

Distr.
GENERAL

CES/AC.49/1999/23
20 October 1999

ENGLISH ONLY

STATISTICAL COMMISSION and
ECONOMIC COMMISSION FOR EUROPE

INTERNATIONAL LABOUR
ORGANIZATION (ILO)

CONFERENCE OF EUROPEAN STATISTICIANS

Joint ECE/ILO Meeting on Consumer Price Indices
(Geneva, 3-5 November 1999)

AN OVERVIEW OF PRICE INDICES COMPILATION IN INDIA

Contributed paper submitted by the Government of India

1. INTRODUCTION

Analysis of data on prices is an important component in the monitoring of progress and health of an economy. Although, various departments/organisations of Government of India and State Governments collect prices of several commodities and services, in-depth analysis of price data has been seldom carried out. Presently, price data at national level, are collected at retail and wholesale stages, from rural and urban areas for different segments of population like industrial workers, urban non-manual employees, agricultural labourers and rural labourers. The present papers attempts to provide a brief account of various price index series brought out by the Government of India in respect of specific population groups.

2. Price Indices

An index number is a single figure that shows how the whole set of related variables has changed over time or from place to place. In particular, a price index reflects the overall change in a set of prices paid by a consumer or a producer and are conventionally known as a cost-of-living index and producer's price index. The main purposes of compilation of a price index are considered to provide:

- (i) a measure of general price level,
- (ii) a price deflator,
- (iii) purchasing power per unit currency,
- (iv) a measure of comparing price movement among different sectors of an economy,
- (v) an aid to business forecasts.

Thus, price indices provide one of the basic parameters needed for economic planning and economic policy formulations by Governments as well as private organisations. The present system of collection of data and compilation of price indices at national level, encompasses wholesale prices and retail prices for Industrial Workers, Urban non-manual employees, Agricultural Labour and Rural Labour.

2.1 Wholesale Price Index

The Office of the Economic Adviser (OEA) in the Ministry of Industry has been the pioneer in compiling price index as it started preparation of Wholesale Price Index (WPI) Numbers, on weekly basis as early as 1942, on the base 1939. The base year has been revised from time to time. The present WPI series, on base 1981-82, is being released since July 1989. The series covers in all 447 commodities. The sector-wise break-up of 447 commodities is i) primary articles - 93 (food articles - 44, non-food articles - 28, minerals- 21); ii) fuel, power, light and lubricants - 20; iii) manufactured products - 334. In all 2,371 quotations of wholesale prices in respect of 447 commodities are collected, on weekly basis, through official as well as non-official sources. The official sources include Directorate of Economics and Statistics in the Ministry of Agriculture; Agricultural Marketing Departments of Central and State Governments, State Directorates of Economics and Statistics, District Statistical Offices, Registrars of Co-operative Societies and other primary agencies belonging to various State Governments. The non-official sources include chambers of commerce, trade associations, leading manufacturers and prominent business houses.

The weights of the items included in the commodity basket of WPI series, were assigned on the basis of the volume of wholesale transactions in the economy. Accordingly, each selected item was assigned a weight proportional to its share in the total value of output in the economy. In case of agricultural commodities, weights to individual commodities were assigned on the basis of marketed surplus ratio during the triennium ending 1981-82. For minerals, the weights were based on the average value of production during the three year period ending 1981-82 and in case of manufactured products' and 'fuel, power, light & lubricants, the value of production as per the Annual Survey of Industries, 1980-81 was used for assigning weights. The weights at major group, group and sub-group levels are given in Annexure I.

The index is calculated on the principle of weighted arithmetic means according to Laspeyre's formula, which has fixed base year weighting diagram

operating throughout the entire life span of the series. The index for sub-group, group, major group and all commodities are computed as weighted arithmetic average of the respective constituent indices. The index at commodity, sub-group, group, major group levels is released, on weekly basis with a time lag of two weeks. Due to late receipt of a small percentage of returns, the index is initially termed provisional. The final index which takes into accounts the price quotations received late is disseminated after a period of about eight weeks. The revision of base year of the present series on base 1981-82, to base 1993-94, including selection of basket of commodities, is in progress.

2.2 Consumer Price Indices

In principle and practice, a Consumer Price Index (CPI) measures changes over time in the general level of prices of goods and services that a reference population acquires use or pay for consumption. There are four CPIs released at national level. These are CPI for Industrial Workers (IW), CPI for Agricultural Labourers (AL), CPI for Rural Labourers (RL), and CPI for Urban Non-Manual Employees (UNME). While the first three are compiled and released by the Labour Bureau in the Ministry of Labour, the fourth by the Central Statistical Organisation (CSO) in the Department of Statistics and Programme Implementation, Ministry of Planning and Programme Implementation.

