



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



### CPI Inflation increases to 7.4 % in July 2023

The Consumer Price Index (CPI) inflation has increased to 7.4% in July 2023 as compared with 4.8% in June 2023. The increase in CPI inflation is majorly caused by growth in inflation rate of Vegetables (from -0.93 in June 2023 to 37.34 in July 2023), cereals (from 12.71 in June 2023 to 13.04 in July 2023), and pulses and products (from 10.53 in June 2023 to 13.27 in July 2023).

The rural CPI inflation has grown to 7.6% in July 2023 as compared with 4.7% in June 2023. The urban CPI inflation has grown to 7.2% in July 2023 as compared with 4.9% in June 2023.

All India sequential inflation rates (%) based on CPI (General) and CFPI: July 2023 over June 2023							
		July 2023			June 2023		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	7.63	7.20	7.44	4.7	4.9	4.8
	CPFI	11.04	12.32	11.51	4.6	4.3	4.5

Source: PHD Research Bureau, compiled from MoSPI

The combined Year-on-Year (Y-o-Y) growth in rural CPI inflation in July 2023 is 7.6% as compared with 6.8% in July 2022. The combined Year-on-Year (Y-o-Y) growth in urban CPI inflation in July 2023 is 7.20% as compared with 6.49% in July 2022.

All India year-on-year inflation rates (%) based on CPI (General) and CFPI: July 2023 over June 2022							
		July 2023			July 2022		
		Rural	Urban	Combd	Rural	Urban	Combd
Inflation	CPI (General)	7.63	7.20	7.44	6.80	6.49	6.71
	CPFI	11.04	12.32	11.51	6.73	6.69	6.69

Source: PHD Research Bureau, compiled from MoSPI

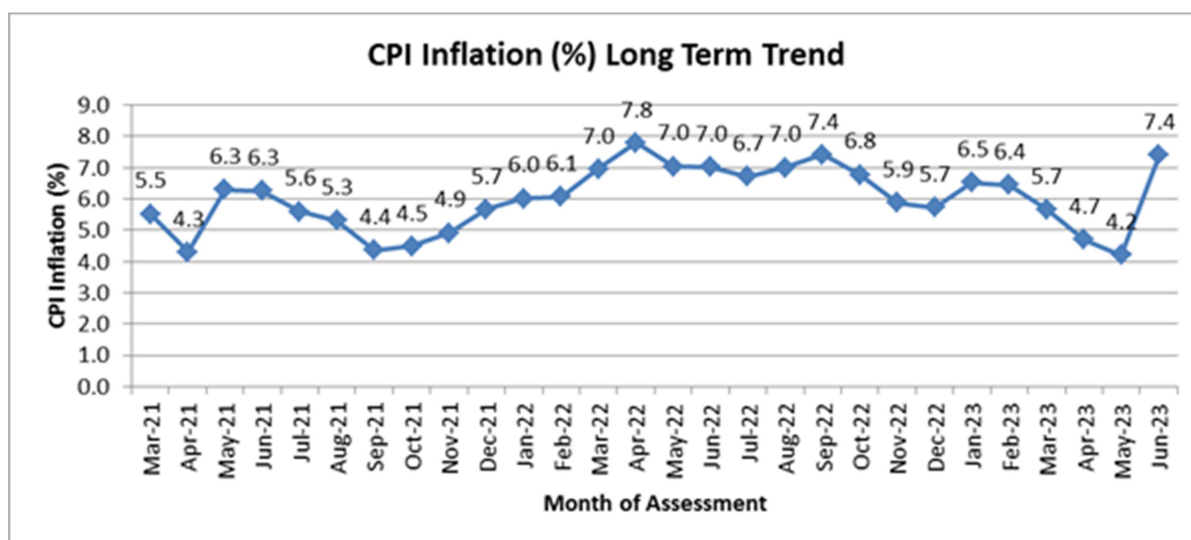
The all-India CPI and year-on-year inflation (%) for June 2023 for rural, urban and combined are given as follows:

All India Consumer Price Indices and year-on-year Inflation rates (%) for July, 2023 (Provisional)						
Category	Rural		Urban		Combined	
	July, 2023 Index	Inflation Rate (%)	July, 2023 Index	Inflation Rate (%)	July, 2023 Index	Inflation Rate (%)
Food and Beverages	190.0	10.14	199.4	11.15	193.5	10.57
Pan, tobacco and intoxicants	200.9	3.9	205.2	3.3	202.0	3.8
Clothing and Footwear	191.9	5.61	180.2	5.63	187.3	5.64
Housing	-	-	175.3	4.47	175.3	4.47
Fuel and Light	185.5	3.29	187.4	4.40	186.2	3.67
Miscellaneous	180.7	5.2	172.9	4.98	176.9	5.05
General Index (All Groups)	187.6	7.63	184.7	7.20	186.3	7.44

Source: PHD Research Bureau, compiled from MoSPI (Housing CPI inflation for rural not calculated) by 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 4.8% in June 2023 and presently, the value of CPI inflation in July 2023 is 7.4%.

