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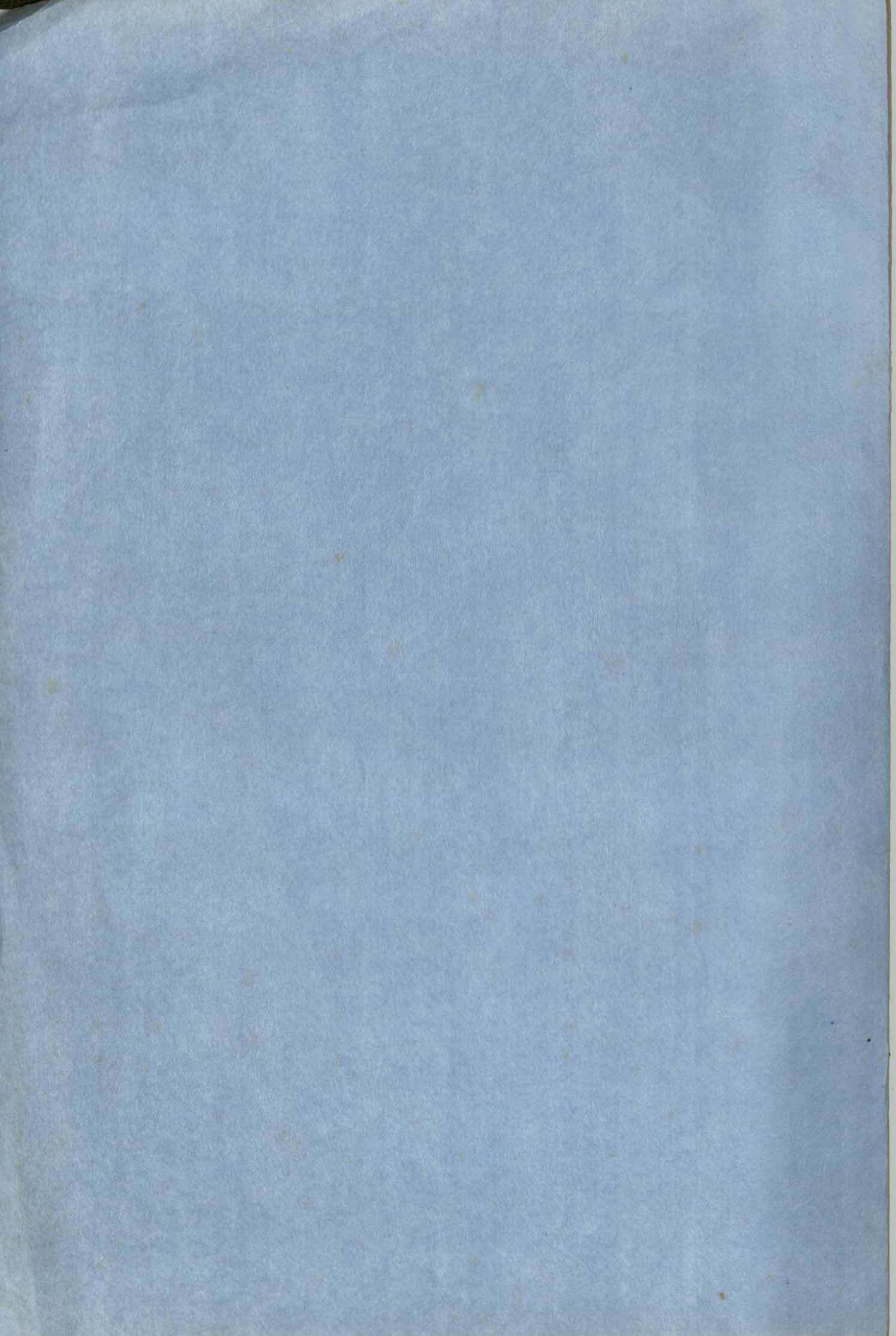


**Government of Kerala**

*Report On*  
*Wholesale Price Index Numbers of*  
*Manufactured Commodities*  
*2003-04*

