



Government of Kerala

*Report on  
Wholesale Price Index of  
Manufactured Commodities  
2010-11*



**Department of Economics & Statistics  
Thiruvananthapuram  
2013**



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## PREFACE

The Department of Economics and Statistics computes the Wholesale Price Index Number of manufactured commodities, covering the organized and unorganized sectors of the economy every year. This bulletin delineates the price fluctuations in the wholesale transactions of manufactured commodities in the primary market in the state. The Wholesale Price Index becomes significant because of the increasing role of the industrial goods in daily life.

In this bulletin, indices for all commodities, GroupWise and sectors, monthly and yearly indices are presented. It also included methodology of the indices and graphical presentation of price movement over the year.

This report is prepared by the staff of the IIP division of this department under the supervision of Sri. A. P. Harilal, Joint Director (S&D), and the overall guidance of Smt. K. Sathyabhama, Additional Director (SI). I hope that this publication will be very useful to administrators, planners, researchers and those who are interested in the study of the wholesale price trends of manufactured commodities. Suggestions for the improvement of this publication are most welcome.

Thiruvananthapuram  
Date: 16/05/2013.

Sd/-  
V. Ramachandran  
Director

## **Wholesale Price Index of Manufactured Commodities**

### **1. Introduction**

In a vibrating world, prices do not remain constant. The Wholesale Price Index is an important measure to monitor the dynamic movement of prices. It is the indicator of price variations in the wholesale transactions of manufactured commodities in the primary market of Kerala Economy. The wholesale price index numbers of manufactured commodities in Organized and Unorganized Sectors are computed separately. Organized sector includes registered factories and unorganized sector includes unregistered small establishments and own-account enterprises. The indices are also used as price indicators for the state income computation.

### **2. Base Year**

The index is computed to study the changes in prices with the base year (1975-76). In the case of Organized Sector, the weight and price of 1975-76 are taken, but in the Unorganized sector the weight for 1978-79 is substituted for 1975-76.

For the purpose of studying the changes, the indices have been computed for back years up to 1975-76.

### **3. Weighting Diagram**

The proportional value of individual items to gross value of commodities for sale in the state during the base year is used to obtain the weighting diagram for both indices. For the items relating to the Organized Sector, gross value of production during the year 1975-76 and for the items related to the Unorganized Sector, Gross Value of Production during the year 1978-79 has been taken to derive the weights. Manufactured articles flowing into the primary market from outside state have been excluded. In order to derive the weights, each manufactured article has been grouped on the basis of National

Industrial Classification at two-digit level. In certain cases where the contribution of individual group to the total value is nominal, the group has been arranged under a broad class. Production data from the Annual Survey of Industries 1975-76 has been used for Organized Sector and Value of Gross Production estimated from the follow-up surveys of Economic Census conducted in 1978-79 have been used in the Unorganized Sector.

#### **4. Price Collection**

The commodities for price collection are fixed taking into account the importance of each commodity as decided on the Gross Value of Production in the base year and representative nature as reflected by price movements of the group in which these commodities are included. The availability of a particular item in the market for a fairly long period during the year has been considered for selection of that item for price collection. In the Organized Sector, representative items have been selected for price collection for computation of the index.

For organized and unorganized sector the data collected from 10 selected districts viz; Thiruvananthapuram, Kollam, Kottayam, Alappuzha, Ernakulam, Thrissur, Palakkad, Malappuram, Kozhikkode and Kannur.

NIC code wise and monthly wholesale price index was prepared for the organized and unorganized sector.

The list of industrial groups, which are selected for the preparation of wholesale price index and their 2 digits NIC Code, are given below.

