

### CPI Inflation decelerates to 4.2% in May 2023

The Consumer Price Index (CPI) inflation has decreased to 4.2% in May 2023 as compared with 4.7% in April 2023. The decrease in CPI inflation is majorly caused by decline in inflation rate of cereals and products (from 13.7% in April 2023 to 12.6% in May 2023), oils and fats (from -12.3% in April 2023 to -16% in May 2023), fruits (from 2% in April 2023 to 0.7% in May 2023), vegetables (from -6.5% in April 2023 to -8.1% in May 2023) and fuel and light (from 5.5% in April 2023 to 4.6% in May 2023).

The rural CPI inflation has declined to 4.1% in May 2023 as compared with 4.7% in April 2023. The urban CPI inflation has declined to 4.3% in May 2023 as compared with 4.8% in May 2023.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: May 2023 over April 2023							
		May. 2023			April. 2023		
		Rural	urban	Combd	Rural	urban	Combd
Inflation	CPI (General)	4.1	4.3	4.2	4.7	4.8	4.7
	CPFI	3.2	2.43	2.9	3.8	3.7	3.8

Source: PHD Research Bureau, compiled from MoSPI

The combined Year-on-Year (Y-o-Y) growth in rural CPI inflation in May 2023 is 4.25% as compared with 7% in May 2022. The combined Year-on-Year (Y-o-Y) growth in urban CPI inflation in May 2023 is 4.3% as compared with 7.1% in May 2022.

All India sequential inflation rates (%) based on CPI (General) and CFPI: May 2023 over May 2022							
		May 2023			May 2022		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	4.1	4.3	4.2	7	7.1	7
	CPFI	3.2	2.43	2.9	7.7	8.2	7.9

Source: PHD Research Bureau, compiled from MoSPI

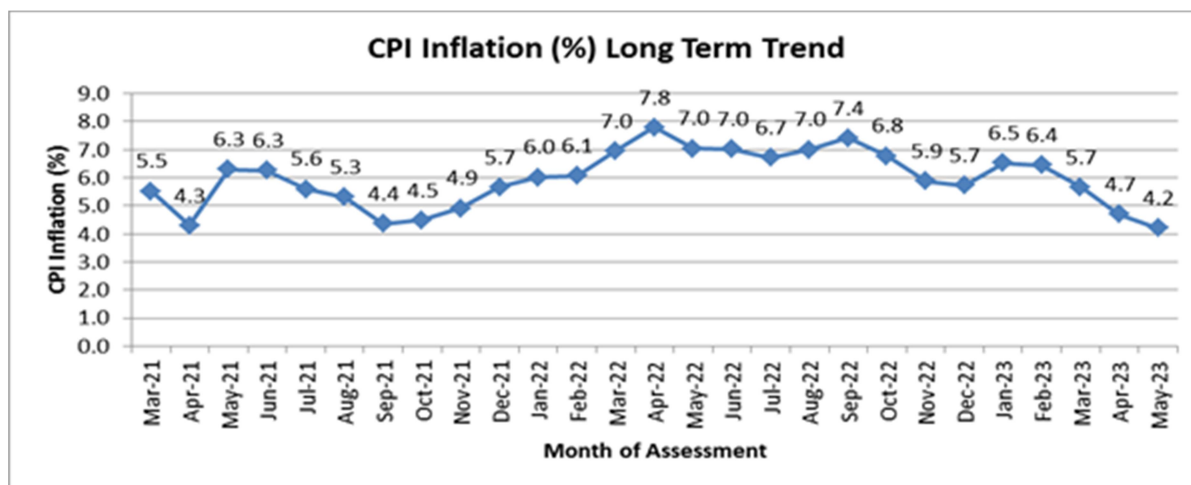
The all-India CPI and year-on-year inflation (%) for May 2023 for rural, urban and combined are given as follows:

All India Consumer Price Indices and year-on-year Inflation rates (%) for May, 2023 (Provisional)						
Category	Rural		Urban		Combined	
	May, 2023 Index	Inflation Rate (%)	May, 2023 Index	Inflation Rate (%)	May, 2023 Index	Inflation Rate (%)
Food and Beverages	176.6	3.4	183.1	3.1	179	3.2
Pan, tobacco and intoxicants	199.9	3.6	204	3.2	201	3.5
Clothing and Footwear	190.8	6.5	179.3	6.8	186.2	6.6
Housing	-	-	175.6	4.8	175.6	4.8
Fuel and Light	182.7	4.2	182.6	5.2	182.7	4.6
Miscellaneous	179	5	171.5	4.7	175.6	4.8
General Index (All Groups)	179.7	4.1	178.1	4.2	179	4.25

Source: PHD Research Bureau, compiled from MoSPI

The long term trend in the CPI inflation (%) as observed since March 2021 is depicted in Figure 1. India observed a decline in its CPI Inflation since May 2021 (6.3%) till September 2021 (4.3%) after which it observed an increase. It reached its peak in April 2022 of 7.8% after which the values of CPI inflation have observed a decline thereafter reaching 4.7% in April 2023. Presently, the value of CPI inflation in May 2023 is 4.2%.

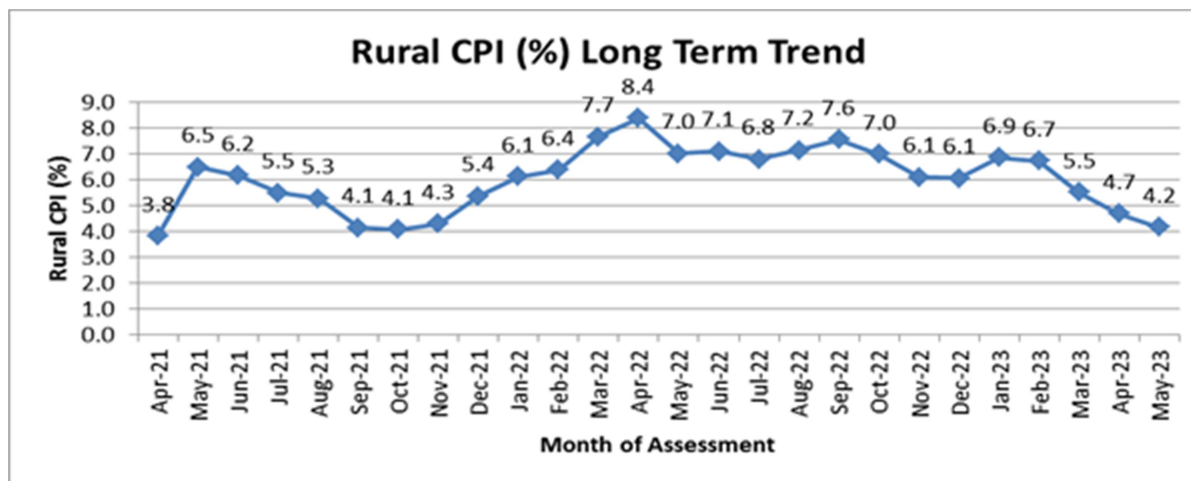
**Figure 1: long term trend in the CPI inflation (%)**



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in Rural CPI inflation (%) as observed since April 2021 is depicted in Figure 2. India observed a decline in the Rural CPI from May 2021 from 6.5 to 4.1 in September 2021. The rural CPI rose from November 2021 and reached its peak value of 8.4 in April 2022 thereafter declining and observing a minimum of 4.7 in April 2023. Presently, Rural CPI stands at 4.2% in May 2023