**Department of Economics & Statistics**  
**Thiruvananthapuram**  
**2005**









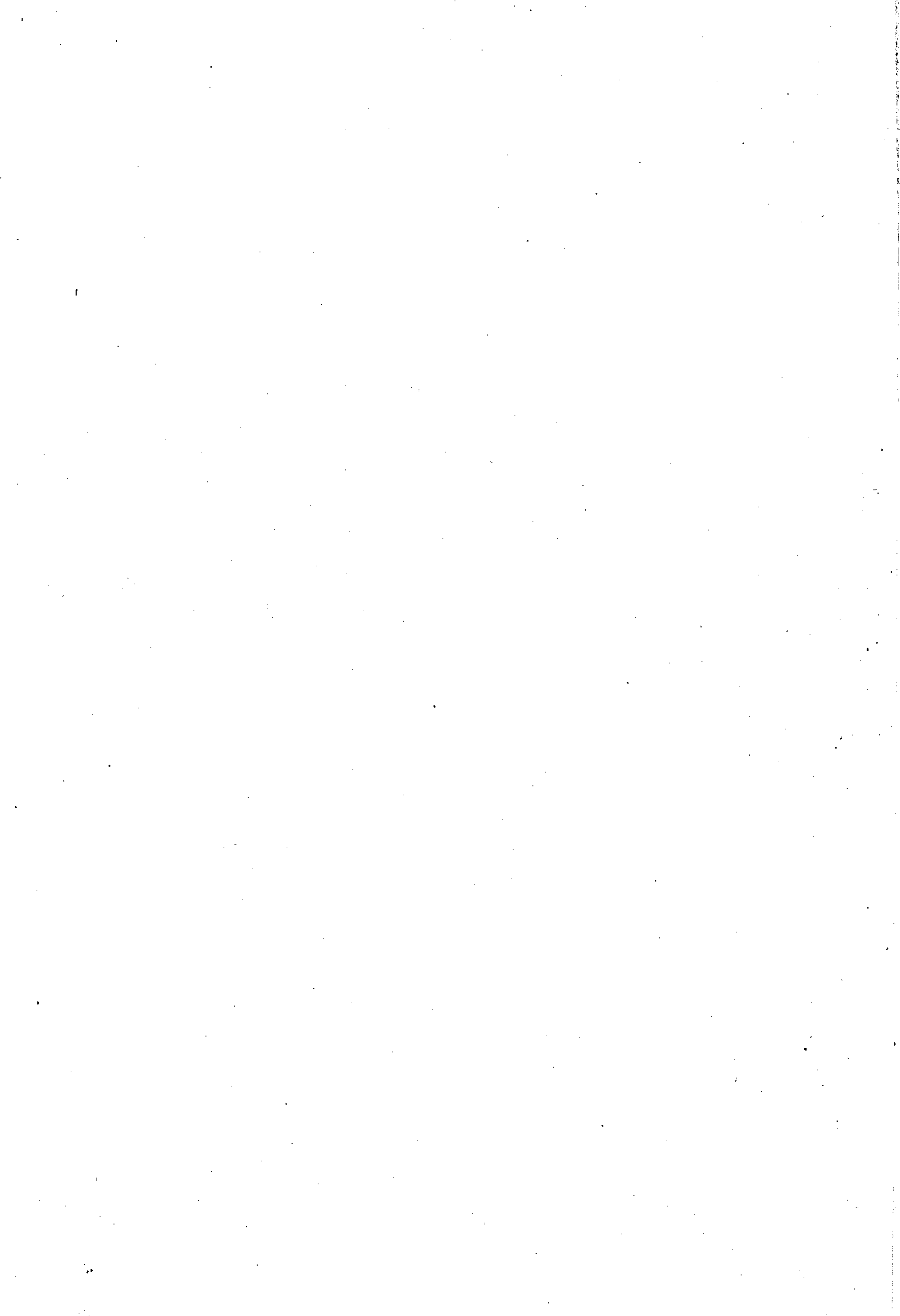
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## **PREFACE**

During the last three decades considerable emphasis has been given to industrialisation in the Country's Development Process. As a result, the industrial sector has steadily grown and started producing a variety of goods for the consumer market. In earlier times people were more concerned with the price changes of agricultural commodities, but with the increasing role of the industrial goods in the life of the people, the price changes of manufactured articles too become significant.

The Department of Economics and Statistics computes the Wholesale Price Index Numbers of manufactured commodities, covering the organised and unorganised sectors of the economy, every year. The indices depict the price fluctuations in the wholesale transactions of manufactured commodities in the primary market in the state and also it helps to have a sustained watch on the price variations in the wholesale market over a period of time.

This report is prepared by Sri Usmansherif Koori, Asst. Director with the whole hearted co-operation of officials of the II P Division under the Supervision of Sri S Rajendran Joint Director, (S&D) and overall guidance of Sri K Narayanan Additional Director (S I). Suggestion on the improvement of this publication are most welcome.

M.R. Balakrishnan,  
Director .

Thiruvananthapuram,  
21/07/2005.



## **Wholesale Price Index numbers of Manufactured commodities**

### **I. Introduction**

The wholesale price indices are the indicators of price fluctuations in the wholesale transactions of manufactured commodities in the primary market of Kerala Economy. The wholesale price index numbers of manufactured commodities in organised and unorganised sectors are computed separately. Organized sector includes registered factories and unorganised 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 base year (1975-76). In the case of organised sector, the weight and price for 1975-76 is taken but in the unorganised sector the weight for 1978-79 is substituted for 1975-76.