2.2.1 CPI (IW)

The Labour Bureau has been compiling Consumer Price Index Numbers for Industrial Workers [CPI (IW)], on monthly basis, since August, 1968 initially on base 1960 which was revised to 1982. The present CPI (IW) series, on base 1982, started releasing with effect from October, 1988 index. For the present CPI (IW) series, the retail prices in respect of selected items of goods and services, are collected from 226 markets in 70 centres by the officials of various State Directorate of Economics and Statistics or State Labour Commissioner etc. The number of items in the consumption baskets of different centres generally varies between 120 to 160, depending upon the prevailing situation in each centre and the consumption pattern of the centre. The various items of goods and services are classified into six groups namely: (i) food, (ii) pan, supari, tobacco & intoxicants, (iii) fuel & light, (iv) housing, (v) clothing, bedding & footwear, (vi) miscellaneous. The prices of items like cereals, vegetables, oils & fats, etc., for which there are frequent changes in prices, are collected on weekly basis and of items such as clothing, furniture, utensils, household appliances, durable goods etc. the prices are collected on monthly basis from two selected outlets/shops in the selected markets. [The data on prices of commodities which are supplied through subsidised outlets \(fair price shops\) and their availability in these outlets are also collected so that weighted average prices can be worked out for them.](#) The weights for the index are based on the estimates generated from the data collected through working class family

living survey (WCFLS) conducted during 1981-82. The weights at all-India level, in respect of different groups/sub-groups of items of goods and services are given in Annexure II.

For WCFLS conducted during 1981-82, a working class family was defined as one (i) which was located within the centre, (ii) which had atleast one member working as manual worker in an establishment in any of the seven sectors of employment covered viz. factories, mines, plantations, ports and docks, public motor transport undertakings, electricity generating and distributing establishments, and railways; and (iii) which derived 50 per cent or more of its income during the calendar month preceding the day of enquiry through any manual work. In the survey (WCFLS) conducted during 1981-82, it was decided to cover 70 centres after taking into account increase in working class population since the previous survey conducted during 1958-59 and the resources available. Keeping in view the administrative needs for centre based indices and adequate representation to geographical areas and industries, the centres were selected purposively. The list of centres having large concentration of workers, and total employment in the state relating to three sectors viz.; factories, plantations and mining were obtained from various State Governments. On the basis of this information, firstly, the number of centres was allocated to three sectors viz.; factories, mining and plantation; in proportion to the employment in these sectors. Secondly, the number of centres allocated to three sectors viz.; the number of centres under each sector, was distributed among the states on the basis of industrial employment in a state subject to a maximum of five centres per state in a sector. Lastly, actual centres were selected on the basis of the centre specific employment in consultation with the respective State Governments. Apart from these 70 centres, the survey was also conducted in six centres i.e. Kothagudem, Himachal Pradesh, Chhindwara, Bhilwara, Tripura and Goa; in order to update the base of their CPI (IW) series. In all, the survey covered 76 centres, out of which only 70 centres are included for compilation of the all-India Consumer Price Index Numbers. A list of 70 centres is at Annexure III and sector-wise break-up thereof, is as under:

(i) factory centres	=	54
(ii) plantation centres	=	9
(iii) mining centres	=	7

The factory centres are mostly urban whereas a small segment of the population in plantation centres and mining centres is semi-urban and rural. In the survey, a sample of 34,722 working class families in 76 centres was covered. A minimum sample of 216 and a maximum sample of 1,512 families were surveyed in a centre. Prior to commencement of regular price-data collection, market survey for selection of markets, shops/outlets on the basis of their representativeness and popularity among the working class, was also carried out in each centre.

For compiling housing index, the rent paid/payable for a dwellings unit by the workers is utilized. Rental data for the purpose of housing index are collected twice a year from the sample of dwellings through a half-yearly House Rent Survey and rent index is compiled once in every six months i.e. for the month of January and July and the same is repeated for the following five months. Housing Index is compiled by chain base method, in which rent movements are compared with the last six monthly period and not with the base period. For compiling the housing group index, three separate indices are compiled for free, rented and owner occupied houses and these indices are combined by using their respective weights to work out the weighted housing index.

