

# Wholesale inflation hits 13-month low in Apr

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Inflation based on the wholesale price index (WPI) declined to a 13-month low of 0.85 per cent in April from 2.05 per cent in March, on the back of a dip in the prices of food and fuel and power.

Price rise also decelerated in the manufactured products category, according to data released by the Ministry of Commerce and Industry on Wednesday.

Prices of primary food articles witnessed a deflation after 27 months (of -0.86 per cent). The trend was led by the sharpest declines in the prices of vegetables (-18.26 per cent) since October 2023 and pulses (-5.6 per cent) since October 2018.

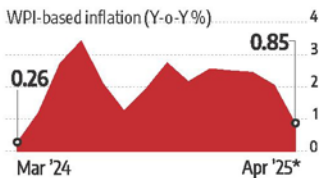
Potato prices declined 24.3 per cent. Protein-rich food like eggs, meat and fish declined by 0.29 per cent – the first time it happened so

since October 2024. Onion price increased 0.2 per cent in April, the slowest in 22 months. Price rise for other food items like paddy (1.87 per cent), cereals (3.81 per cent), fruits (8.38 per cent) and wheat (7.41 per cent) decelerated, too.

Easing food inflation is expected to give relief to households and help consumption demand in FY25.

Rahul Agrawal, senior economist at ICRA Ratings, said that WPI inflation is expected to soften further in May, aided by a favourable base and trends in wholesale prices of essential food items. Fuel and power prices declined by 2.2 per cent in April. Deceleration in global commodity prices, especially of mineral oils, led to a decline in the prices of kerosene, air turbine fuel and petrol. The prices of petrol (-7.7 per cent) and high speed diesel (-5.04 per cent) declined for the 11th and 24th

## More relief



Source: Ministry of Commerce and Industry, \*Provisional

month straight. Cooking gas price dipped (-0.41 per cent) for the first time since April 2024.

Among manufactured products, prices of cement, lime and plaster continued in deflation (-1.42 per cent) for the 16th month straight. Prices of basic metals dipped (-0.64 per cent).

The price rise of other major manufactured goods like textiles (0.52 per cent), apparel (0.65 per cent), paper and paper products (2.1 per cent), pharmaceuticals

(0.98 per cent), semi-furnished steel (0.25 per cent) and food products (9.51 per cent) decelerated in April. However, the price rise for manufactured vegetable and animal oils, despite deceleration remained in double digit (28.7 per cent) during April.

Paras Jasrai, associate director at India Ratings and Research, said that the decline in manufactured products' prices was broad based as core inflation moderated after increasing for six months. Manufactured products' prices were at a three-month low of 1.3 per cent in April as base metal prices declined.

"The temporary lowering of tariffs by the US and China helps in controlling the heightened uncertainty and volatility. Muted commodity prices along with a favorable base effect for the food segment would keep the wholesale inflation around 0.5 per cent in the near term," he said.