However 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 organised sector, gross value of production during the year 1975-76 and for the items related to the unorganised sector, gross value of production during the year 1978-79 have been taken to derive the weights. Manufactured articles flowing in to 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 2 digit level. In certain cases where contributions of individual group to the total value is nominal, the group has been arranged under a broad class. Production data from annual survey of Industries 1975-76 has been used for organised sector and value of gross production estimated from the

follow up surveys of Economic census conducted in 1978-79 has been used for the unorganised sector.

#### 4. Price collection

The commodities for price collection are fixed taking in to account the importance of each commodity as decided in 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 organised sector representative items have been selected for price collection for computation of the index

#### 5. Method of computation

The wholesale price index numbers of manufactured commodities have been computed by using the Laspeyer's formula

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

Where

- I = Whole sale price index
- W<sub>i</sub> = Weight attached to the i<sup>th</sup> item
- R<sub>i</sub> = Whole sale price relative of i<sup>th</sup> item



## 6. Trend of wholesale price indices of Manufactured Commodities

Wholesale Price Indices of Manufactured Commodities (Base year 1975-76)

year	Organised Sector	Unorganised sector
1975-76	100	100
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
1999-2000	803	833
2000-01	844	895
2001-02	941	935
2002-03	938	984
2003-04	883	975

The Index of manufactured commodities for the year 2003-04 in the organised sector in the state showed a substantial decrease of 5.86% compared to the previous year 2002-03. In the unorganised sector the index showed a very nominal decrease of 0.91% compared to the last year.

## 7. Conclusion

Organised Manufacturing Sector showed an increasing trend from 1975-76 to 2001-2002. But for the last 2 years this sector has shown to a decreasing trend.

But in the unorganised sector increasing trend is maintained till the year 2002-2003. But in the last year the index has been decreased.

On analyzing the group wise performance of industries, it can be understood that these fluctuations are only due to the price variations of the wholesale manufactured commodities reported from the various centres of the state.



**Organised Sector**

Out of the 16 groups in this sector 5 groups showed increasing trend, 3 of them have no changes and the remaining 8 groups under gone decreasing trend due to price changes. The groups having major fluctuations are analysed below:

**(1) Manufacture of food products (20-21)**

The index of this group decreased from 1157 to 994 reflecting a decrease of 14.07 % during the year. This was due to the wholesale price decrease in Tea, produced by Tea Board, Kochi and Cashew Kernel from KSCDC and prawn white from Kollam over the year 2002-03.

**(2) Manufacture of beverages, tobacco and related products (22)**

The increase in the price of Beer produced by United Brothers, Puthussery during the year reflected increase in the index from 505 to 1001 ie 98.22% over the last year 2002-03.

**(3) Manufacture of wood and wood products (27)**

The index for this group decreased from 3321 to 2920 reflecting a decrease of 12.07% during the year. This was due to the price decrease of Jack planks reported from Kozhikode district.

**(4) Manufacture of basic chemicals except petroleum and Coal (30)**

The decrease in the price of Titanium dioxide produced by Travancore Titanium Products Limited, Thiruvananthapuram during the current year reflected decrease in the index from 674 to 671 i.e. 0.46% over the last year 2002-03.

**(5) Manufacture of machine Equipments and other than transport Equipments (35)**

The index for this group for the year 2003-04 increased from 591 to 672 (13.71%) due to the price increase in the "Power Filler" produced by KamCo, Ernakulam and the price increase of 'Mammatty' produced by Kumar industries Palakkad.



**Unorganised sector**

Out of Ten sub groups, 6 groups showed increasing trend, one group has no change and the remaining 3 groups showed decreasing trend.

**a) Manufacture of food products (20-21)**

The decrease in price of Canegur and Pappadam resulted in the change of index of this group from 1037 to 980, which shows a decrease of 5.5%.

**(b) Manufacture of Cotton Textiles (23)**

The index of this group recorded a slight decrease of 7.87% during the year. The index declined from 762 to 702. This is due the price decrease of Khadi products reported from Khadi centre Payyannur.

**c) Manufacture of Textile products (26)**

The wholesale price index of this group recorded a slight increase of 2.70 % . The wholesale price decrease of Coir products reported from Alappuzha district resulted in the increase of index from 962 to 988.

**d) Manufacture of paper and paper products (28)**

This group showed a substantial increase of 4.76% during the year compared to the previous year. The wholesale price index increased from 777 to 814. This was due to the price increase of printed materials and note books reported from Thiruvananthapuram and Thrissur districts respectively.