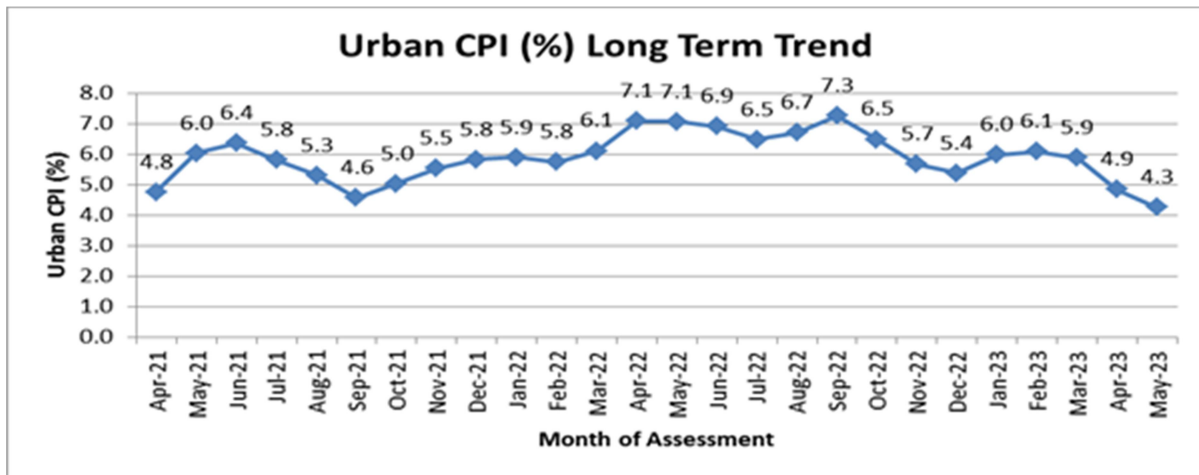
**Figure 2: long term trend in the Rural CPI inflation (%)**



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in urban CPI (%) as observed from April 2021 is depicted in Figure 3. The Urban CPI started declining from 6.4 in June 2021 to 4.6 in September 2021. The urban CPI rose again and reached 7.1 in April 2022 and attained a maximum of 7.3 in September 2022. The urban CPI started declining thereafter reaching a value of 4.9 in April 2023. Presently, Urban CPI stands at 4.2% in May 2023.

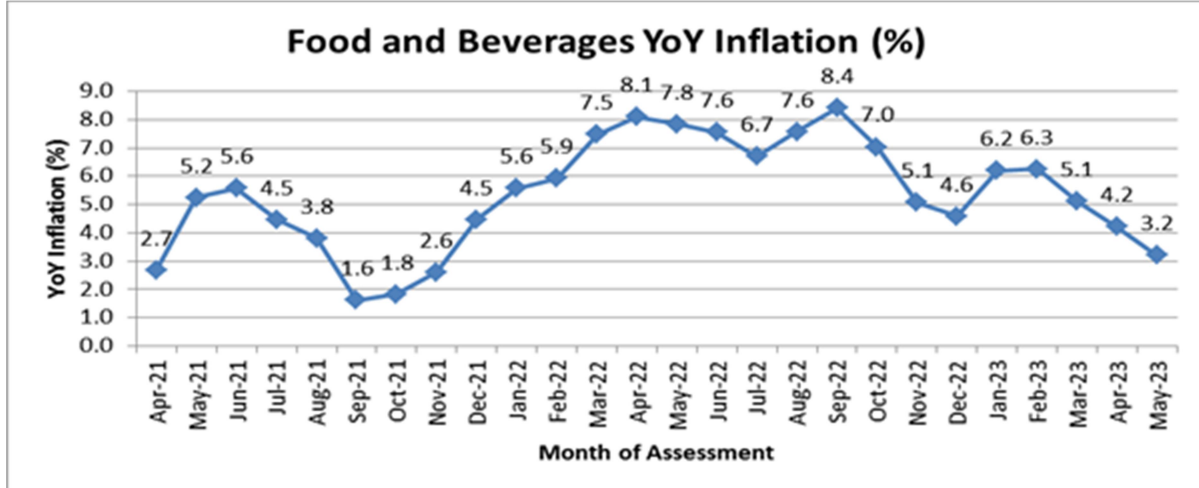
**Figure 3: long term trend in the Urban CPI inflation (%)**



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in the inflation of food and beverages as observed from April 2021 is depicted in Figure 4. The YoY inflation declined from 5.6 in May 2021 to its minimum value of 1.6 in September 2021 after which it started increasing. It reached its maximum value of 8.4 in September 2022 thereafter declining to 4.6 in December 2022. The YoY inflation value rose again to reach 6.3 in February 2023. It declined to 4.2 in April 2023 and presently it stands at 3.2% in May 2023.