The index is compiled by using Laspeyre's base weighted formula. Sub-group, group and general indices for a centre are computed as weighted arithmetic averages of the respective constituent indices. All India index is compiled as a weighted arithmetic average of centre-indices, wherein the weight is proportion of the consumption expenditure of estimated number of families of a centre to sum total of all such expenditures over all centres in the country. The indices for all-India (computed from the indices of 70 centres) and 76 centres are released, on monthly basis, with a time lag of one month. A fresh WCFLS for selection of basket of goods and services, and revision of base year of the current series on base 1982, to a more recent base year, has been launched.

2.2.2 CPI (UNME)

The Central Statistical Organisation has been compiling Consumer Price Index Numbers, [CPI (UNME)], on monthly basis, since 1961 initially on base 1960 which was revised to 1984-85. The present CPI (UNME) series, on base 1984-85, is being released since November, 1987. For the present CPI (UNME) series, the retail prices in respect of selected items of goods and services are collected from 1022 markets in 59 urban centres by National Sample Survey Organisation (NSSO). The number of items of goods and services for which retail prices are collected for compilation of CPI (UNME), varies from centre to centre. The smallest number of items is in the case of Imphal, with the number being 146. The largest number of items is in the case of Delhi; with the number being 345. The various items of goods and services, are grouped into five main groups, namely: i) food, beverages and tobacco; ii) fuel and light, iii) housing, iv) clothing, bedding and foot-wear; v) miscellaneous. The prices of items under different commodity groups are collected on fixed days of the week from selected shops/outlets, such that comparisons between two quotations from the same outlet are not affected by differences in the timings of data collection. Prices collected are those paid for actual transactions, inclusive of sales tax and other such charges normally payable by the consumer, after accounting for discounts or rebates, if any allowed. The weights for the present series are based on the estimates generated from the data collected through Middle Class Family Living Survey (MCFLS) conducted during 1982-83. The weights at all-India

level, in respect of different groups/sub-groups of items of goods and services are given in Annexure II.

For MCFLS conducted during 1982-83, an urban non-manual family was defined as the one which derived 50 percent or more of its income from gainful employment on occupations of one or more of its members doing non-manual work in the non-agricultural sector. Keeping in view the financial resources available for the survey, it was decided that the total number of centres to be selected may not exceed 60. In selecting urban centres for the survey, initially an approach of combining purposive and probability methods of selection was considered. According to this approach, all big cities and important centres for which centre-specific indices were considered essential (namely, state capitals and some other centres for which indices were already being compiled and put to use), were to be included on purposive basis and the remaining centres to be selected on sample basis. However, considering the fact that the number of big cities (population more than 5 lakhs according to 1981 Population Census) was itself quite large and if along with these big cities all state capitals and those centres considered important from index point of view, were to be included on a purposive basis, then there was practically no scope left for probability selection. On these considerations, it was decided that all the centres for the survey should be selected entirely on purposive basis and a total of 59 urban centres (list at Annexure III) were thus finally selected keeping in view the following criteria: (i) concentration of UNME population in the centre; (ii) inclusion of state capital cities; and (iii) regional representation. The centres were allocated to different states broadly in proportion to their 1981 urban population with the limitation that not more than 5 centres were allotted to any state. In the survey, a sample of about 45,000 urban non-manual employees' families in 59 urban centres was covered. Depending on the size of the centre, the number of families in a centre canvassed during the survey, varied from 432 to 1,728. Prior to commencement of regular price-data collection, market survey for selection of markets, shops/outlets was also carried out during 1983 in each of the 59 centres. A sample of markets and outlets/shops in each centre was selected purposively on the basis of popularity of markets among the target population. In case of retail markets other than general important markets, a random sample of markets was selected by circular systematic sampling.

A representative sample of rented dwellings, occupied by the target population, was drawn from the list of families canvassed during the 1982-83 survey, and a repeat house-rent enquiry is carried out from the same set of rented dwellings, at six-monthly intervals, for collection of comparable house rent data for use in compilation of house rent index, which is a constituent of the CPI (UNME). From the sample of families canvassed for house-rent enquiry, data on 'off-take' are also collected periodically for working out off-take weights in respect of sources of purchase, as regards selected commodities such as rice, wheat, sugar, and kerosene (whose supply/prices in the open market is regulated by means of fair price shops and consumer co-operative stores). Housing index is compiled by chain base

method, for which three separate indices are compiled for free, rented and owner occupied houses and these indices are combined by using their respective weights to work out the weighted housing index.

For a given centre, CPI (UNME) is worked out using the Laspeyre's formula. Sub-group, group and general indices for each of the centres are computed as weighted arithmetic averages of the respective constituent indices. All-India index is compiled as a weighted arithmetic average of centre-indices, wherein the weights are proportional to aggregate estimated expenditure of the targeted population represented by the respective centre indices. The centre-wise and all-India index is released every month with a time lag of about two weeks.