**e) Manufacture of Chemical and Chemical Products (31)**

This group showed a slight increase of 1.43% over the last year. During 2002-2003, index for this group was 697 which increased to 707 during the year . The hike in price of Dasamoolarishtam is the reason for the increase.

**f) Other manufacturing industries (38)**

Index of this group for the year 2002-03 was 1053. The price changes in the items included in this group such as Gold ornaments reported from Thrissur and Alappuzha districts showed remarkable increase. Due to the increase in price of the items, the index gone from 1053 to 1135.



## APPENDIX I

WHOLE SALE PRICE INDEX NUMBERS OF MANUFACTURED COMMODITIES  
KERALA - ORGANISED

Base : 1975-76 = 100

NIC Code	Name of Industry	wei-ght	1975-76	1980-81	1985-86	1990-91	1991-92	1992-93	1993-94	1994-95
20-21	Manufacture of food products	27.96	100	206	310	565	680	774	735	761
22	Manufacture of beverages, tobacco and related products	.64	100	180	493	541	625	750	948	954
23	Manufacture of cotton textiles	8.41	100	133	186	291	300	373	404	451
24	Manufacture of wool, silk and man made fiber textiles	1.30	100	150	—	387	448	620	706	733
26	Manufacture of textile products	1.82	100	260	527	1029	1157	1255	1401	1630
27	Manufacture of wood and wood products	3.73	100	154	343	450	470	495	570	600
28	Manufacture of paper and paper products	7.18	100	163	224	283	154	166	177	191
30	Manufacture of basic chemicals except Petroleum and Coal	21.73	100	121	203	307	355	346	358	505
31	Manufacture of rubber, plastic, petroleum and Coal products	10.53	100	156	206	294	343	354	363	421
32	Manufacture of non-metallic mineral products	2.41	100	213	328	426	474	545	631	731
33	Basic Metals and Alloys Industries	3.63	100	177	244	382	448	437	416	446
34	Manufacture of metal products and parts except machinery	1.67	100	132	238	345	434	476	461	468
35	Manufacture of machine equipments other than transport equipment	2.04	100	156	232	320	346	385	402	458
36	Manufacture of synthetic equipments, photographic equipment, etc.	5.93	100	151	177	250	394	325	289	313
37	Manufacture of Transport equipment and parts	0.47	100	121	139	235	245	180	187	206
38	Other manufacturing Industries	0.56	100	134	170	226	179	202	223	241
<b>General Index</b>		<b>100</b>	<b>100</b>	<b>166</b>	<b>254</b>	<b>409</b>	<b>464</b>	<b>509</b>	<b>512</b>	<b>569</b>



## APPENDIX I Contd.

NIC Code	Name of Industry	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
20-21	Manufacture of food products	853	913	1036	1100	1124	1198	1278	1157	994
22	Manufacture of beverages, tobacco and related products	1080	1131	710	724	838	868	504	505	1001
23	Manufacture of cotton textiles	604	671	681	697	723	749	828	766	701
24	Manufacture of wool, silk and man made fibre textiles	688	765	799	700	618	596	609	609	609
26	Manufacture of textile products	1877	2210	2255	2865	2824	2842	3343	3771	3931
27	Manufacture of wood and wood products	765	761	882	936	954	969	3795	3321	2920
28	Manufacture of paper and paper products	226	256	255	261	269	281	294	304	304
30	Manufacture of basic chemicals except Petroleum and Coal	520	542	584	618	610	615	686	674	671
31	Manufacture of rubber, plastic, petroleum and Coal products	430	450	494	498	535	578	574	673	715
32	Manufacture of non-metallic mineral products	799	957	880	872	957	1007	970	949	946
33	Basic Metals and Alloys Industries	436	684	720	724	717	802	834	850	874
34	Manufacture of metal products and parts except machinery	557	578	574	534	501	541	541	541	453
35	Manufacture of machine equipments other than transport equipment	467	513	548	567	574	617	586	591	672
36	Manufacture of synthetic equipments, photographic equipment, etc.	381	339	213	267	339	352	238	497	419
37	Manufacture of Transport equipment and parts	221	227	227	227	227	227	227	227	227
38	Other manufacturing Industries	258	283	296	291	289	272	279	285	283
<b>General Index</b>		<b>634</b>	<b>689</b>	<b>732</b>	<b>782</b>	<b>803</b>	<b>844</b>	<b>941</b>	<b>938</b>	<b>883</b>



