



The Inflation Showdown: CPI vs. WPI

CONSUMER PRICE INDEX (CPI)

1. Tracks changes in the prices of goods and services consumed by households.
2. Reflects the impact of inflation on consumers' purchasing power.
3. Includes essential items like food, housing, healthcare, and transportation.
4. Helps measure the cost of living and inflation's impact on individuals.



WHOLESALE PRICE INDEX (WPI)

1. Monitors changes in the prices of goods at the wholesale level.
2. Mainly focuses on goods traded between businesses and not directly consumed by households.
3. Covers commodities like raw materials, industrial products, and fuels.
4. Provides insights into cost pressures faced by businesses.



KEY DIFFERENCES

- CPI reflects the prices faced by consumers
- CPI covers a broader range of goods and services, including everyday essentials.
- CPI is commonly used for assessing inflation's impact on households,



- WPI focuses on wholesale transaction prices.
- WPI primarily includes goods traded in bulk and is more sensitive to changes in global commodity prices.
- WPI aids policymakers and businesses in understanding cost pressures.