##### **Organized Sector:**

1. Manufacture of food products (20-21)
2. Manufacture of beverages, tobacco and related products (22)
3. Manufacture of cotton textiles (23)
4. Manufacture of wool, silk and man-made fiber textiles (24)
5. Manufacture of textile products (26)
6. Manufacture of wood & wood products (27)

7. Manufacture of paper & paper products (28)
8. Manufacture of basic chemicals except petroleum and coal (30)
9. Manufacture of rubber, plastic, petroleum & coal products (31)
10. Manufacture of non- metallic mineral products (32)
11. Manufacture of Basic metals and Alloys Industries (33)
12. Manufacture of metal products and parts except machinery (34)
13. Manufacture of machine equipments other than transport equipments (35)
14. Manufacture of synthetic equipments, photographic equipments etc. (36)
15. Manufacture of transport equipments and parts (37)
16. Other manufacture industries (38)

**Unorganized Sector:**

1. Manufacture of food products (20-21)
2. Manufacture of beverages, tobacco and related products (22)
3. Manufacture of cotton textiles (23)
4. Manufacture of textile products (26)
5. Manufacture of wood & wood products (27)
6. Manufacture of paper & paper products (28)
7. Manufacture of rubber, plastic, petroleum & coal products (31)
8. Manufacture of non- metallic mineral products (32)
9. Manufacture of metal products and parts except machinery and transport equipments (34 - 35)
10. Other manufacture industries (38)

**5. Method of Computation**

The Wholesale Price Index of manufactured commodities has been computed by using the Laspeyer's Formula:

$$I = \frac{\sum(W_i \times R_i)}{\sum W_i}$$

Where

- I = Wholesale Price Index  
 Wi = Weight attached to the i<sup>th</sup> item  
 Ri = Wholesale price relative of the i<sup>th</sup> item

**6. Trend of Wholesale Price Indices of Manufactured Commodities :**

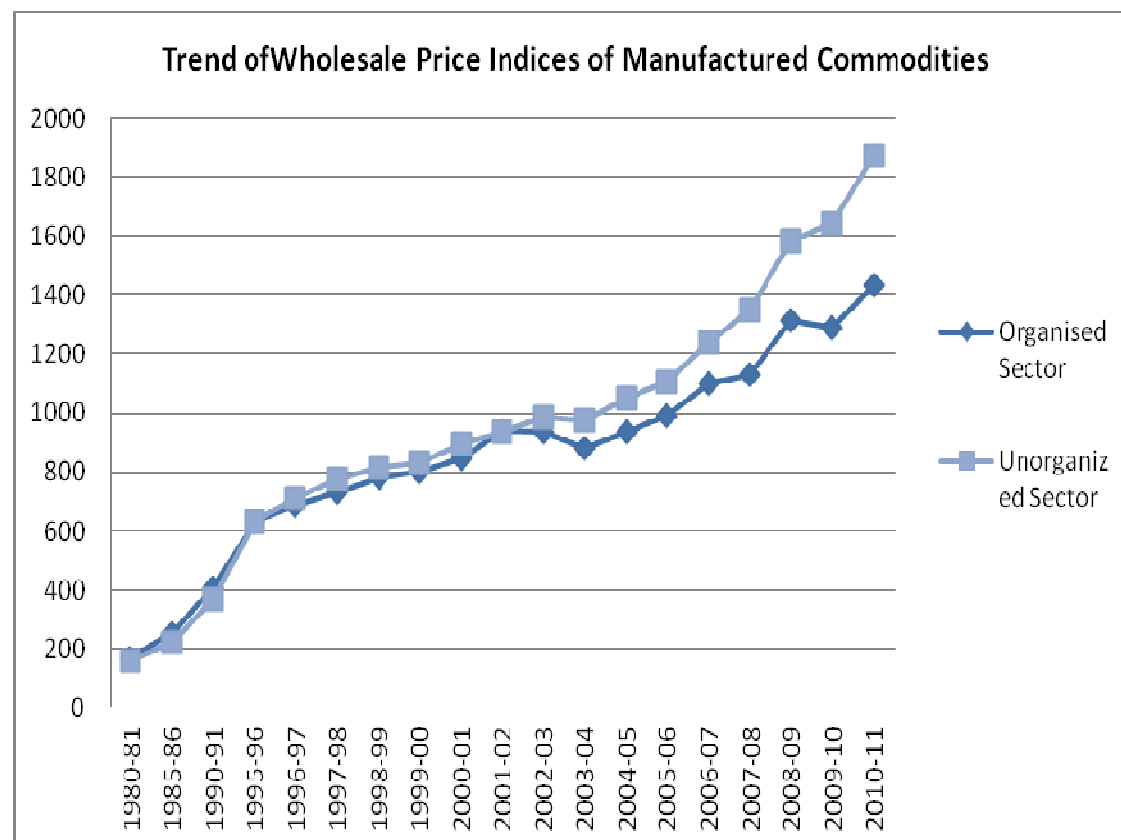
Wholesale Price Indices of Manufactured Commodities (Base Year 1975-76 for organized sector and 1978- 79 for unorganized sector) for different years are given below.