2.2.3 CPI (AL) and CPI (RL)

The Labour Bureau has also been compiling Consumer Price Index Numbers for Agricultural Labourers [CPI (AL)] on monthly basis, since September 1959 initially on base 1950-51 which was revised from time to time. The present CPI (AL) series, on base 1986-87, is being released since November, 1995. The Labour Bureau started releasing Consumer Price Index Numbers for Rural Labourers [(CPI (RL)], on base 1986-87, since November, 1995. For both the present series of CPI (AL) and CPI (RL), the retail prices in respect of 260 items of goods and services are collected by National Sample Survey Organisation (NSSO) from fixed markets in 600 sample villages in 20 states spread over the country. The various items of goods and services, are grouped into four main groups, namely: i) food, ii) fuel and light, (iii) clothing, bedding & footwear; iv) miscellaneous. The items of goods and services are common but the varieties of most of the items differ from village to village. The collection of retail prices is staggered over four weeks of a month with one-fourth of the samples covered every week. Prices are collected on the fixed price collection day which may be a "Hat" day for "Hat" or non-daily markets, and any market day for daily markets. The average price in respect of the items supplied through the public distribution system is a weighted average of price in the open market and that in fair price shops, weights being the proportion of availability of these items in the Public Distribution System. For working out the availability ratio, the data in respect of rationed item is collected in a specially designed proforma. The weights for both the indices are based on the estimates generated from the data collected through household consumer expenditure enquiry conducted by NSSO in its thirty-eighth round during 1983. [The weights at all-India level, in respect of groups/sub-groups of items of goods and services are given in Annexure II.](#) It is only the weights at the compilation stage, which are different for the two labour class households i.e. agricultural labour households and rural labour households. The population of agricultural labour households is about 60 percent that of rural labour households.

For household consumer expenditure enquiry, an agricultural labour/rural labour household is considered as one which derived 50 percent

or more of its income from gainful employment on occupations of one or more of its members as agriculture/rural labour. A person is considered engaged in agricultural labour if he/she follows one or more of the following agricultural occupations in the capacity of a wage paid manual labourer, whether paid in cash or kind (excluding exchange labour) or both.

- (i) farming
- (ii) dairy farming
- (iii) production of any horticultural commodity
- (iv) raising of livestock, bees or poultry
- (v) any practice performed on a farm as incidental to or in conjunction with farm operations (including forestry and timbering) and the operation for market and delivery to storage or to market or to carriage for transportation to market of farm produce. Carriage for transportation refers to the first stage of the transport from farm to the first place of disposal. Working in fisheries was excluded from agricultural labourers.

A person who does manual work in return for wages in cash or kind or partly in cash and partly in kind (excluding exchange labour) is a wage paid manual labourer. Persons who are self-employed doing manual work are not treated as wage paid manual labourers.

People living in rural areas and engaged in manual labour by working in agricultural and/or non-agricultural occupations in return for wages paid either in cash or kind (excluding exchange labour) or both, are considered as rural labourers. Thus, rural labourers include both agricultural labourers and other labourers.

A Working Group under the chairmanship of the Director, Central Statistical Organisation, with the Director, Labour Bureau as convenor, the Director, FOD, NSSO and a representative each of the Director, SDRD, NSSO and Economic and Statistical Advisor, Ministry of Agriculture as members, considered various aspects of collection of rural retail prices for the index including the present sampling frame of markets and price villages and recommended an overall sample of about 800 villages at the all-India level. The NSSO considered the recommendations of the Group and, after consultations with the Labour Bureau and the CSO, suggested some modifications in the procedure to be followed for collection of rural retail prices. The modified scheme envisaged collection of prices initially from a new set of 600 villages and subsequently from 1000 villages with replacement of one fifth of the sample villages every year. The allocation of these 600 villages among 20 states was done on the basis of the recommendations of the Working Group which studied variation of prices within each state to determine optimum sample size so as to yield an estimate of index with error of not more than 2 percent. Keeping in view the operational framework of the Field Operations Division (FOD) of NSSO, some deviations from the optimal size were made. The state-wise distribution of villages from which rural retail prices are

being collected is given in Annexure IV. During March-July 1986, the NSSO carried out preliminary enquiry for selection of markets and shops for fixation of specifications of items to be priced in 600 sample villages spread over 20 states. The regular collection of rural retail prices, on monthly basis, commenced with effect from July, 1986. The number of sample villages will be increased from 600 to 1000 in the first phase and subsequently one-fifth (i.e. 200) of the sample villages will be replaced by new villages every year.

