CHAPTER 6

PRICE TRENDS

Labour Bureau an attached office of Ministry of Labour and Employment, since itsinception has, inter-alia, been entrusted with the responsibility of compilation, maintenance and disseminating of the Consumer Price Index for Industrial Workers. The CPI-IW is compiled as per international best practices & guidelines of ILO and dissemination of CPI-IW is Special Data Dissemination Standard (SDDS) compliant. It is released on last working day of subsequent month. CPI (IW) are compiled and released by the Labour Bureau, Ministry of Labour and Employment and are specific to population segments.

1.1 Consumer Price Index for Industrial Workers (CPI-IW), one of the prominent economic indicators, which measures the relative changes in retail prices over a period of time in respect of a fixed set of goods and services consumed by an average working class family in a given area with reference to a base year. The CPI-IW is mainly used for regulating and determination of dearness allowance (DA) being paid to large number of Central/State Government employees and also to the workers in the industrial sectors besides fixation and revision of minimum wages in scheduled employments, hence, having significant financial implications to the Public Exchequer. Further, CPI numbers are widely used as macroeconomic indicator of inflation, and also as a tool by government and central banks for targeting inflation and monitoring price stability.

1.2 From the month of September, 2020 the Labour Bureau has updated the Base ofthe old Series of CPI -IW (2001=100) to the New Base 2016=100. The main components for constructing Consumer Price Index numbers are the weights and prices. Weights are the share of actual expenditure on each commodity duringthe base period and base prices are the annual average of item level prices during the 2016 in respect of items retained in the index basket.

1.3 The definition of price adopted for the compilation of CPI is the price which a consumer/industrial worker has to pay for the specified item/variety, for the specified unit, in the selected shop of the selected market. It includes all taxes like sales tax, etc., and excludes rebates and discounts, which are universally applicable for all the customers. It is the actual price prevailing in the open market at which transaction takes place between a buyer and a seller. The Black market or unauthorized prices are, however, not taken in the compilation of index numbers. In case of rationed commodities, the fair price is taken.

1.4 Consumer Price Index (CPI) is a reflection of changes in the retail prices of specified goods and services over a time period, whereas Wholesale Price index (WPI) accounts for changes in the general price level of goods at the wholesale level. WPI is the primary measure used for ascertaining inflation as it accounts for changes in prices for a given class of goods or services in a given region, during a given interval of time. Price Indices have several potential uses. The index can be said to measure the movement in prices or a cost of living.

Some notable price indices are indicated below

I. Wholesale Price Index number-All India (WPI)
II. Consumer Price Index number for Industrial Workers (CPI-IW)
III. Consumer Price Index number for Agricultural Laborers (CPI-AL)
IV. Consumer Price Index number for Rural Laborers (CPI-RL)

1.5 The substantial change in prices of essential commodities affects both the quantum of production and the pattern of consumption. The change in prices also makes an impact on the living conditions of people in general and poor in particular. Therefore, it is absolutely essential to keep a constant watch on price behavior. Statistically index number of prices measures changes in prices over aperiod of time. The price indices are calculated at the wholesale level as well as at the retail level.

1.6 The Wholesale Price Index (WPI) is the only general index capturing price movement in a comprehensive way and is an indicator of movement in prices of commodities in all trade and transactions. It is generally taken as an indicator of the rate of inflation in the economy. The current series of WPI reflects the change in Wholesale Prices over a period as compared to the base year (2011-12=100). The information regarding the year-wise wholesale price index from 2018-19 to 2024-25 is presented in Table 6.1.

2. Methodology for Compilation of Whole Sale Price Index

2.1 Wholesale price represents the quoted price of the bulk transaction of a commodity generally at the primary stage. The revised (current) series of Index Numbers of Wholesale Prices in India with base 2011-12 had replaced the hitherto operated WPI with base 2004-05. The current series is calculated on the principle of weighted arithmetic mean.

