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## Food inflation tops 15% for 4th wk in row

### TIMES NEWS NETWORK

New Delhi: Food inflation remained above 15% for the fourth consecutive week in mid-January on the back of high onion, fruit and vegetable prices.

Data released by the commerce and industry ministry on Thursday showed the food price index rose 15.57% in the week to January 15, marginally higher than the previous week's 15.52%. The fuel price index rose 10.87%, lower than the previous week's 11.53%.

Economists said food inflation seems to have peaked but high inflation is here to stay for the rest of the year. High food prices have emerged as a major policy challenge for the government and the Reserve Bank of India. **'Tolerable inflation level is 5-6%'**

"We have crossed the peak of food inflation. The high food prices are a combination of both supply side and speculative shock," N R Bhanumurthy, economist at the National Institute of Public Finance and Policy, said.

"There is inflationary pressure across the world. There is a need for concerted effort at the global level to combat inflation. The G20 has a major role to play here. People in India will have to continue to live with higher than tolerable inflation for one more year. Tolerable inflation for India is 5% to 6%," he said.

High food inflation has contributed to rising headline inflation which rose 8.43% in December, accelerating from November's 7.48%. The government has taken some measures to calm prices while the RBI raised key interest rates on Tuesday. This was the seventh time since March that the RBI raised interest rates to calm price pressures. TNN