As the housing cost of the rural labour population was observed negligible in the base year, data on house rent have not been collected, and as such, the housing index (as a part of general index) is not being compiled. The index from the state level price relatives is worked out by using the Laspeyre's formula. In the first instance, index is compiled for each state at general as well as at disaggregated level (i.e. group/sub-group/commodity). In the next stage, all India index is compiled as a weighted average of 20 state index numbers, weights being the estimated consumption expenditure of all Rural/Agricultural households in each state as a proportion of corresponding expenditure for all-India. The indices for all-India and 20 states are released, on a monthly basis, with a time lag of about three weeks.

2.2.4 Revision of Base Year of Price Indices

When a CPI is compiled for a sequence of years, repeated use of fixed weights, derived from consumer expenditure estimates generated from family living surveys (conducted generally during or prior to the base year), is bound to become increasingly unsatisfactory as the sequence get longer and base year becomes remote. It is more so when interest is mainly focussed on recent movements, as distinct from comparison with some point of time in the past. In order to have relevant and representative weights, it is necessary to update them frequently. A CPI for a particular segment of the population presumes, under the assumption that all consumers therein are identical, the existence of a characteristic utility function for the group. An operational CPI, observing prices of defined goods and services, also assumes that these commodities are representative for the elements in that utility function. In reality, consumer preferences change over time, as also the composition of group of consumers. Moreover, the characteristics of an increasing number of goods and services also change rapidly; with new products entering the market; and old ones either getting modified, or altogether disappearing.

Under the basic realities as described above, it is imperative to have a regular mechanism for updating the CPI basket of goods and services at least once every five years. The same is the case with WPI too. All the four national CPIs are noted to have base-years that are at least 12 years old. The respective base years are: CPI (IW) - 1982, CPI (UNME) - 1984-85, CPI (AL) and CPI (RL) - 1986-87. A new FLS for revising the base year of

CPI(IW) has been launched. The base year of the current series of WPI on 1981-82 is likely to be shifted to 1993-94 shortly.

2.2.5 Need for construction of new Consumer Price Index series

As stated in the proceeding paragraphs, there are four Consumer Price Indices (CPI) released at national level. These are CPI for Industrial Workers (IW), CPI for Agricultural Labourers (AL), CPI for Rural Labourers (RL), and CPI for Urban Non-Manual Employees (UNME). The coverage and applicability of these CPIs are restricted to specific segments of the population, as the respective nomenclature suggests. It can be seen from the segments of population for which the present CPI series are built that there is a gap in the coverage as the segment of population working in the informal sector is not completely covered. The informal sector of the Indian economy accounts for a major share of the work force which is not being presently taken care of by any of these CPIs. As such, there is a need to construct CPI series separately for urban informal sector workers and rural informal sector workers. There is also need to compile CPI series separately for urban poor and rural poor. Efforts are being made by CSO to develop CPI series for urban and rural population.

3. Uses of Price Indices

Changes in prices, both absolute and relative, influence a wide range of economic activities, and a constant watch on prices becomes necessary for the operation and regulation of current economic policies as well as for planning and policy formulation. Temporal changes in prices are gauged by using price indices. A price index can be either at the wholesale level, or at the retail level of the marketing channel. WPI helps in understanding the movement of prices relating to bulk transactions or purchases, usually for further sale. WPI is used for a wide spectrum of economic management needs, including policy-formulation, deflating macroeconomic aggregates, forecasting of variables for which prices are prime indicators, and working out escalation costs of projects. Reserve Bank of India (RBI), Planning Commission, and other government agencies use WPI extensively as a major macroeconomic indicator for varied purposes. In socio-economic research, the indices find ready use.

The Consumer Price Index (CPI) plays an important role in national policy making, both in the economic and in the social sphere. It is used for a wide variety of purposes. The CPI is the best and most well known indicator of inflation. It is the barometer of the performance of the economy and a key indicator in evaluating the results of the monetary and fiscal policy in a country. A popular function is the use of CPI for indexation of wages and social security allowances. CPI is also important for formulation of social policy measures and in the area of social security and welfare allowances. Beside these, CPI is used as a deflator in national

account estimates for converting values at current prices to values at constant prices.

Given the importance of the CPI, both as an economic indicator providing timely information on the trend in prices paid by consumers and as a measure used extensively for indexation, it is not surprising that measurement issues regarding CPI have gained substantial attention over the years.

