

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
(Office of the Economic Adviser)

Wholesale Price Index (WPI) under Stages of Production
(SOS) framework

This is an attempt to classify the commodities in the Wholesale Price Index (WPI) basket under the 'Stages of Production' (SOP) framework. As a first step, the commodities/items of the WPI basket are regrouped under the 'use based' frame work. Under this, the commodities/items are classified into Basic Goods, Intermediaries, Consumer Durables, Consumer Non-durables and Capital goods as in the case of Index of Industrial Production (IIP). Further, a rearrangement of commodities/items is made into Basic, Intermediary and Final Products based on the above classification.

Then, the Wholesale Price Indices are arranged as Basic, Intermediary and Final indices in line with the 'Stages of Production' (SOP) framework used for compiling PPI. This classification presents a better picture of the inflationary process as it shows how inflationary pressures feed on through different production lines.

The Use based classification of WPI items/commodities is placed at **Annex-I**. Based on the above classification, indexes have been reworked to generate '**Basic to Intermediaries**' index and '**Intermediaries to Final**' index (excluding primary food). The resultant indexes and graph are placed in **Annex-II**.

The views/suggestions from experts and stakeholders are invited. Kindly Post your feedback/comments to Shri M.C.Singhi, Senior Economic Adviser at Email mc.singhi@nic.in or to Saju K Surendran, Deputy Director at saju.ks@nic.in .