## APPENDIX II

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

Base: 1975-76 = 100

NIC Code	Name of Industry	Weight	1975-76	1980-81	1985-86	1990-91	1991-92	1992-93	1993-94	1994-95
20-21	Manufacture of food products	41.55	100	146	202	325	460	444	490	524
22	Manufacture of beverages, tobacco & related foods	3.47	100	126	183	283	296	367	400	508
23	Manufacture of cotton textile	1.11	100	136	208	264	289	329	336	356
26	Manufacture of textile products	14.33	100	163	238	358	429	494	532	592
27	Manufacture of wood and wood products	14.41	100	163	217	341	362	390	457	484
28	Manufacture of paper and paper products	2.14	100	131	180	229	281	316	354	465
31	Manufacture of chemical and chemical products	4.52	100	-	234	300	-	-	-	-
32	Manufacture of non-metallic mineral products	2.54	100	180	323	446	484	541	629	811
34-35	Manufacture of metal products and parts except machinery and transport equipments	2.83	100	150	212	311	348	381	384	468
38	Other manufacturing industries	13.10	100	218	296	631	772	742	776	791
<b>General Index</b>		<b>100</b>	<b>100</b>	<b>159</b>	<b>225</b>	<b>369</b>	<b>453</b>	<b>456</b>	<b>499</b>	<b>541</b>



## APPENDIX II Contd.

NIC Code	Name of Industry	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
20-21	Manufacture of food products	610	707	774	853	840	920	989	1037	980
22	Manufacture of beverages, tobacco & related foods	517	617	617	617	617	661	783	833	833
23	Manufacture of cotton textile	548	623	679	698	717	763	762	762	702
26	Manufacture of textile products	690	724	827	869	948	963	926	962	988
27	Manufacture of wood and wood products	514	617	696	733	757	809	899	899	903
28	Manufacture of paper and paper products	552	468	654	610	646	644	755	777	814
31	Manufacture of chemical and chemical products	494	523	570	546	534	662	697	697	707
32	Manufacture of non-metallic mineral products	996	1307	1487	1610	1684	1846	1815	1903	1920
34-35	Manufacture of metal products and parts except machinery and transport equipments	478	462	481	474	588	598	475	477	468
38	Other manufacturing industries	815	906	858	853	863	905	910	1053	1135
<b>General Index</b>		<b>630</b>	<b>713</b>	<b>774</b>	<b>817</b>	<b>833</b>	<b>895</b>	<b>935</b>	<b>984</b>	<b>975</b>



**APPENDIX III**  
**MONTHWISE INDEX OF WHOLESALE PRICE OF MANUFACTURED**  
**COMMODITIES 2003-04**  
**(ORGANISED SECTOR)**

MONTH	INDEX
April	886
May	882
June	874
July	874
August	883
September	879
October	892
November	887
December	891
January	895
February	879
March	872

General index = 883



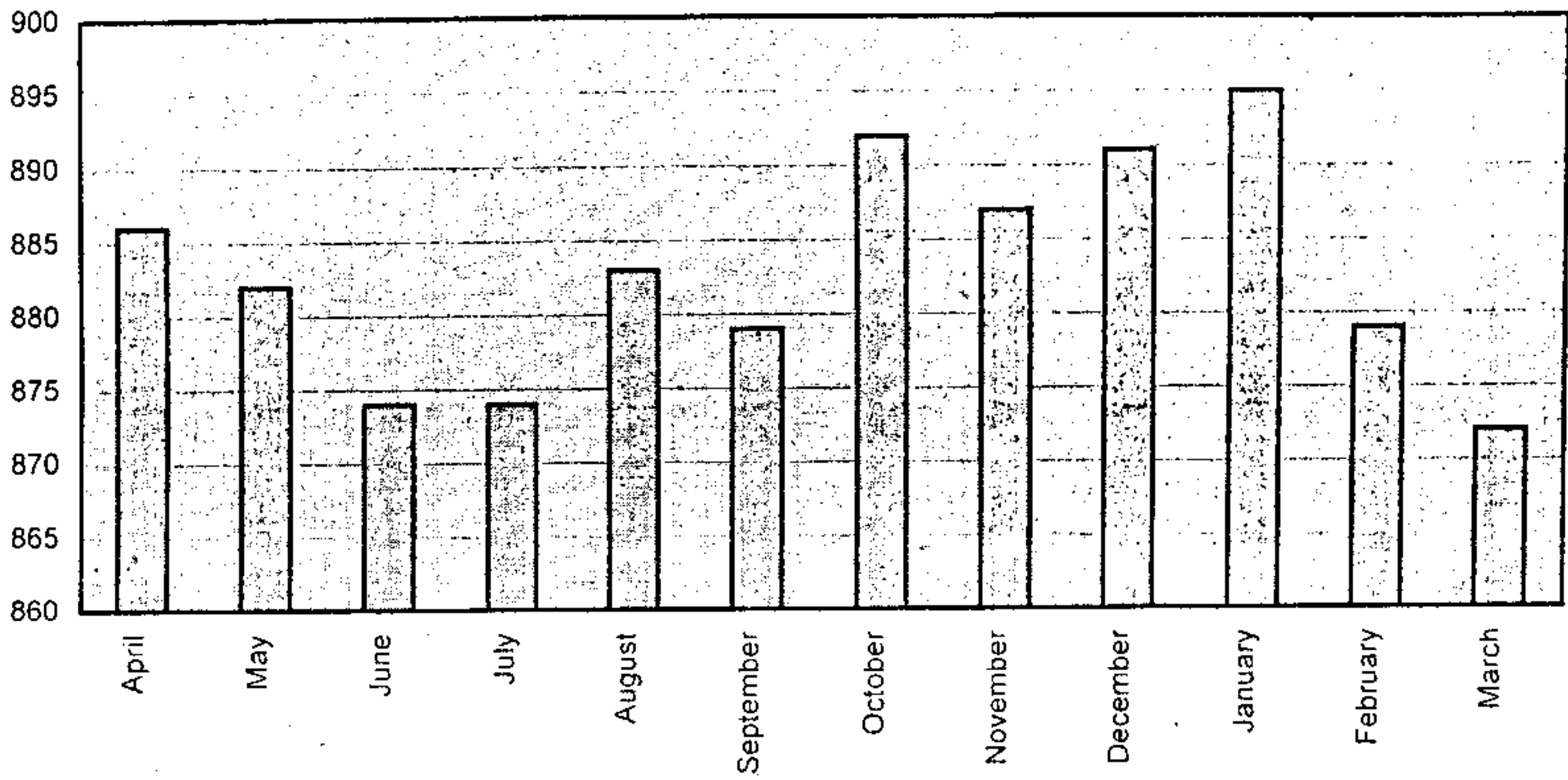
**APPENDIX IV**  
**MONTHWISE INDEX OF WHOLESALE PRICE OF MANUFACTURED**  
**COMMODITIES 2003-04**  
**(UNORGANISED SECTOR)**