4. Measurement of Inflation

The official measure of inflation in the Indian economy is based on WPI. The WPI measures the general level of price changes at the level of either the wholesaler or the producer; and does not take into account retail margins. As such WPI can be said to essentially measure price changes from the production side and not from the consumption side. Moreover, price changes in the service sector are not duly accounted for in WPI, even though these are largely influenced by inputs from the industrial sector. In contrast to a CPI, the WPI thus measures price changes at an early stage of the distribution system. This difference makes the WPI a flexible price index and one that signal changes in the general price level. From the viewpoint of a consumer, inflation concerns the purchasing power of his money. Inflation estimates given by a CPI are considered more representative of temporal changes in consumer prices.

Given the different objectives of existing price measures and their limitations, there is a scope to enhance the analytical value of information provided by different CPIs by drawing them together and presenting as a system of indices that are specially designed to support measurement and analysis of inflation.

5. Concluding remarks

The paper gives an overview of the present system of collection of data and compilation of price indices at national level. It is evident from the CPIs presently compiled at national level, that there is a need for construction of new CPI series for informal sector workers, poor both in urban and rural areas besides CPIs for urban and rural population at national level. As regards measurement of inflation, there is a scope to enhance the analytical value of information on prices by drawing the different CPIs together, and presenting them as a system of indices, specially designed to support measurement and analysis of inflation. Consumption patterns of general populace change over passage of time. To take into account such changes, it is necessary to have a regular mechanism for updating the base year and the basket of goods and services and the corresponding weights of CPIs at least once every five years.

Index Numbers of Wholesale Prices in India (Base: 1981-82)
Weights at Major Group, Group and Sub-Group level

Annexure I

Major Groups, Groups and Sub-Group	Weights
All Commodities	100.000
I Primary Articles	32.295
(A) Food articles	17.386
a. Food grains (cereals + pulses)	7.917
b. Fruits & vegetables	4.089
c. Milk	1.961
d. Eggs, Fish & Meat	1.783
e. Condiments & spices	0.947
f. Other food articles	0.689
(B) Non-food articles	10.081
a. Fibres	1.791
b. Oil seeds	3.861
c. Other non-food articles	4.429
(C) Minerals	4.828
a. Metallic Minerals	0.231
b. Other minerals	0.323
c. Petroleum Crude & Natural gas	4.274
II. Fuel, Power, Light & Lubricants	10.663
a. Coal Mining	1.256
b. Mineral Oils	6.666
c. Electricity	2.741
III. Manufactured Products	57.042
(A) Food products	10.143
a. Dairy products	0.642
b. Canning & preserving of fruit & vegetables	0.068
c. Canning & preserving & processing of fish	0.126
d. Grain Mills products	1.530
e. Bakery Products	0.242
f. Sugar, Khandsari & gur	4.059
g. Manufacture of Common Salt	0.035
h. Cocoa, Chocolate, sugar & Confectionery	0.088
i. Edible oils	2.445
j. Oil cakes	0.432
k. Tea & Coffee processing	0.236
l. Other food products n.e.c.	0.034
(B) Beverages, Tobacco & Tobacco products	2.149
a. Wine industries	0.099
b. Malt liquor	0.059
c. Soft drinks & Carbonated water	0.066
d. Manufacture of bidi, Cigarettes, tobacco & zarda	1.925

Major Groups, Groups and Sub-Group	Weights
(C) Textiles	11.545
a. Cotton textiles	6.093
b. Man made textiles	2.921
c. Woollen textiles	0.339
d. Jute, Hemp & Mesta Textiles	0.689
e. Manufacture of textiles n.e.c	1.503
(D) Wood & wood products	1.198
(E) Paper & Paper products	1.988
a. Paper & Pulp	0.808
b. Manufacture of board	0.440
c. Printing & publishing of newspapers, periodicals etc.	0.740
(F) Leather & leather Products	1.018
(G) Rubber & Plastic products	1.592
a. Tyres & tubes	0.766
b. Plastic Products	0.442
c. Other rubber & plastic products	0.384
(H) Chemicals & Chemical products	7.355
a. Basic heavy inorganic chemicals	0.764
b. Basic heavy Organic Chemicals	0.452
c. Fertilizers & Pesticides	1.950
d. Paints, varnishes & lacquers	0.240
e. Dyestuff & indigo	0.336
f. Drugs & medicines	1.065
g. Perfumes, Cosmetics, toiletaries	1.215
h. Turpentine, synthetic resins & plastic materials	0.477
i. Matches, explosives, inedible oils & other chemical products n.e.c.	0.856
(I) Non-metallic mineral products	2.477
a. Structural clay products	0.695
b. Glass, Earthen wares, chinaware	0.296
c. Cement, lime & plaster	0.916
d. Mica products	0.041
e. Cement, Slate & graphite products	0.529
(J) Basic Metals alloys & metal products	7.632
a. Basic metals & alloys	4.784
b. Non-ferrous metals	1.025
c. Metal products	1.823
(K) Machinery & machine tools incl. Elec. Machinery	6.268
a. Non-electrical Machinery & parts	3.277
b. Electrical Machinery	2.991
(L) Transport equipment & parts	2.705
a. Locomotives, railway wagons & parts	0.274
b. Motor vehicles, Motorcycles, scooters, Bicycles & parts	2.431
(M) Other Misc. manufacturing industries	0.972

