

# WPI inflation at 3-month low

## Falls to 0.27% in Jan on moderation in prices of food, manufacturing products

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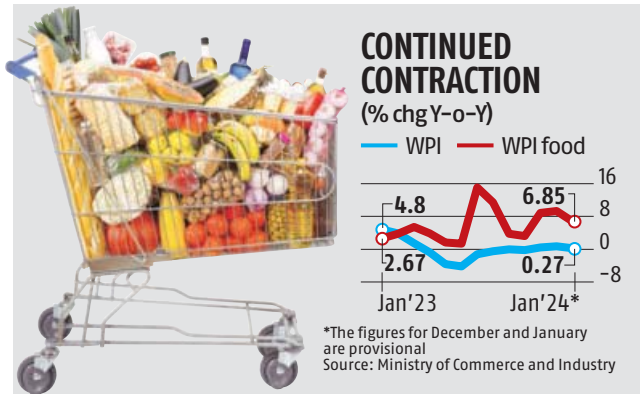
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India's wholesale price index (WPI)-based inflation rate eased to a three-month low of 0.27 per cent (year-on-year) in January due to moderation in prices of food articles and manufacturing products, according to data released by the Ministry of Commerce and Industry on Wednesday.

In December 2023, the factory gate inflation had stood at 0.73 per cent.

This is the third consecutive month that the wholesale inflation rate has remained in positive territory after recording deflation for the major part of 2023-24.

Inflation in food prices slowed to a three-month low of 6.85 per cent in January from 9.38 per cent in December, led by deceleration in the prices of



paddy (9.56 per cent), cereals (4.07 per cent), pulses (16.06 per cent), vegetables (19.71 per cent), onion (29.18 per cent), fruit (1.01 per cent), and milk (5.38 per cent).

Meanwhile, the prices of wheat (minus 3.14 per cent) and protein-rich items like eggs and meat (minus 0.88 per cent) con-

tracted for the second straight month.

Besides, the data showed that the deflation in prices of manufactured products (minus 1.13 per cent) continued for the eleventh consecutive month in January, led by a continuing contraction in the prices of manufactured food products

(minus 1.84 per cent), vegetable and animal oil (minus 15.71 per cent), textiles (minus 2.26 per cent), paper (minus 6.41 per cent), chemicals (minus 5.51 per cent), metals (minus 4.47 per cent), rubber (minus 0.78 per cent), and steel (minus 6.08 per cent).

Moreover, the contraction in fuel prices (minus 0.51 per cent) continued for the ninth consecutive month, led by the continuing contraction in prices of high-speed diesel (minus 5.29 per cent). The prices of petrol and cooking gas also decelerated slightly during the month.

Aditi Nayar, chief economist at ICRA Ratings, says that the moderation in wholesale prices in December was largely led by food and core (manufactured non-food products) items, with the latter remaining in the deflationary zone for the eleventh straight month.