

Wholesale Inflation Hits 38-Month High of 3.9% in March on Crude, Energy Prices

Supply disruptions raised input costs across items; economists expect inflation to rise further

Our Bureau

New Delhi: India's wholesale inflation hit a 38-month high of 3.9% year-on-year in March, up from 2.1% in February, driven by higher prices of crude oil, energy and manufactured goods amid the West Asia war, showed official data released on Wednesday.

Economists expect the Wholesale Price Index (WPI)-based inflation to rise further as tensions in the region persist. In March last year, the reading stood at 2.3%. "Looking ahead, the adverse impact of the surge in global energy prices, along with elevated shipping, freight and input prices, is expected to continue to weigh on the landed cost of imports, thereby exerting upward pressure on the WPI print for April," said Rahul Agrawal, senior economist at ICRA. ICRA expects WPI inflation to increase to about 4.8% in April, while India Ratings and Research estimates 4.7%.

Supply disruptions during March raised input costs across items, including sulphuric acid (77.2%), brass metal/she-

Upward Trend

Driven by higher crude oil, energy, and manufactured goods

Crude petroleum prices surged

51.6%



Economists expect inflation to rise further

Note: Figures for last two months are provisional
Source: Ministry of Commerce & Industry

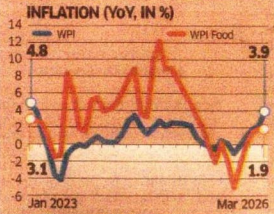


ILLUSTRATION: ANIMISHA

On average, Wholesale Price Index inflation stood at 0.7% in 2025-26, lower than 2.3% in the preceding financial year

et/coils (22.9%), copper wire (21.9%), aluminium powder (15.8%) and aluminium alloys (13.5%). Inflation in the fuel

and power segment turned positive at 1.1% in March, compared with a contraction of 3.8% in February. Crude oil pri-

ces surged 51.6%, reversing a 1.3% decline the month before.

Agrawal highlighted that crude petroleum and natural gas, and the fuel and power groups together accounted for 150 basis points of the 175 bps uptick in the headline print in March relative to February. A basis point is a hundredth of a percentage point. Refineries increased diesel prices by more than 25% in March during the West Asia crisis. At the same time, domestic gas cylinder prices increased ₹60, while commercial cylinders went up by a total of Rs 310. On average, WPI inflation stood at 0.7% in 2025-26, lower than 2.3% in the preceding financial year. Core WPI (non-food manufactured items) inflation rose to a 41-month high of 3.7% in March from 3.3% in February.

MANUFACTURING, FOOD

Manufactured products, which account for 64.23% of the WPI basket, saw inflation increase to 3.4% in March from 2.9% in February. Food, which accounts for around a quarter of the WPI basket, increased 1.85% during the month.