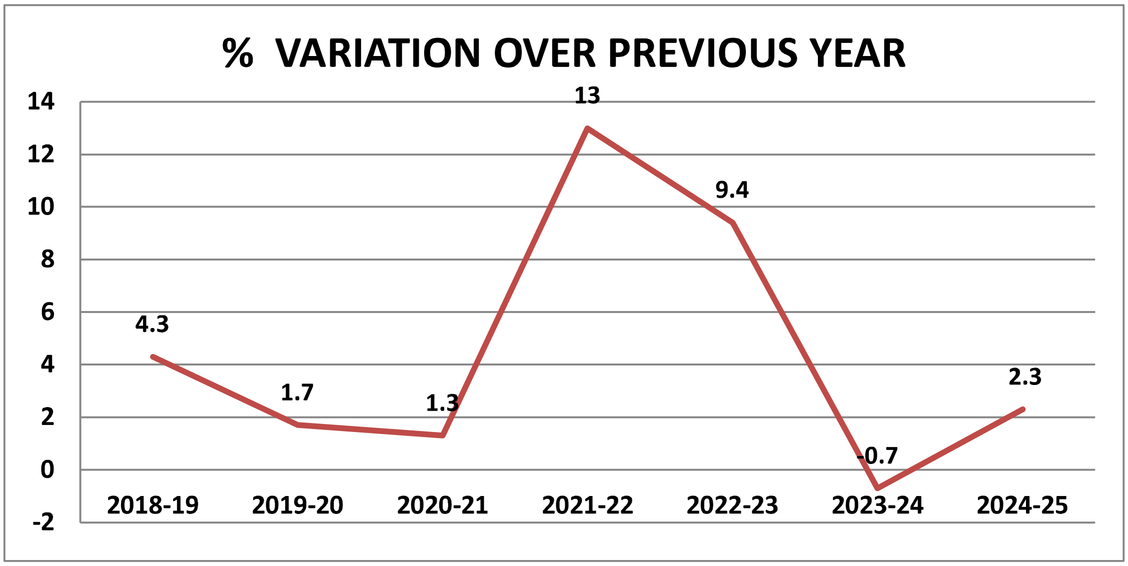
2.2 The Price relatives are calculated as the percentage ratios, which current prices bear to those prevailing in the base period. In other words, the price relative for each variety/quotation is calculated by dividing the current price by the corresponding base period (2011-12) price and multiplying the resulting figure by 100. The commodity index is arrived at as the simple arithmetic average of the price relatives of varieties/quotations selected for that commodity. The indices forthe sub-groups/ groups/ major groups of commodities, in turn, are worked out as the weighted arithmetic mean of the indices of the items/ sub-groups/ groupsfalling under their respective heads. Being a representative of wholesale trade and transaction and also being available on a weekly basis, WPI is conventionally used as an indicator to measure the rate of inflation in the economy.

2.3 The rate of inflation during the last seven years is depicted in chart 6.1.

CHART 6.1

THE RATE OF INFLATION IN ALL INDIA (WHOLESALE PRICE INDEX) 2018-19 TO 2024-25

(Percent)



2.4 Larger economic integration has allowed developments in international markets to trickle down to all corners of the world. At the same time, such integration has allowed developing nations to play ever more important roles in global markets.In this regard, the rise in commodity prices during this present decade highlights the growing importance of the developing world as its demand for food, energy and materials appears to have been fuelling the current commodity boom.

2.5 Food price inflation is one of the most talked about issues in the country today. The brunt of the same is being felt across India and across all sections of society.The farmer or the grower may not be benefited in the ratio of the rise in food prices as there are huge imperfections in the market. Demand-supply mismatches and inefficient supply mechanisms result in large price spreads between the growers and final consumers.