Year	Organized Sector	Unorganized Sector
1980-81	166	159
1985-86	254	225
1990-91	409	369
1995-96	634	630
1996-97	689	713
1997-98	732	774
1998-99	782	817
1999-00	803	833
2000-01	844	895
2001-02	941	935
2002-03	938	984
2003-04	883	975
2004-05	934	1051
2005-06	993	1104
2006-07	1100	1239
2007-08	1130	1350
2008-09	1315	1583
2009-10	1288	1644
2010-11	1435	1872

In the Organized Sector, the Wholesale Price Index of Manufactured Commodities shows an increasing trend up to 2001-02, shows a decreasing trend for the next two years and again an increasing up to 2008-09. In 2009-10 the index seems to have decreased by 2.1%. But in 2010-11 it again shows an increasing trend and increased by 11.41%.

From 1980-81 onwards, the index in unorganized sector has been increased regularly except 2003-04. The index for 2010-11 seems to have increased by 13.87%.

The following graph shows the trend of wholesale price indices of organized and unorganized manufactured commodities since 1980-81.





## **Organized Sector (2010-11)**

For the compilation of the wholesale price index of this sector, the 2 digit NIC codes 20-21, 22, 23, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37 and 38 were taken. During this year the index of eleven two-digit NIC groups went up with their index figures of this year; and for the remaining four groups, three groups show a decreasing trend and for one group, the index remains the same. The total index is increased from 1288 to 1435 showing an increase percentage of 11.41%. The GroupWise fluctuations of industry groups in their indices during 2010- 11 are analyzed below.

### **1. Manufacture of Food Products (20-21)**

The index of this group has increased from 1034 to 1176 reflecting an increase of 13.73% during the year. This was due to the increase of the wholesale price of all commodities except tea from Ernakulam.

### **2. Manufacture of Beverages, Tobacco and related products. (22)**

The index of this group has increased from 1193 to 1325 reflecting an increase of 11.06 % during the year. This was due to the price increase in Beer in Palakkad and Beedi from Kannur.

### **3. Manufacture of Cotton Textiles (23)**

The wholesale price index of this group recorded an increase of 12.14%. The index increased from 1688 to 1893. The increase in the price of Mill Mull reported from Thrissur and Khadi from Thiruvananthapuram are the major factors responsible for this.

### **4. Manufacture of Textile Products (26)**

This is the industry group which has made one of the most impacting influences on the overall index of the year by going up from 1100 to 1974 in its index, which amounts to a rise of 79.45%. The index increased mainly due to the increase in the wholesale price of coir & coir mattings reported from Alappuzha.

**5. Manufacture of wood & wood products (27)**

The index of this group increased from 4750 to 4884 reflecting an increase of 2.82% during the year. This was due to the wholesale prices of Plywood from Kannur, Jack Planks & Teak Planks from Kozhikode and Benches & Bamboo Mats from Ernakulam shows a slight increase.

**6. Manufacture of paper & paper products (28)**

The wholesale price index of this group is 1627 remains the same as that of the previous year.

**7. Manufacture of Basic Chemicals except Petroleum and Coal (30)**

The index of this group made an increase of 11.79 %. The index figure increased to 986, which was 882 last year. In this group the wholesale prices of Titanium Dioxide from Thiruvananthapuram and Caustic Soda from Ernakulam shows a decreasing trend, while the wholesale prices of Fertilizers from Ernakulam, Thribhaladi Oil from Malappuram & Pesticides from Ernakulam shows an increasing trend.