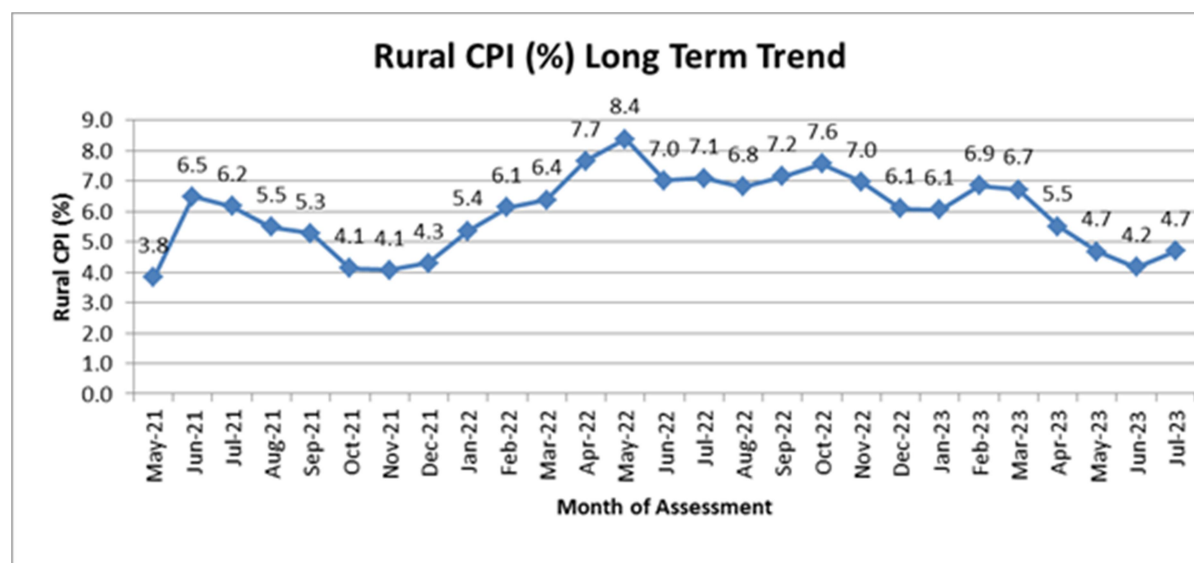
Figure 1: long term trend in the CPI inflation (%)



Source: PHD Research Bureau, compiled from MoSPI

The long term trend in Rural CPI inflation (%) as observed since April 2021 is shown 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 4.2 in May 2023. Presently, Rural CPI stands at 4.7% in June 2023

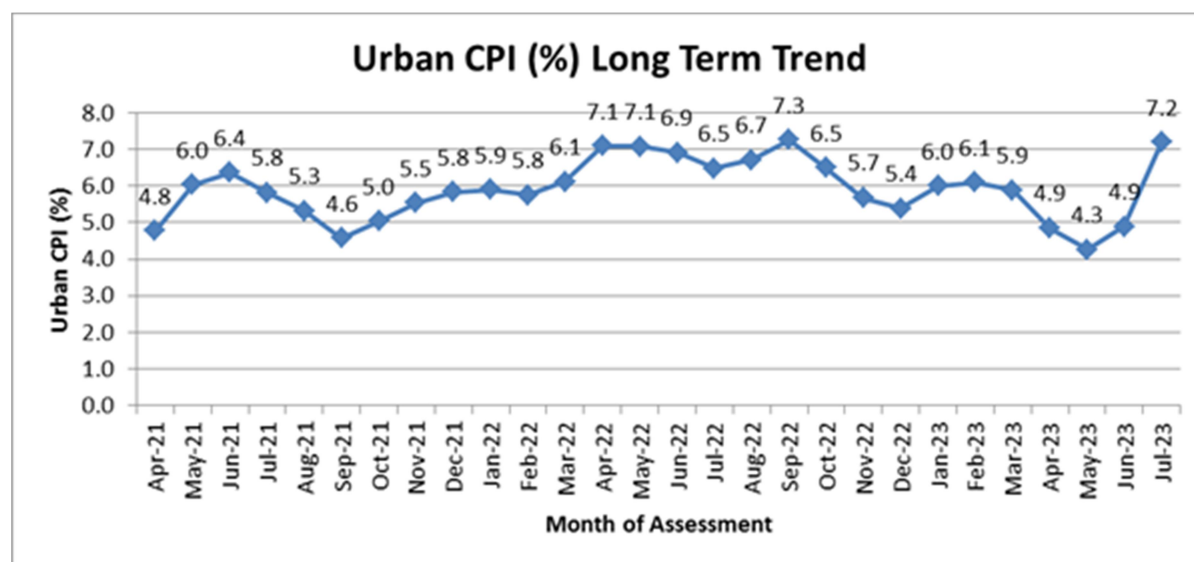
**Figure 2: long term trend in the Rural CPI inflation (%)**