2.6 In addition to low production and productivity, the prevailing market inefficiencies -lack of coordinated efforts in public procurement, wastage due to inadequate storage facilities, etc. have been crucial in allowing food prices to rise sharply. The complex causes of the current food and agriculture crisis require a comprehensive response. The thrust of government activities is to concentrate on improving food production and productivity, increasing investments in the agriculture sector, etc. Average wholesale prices of some essential commodities in Delhi from the Year 2018 to 2025 are presented in Statement 6.1

STATEMENT 6.1
AVERAGE WHOLESALE PRICES OF SELECTED COMMODITIES IN DELHI-2018-2025

S. No.	Commodities	Unit	2018	2019	2020	2021	2022	2023	2024	2025
1.	Wheat (308)	Per Quintal	2100	2150	2100	2050	2240	2447	2630	3313
2.	Gram (grarra)	Per Quintal	4550	4300	4325	5600	5600	6371	7848	7792
3.	Rice (Basmati)	Per Quintal	7600	8150	7450	7650	7600	8283	8526	8063
4.	Dal Arhar (Split)	Per Quintal	7100	5450	8875	10200	9950	12152	14897	10025
5.	Dal Moong (Chhilka)	Per Quintal	6950	5700	8987	9900	9650	9888	10164	9148
6.	Dal Urd (Chhilka)	Per Quintal	6900	7800	9025	9800	9300	10285	11219	9404
7.	Mustard Oil (Kachi Ghani)	15 Kg tin	1400	1450	1790	2625	2500	2043	1916	2429
8	Ghee (desi) No.1	15 Kg Tin	10500	16000	7500	7400	6500	9162	8275	8663
9.	Ghee (Vanaspati)	15 Kg Tin	1275	1265	1400	1770	2400	1810	1793	2187
10.	Kerosene Oil	Per liter	NA	NA	NA	NA	NA	NA	NA	NA
11.	Hard Coke)	Per 40 kg	NA	NA	NA	NA	NA	NA	NA	NA
12.	Meat	Per Quintal	32000	40000	45000	49000	55000	56083	55867	54983
13.	Eggs	Per 100 No.	425	450	500	500	450	496	558	543
14.	Chillies (Red)	Per Quintal	12500	13500	17000	19000	21500	22938	21929	19275
15.	Turmeric	Per Quintal	9500	11000	10500	11000	11000	11674	12016	11658
16.	Sugar	Per Quintal	3500	3575	3580	3550	3600	3843	4114	3796
17.	Gur	Per Quintal	4400	4200	4000	4250	5000	4416	4681	4404
18.	Potato	Per Quintal	850	1500	2200	780	1300	1536	2344	1165
19.	Onion (Dry)	Per Quintal	1200	950	2200	2185	1300	1646	2684	1445

Source: Directorate of Agricultural Marketing, GNCTD.

3. Consumer Price Index for Industrial Workers CPI (IW)

3.1 Consumer Price Indices are generally used for measuring the trends of retail prices of the most common items of daily consumption. The Directorate of Economics and Statistics, Government of NCT of Delhi collect retail prices of essential commodities from the selected markets viz Tilak Nagar, Subzi Mandi, Shahdara, Yamuna Vihar/ Bhajanpura, Mangol Puri, Azadpur, Bawana, Najafgarh, Kotla Mubarakpur Govindpuri/ Kalkaji and Samai Pur Badli on a weekly and monthly basis. These rates are provided to Labour Bureau, Chandigarh for the compilation of Consumer Price Index Number for industrial workers. Labour Bureau, Chandigarh has been compiling and releasing Consumer Price Index on a monthly basis for 88 selected centers in India, including Delhi. The base year of the current series of the CPI for industrial workers is 2016=100. The old series of base year 2001=100 was replaced by new series base 2016=100 since September 2020. The present series i.e. 2016=100 has included eleven selected markets in Delhi for data collection of CPI for industrial workers as mentioned above.

3.2 The Labour Bureau Chandigarh proposed the New Schedule for the replacement of old series base year 2001=100. For new Series base year 2016=100, the process for the collection of prices was started simultaneously. Five markets i.e. Bawana, Najafgarh, Tilak Nagar, Bhajanpura/ Yamuna Vihar and Kotla Mubarakpur were added and whereas two existing/old markets i.e. Rani Bagh and Moti Nagar were deleted for the new series 2016=100.

3.3 It is pertinent to mention that the Labour Bureau, Ministry of Labour & Employment, Chandigarh vide letter no.114/1/2013-CPI dated 03.11.2020 for, CPI (IW) on the New Base Year 2016=100 and consequent upon the advent of New Series 2016=100, the Old Series base year 2001=100 is discontinued w.e.f. 03.11.2020.