**8. Manufacture of Rubber, Plastic, Petroleum and Coal Products (31)**

This sector shows a substantial increase of 14.14% increase in its Wholesale Price Index. The figure last year was 1287 which now has reached 1469. This was due to the increase in wholesale price of petroleum products and tubes & tyres reported from Kottayam and Ernakulam respectively.

**9. Manufacture of Non-metallic Mineral Products (32)**

This industry group recorded a 33.95 % increase in its index as the index went up from 1567 to 2099 as a result of the hike in the wholesale price of Roofing Tile from Kozhikode and Thrissur.

**10. Manufacture of Basic Metals and Alloys Industries (33)**

The index of this group has gone up from the last year index of 1234 to 1324 marking a 7.29 % increase, because of the increase in price of Iron and steel reported from Kozhikode and Aluminium cooking vessel reported from Thrissur.

**11. Manufacture of Metal Products & Parts except Machinery (34)**

The wholesale price index of this group decreased by 32.13% and the index moved downward from 862 to 585 due to the decrease of the wholesale price of metal products reported from Alapuzha.

**12. Manufacture of machine equipments other than transport equipments (35)**

During the year the index of this group shot up from 911 to 923 gaining 1.32% increase. This is because of the increase in the wholesale price of Agricultural Instruments from Ernakulam and Mammatti from Palakkad.

**13. Manufacture of synthetic equipments, photographic equipments etc. (36)**

The index of this industry group decreased from 410 to 406 showing a 0.98 % decrease. This was due to the decrease in the wholesale price of bulb from Ernakulam.

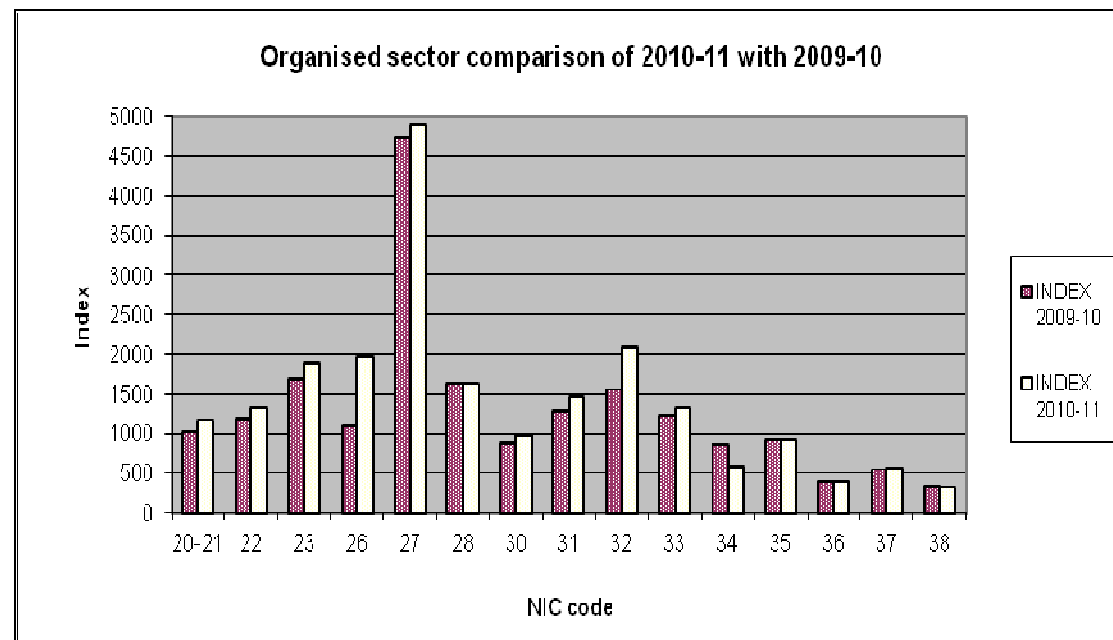
**14. Manufacture of transport equipment and parts (37)**

This industry group shows 2.76% increase in the wholesale price index compared to the previous year. The index pulled up from 544 to 559 due to the impact of the increase in the wholesale prices of the Cycle Gear Case from Thiruvananthapuram.

