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Despite the efforts taken to ease the retail inflation, there is no room for complacency. Comment. (200 words)

According to the recent estimates, the retail inflation (CPI) has been slightly eased by a decreased 40 basis points from a month ago.

This data though results from the recent measures of the RBI and Government, it has not a comfort zone for India to lower the safeguards.

Measures of RBI and Government to tame

Inflation :

RBI has increased the interest rate to more than 60 basis points and this has resulted in lower borrowings by the people and in turn decreased the supply of money in the economy.

Government's move was, to cut the duty on petrol and diesel by Rs. 6 and Rs. 1

This has eased the price rise on the transportation sector.

## Not a Comfort Zone:

According to ~~may~~ math estimates, the WPI is still high ahead of 15%.

This has showed that the effect <sup>of measures</sup> was only marginally impacted the inflation.

- As CPI also contains some weightage on Petrol & Diesel, it will not taken into account as the measures taken was worked.

- Moreover the Ukraine - Russia War Conflict still continues and the crude price still rising and reached a high of <sup>approximately</sup> \$130 Per ton.

- Our Rupee was again reached a lower point against dollar of Rs. 78 from earlier value of Rs. 77 approximately.

- The US taper tantrum Measures has not yet reached its level still US continues to hike the interest rate to tame inflation.

- These measures have been resulting in selling of FPIs in India and thus again, affecting inflation.

Government & RBI must continue with this measures and try to evaluate the outcomes accurately.