STATEMENT 6.2
CONSUMER PRICE INDEX FOR INDUSTRIAL WORKERS IN DELHI

(Base Year 2016=100)

S.NO.	Group	Weight (%)	2024	2025	Points Change	% Change
1	Food & Beverages	36.13	44.4	47.4	3.0	2.1
2	Pan, Supari,Tobacco & Intoxicants	0.84	43.9	51.0	7.1	4.9
3	Clothing & Footwear	5.43	61.5	64.9	3.4	2.1
4	Housing	24.29	26.8	30.2	3.4	2.7
5	Fuel & Light	7.05	97.0	99.1	2.1	2.2
6	Miscellaneous	26.26	24.4	42.1	17.7	14.2
General Index		100.0	32.5	39.4	6.9	5.2

Source: Labour Bureau, Chandigarh.

3.4 The Index is separately prepared for six groups and then combined by assigning weights to each group. The highest weight is assigned to food & beverages group at 36.13 percent, followed by miscellaneous at 26.26 percent, housing at 24.29 percent, fuel & light at 7.05 percent, clothing and footwear at 5.43 percent, and pan, supari, tobacco and intoxicants at 0.84 percent respectively. The consumer price index number for industrial workers in Delhi during 2024 and 2025 is presented in Statement 6.2.

3.5 It may be inferred from Statement 6.2 that the annual average consumer price index increased from 132.5 in 2024 to 139.4 in 2025 registering an increase of 6.9 points. The increase in CPI for industrial workers in Delhi was recorded at 5.2 percent during 2025 over the last year 2024.

3.6 The index for food & beverages group increased from 144.4 in 2024 to 147.4 in 2025 registering an increase of 2.1 percent. Index for pan, supari, tobacco & intoxicants increased from 143.9 in 2024 to 151.0 in 2025 registering an increase of 4.9 percent. Index for clothing and footwear group increased from 161.5 to 164.9 registering an increase of 2.1 percent. The index under housing has also increased from 126.8 to 130.2 recorded an increase of 2.7 percent. The index of fuel and light increased from 97.0 in 2024 to 99.1 in 2025 registering a increase of 2.2 percent. Under the miscellaneous group, there are certain items like Household Goods & Services, Health, Transport & Communication, Recreation & Entertainment, Education, and Personal Care & Effects. The index in this group increased from 124.4 to 142.1 registering an increase of 14.2 percent. Thus the maximum increase was in Miscellaneous Group, followed by Pan, Supari, Tobacco & Intoxicants, Housing and Fuel & Light.

4. Price Situation in Other Metros

4.1 Price rise has been the major issue for the majority of citizens in the country. Growth means a better life for our kids. In the last couple of years, prices of essential commodities have gone up. Barring seasonal fluctuations in some commodities like onion, potato and wheat due to decline in arrivals, inclement weather in major producing areas, transportation bottlenecks, increase in the costof movement and lower stocks, the retail prices of most of the essential commodities have exhibited a steady trend in all metro cities in India. The information regarding the consumer price index for industrial workers in metro cities in India during the year 2022 to 2025 is presented in Statement 6.3.

STATEMENT 6.3
CONSUMER PRICE INDEX FOR INDUSTRIAL WORKERS IN METRO CITIES IN INDIA – 2022 to 2025

(Average Annual Index)