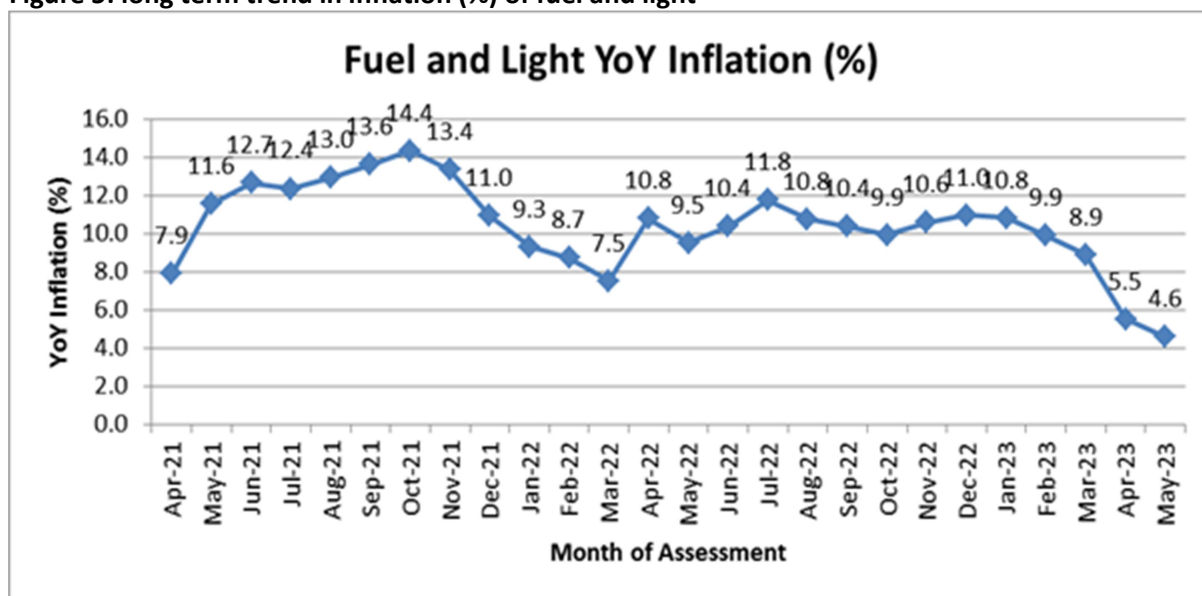
**Figure 4: long term trend in inflation (%) of food and beverages**



Source: PHD Research Bureau, compiled from MoSPI

The long term trend of inflation as observed from April 2021 is depicted in Figure 5. The value rose to 14.4 in October 2021 after rising from 7.9 in April 2021. It declined thereafter, reaching a value of 7.5 in March 2022. The value rose again thereafter declining to a minimum of 5.5 in April 2023. Presently, the May 2023 value of inflation of fuel and light is 4.6%

