

New Consumer Price Index (CPI) Index

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Why in News?

Recently, India released the new CPI series (Base 2024=100) showing lower food weight and stable inflation, raising expectations of a prolonged interest rate pause.

- **CPI** - The Consumer Price Index (CPI) is **designed to measure the changes over time in the general level of retail prices of selected goods and services** that households purchase for consumption.
 - **Inflation Measure** - Inflation is calculated as a year-on-year percentage change in CPI.
- **Released by** - **Ministry of Statistics and Programme Implementation (MoSPI)**
- The CPI (Rural, urban and combined) has been released by it since January 2011 with a base year of 2010.

The Base Year is a chosen year taken as a reference point to compare prices over time.

- **New CPI Index** - Revises CPI item basket and updates weights using the latest Household Consumption Expenditure Survey (HCES) of 2023-24 data.

New CPI shows lower food weight and inflation at ~2.75% (January 2026), influencing monetary policy outlook.

- **Basket of Items expanded** -
 - Weighted items increased from 299 to 358 items.
 - Service items increased from 40 to 50.
- **CPI Composition** - Food items' weight reduced from ~46% to 36.8% (~10 percentage points decline).
- **Consumption Pattern** -
 - Rural food & beverages weight - 42%
 - Urban food & beverages weight - 30%
- **Base Year Revision** - **Base year revised from 2012 to 2024** to reflect structural changes in consumption, urbanisation, and digitalisation.
- **Global Comparison** - Food Weight in CPI in Developed economies is around 11-26%

food weight.

- Emerging economies (China, Brazil, South Africa): <30%.

References

1. [IE | New Consumer Price Index \(CPI\) Index](#)
2. [PIB | Consumer price index on base 2024](#)