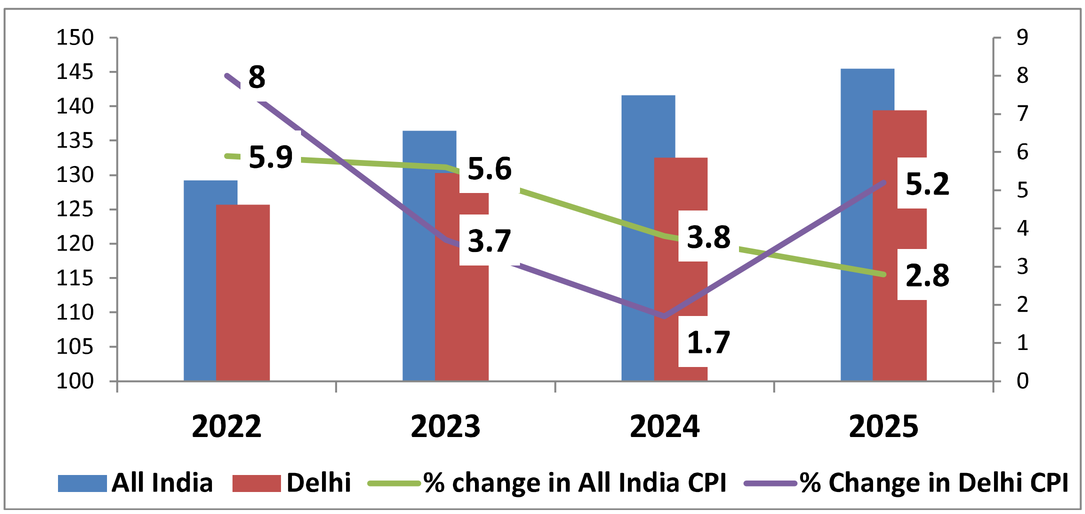
S.No.	Year	All India	% Change	Delhi	% Change	Kolkata	% Change	Chennai	% Change	Mumbai	% Change
1.	2022	129.2	5.9	125.7	8.0	137.4	9.0	127.3	3.9	122.7	5.2
2.	2023	136.4	5.6	130.3	3.7	139.6	1.6	135.1	6.1	127.7	4.1
3.	2024	141.6	3.8	132.5	1.7	144.4	3.4	137.2	1.6	131.5	3.0
4.	2025	145.5	2.8	139.4	5.2	147.0	1.8	137.6	0.3	135.2	2.8

Source: Labour Bureau, Chandigarh.

4.2 It may be observed from Statement 6.3 that the average consumer price index number (General) for the year 2025 in All India was recorded at 145.5. For Kolkata, it was 147.0 followed by Delhi 139.4, Chennai 137.6 and Mumbai 135.2 respectively. The group-wise Price index numbers for industrial workers of metro cities in India during 2025 is presented in table 6.2.

4.3 The CPI for industrial workers in Delhi and all India during the years from 2022 to 2025 is depicted in Chart 6.2.

CHART 6.2
CPI FOR INDUSTRIAL WORKERS IN DELHI & ALL INDIA 2022-2025



5. NEW SERIES OF CPI (IW) WITH BASE YEAR 2016=100

5.1 It may be observed from Statement 6.4 that as per new base year (2016=100), the Consumer Price Index Number (General) during the year 2024-25 among the metro cities, Delhi has lowest inflation rate (1.8%) whereas, Kolkata has highest inflation rate (3.6%) followed by Mumbai (3.0%) and no change in CPI(IW) has been observed in case of Chennai. At all India level inflation rate is 3.4% observed during the year 2024-25.

STATEMENT 6.4

CONSUMER PRICE INDEX FOR INDUSTRIAL WORKERS IN AII INDIA AND METROCITIES (FINANCIAL YEAR WISE) (NEW BASE YEAR 2016=100)

	2023-24	2024-25	In %
All India	137.9	142.6	3.4
Delhi	130.9	133.2	1.8
Mumbai	128.7	132.5	3.0
Chennai	136.8	136.8	0
Kolkata	140.3	145.3	3.6

CONSUMER PRICE INDEX NUMBERS ON BASE 2012=100 RELEASED BY NATIONAL STATISTICAL OFFICE, MoSPI, GOVT. OF INDIA

5.2 The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation is releasing CPI (Rural, Urban, and Combined) on Base 2012=100 every month. Month wise comparative picture of Inflation rates based on CPI (Combined) in Delhi and All India are depicted in Statement 6.5 (for the months of January, 2022 to December, 2022), in Statement 6.6 (for the months of January, 2023 to December, 2023), in Statement 6.7 (for the months of January, 2024 to December, 2024) & in Statement 6.8 (for the months of January, 2025 to December, 2025).

