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Wholesale and Producer Price Indices

WPI inflation soared to 9.7% in May 2026, highest in the new series; newly-launched Output PPI prints closely tracked WPI trends

JUNE 2026

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Highlights

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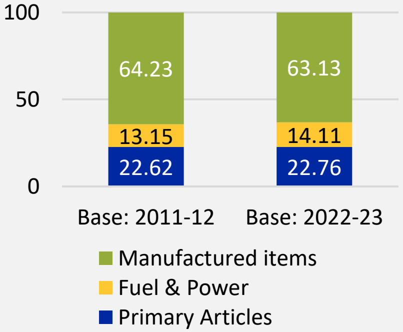
EXHIBIT: Comparison of weights (%) across WPI groups in old and new series



Source: Ministry of Commerce and Industry, GoI; ICRA Research

As per the new WPI series (base year: 2022-23) released by the Ministry of Commerce and Industry, the headline WPI inflation surged to a series high of 9.7% on a year-on-year (YoY) basis in May 2026 from 8.3% in April 2026, amidst a broad-based uptick across most groups, partly on account of an adverse base. The inflation in the fuel and power segment, which now accounts for 14.1% of the WPI by weight and also includes the crude petroleum and natural gas groups, witnessed a sharp rise to 30.3% in the month from 24.9% in April 2026, reflecting the continued passthrough of elevated global energy prices. Interestingly, the newly released Output Producer Price Index (OPPI) prints have closely tracked the WPI, with the inflation in the former printing at 9.4% in May 2026, up from 8.1% in April 2026. Going forward, the recent cooling in global energy and commodity prices after the easing of tensions in West Asia is expected to provide respite to the WPI inflation print for June 2026.

- **New WPI series include base year revision and wider data coverage; May 2026 print pegged at 9.7%:** The Commerce Ministry has published new series of the WPI with base year transitioning to 2022-23 from 2011-12 to align with revisions in other variables like GDP, CPI, etc. The new series entail material increase in the coverage of items from 697 to 957 in the WPI basket, driven by manufactured products (+42% to 803 items) and new data-sets like nuclear and solar energy. Besides, the Ministry has integrated all energy items into a single group, namely, “Fuel and Power” to ensure better alignment, as against earlier composition of “crude petroleum and natural gas” and “fuel and power” as two separate groups. As per the new series, WPI inflation has posted a broad-based uptick to 9.7% in May 2026 (-0.2% in May 2025; series high) from 8.3% in April 2026 (+0.6% in April 2025), partly reflecting an unfavourable base.
- **Newly-launched OPPI series closely tracks YoY trends in the WPI:** The newly released OPPI prints have closely tracked the WPI, with the inflation in the former printing at 9.4% in May 2026, up from 8.1% in April 2026. The Ministry also published Input PPI data from March 2026 onwards. The availability of both Input and Output PPIs would bring more clarity to assess the transmission of input cost pressures into output prices, going forward.
- **Services PPI data reveals divergent inflation trends across segments in Q4 FY2026:** The Ministry has also launched PPIs for seven services, the data for which will be published on a quarterly basis. These include banking service price index, banking service contribution index, as well as pension, telecom, insurance, railways (freight and passenger), air passenger services. Data for Q4 FY2026 revealed divergent inflation trends across these segments in the quarter.

Coverage of items increased in the new WPI 2022-23 series; crude petroleum and natural gas shifted to “fuel and power” sub-group

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EXHIBIT: Comparison of weights in major groups of WPI

Major Group	Weights	
	WPI (2011-12)	WPI (2022-23)
Primary Articles	22.62	22.76
Fuel and Power	13.15	14.11
Manufactured Items	64.23	63.13
Total	**100.0**	**100.0**

EXHIBIT: Comparison of number of items in major groups of WPI

Major Group	No. of items in	
	WPI (2011-12)	WPI (2022-23)
Primary Articles	115	129
Fuel and Power	18	25
Manufactured Items	564	803
Total	**697**	**957**

Source: Ministry of Commerce and Industry, GoI; ICRA Research

Increased number of items/inclusion of new items: The total number of items covered has been increased materially to 957 in the WPI 2022-23 series from 697 in the WPI 2011-12 series. Moreover, the number of items in the manufacturing sub-group has been raised sharply by ~42% to 803 items from 564 items covered in the old series. Additionally, new sources of energy, such as solar, wind and nuclear, have been added under ‘Electricity’ group.