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 June 2023. Presently, Urban CPI stands at 7.20% in July 2023.

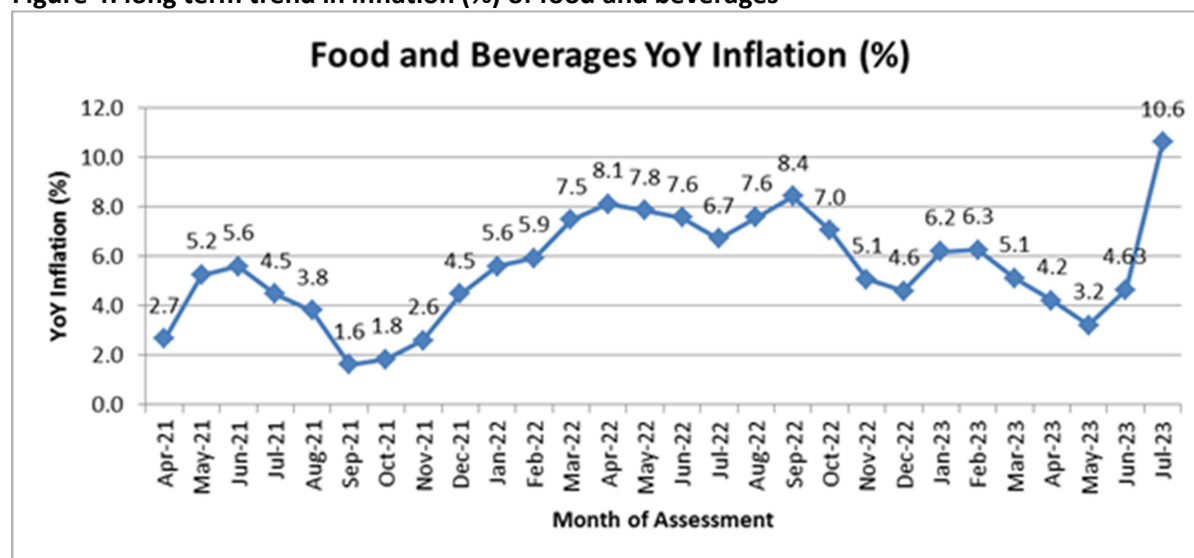
**Figure 3: long term trend in the Urban CPI inflation (%)**



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 4.6% in June 2023 and presently it stands at 1.6% in July 2023.

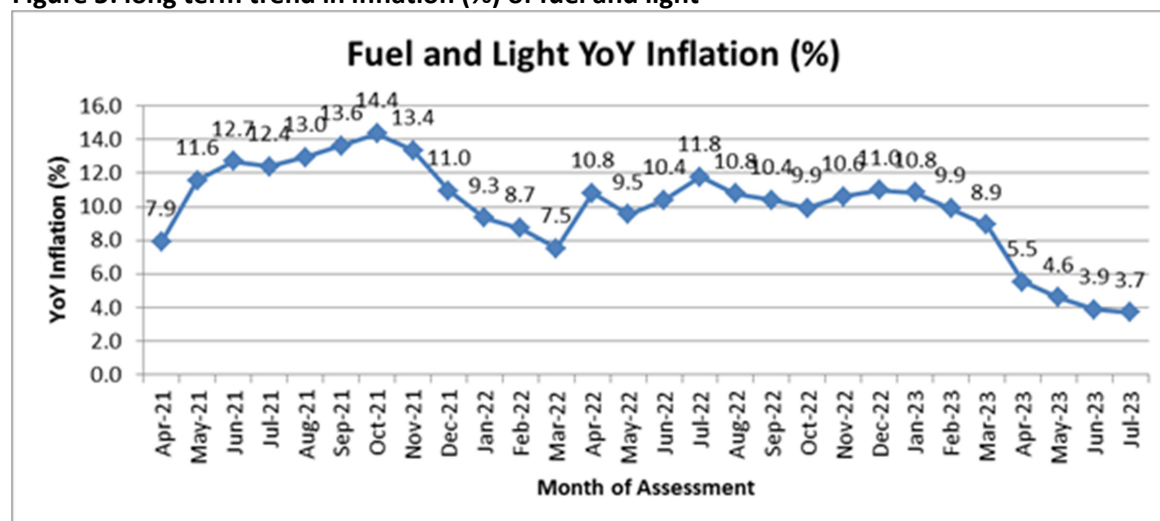
**Figure 4: long term trend in inflation (%) of food and beverages**



