

Retail inflation rises to 10.56 per cent

Rising for the third consecutive month, retail inflation breached the double-digit mark at 10.56 per cent in December, driven by higher prices of vegetables, edible oil, pulses and cereal.

The retail inflation was 9.90 per cent in November and 9.75 per cent in October.

The vegetables basket in December recorded the highest inflation of 25.71 per cent among all the constituents that make the Consumer Price Index (CPI).

Vegetables were followed by the oil and fats segment at 16.73 per cent. Sugar turned more expensive by 13.55 per cent.

Pulses and cereals became dearer by 13.46 per cent and 13.70 per cent on an annual basis. Meat, fish and egg rose becoming 11.64 per cent more expensive.

Clothing and footwear witnessed 10.74 per cent increase in prices.

In urban areas, retail inflation rose to 10.42 per cent in December from 9.69 per cent in the previous month. The CPI for rural population increased to 10.74 per cent during the month from 9.97 per cent in November.

All India provisional General (all groups) CPI numbers of December 2012, for rural, urban and combined are 126.8, 124 and 125.6, respectively.

The Reserve Bank of India (RBI) is expected to take into account the double-digit retail inflation when it comes out with its third-quarter policy review later this month.

Wholesale price based inflation for November was at 7.24 per cent, much higher than the RBI comfort level of 5-6 per cent.

Concerned over the persistent inflation, the RBI has kept key interest rates unchanged since April, 2012.

Industrial output growth rate had contracted by 0.1 per cent in November, from a robust 8.3 per cent in October.

(The Hindu)