**15. Other manufacture industries (38)**

This industry group shows a 0.59 % decrease and the index has gone down from 339 to 337. The decrease in the price of lead pencil from Kozhikode was responsible for this.

The following graph gives the comparison between the wholesale price index of manufactured commodities in organized sector for 2010-11 with that of 2009-10.



### **Unorganized Sector (2010-11)**

For the compilation of Indices of 2010-11, the 2 digit NIC codes 20-21, 22, 23, 27, 28, 31, 32, 34-35 and 38 were taken. During this period out of the nine groups, eight shows an increasing trend, while one group shows a decreasing trend in their respective indices. But the general index increases from 1644 to 1872, which shows an increase of 13.87%.

Below is a quick rundown of the industry groups which had a decisive influence on the general index of this sector.

#### **1. Manufacture of Food Products (20-21)**

This industry group has marked an increase of 15.03% in its index compared to last year, i.e., the index rose from 1564 to 1799. The main reason for this growth was the increase in prices of Beef from Kottayam, Thrissur and Kannur, Fish (*ayala*)

from Kozhikode, Bread from Thiruvananthapuram, Kozhikode & Kannur, Halwa from Kozhikode and Pappadam from Kollam, Thrissur and Kozhikode.

**2. Manufacture of Beverages, Tobacco & Related Products (22)**

This year the index of this group showed a slight increase. The index of this year is 555, last year it was 554 increased by 0.18% due to the increase in the price of Aerated water reported from Kottayam.

**3. Manufacture of Cotton Textiles (23)**

The index of this group reported an increase of 2.74% and the index increased from 1641 to 1686. This was a result of the increase in prices of Khadi and Handloom dhothi reported from Kannur.

**4. Manufacture of Wood and Wood Products (27)**

This year the index of this group grown up from 960 to 998, i.e., increased by 3.96% as a result of the increase in prices of Reed Basket, Reed Screens, Grass mat and Round chair from Thiruvananthapuram.

**5. Manufacture of Paper and Paper Products (28)**

This industry group recorded a 2.59 % increase in its index as the index went up from 812 to 833 as a result of the increase in the wholesale price of Notebook & Wedding cards reported from Thrissur.

**6. Manufacture of Rubber, Plastic, Petroleum and Coal Products (31)**

The index increased from 951 to 1065 at a rate of 11.99% over the previous year. This was due to the increase in the wholesale price of Fireworks reported from Thrissur, Medicines from Kannur and Thiruvananthapuram.

**7. Manufacture of Non-metallic Mineral Products (32)**

This year the wholesale price index of this group increased from 4474 to 5350 at a rate of 19.58% largely as a result of the increase in prices of Burned Bricks

reported from Thiruvananthapuram and Thrissur, Earthen Wares reported from Kottayam and Lime shells reported from Kottayam & Kozhikode.