MONTH	INDEX
April	956
May	963
June	969
July	965
August	969
September	971
October	978
November	983
December	988
January	987
February	986
March	989

General index =975

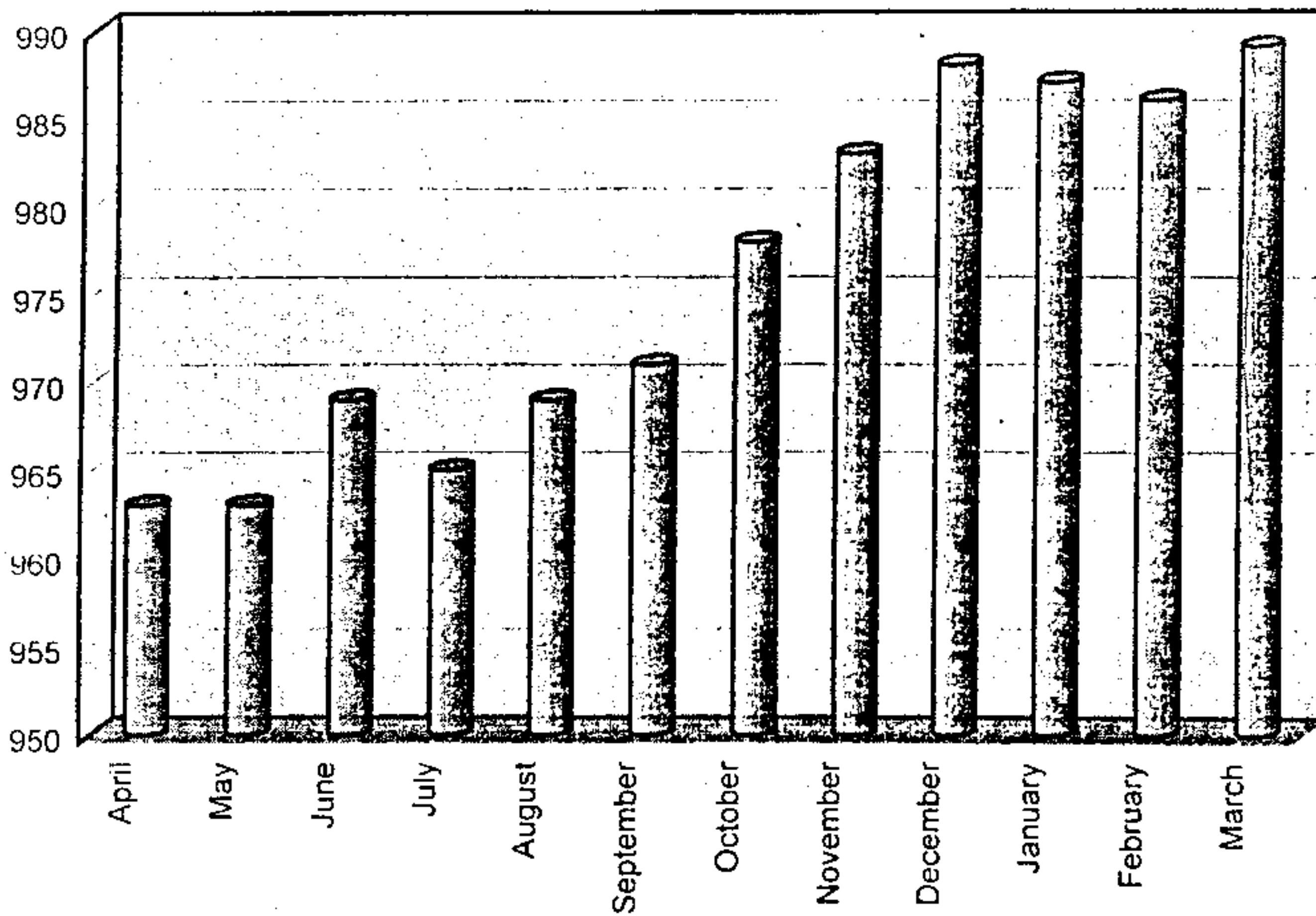
