

# Retail inflation at 4-month low of 4.44% in February

## IIP increases by 7.5% in January

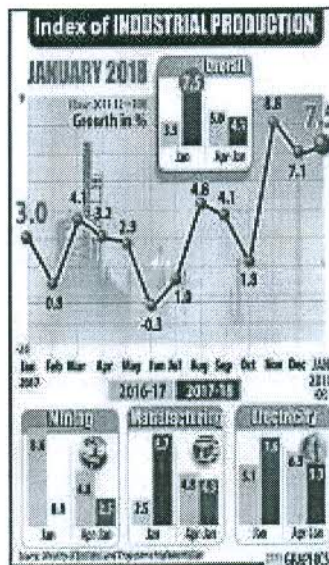
**NEW DELHI, DHNS:** India's retail inflation fell to 4.44% in February driven by easing prices of food and vegetables. Consumer price inflation (CPI) was at 5.07% in January.

While the price rise in food segment was 3.26% in February, it was 17.57% in vegetables. Both were lower than in January. In January, retail prices of vegetables rose nearly 30%. Food price inflation was at 4.7% in January.

Inflation in pulses and spices witnessed fall in price rise. While pulses declined by 17.35% in January, spices came down by 1.01%, government data showed. The CPI inflation was in line with the Reserve Bank of India forecast of 5.1% from January to March. The RBI in its monetary policy review last month had estimated retail inflation at 5.1% for January-March 2018.

### IIP boost

The country's industrial production, however, rose by 7.5%



in January, backed by growth in manufacturing, consumer and capital goods sectors.

While the manufacturing sector grew 8.7% in January, compared with 2.5% in the same month last year, capital goods grew 14.6% and consumer non-durables 10.5% in the month under review.

The mining sector, however, was a laggard at 0.1% growth

compared to 8.6% a year ago. In all 16 out of 23 industry groups in the manufacturing sector showed growth in January. Industrial production grew at 4.1% in April-January, compared to 5% in the same period of the previous financial year.

"While 7.5% industrial growth for January looks quite good and the IIP expansion beyond 7% for the last three months gives additional boost to the sentiment, it would be safe to assume that a lot of advantage has accrued because of the low base effect of the previous year when the growth had plunged following the demonetisation," said industry body Assocham, adding, "We can see an underlying pick up in the growth trajectory."

"When it comes to consumer inflation, 4.4% in February may be lower than January, the undercurrent remains biased on the upside, making RBI disinclined towards any rate cut, though the industry would like it to happen," it said in a statement.

# Inflation hits 4-month low, factory output up

RBI gets more room to keep rates on hold as CPI eases to 4.4% in Feb

FPJ NEWS SERVICE  
New Delhi

Retail inflation slowed for a second straight month in February, giving the Reserve Bank of India room to keep interest rates on hold for longer.

February inflation fell to a 4-month low of 4.44 per cent — still above the RBI's target of 4 per cent — on cheaper food articles and lower cost for fuel. Retail inflation, based on Consumer price index (CPI), was at 5.07 per cent in January. In February 2017, however, it was 3.65 per cent.

Industrial production grew at a high rate of 7.5 per cent in January 2018 against 3.5 per cent in the year-ago month on the back of firm manufacturing sector coupled with higher offtake of consumer and capital goods.

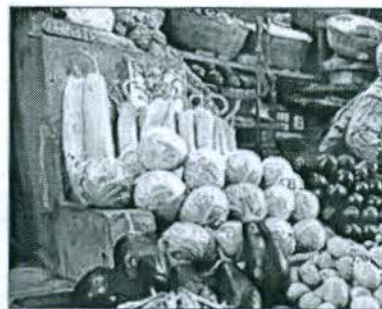
The Index of Industrial Production (IIP) had grown at 7.1 per cent in December 2017, according to the data released by the Central Statistics Office (CSO) on Monday. The IIP growth in January this year was mainly on account of uptick in manufacturing sector which constitutes 77.63 per cent of the index. It grew by 8.7 per cent during the month as compared to 2.5 per cent in January 2017, showing signs of recovery in the economy.

Data released by the Central Statistics Office (CSO) showed that the rate of price rise in the consumer food segment was lower at 3.26 per cent in February, as against 4.7 per cent in the previous month.

"We see the RBI on a long pause," said Indranil Pan, chief economist at IDFC Bank in Mumbai. "Some uptick can happen, however, we do not see the risk of inflation going beyond 6 per cent."

Inflation in vegetables was 17.57 per cent last month, down from 26.97 per cent in January, and for fruits it was 4.80 per cent (as against 6.24 per cent).

Milk and its products too were less expensive with inflation print of 4.21 per cent, ce-



reals and products at 2.10 per cent, meat & fish at 3.31 per cent while for eggs the prices grew at a slower pace of 8.51 per cent.

"The RBI will have room to push back a rate hike, but not for too long as input price pressures have been on the rise over the past one year, and price pass-through to consumers is now taking place," said Teresa John, economist at Nirmal Bang Pvt. Equities.

"It is good and much lower than our expectation of 5 per cent. Bond yields should react positively on Tuesday," said Anjali Verma, Economist, Phillipcapital India in Mumbai.

Industrial production grew at 4.1 per cent in April-January this fiscal as compared to 5 per cent in same period in previous financial year. In January, capital goods, a barometer of investments, showed a sharp increase in output by 14.6 per cent, as against a decline of 0.6 per cent year ago. Consumer non-durable goods, which are mainly fast moving consumer goods, too showed an increase of 10.5 per cent as against a growth of 9.6 per cent. Consumer durable goods recorded a growth rate of 8 per cent in January 2018 against a contraction of 2 per cent a year ago.

However, the mining sector saw a flat growth of 0.1 per cent compared to 8.6 per cent a year ago.

