.06	-1.2	3.1	-0.9	0.9
Essential commodities	21.8	4.8	6.4	-2.7	-3.0	5.27	3.3	3.2	-2.5	3.9