**Chart No. I**

**Month wise Indices of Wholesale price of Manufactured commodities 2003-04(Organised Sector)**



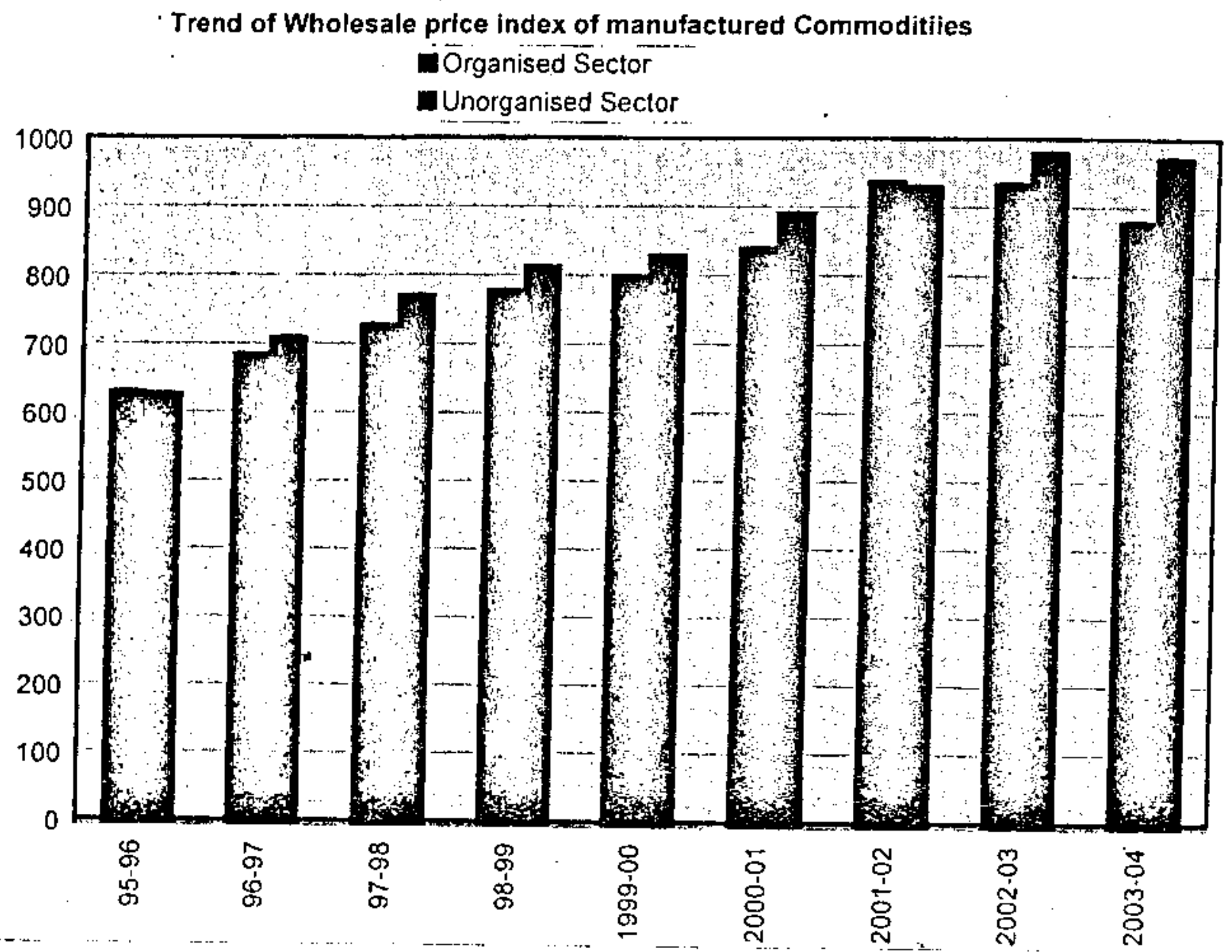
**Chart No. II**

**Monthwise index of wholesale price of Manufactured commodities 2003-04 (Un Organised