## India Inc calls for RBI rate cut

AGENCIES  
New Delhi

India Inc on Monday said the improvement augurs well for the return of broad based recovery in industrial performance which may be on the up-slope, going forward. Besides, industry bodies yet again nudged RBI to lower interest rate as retail inflation fell to a 4-month low.

"Looking ahead, we expect that industrial performance would be on a clear up-slope with both consumption and investment picking up pace during the year," CII Director General Chandrajit Banerjee said. Assocham Secretary General D S Rawat said it would be safe to assume that a lot of advantage has accrued because of the low base effect of the previous year when the growth had plunged following demonetisation.

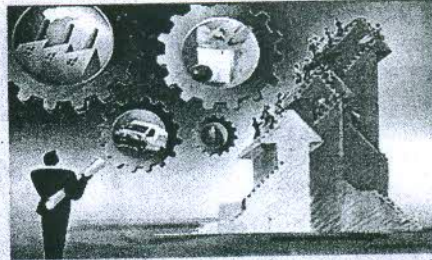
# आम पब्लिक को मिल सकती है राहत ! रिटेल महंगाई दर कम, इंडस्ट्री ने पकड़ी रफ्तार

विशेष संवाददाता, नई दिल्ली

इकोनमी के साथ सरकार और आम आदमी के लिए राहत की खबर है। जहां एक ओर रिटेल महंगाई दर कम हुई है, वहीं इंडस्ट्री ने फिर रफ्तार पकड़नी शुरू कर दी है, यानी औद्योगिक उत्पादन में बढ़ोत्तरी दर्ज की हुई है। फरवरी में रिटेल महंगाई दर यानी सीपीआई घटकर 4.44 फीसदी पर आ गई। जनवरी में रिटेल महंगाई दर 5.07 फीसदी थी। यह रिटेल महंगाई का चार माह का निचला स्तर है। खास बात यह है कि फरवरी में खाने-पीने की चीजें सस्ती हुई हैं।

इधर इंडस्ट्री ने एक बार फिर रफ्तार पकड़ ली है। जनवरी महीने के इंडस्ट्रियल प्रोडक्शन के आंकड़ों को देखकर यही लग रहा है। जनवरी में आईआईपी ग्रोथ बढ़कर 7.5 फीसदी पर पहुंच गई। दिसंबर में यह 7.1 फीसदी थी। इकोनमिस्ट डॉ. सारथी आचार्य का कहना है कि ये आंकड़े कई मायने में बेहद महत्वपूर्ण हैं। रिटेल महंगाई दर कम होने का मतलब है कि देश में सप्लाई बढ़ रही है और औद्योगिक उत्पादन बढ़ने का मतलब है कि अब मार्केट में डिमांड बढ़ रही है। अगर यह दोनों बातें इसी तरह से चलती रहें तो निश्चित तौर पर इकोनमी ग्रोथ को लेकर जो टारगेट सरकार ने तय कर रखे हैं, उन तक पहुंचने की संभावनाओं से इनकार नहीं किया जा सकता।

एसोचैम के डायरेक्टर जनरल डी.एस. रावत के अनुसार हमें इस ट्रेंड को बरकरार रखना चाहिए। इस बार रिटेल महंगाई और औद्योगिक उत्पादन के आंकड़े देखकर उम्मीद जागी है कि आगे इकोनमी के लिए बेहतर राहें खुलेंगी। एक्सिस बैंक के चीफ इकोनमिस्ट सौगत भट्टाचार्य का कहना है कि जो परिस्थितियां हैं, उसमें कहा जा सकता है कि मार्केट में डिमांड जारी रहेगी। ऐसे में औद्योगिक उत्पादन के ग्रोथ रेट में तेजी जारी रह सकती है। मगर रिटेल महंगाई दर को लेकर अभी कुछ कहना मुश्किल



है। इसमें स्थिरता अभी आना बाकी है। ऐसे में आरबीआई से अप्रैल में किसी प्रकार की उम्मीद करना जल्दबाजी है। मगर इतना तय है कि अगर रिटेल महंगाई दर में स्थिरता आई तो भविष्य में आरबीआई से कुछ राहत की उम्मीद की जा सकती है।

महीने दर महीने आधार पर फरवरी में अनाजों की महंगाई दर 2.33 फीसदी से गिरकर 2.10 फीसदी रही। सब्जियों की महंगाई दर 26.97 फीसदी से घटकर 17.57 फीसदी पर आ गई। जनवरी में कोर महंगाई दर 5.1 फीसदी पर बरकरार रही है जबकि महीने दर महीने आधार पर फरवरी में शहरी इलाकों की महंगाई दर 4.93 फीसदी से घटकर 4.52 फीसदी पर आ गई। महीने दर महीने आधार पर जनवरी में मैनुफैक्चरिंग सेक्टर की ग्रोथ 8.4 फीसदी से बढ़कर 8.7 फीसदी पर पहुंच गई। इलेक्ट्रिसिटी सेक्टर की ग्रोथ 4.4 फीसदी से बढ़कर 7.6 फीसदी रही। प्राइमरी गुड्स की ग्रोथ 3.7 फीसदी से बढ़कर 5.8 फीसदी, कंज्यूमर ड्युरेबल्स गुड्स की ग्रोथ 0.9 फीसदी से बढ़कर 8 फीसदी पर जा पहुंची। नीति आयोग के उपाध्यक्ष राजीव कुमार का कहना है कि मार्केट में नौकरियां बढ़ाने के लिए जरूरी है कि डिमांड बढ़े और महंगाई नियंत्रण यानी तर्कसंगत स्तर पर रहे। फिलहाल ऐसा लगा है कि हम सही ट्रैक पर चल रहे हैं।