

# Prices and Inflation

July 24, 2019

**Source:** *PIB, Economic Survey 2018-19*

- **Headline inflation based on CPI-C continuing on its declining trend for fifth straight financial year remained below 4.0 per cent** in the last two years.
- **Food inflation based on Consumer Food Price Index (CFPI) also continuing on its declining trend** for fifth financial year has **remained below 2.0 per cent** for the last two consecutive years.
- **CPI-C based core inflation (CPI excluding food and fuel group) has now started declining** since March 2019 after increment during FY 2018-19 as compared to FY 2017-18.
- Miscellaneous, housing and fuel and light groups are the main contributors of headline inflation based on CPI-C during FY 2018-19 and the importance of services in shaping up headline inflation has increased.
- **CPI rural inflation declined** during FY 2018-19 over FY 2017-18. However, **CPI urban inflation increased marginally** during FY 2018-19. Many States witnessed fall in CPI inflation during FY 2018-19

