

Wholesale inflation rises to 3.88% in Mar

Subhash Narayan

subhash.narayan@livemint.com

NEW DELHI

India's wholesale inflation rose to 3.88% in March—the highest in more than three years—breaking a six-month run of subdued readings through December 2025, as higher prices of crude petroleum, natural gas, basic metals, and manufactured food and non-food items pushed up costs, according to commerce ministry data released on Wednesday.

Wholesale price inflation stood at 2.05% in March 2025. Since July last year, wholesale prices had either contracted or grown by less than 1%. The trend began reversing in January, when inflation came in at 1.81% following two consecutive months of deflation in October and November. WPI inflation had risen further to 2.13% in February.

Inflation in primary articles—which include cereals, paddy, wheat, vegetables, milk, eggs, meat and fish, along with minerals and crude oil—stood at 6.36% in March, up from 0.76% in March 2025.

Primary articles carry a weight of 22.62% in the index.



The fuel and power category, comprising cooking gas, petrol and diesel, had remained in deflation through February at (-) 3.78%. PTI

Inflation in this segment was 0.21% in December 2025, rising to 2.21% in January 2026 and further to 3.27% in February.

Inflation in manufactured products—the largest component of the index with a weight of 64.23%—stood at 3.39% in March. This was higher than 3.07% recorded a year ago and 2.92% in February 2026.

“WPI inflation nearly doubled to a 38-month high of

3.9% in March 2026 from 2.1% in February 2026, and printed largely in line with expectations. While the uptick was

Inflation in primary articles—cereals, paddy, milk, eggs—stood at 6.36% in March, up from 0.76% in March 2025

broad-based, the crude petroleum and natural gas, and the fuel and power groups witnessed sizeable hardening in their YoY inflation rates, reflecting the impact of the surge in

global energy prices owing to the West Asia crisis. Notably, these two groups together accounted for 150 bps of the

175 bps uptick in the headline print in March 2026 relative to February 2026,” said Rahul Agrawal, senior economist, ICRA Ltd.

The fuel and power category, comprising cooking gas, petrol and diesel, had remained in deflation through February at (-) 3.78%, following a 4.01% contraction in January 2026.

However, the segment turned inflationary in March standing at 1.05% as energy prices rose amid the West Asia war. Softer global energy prices and moderate electricity tariffs had kept prices contained until February, but inflationary pressures began building in March 2026.

“The WPI inflation trajectory would be more indicative of the war effects than the CPI as a lot of buffering is done on the latter especially on the fuel side,” said Madan Sabnavis, chief economist, Bank of Baroda. That said, he added, the rising trend in WPI is on expected lines and would tend to climb in the coming months due to both base effects as well as price increases in different segments.

For an extended version of this story, go to livemint.com