Coherent and integrated structure for tracking energy prices: Crude Petroleum and Natural Gas has been shifted from the ‘Primary Articles’ to the ‘Fuel and Power’ sub-group. This reorganisation would lead to better alignment, as this group already houses other major fuels such as coal, electricity, and petroleum products.

Improved methodology for derivation of weights: Gross Value of Output (GVO) has been used for preparing weights for WPI (2022-23) as compared to Net Traded Value i.e. GVO + Imports – Exports, used in the WPI 2011-12 series, since the weights based on GVO reflect the economic significance of commodities in a better way from the producer’s perspective, as they represent domestic production.

Improved method for imputing missing price data: ‘Targeted Mean Imputation’ method has been used in the WPI 2022-23 series, in place of the ‘Carry-forward’ method being used in the old WPI series. In this method, current month’s missing price of a particular item is imputed by multiplying the previous month price of that item with the geometric mean or average of price change ratios (current month price divided by previous month price) of available quotations of that item.

Introduction of Output PPI and Input PPI data would provide greater clarity on transmission of input costs into output prices

In addition to existing WPI data, the DPIIT has launched new data on Output PPI, (Trial) Input PPI and Services PPI.

Group and Weighting structure for the Output PPI (Base year 2022-23)

Major Group	Weight (%)
Agriculture, forestry and fishing	22.16
Mining and Quarrying	3.42
Manufactured Products	69.94
Electricity	4.49
All-Commodities (Output PPI)	**100.00**

The DPIIT intends to eventually transition from the WPI to the PPI, as the latter aligns with global standard practices adopted by several advanced economies and recommendations of the IMF.

The availability of both Output and Input PPI series would provide a better understanding of price movements of output items and inputs used in the industry and how the input inflation is being passed through the output they produce.

Industry group and Weighting structure for the Trial Input PPI (on experimental basis) for the manufacturing sector (Base year 2022-23)

Manufacturing of	Weight (%)
Food Products	14.85
Beverages	1.03
Tobacco Products	0.26
Textiles	5.89
Wearing Apparel	1.57
Leather and Related Products	0.78
Wood and Products of Wood and Cork	1.82
Paper and Paper Products	0.87
Printing and Reproduction of Recorded Media	0.47
Coke and refined Petroleum Products	12.33
Chemicals and Chemical Products	7.99
Pharmaceuticals, Medicinal Chemical and Botanical Products	2.40
Rubber and Plastics Products	3.40
Other Non-Metallic Mineral Products	3.28
Basic Metals	11.25
Fabricated Metal Products, except Machinery and Equipment	5.59
Computer, Electronic and Optical Products	2.23
Electrical Equipment	3.64
Machinery and Equipment n.e.c.	5.08
Motor Vehicles, Trailers and Semi-Trailers, and Other Transport Equipment	10.49
Furniture	0.98
Other Manufacturing	3.78

Source: Ministry of Commerce and Industry, GoI; ICRA Research

Services PPI data for seven services to be released on a quarterly basis

Service PPIs for seven services have been compiled in the first phase based on the availability of data from administrative sources/agencies. This data will be published on a quarterly basis.

