

Retail Inflation

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About Retail Inflation:

- This is the tenth month in a row that inflation has been over the 6% upper tolerance threshold mandated for the Reserve Bank of India (RBI).
- The last time consumer price inflation was below the 7% mark was in July, at 6.71%.
- Rural consumers continued to face 7% inflation in October, slightly lower than the 7.6% in September, while urban India consumers' price rise eased to 6.5% from 7.3% in the previous month.
- Inflation measured by the Consumer Food Price Index moderated from 8.6% in September to 7% in October, but rural households faced 7.3% inflation while the same rate was 6.5% for their urban counterparts.
- The Union Finance Ministry attributed the significant decline in retail inflation in October mainly to a decrease in food price inflation, driven significantly by "the decline in prices of vegetables, fruits, pulses and oils & fats.
- Cereals inflation remained sticky, rising from 11.53% in September to 12.1% in October, with rural India facing nearly 12.7% inflation. Similarly, vegetables inflation dropped sharply to 7.8% from 18.05% in September, with urban and rural consumers seeing prices rise 6.6% and 8.45%, respectively.

Consumer Price Index:

- The Consumer Price Index is a comprehensive measure used for estimation of price changes in a basket of goods and services representative of consumption expenditure in an economy.
- It is one of the most important statistics for an economy and is generally based on the weighted average of the prices of commodities and gives an idea of the cost of living.
- The percentage change in this index over a period of time gives the amount of inflation over that specific period, i.e. the increase in prices of a representative basket of goods consumed.

Categories of CPI:

- At the national level, there are four Consumer Price Index (CPI) numbers. These are:
 - **CPI for Industrial Workers (IW)** – Base Year 2016
 - **CPI for Agricultural Labourers (AL) and CPI for Rural Labourers (RL)** – Base Year 1986-87
 - **CPI (Rural/Urban/combined)** – Base Year 2012
 - While the first three are compiled and released by the **Labour Bureau in the Ministry of Labour**, the **fourth one is released by the NSO in the Ministry of Statistics and Programme Implementation.**
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Source : [The Hindu](#)

Source: <https://vajiramandravi.com/current-affairs/retail-inflation/>

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