Annexure II

Weights* of various CPI series for all India at Group and Sub-Group levels

No.	Group/Sub-Group	CPI(UNME) Base: 1984-85	CPI(IW) Base: 1982	CPI(AL) Base: 1986-87	CPI(RL) Base: 1986-87
I.	Food, Beverages and Tobacco	47.13	60.15	72.94	70.47
	1. Cereals	10.97	20.47	40.94	38.15
	2. Pulses	2.51	3.59	3.39	3.40
	3. Milk	9.02	6.45	3.74	3.94
	4. Edible Oils	4.39	5.03	3.83	3.79
	5. Meat	2.99	4.29	3.10	3.31
	6. Vegetables	4.31	5.71	4.18	4.05
	7. Fruits	1.99		0.88	1.00
	8. Sugar	1.84	2.72	2.58	2.59
	9. Salt and spices	1.53	3.18	4.12	3.92
	10. Beverages	6.12	5.56	2.39	2.62
	11. Pan, Tobacco etc.	1.46	3.15	3.79	3.70
II.	Fuel & Light.	5.48	6.28	8.35	7.90
III.	Housing	16.41	8.67	-	-
IV.	Clothing & Footwear	7.03	8.54	6.98	9.76
	1. Clothing	6.14	7.68	6.28	6.17
	2. Footwear	0.89	0.86	0.70	3.59
V.	1. Miscellaneous	23.95	16.36	11.73	11.87
	1. Amusement	2.19	1.40	0.53	0.60
	2. Personal care	4.55	3.31	2.04	2.28
	3. Transport & Communication	5.18	2.65	1.67	1.80
	4. Education	4.58	1.74	0.41	0.39
	5. Medical	2.51	2.59	4.38	4.23
	6. Household Requisites	2.02	4.67	2.70	2.57
	7. Others	2.92			
	Total	100.00	100.00	100.00	100.00

* Based on estimates of consumer expenditure generated from the data collected through respective Family Living Surveys conducted during 1982-83 for CPI(UNME) and 1981-82 for CPI(IW), and household consumer expenditure enquiry conducted during 1983 for CPI(AL) and CPI(RL).

Notes:

1. The sub-groups 'Vegetables' and 'Fruits' are combined into one sub-group in CPI (IW).
2. Under group 'Miscellaneous' in CPI (IW), CPI (AL) and CPI (RL); the sub-group 'Others' has been included under sub-group 'Household Requisites'.

3. There is no 'Housing' group under CPI (AL) and CPI (RL) as the housing cost of the rural labour population was observed negligible in the base year.

Annexure III

Centres of CPI (UNME) and CPI (IW)