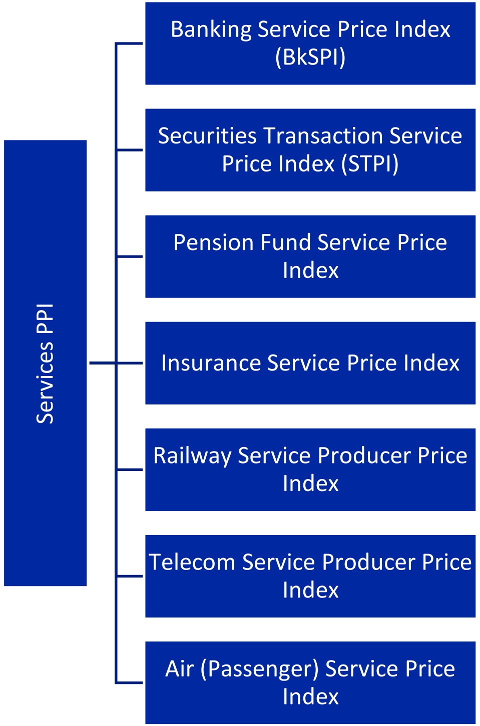
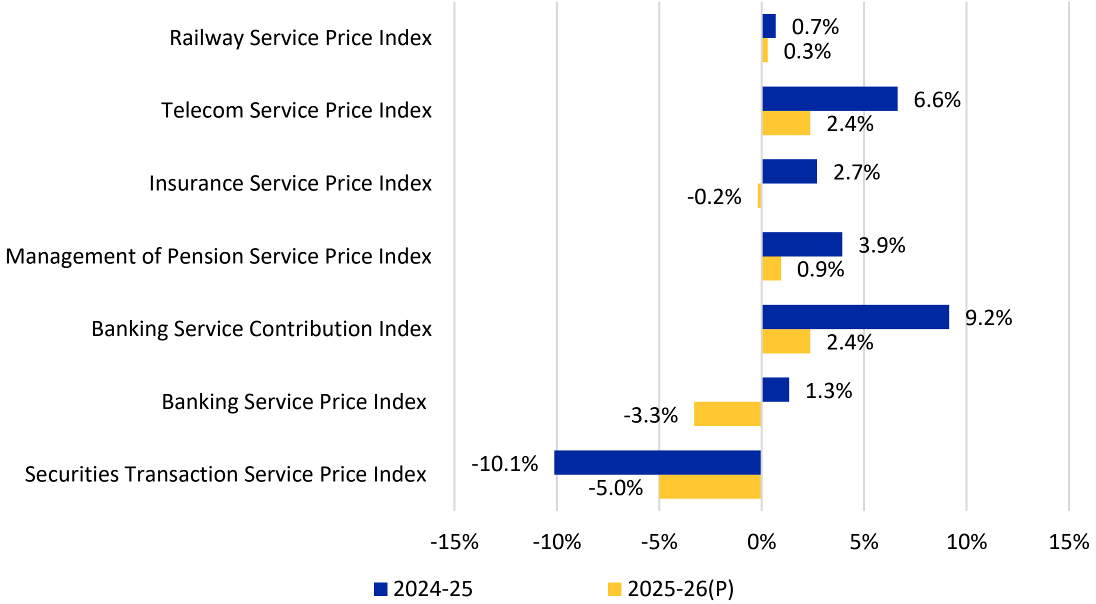


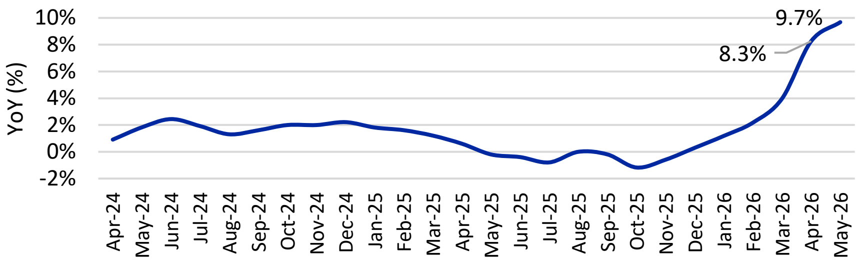
EXHIBIT: YoY inflation rates across services PPIs in FY2025 and FY2026 (Provisional)



Note: The data for air passenger service price is not published as the index is not compiled for FY2024-25 and the price reference period is FY2026, Source: Office of Economic Adviser, DPIIT, ICRA Research

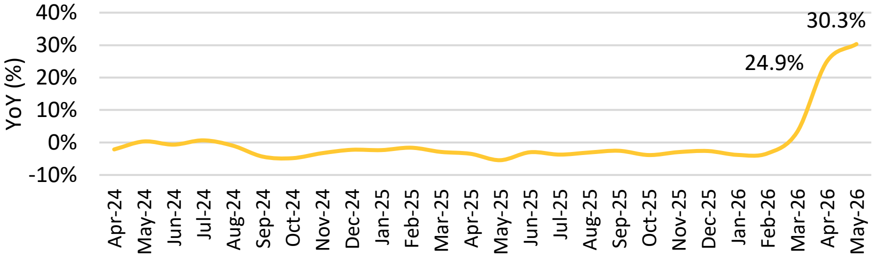
WPI inflation soared to series-high 9.7% in May 2026, amid broad-based uptick across most sub-groups

EXHIBIT: Headline WPI inflation (2022-23 series) spiked to a series-high of 9.7% in May 2026 (-0.2% in May 2025) from 8.3% in April 2026 (+0.6% in April 2025), amid a broad-based uptick across most sub-groups and a low base