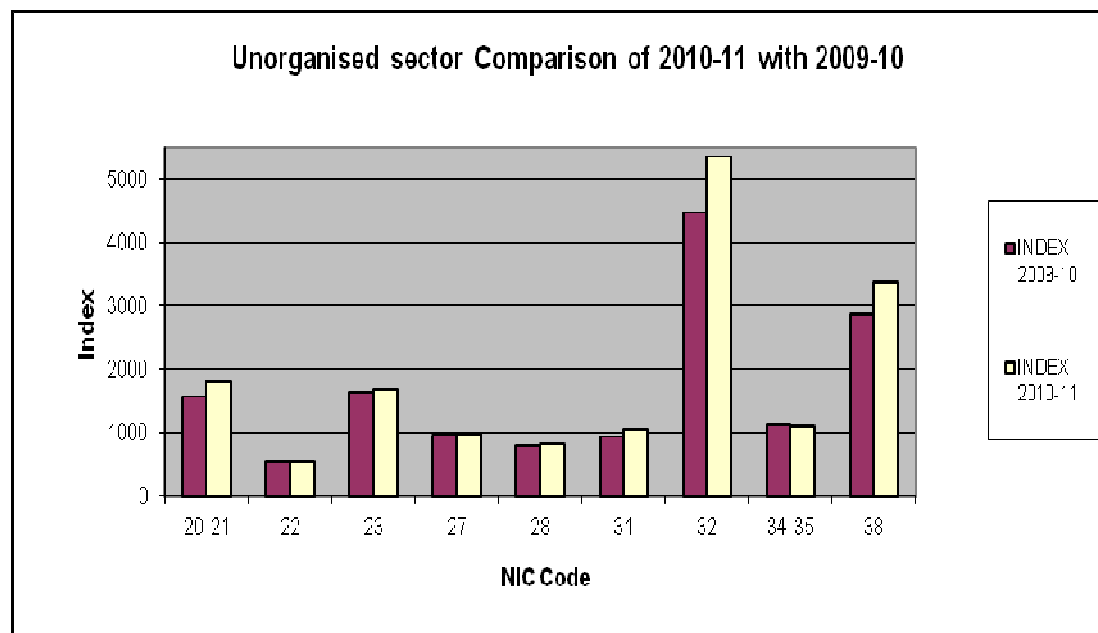
**8. Manufacture of Metal Products and Parts except Machinery and Transport Equipment (34-35)**

This year the index of this group showed a slight decrease. The index of this year is 1107, last year it was 1138 decreased by 2.72% due to the decrease in the wholesale price of Copper reported from Alappuzha.

**9. Other Manufacturing Industries (38)**

This year the index moved up from 2875 to 3372 marking an increase of 17.29%. The wholesale price increase of Gold reported from Alapuzha and Thrissur was the reason for the change.

The following graph gives the comparison between the wholesale price index of manufactured commodities in unorganized sector for 2010-11 with that of 2009-10.



**APPENDIX I**

**WHOLESALE PRICE INDEX OF MANUFACTURED COMMODITIES  
(ORGANISED)**

Base Year: 1975-76

NIC Code	Name of Industry	Index						
		Weight	1975-76	1980-81	1985-86	1990-91	1995-96	1996-97
20-21	Manufacture of food products	27.96	100	206	310	565	853	913
22	Manufacture of beverages, tobacco and related products	.64	100	180	493	541	1080	1131
23	Manufacture of cotton textiles	8.41	100	133	186	291	604	671
24	Manufacture of wool, silk and man-made fiber textiles	1.30	100	150	-	387	688	765
26	Manufacture of textile products	1.82	100	260	527	1029	1877	2210
27	Manufacture of wood and wood products	3.73	100	154	343	450	765	761
28	Manufacture of paper and paper products	7.18	100	163	224	283	226	256
30	Manufacture of basic chemicals except Petroleum and Coal	21.73	100	121	203	307	520	542
31	Manufacture of rubber, plastic, petroleum and Coal products	10.53	100	156	206	294	430	450
32	Manufacture of non-metallic mineral products	2.41	100	213	328	426	799	957
33	Basic Metals and Alloys Industries	3.63	100	177	244	382	436	684
34	Manufacture of metal products and parts except machinery	1.67	100	132	238	345	557	578
35	Manufacture of machine equipments other than transport equipment	2.04	100	156	232	320	467	513
36	Manufacture of synthetic equipments, photographic equipment, etc.	5.93	100	151	177	250	381	339
37	Manufacture of Transport equipment and parts	0.47	100	121	139	235	221	227
38	Other manufacturing Industries	0.56	100	134	170	226	258	283
<b>General Index</b>		<b>100</b>	<b>100</b>	<b>166</b>	<b>254</b>	<b>409</b>	<b>634</b>	<b>689</b>