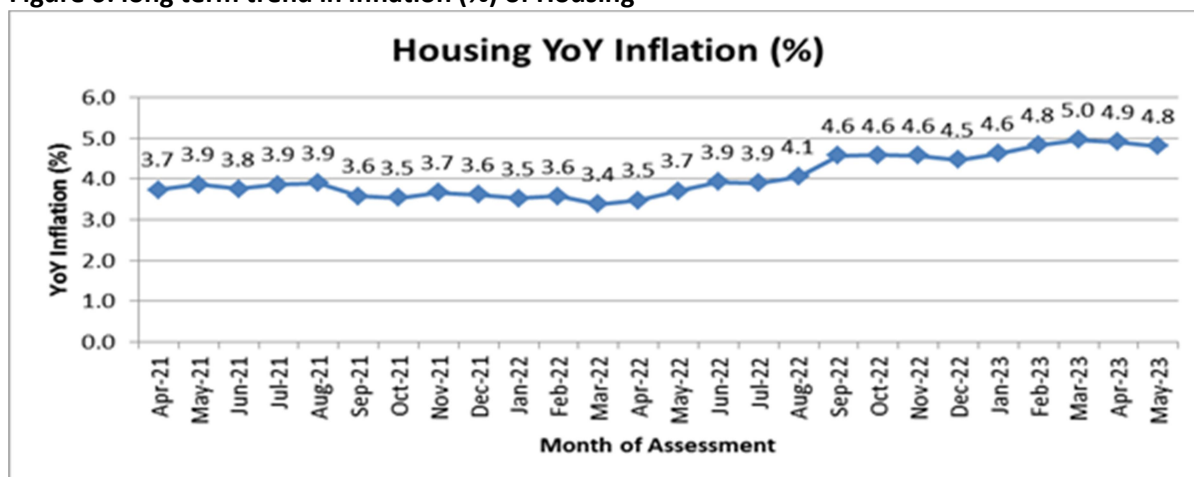
Figure 5: long term trend in inflation (%) of fuel and light



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in YoY inflation of housing is depicted in Figure 6. The values have remained fairly constant over the period observing a growth to 4.6 in September 2022 and reaching a maximum value of 5 in March 2023. The value declined slightly in April 2023 to 4.9. Presently, May 2023 saw the housing inflation value to 4.8%.

Figure 6: long term trend in inflation (%) of Housing



Source: PHD Research Bureau, compiled from MoSPI

Annexure

Month	CPI (%)	Rural CPI (%)	Urban CPI (%)	Food and Beverages (%)	Fuel and Light (%)	Housing (%)
Apr-21	4.3	3.8	4.8	2.7	7.9	3.7

<b>May-21</b>	6.3	6.5	6.0	5.2	11.6	3.9
<b>Jun-21</b>	6.3	6.2	6.4	5.6	12.7	3.8
<b>Jul-21</b>	5.6	5.5	5.8	4.5	12.4	3.9
<b>Aug-21</b>	5.3	5.3	5.3	3.8	13.0	3.9
<b>Sep-21</b>	4.4	4.1	4.6	1.6	13.6	3.6
<b>Oct-21</b>	4.5	4.1	5.0	1.8	14.4	3.5
<b>Nov-21</b>	4.9	4.3	5.5	2.6	13.4	3.7
<b>Dec-21</b>	5.6	5.4	5.8	4.5	11.0	3.6
<b>Jan-22</b>	6.0	6.1	5.9	5.6	9.3	3.5
<b>Feb-22</b>	6.1	6.4	5.8	5.9	8.7	3.6
<b>Mar-22</b>	7.0	7.7	6.1	7.5	7.5	3.4
<b>Apr-22</b>	7.8	8.4	7.1	8.1	10.8	3.5
<b>May-22</b>	7.0	7.0	7.1	7.8	9.5	3.7
<b>Jun-22</b>	7.0	7.1	6.9	7.6	10.4	3.9
<b>Jul-22</b>	6.7	6.8	6.5	6.7	11.8	3.9
<b>Aug-22</b>	7.0	7.2	6.7	7.6	10.8	4.1
<b>Sep-22</b>	7.4	7.6	7.3	8.4	10.4	4.6
<b>Oct-22</b>	6.8	7.0	6.5	7.0	9.9	4.6
<b>Nov-22</b>	5.9	6.1	5.7	5.1	10.6	4.6
<b>Dec-22</b>	5.7	6.1	5.4	4.6	11.0	4.5
<b>Jan-23</b>	6.5	6.9	6.0	6.2	10.8	4.6
<b>Feb-23</b>	6.4	6.7	6.1	6.3	9.9	4.8
<b>Mar-23</b>	5.7	5.5	5.9	5.1	8.9	5.0
<b>Apr-23</b>	4.7	4.7	4.9	4.2	5.5	4.9

May-23	4.3	4.2	4.3	3.2	4.6	4.8
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**Source: PHD Research Bureau, compiled from MoSPI**

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