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 3.9% in June 2023. Presently, the July 2023 value of inflation of fuel and light is 3.7%

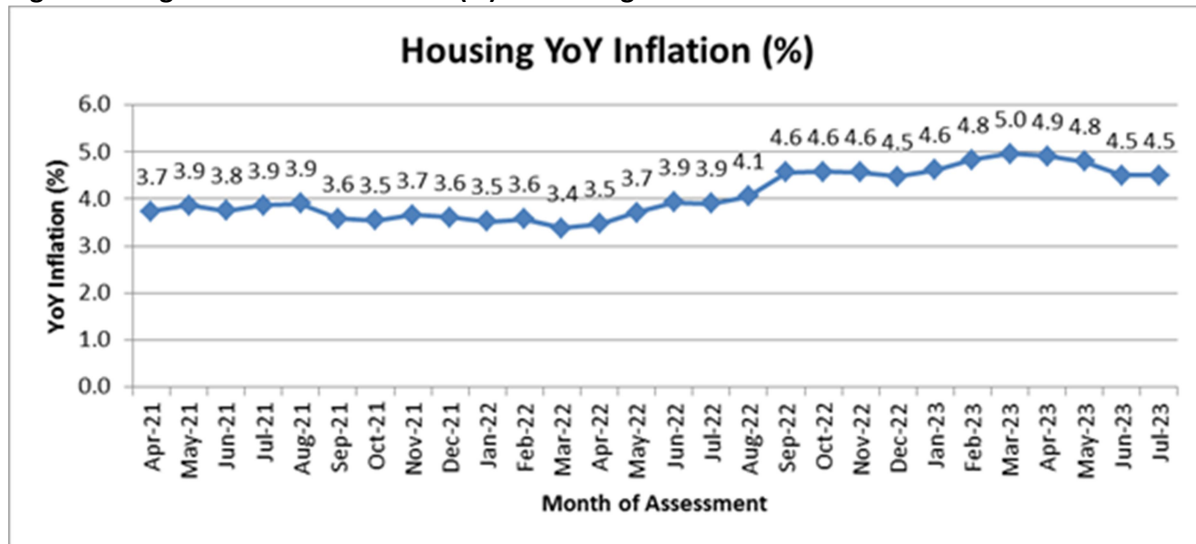
**Figure 5: long term trend in inflation (%) of fuel and light**



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 June 2023 to 4.6. Presently, July 2023 saw the housing inflation value to 4.5%.

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
May-21	6.3	6.5	6.0	5.2	11.6	3.9
Jun-21	6.3	6.2	6.4	5.6	12.7	3.8
Jul-21	5.6	5.5	5.8	4.5	12.4	3.9
Aug-21	5.3	5.3	5.3	3.8	13.0	3.9
Sep-21	4.4	4.1	4.6	1.6	13.6	3.6
Oct-21	4.5	4.1	5.0	1.8	14.4	3.5
Nov-21	4.9	4.3	5.5	2.6	13.4	3.7
Dec-21	5.6	5.4	5.8	4.5	11.0	3.6
Jan-22	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
<b>May-23</b>	4.3	4.2	4.3	3.2	4.6	4.8
<b>June-23</b>	4.8	4.7	4.9	4.6	3.9	4.6
<b>July-23</b>	7.4	7.6	7.4	10.6	3.7	4.5

**Source: PHD Research Bureau, compiled from MoSPI**

In a nutshell, the Consumer Price Index (CPI) inflation has increased to 7.4 % in June 2023 as compared with 4.8% in June 2022. The CPI inflation for rural and urban for the month of June 2023 is 7.6% and 7.2% which has grown from 4.7% and 4.9% respectively in June 2022. The increase in CPI inflation is majorly caused by growth in inflation rate of vegetables (from -0.93 in June 2022 to 37.34 in July 2023), cereals (from 12.71 in June 2022 to 13.04 in July 2023), and pulses and products (from 10.53 in June 2022 to 13.27 in June 2023).

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Warm Regards,

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