**Appendix I (Contd.)**

<b>NIC Code</b>	<b>Name of Industry</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
20-21	Manufacture of food products	1036	1100	1124	1198	1278	1157	994
22	Manufacture of beverages, tobacco and related products	710	724	838	868	504	505	1001
23	Manufacture of cotton textiles	681	697	723	749	828	766	701
24	Manufacture of wool, silk and man made fiber textiles	799	700	618	596	609	609	609
26	Manufacture of textile products	2255	2865	2824	2842	3343	3771	3931
27	Manufacture of wood and wood products	882	936	954	969	3795	3321	2920
28	Manufacture of paper and paper products	255	261	269	281	294	304	304
30	Manufacture of basic chemicals except Petroleum and Coal	584	618	610	615	686	674	671
31	Manufacture of rubber, plastic, petroleum and Coal products	494	498	535	578	574	673	715
32	Manufacture of non-metallic mineral products	880	872	957	1007	970	949	946
33	Basic Metals and Alloys Industries	720	724	717	802	834	850	874
34	Manufacture of metal products and parts except machinery	574	534	501	541	541	541	453
35	Manufacture of machine equipments other than transport equipment	548	567	574	617	586	591	672
36	Manufacture of synthetic equipments, photographic equipment, etc.	213	267	339	352	238	497	419
37	Manufacture of Transport equipment and parts	227	227	227	227	227	227	227
38	Other manufacturing Industries	296	291	289	272	279	285	283
<b>General Index</b>		<b>732</b>	<b>782</b>	<b>803</b>	<b>844</b>	<b>941</b>	<b>938</b>	<b>883</b>



**Appendix I (Contd.)**

<b>NIC Code</b>	<b>Name of Industry</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
20-21	Manufacture of food products	990	1021	1119	1134	1171	1034	1176
22	Manufacture of beverages, tobacco and related products	1001	1045	1045	1064	1128	1193	1325
23	Manufacture of cotton textiles	860	876	920	917	1171	1688	1893
24	Manufacture of wool, silk and man made fiber textiles	609	609	609	609	**	**	**
26	Manufacture of textile products	3812	3807	4107	4121	1794	1100	1974
27	Manufacture of wood and wood products	2924	3147	3831	4170	6050	4750	4884
28	Manufacture of paper and paper products	304	304	328	328	1469	1627	1627
30	Manufacture of basic chemicals except Petroleum and Coal	780	852	908	920	959	882	986
31	Manufacture of rubber, plastic, petroleum and Coal products	835	966	1082	1070	1137	1287	1469
32	Manufacture of non-metallic mineral products	973	1037	1215	1222	1489	1567	2099
33	Basic Metals and Alloys Industries	916	990	1009	1136	1347	1234	1324
34	Manufacture of metal products and parts except machinery	489	495	786	1310	1095	862	585
35	Manufacture of machine equipments other than transport equipment	694	704	762	790	945	911	923
36	Manufacture of synthetic equipments, photographic equipment, etc.	420	420	420	428	412	410	406
37	Manufacture of Transport equipment and parts	258	267	373	402	492	544	559
38	Other manufacturing Industries	275	272	302	294	276	339	337
	<b>General Index</b>	<b>934</b>	<b>993</b>	<b>1100</b>	<b>1130</b>	<b>1315</b>	<b>1288</b>	<b>1435</b>

**APPENDIX II**

**WHOLE SALE PRICE INDEX NUMBERS OF MANUFACTURED  
COMMODITIES-UNORGANISED SECTOR**

**Base Year: 1975-76 = 100**

NIC Code	Name of Industry	Weight	1975-76	1980-81	1985-86	1990-91	1995-96	1996-97
20-21	Manufacture of food products	41.55	100	146	202	325	610	707
22	Manufacture of beverages, tobacco & related foods	3.47	100	126	183	283	517	617
23	Manufacture of cotton textile	1.11	100	136	208	264	548	623
26	Manufacture of textile products	14.33	100	163	238	358	690	724
27	Manufacture of wood and wood products	14.41	100	163	217	341	514	617
28	Manufacture of paper and paper products	2.14	100	131	180	229	552	468
31	Manufacture of chemical and chemical products	4.52	100	-	234	300	494	523
32	Manufacture of non-metallic mineral products	2.54	100	180	323	446	996	1307
34-35	Manufacture of metal products and parts except machinery and transport equipments	2.83	100	150	212	311	478	462
38	Other manufacturing industries	13.1	100	218	296	631	815	906
<b>General Index</b>		<b>100</b>	<b>100</b>	<b>159</b>	<b>225</b>	<b>369</b>	<b>630</b>	<b>713</b>