STATEMENT 6.5

INFLATION RATES BASED ON CONSUMER PRICE INDEX (COMBINED) IN DELHI AND ALL INDIA- FOR THE MONTHS OF JANUARY, 2022 TO DECEMBER, 2022 (WITH NEW BASE YEAR 2012)

Year	Month	DELHI (%)	ALL INDIA (%)
2022	January	6.14	6.01
2022	February	5.70	6.07
2022	March	5.75	6.95
2022	April	6.58	7.79
2022	May	5.57	7.04
2022	June	5.06	7.01
2022	July	4.13	6.71
2022	August	4.16	7.00
2022	September	4.03	7.41
2022	October	2.99	6.77
2022	November	2.17	5.88
2022	December	2.98	5.72
Annual Inflation Rate		4.61	6.70

STATEMENT 6.6

INFLATION RATES BASED ON CONSUMER PRICE INDEX (COMBINED) IN DELHI AND ALL INDIA- FOR THE MONTHS OF JANUARY, 2023 TO DECEMBER, 2023 (WITH NEW BASE YEAR 2012)

Year	Month	DELHI (%)	ALL INDIA (%)
2023	January	3.27	6.52
2023	February	3.64	6.44
2023	March	3.44	5.66
2023	April	2.22	4.70
2023	May	1.53	4.31
2023	June	1.98	4.87
2023	July	3.78	7.44
2023	August	3.09	6.83
2023	September	2.24	5.02
2023	October	2.48	4.87
2023	November	3.10	5.55
2023	December	2.95	5.69
Annual Inflation Rate		2.81	5.65

STATEMENT 6.7

INFLATION RATES BASED ON CONSUMER PRICE INDEX (COMBINED) IN DELHI AND ALL INDIA- FOR THE MONTHS OF JANUARY, 2024 TO DECEMBER, 2024 (WITH NEW BASE YEAR 2012)

Year	Month	DELHI (%)	ALL INDIA (%)
2024	January	2.56	5.10
2024	February	2.42	5.09
2024	March	2.29	4.85
2024	April	2.17	4.83
2024	May	1.99	4.80
2024	June	2.18	5.08
2024	July	2.06	3.60
2024	August	2.52	3.65
2024	September	3.67	5.49
2024	October	4.01	6.21
2024	November	2.65	5.48
2024	December	2.51	5.22
Annual Inflation Rate		2.59	4.95

STATEMENT 6.8

INFLATION RATES BASED ON CONSUMER PRICE INDEX (COMBINED) IN DELHI AND ALL INDIA- FOR THE MONTHS OF JANUARY, 2025 TO DECEMBER, 2025 (WITH NEW BASE YEAR 2012)

Year	Month	DELHI (%)	ALL INDIA (%)
2025	January	2.02	4.26
2025	February	1.54	3.61
2025	March	1.48	3.34
2025	April	1.77	3.16
2025	May	2.07	2.82
2025	June	1.72	2.10
2025	July	0.52	1.61
2025	August	0.80	2.07
2025	September	0.57	1.44
2025	October	-0.28	0.25
2025	November	0.34	0.71
2025	December	1.17	1.33
Annual Inflation Rate		1.13	2.20

CHAPTER AT A GLANCE

➢	Consumer Price Index for Industrial Workers (CPI-IW) is one of the prominent economic indicators, which measures the relative changes in retail prices over a period of time in respect of a fixed set of goods and services consumed by an average working class family in a given area with reference to a base year.
➢	The definition of price adopted for the compilation of CPI is the price which a consumer/industrial worker has to pay for the specified item/variety, for the specified unit, in the selected shop of the selected market. It includes all taxes like sales tax, etc., and excludes rebates and discounts, which are universally applicable for all the customers.
➢	The Wholesale Price Index (WPI) is the only general index capturing price movement in a comprehensive way and is an indicator of movement in prices of commodities in all trade and transactions. It is generally taken as an indicator of the rate of inflation in the economy.
➢	From the month of September, 2020 the Labour Bureau has updated the Base of the old Series of CPI -IW (2001=100) to the New Base 2016=100.
➢	Consumer Price Index (CPI) is a reflection of changes in the retail prices of specified goods and services over a time period, whereas Wholesale Price index (WPI) accounts for changes in the general price level of goods at the wholesale level.