Sector)**



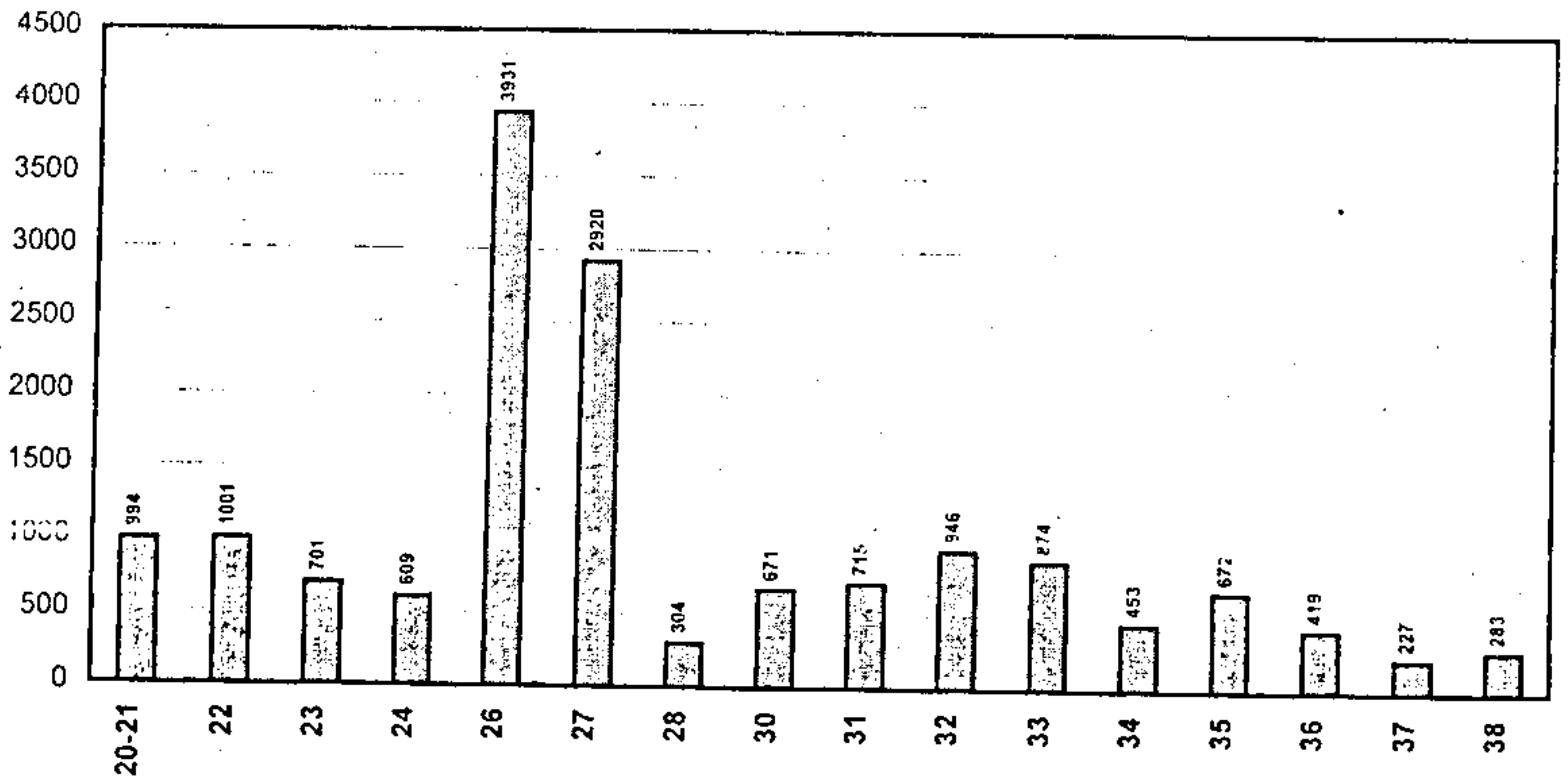


**Chart No. III**



**Chart No. IV**

**NIC Code wise indices of Manufactured Commodities (Organised Sector) 2003-04**









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