State/U.T.	Centre of		Common centres
	CPI (UNME)	CPI (IW)	
(1)	(2)	(3)	(4)
1. Andhra Pradesh	1. Hyderabad ¹ 2. Visakhapatnam ² 3. Warangal 4. Kurnool 5. Vijayawada	1. Hyderabad 2. Visakhapatnam 3. Warangal 4. Guntur 5. Gudur [®]	1. Hyderabad 2. Visakhapatnam 3. Warangal
2. Assam	6. Guwahati ³	6. Guwahati 7. D.D. Tinsukhia* 8. Labac-silchar* 9. Mariani-Jorhat* 10. Rangapara-Tezpur*	4. Guwahati
3. Bihar	7. Ranchi 8. Patna 9. Muzaffarpur	11. Ranchi-Hatia 12. Jamshedpur 13. Jharia [®] 14. Kodarma [®] 15. Monghyr-Jamalpur 16. Noamundi [®]	5. Ranchi
4. Gujarat	10. Ahmedabad ⁴ 11. Bhavnagar 12. Rajkot 13. Surat	17. Ahmedabad 18. Bhavnagar 19. Rajkot 20. Surat 21. Vadodra	6. Ahmedabad 7. Bhavnagar 8. Rajkot 9. Surat
5. Haryana	14. Rohtak	22. Yamunanagar 23. Faridabad	— —
6. Himachal Pradesh	15. Shimla	—	—
7. Jammu & Kashmir	16. Srinagar 17. Jammu	24. Srinagar	10. Srinagar
8. Karnataka	18. Bangalore 19. Hubli ⁵ 20. Gulbarga 21. Mangalore	25. Bangalore 26. Hubli-Dharwar 27. Belgaum 28. Mercara*	11. Bangalore 12. Hubli-Dharwar
9. Kerala	22. Thiruvananthapuram 23. Calicut	29. Thiruvananthapuram 30. Quilon 31. Alwaye 32. Mundakayam*	13. Thiruvananthapuram
10. M.P.	24. Bhopal 25. Indore 26. Jabalpur 27. Gwalior	33. Bhopal 34. Indore 35. Jabalpur 36. Balaghat [®] 37. Bhillai	14. Bhopal 15. Indore 16. Jabalpur
11. Maharashtra	28. Mumbai 29. Nagpur 30. Pune 31. Sholapur 32. Aurangabad	38. Mumbai 39. Nagpur 40. Pune 41. Sholapur 42. Nasik	17. Mumbai 18. Nagpur 19. Pune 20. Sholapur
12. Manipur	33. Imphal	—	—
13. Nagaland	34. Kohima	—	—
14. Orissa	35. Cuttack ⁶ 36. Sambalpur	43. Rourkela 44. Barbil [®]	—

1. Includes Secunderabad, 2. Includes Waltair, 3. Includes Dispur, 4. Includes Ghandhinagar, 5. Includes Dharwar, 6. Includes Bhubaneshwar.

(1)	(2)	(3)	(4)
15. Meghalaya	37. Shillong	—	—
16. Punjab	38. Amritsar	45. Amritsar 46. Ludhiana	21. Amritsar
17. Rajasthan	39. Jaipur 40. Ajmer 41. Jodhpur	47. Jaipur 48. Ajmer	22. Jaipur 23. Ajmer
18. Sikkim	42. Gangtok	—	—
19. Tamil Nadu	43. Chennai 44. Coimbatore 45. Madurai 46. Salem 47. Tiruchirapalli	49. Chennai 50. Coimbatore 51. Madurai 52. Salem 53. Tiruchirapalli 54. Coonoor*	24. Chennai 25. Coimbatore 26. Madurai 27. Salem 28. Tiruchirapalli
20. Tripura	48. Agartala	—	—
21. U.P.	49. Agra 50. Kanpur 51. Lucknow 52. Allahabad 53. Meerut	55. Agra 56. Kanpur 57. Varanasi 58. Saharanpur 59. Ghaziabad	29. Agra 30. Kanpur
22. West Bengal	54. Calcutta 55. Asansol 56. Kharagpur 57. Siliguri	60. Calcutta 61. Asansol 62. Howrah 63. Durgapur 64. Darjeeling* 65. Haldia 66. Jalpaiguri* 67. Raniganj [@]	31. Calcutta 32. Asansol
23. Chandigarh	58. Chandigarh	65. Chandigarh	33. Chandigarh
24. Delhi	59. Delhi ⁷	69. Delhi	34. Delhi
25. Pondicherry	—	70. Pondicherry	—
Total	59 Centres	70 Centres	34 Centres

7. Includes New Delhi.

* Plantation centres (selected on the basis of employment in Plantations)

@ Mining Centres (selected on the basis of employment in Mining)

Notes:

- Besides the above 70 centres of CPI (IW), the price data are also collected from 6 centres viz., Kothagudem (A. P.), Himachal Pradesh, Bhilwara (Rajasthan), Chhindwara (M. P.), Tripura and Goa. The price data collected from these 6 centres do not form part of all-India Index
- A small segment of the population of Plantations and Mining Centres is semi-urban and rural. The remaining centres are Factory Centres (selected on the basis of employment in factory) are mostly urban.

Annexure IV

State-wise distribution of sample villages from which retail prices are collected by NSSO

S. No.	State	No. of villages
1	Andhra Pradesh	54
2	Assam	27
3	Bihar	39
4	Gujarat	30
5	Haryana	12
6	Himachal Pradesh	9
7	Jammu & Kashmir	21
8	Karnataka	36
9	Kerala	21
10	Madhya Pradesh	69
11	Maharashtra	54
12	Manipur	9
13	Meghalaya	9
14	Orissa	33
15	Punjab	15
16	Rajasthan	21
17	Tamil Nadu	33
18	Tripura	9
19	Uttar Pradesh	60
20	West Bengal	39
	Total	600
