

India's WPI drops for 16th straight month, pulses rise by 38.84%

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The wholesale price index (WPI)-based inflation fell for the 16th straight month in February, dropping to -0.91% compared to -0.90% in January.

While it was way back in 1975-76 that there was WPI-based deflation for a full year, the index had last showed inflation in October 2014, at 1.66%.

Government data released on Monday showed that a total build up in the inflation for the current financial year leading up to February was -1.19% compared to a -2.61% fall in the corresponding period of the previous year.

The price pressure points remained, particularly in food articles, the inflation for which accelerated at 3.35%, as compared to the 6.02% increase seen in the previous month.

Total food inflation rise in this financial year is 3.93%, lower than 6.86% rise seen in the corresponding period, last year.

Pulses, which have consistently provided the main inflationary push among food articles in FY16, continued to rise by 38.84%, although inflation continued to mellow from the 44.91% rise witnessed in January.

For onions, however, the rate of inflation dropped significantly with prices going down by 13.22% as compared to the last month when it went down by 5.51%. The rate of inflation has steadily shown a downward trend for both commodities from the peak inflation rates in October.

Egg, meat and fish constituted the second-fastest rising food article, rising by 3.47%.

The trends represent softening of international prices. However, a part of this might be due to slow demand in domestic markets, which might come in the way of revival of economic growth.

For manufactured products, which have a combined weightage of 65% in the WPI index, prices declined, although at a slower pace at 0.58% year-on-year.