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PRICES MOVING NORTH

Food inflation goes past 19%

TIMES NEWS NETWORK

New Delhi: Food prices continued to rise, with the index for daily living cost rising to over 19% in the fourth week of November, year-on-year, mounting pressure on the government to rein in rates of essential items and RBI to tighten purse strings. Potatoes, onions and pulses were the main elements driving food inflation north.

Data on Thursday showed prices went up nearly 2% in a week. Food inflation had stood at 17.47% for the week ended November 21. However, the overall wholesale price index-based inflation for the month ended October stood at 1.34%.

The RBI will review its easy monetary policy stance on January 29, although RBI governor D Subbarao has said WPI (wholesale price index) is "quite modest" compared to consumer prices.

"If inflationary pressure persists for a long time, it can fuel inflationary expectations and monetary policy will have to take a nuanced view on this," he had said on Wednesday.

According to latest data, potatoes now cost more than double on an annual basis, while onions 23% more. Prices of other essential daily commodities like rice rose by 11.75%, wheat 12.6% and pulses by 42%. At the same time, fruits were costlier by 13% while milk was 11.36% more expensive.

Worried over the development, UPA chairperson Sonia Gandhi had described the issue as "a matter of highest concern". Sonia said she had spoken to the PM and the FM and they had assured her that "every possible step" will be taken to address the issue.