**APPENDIX II Contd.**

NIC Code	Name of Industry	Weight	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
20-21	Manufacture of food products	41.55	774	853	840	920	989	1037	980
22	Manufacture of beverages, tobacco & related foods	3.47	617	617	617	661	783	833	833
23	Manufacture of cotton textile	1.11	679	698	717	763	762	762	702
26	Manufacture of textile products	14.33	827	869	948	963	926	962	988
27	Manufacture of wood and wood products	14.41	696	733	757	809	899	899	903
28	Manufacture of paper and paper products	2.14	654	610	646	644	755	777	814
31	Manufacture of chemical and chemical products	4.52	570	546	534	662	697	697	707
32	Manufacture of non-metallic mineral products	2.54	1487	1610	1684	1846	1815	1903	1920
34-35	Manufacture of metal products and parts except machinery and transport equipments	2.83	481	474	588	598	475	477	468
38	Other manufacturing industries	13.1	858	853	863	905	910	1053	1135
<b>General Index</b>		<b>100</b>	<b>774</b>	<b>817</b>	<b>833</b>	<b>895</b>	<b>935</b>	<b>984</b>	<b>975</b>

**APPENDIX II Contd.**

NIC Code	Name of Industry	Weight	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
20-21	Manufacture of food products	41.55	1047	1087	1193	1304	1515	1564	1799
22	Manufacture of beverages, tobacco & related foods	3.47	917	948	1042	1226	1300	554	555
23	Manufacture of cotton textile	1.11	722	736	751	844	992	1641	1686
26	Manufacture of textile products	14.33	1200	1200	1162	1296	1365	**	**
27	Manufacture of wood and wood products	14.41	846	844	918	926	1015	960	998
28	Manufacture of paper and paper products	2.14	835	873	881	777	837	812	833
31	Manufacture of chemical and chemical products	4.52	707	704	748	1085	1096	951	1065
32	Manufacture of non-metallic mineral products	2.54	1971	2390	3132	3446	4944	4474	5350
34-35	Manufacture of metal products and parts except machinery and transport equipments	2.83	480	520	522	540	1172	1138	1107
38	Other manufacturing industries	13.1	1285	1462	1937	2049	2516	2875	3372
<b>General Index</b>		<b>100</b>	<b>1051</b>	<b>1104</b>	<b>1239</b>	<b>1350</b>	<b>1583</b>	<b>1644</b>	<b>1872</b>

**APPENDIX III**  
**MONTH-WISE INDEX OF WHOLESALE PRICE OF MANUFACTURED**  
**COMMODITIES 2010-11**  
**(ORGANISED SECTOR)**

<b>Month</b>	<b>Index</b>
<b>April</b>	1343
<b>May</b>	1360
<b>June</b>	1375
<b>July</b>	1404
<b>August</b>	1412
<b>September</b>	1431
<b>October</b>	1453
<b>November</b>	1461
<b>December</b>	1474
<b>January</b>	1493
<b>February</b>	1506
<b>March</b>	1508
<b>Total</b>	<b>1435</b>

**APPENDIX IV**  
**MONTH-WISE INDEX OF WHOLESALE PRICE OF MANUFACTURED**  
**COMMODITIES 2010-11**  
**(UNORGANISED SECTOR)**

<b>MONTH</b>	<b>INDEX</b>
<b>April</b>	1734
<b>May</b>	1765
<b>June</b>	1771
<b>July</b>	1815
<b>August</b>	1854
<b>September</b>	1868
<b>October</b>	1890
<b>November</b>	1924
<b>December</b>	1937
<b>January</b>	1957
<b>February</b>	1975
<b>March</b>	1982
<b>Total</b>	<b>1872</b>

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