

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:909

ANSWERED ON:24.02.2006

INFLATION RATE

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**Will the Minister of FINANCE be pleased to state:**

(a) whether the inflation rate is likely to rise from four per cent to five per cent during the period between January 2005 to January 2006 as per the assessment of the Government;

(b) if not, the facts in this regard;

(c) whether the Government has examined the possibility of any adverse effect like fueling up of inflationary pressure as a result of remittances from abroad; and

(d) if so, the action generally taken to check the inflationary pressure?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

a) & b): The annual point-to-point inflation rate in terms of the wholesale price index (WPI) for the period January 2005 to January 2006 was as under:

Month/Year    Inflation Rate (%)  
(WPI#)

January 2005	5.54
February 2005	5.01
March 2005	5.39
April 2005	5.91
May 2005	5.55
June 2005	4.32
July 2005	4.29
August 2005	3.66
September 2005	4.06
October 2005	4.71
November 2005	4.21
December 2005	4.40
January 2006	4.35

# Based on weekly averages

c) & d) The Government reviews price situation based on various factors including remittances from abroad and undertakes policies as and when required. The anti-inflationary policies of the government in the recent past included strict fiscal and monetary discipline; rationalization of excise and import duties of essential commodities to lighten the burden on the poor; effective supply-demand management of sensitive items through liberal tariff and trade policies; and strengthening the public distribution system.