

# Wholesale inflation rises to 10-mth high of 1.81% in Jan

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**INDIA'S WHOLESALE PRICE** inflation rose to a 10-month high of 1.81% year-on-year in January, up from 0.83% in December, primarily due to increases in prices of basic metals, other manufactured goods, non-food and food articles and textiles, according to data released by the Ministry of Commerce and Industry on Monday.

The Wholesale Price Index (WPI) based inflation had increased from -1.00% in October to -0.13% in November, turned positive at 0.83% in December, and accelerated further to 1.81% in January. For context, WPI inflation was 2.51% in January 2025.

On the primary articles side (weight 22.62%), inflation rose to 2.21%. Food articles inflation returned to positive territory after nine consecutive months of deflation, standing at 1.55% y-o-y in January compared to -0.43% in December. Vegetables inflation spiked to 6.78% Y-o-Y after 11 months of deflation, though onions and potatoes remained in negative territory. Economists attribute vegetable price surge to supply shortfalls and favourable base effects.

The WPI Food Index (weight 24.38%), comprising food articles from the primary group and food products from manufactured products, saw its inflation rate rise to 1.41% Y-o-Y in January. It was flat in

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December. Non-food articles recorded a sharp rise in inflation to 7.58% Y-o-Y in January from 2.95% in December, boosted partly by oilseeds at 19.3%. Fuel and power remained in deflation at -4.01% y-o-y, worsened from -2.31% in December.

The manufactured products (weight 64.23%) recorded 2.86% Y-o-Y inflation rate, up from 1.82% in December. The manufactured products index rose by 1.30% (month-on-month) to 147.5 (provisional) in January from 145.6 in December. Basic metals inflation accelerated sharply to 5.98% Y-o-Y and textiles inflation was 2.48%.

Retail inflation, measured by the Consumer Price Index (CPI), rose to 2.75% in January, the first print under the revised CPI series with base year 2024. This uptick was driven by higher food prices and

precious metals such as gold and silver jewellery.

Madan Sabnavis, chief economist at Bank of Baroda, noted that the WPI numbers are unlikely to influence monetary policy directly but still indicative of benign prices from a corporate standpoint where costs will be under control. If the lower customs duty rates for several commodities are considered, there will be a downward tendency for prices of manufactured products, he said.

Aditi Nayar, chief economist at ICRA, said the uptick in WPI was primarily led by the core WPI (non-food manufactured items) segment, with the inflation in the same rising to a 38-month high of 3.2% from 2.0% in the previous month. Going forward, food inflation is set to harden further as the effect of an unfavourable base intensifies, she said.