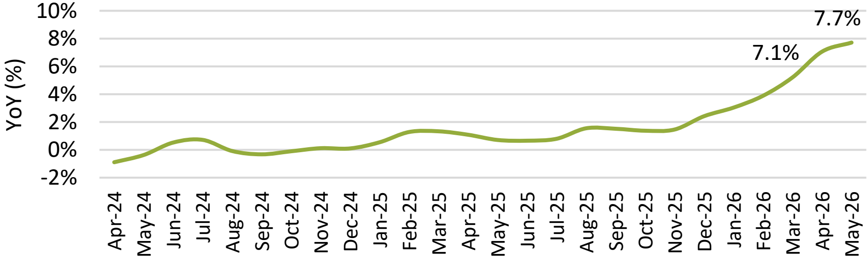
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Inflation in fuel and power jumped to 30.3% in May 2026 from 24.9% in April 2026, largely led by a surge in inflation for crude, petroleum & natural gas (+61.5% vs. +56.3%) and mineral oils (+49.8% vs. +40.7%)



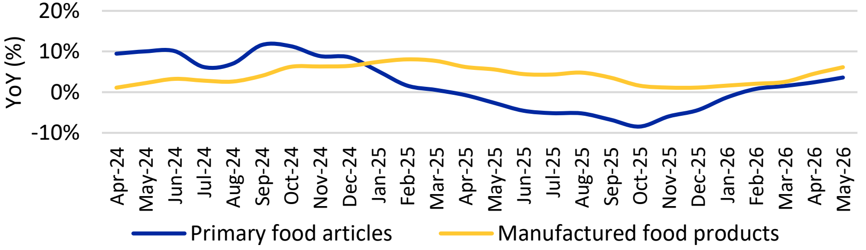
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Core-WPI* inflation also rose to a series-high of 7.7% YoY in May 2026 from 7.1% in April 2026, led by 16 of the 21 sub-sectors (with a weight of 42% in the WPI), including chemicals, basic metals, textiles, etc.



**Non-food manufactured products; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research*

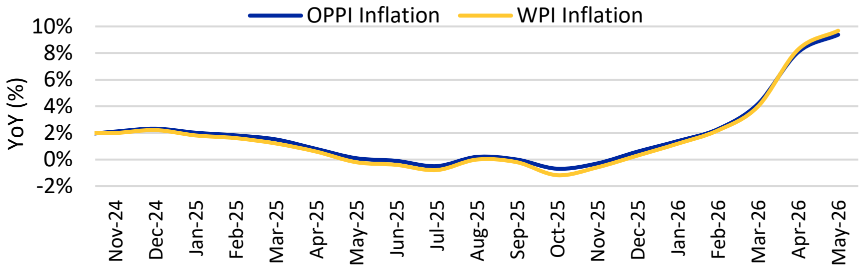
EXHIBIT: Inflation in the WPI food index rose to a 16-month high of 4.5% in May 2026 from 3.1% in April 2026, driven by an uptick in both primary food articles and manufactured food products



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

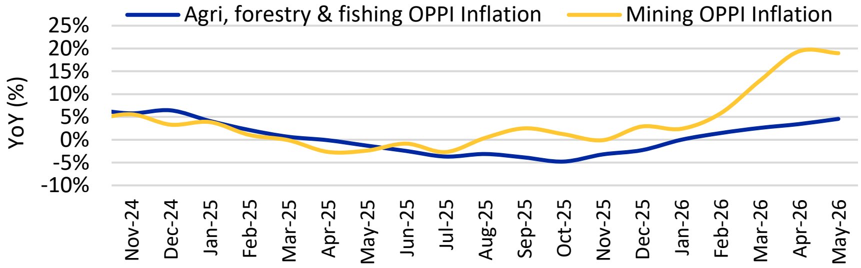
OPPI inflation also pegged at series-high 9.4% in May 2026, led by hardening in manufacturing segment

EXHIBIT: The newly released OPPI prints have closely tracked the WPI, with the inflation in the former printing at 9.4% in May 2026 (+0.1% in May 2025), up from 8.1% in April 2026 (+0.8% in April 2025)



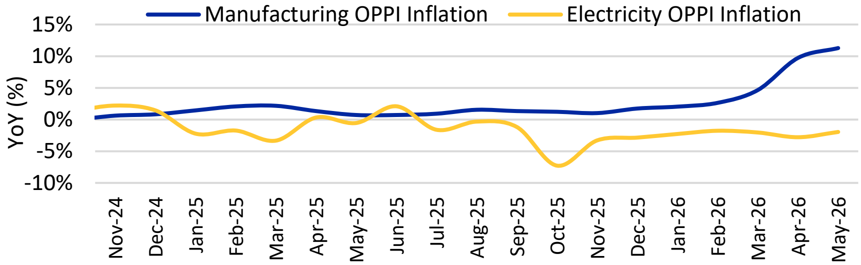
Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: While the Agri-OPPI inflation edged up to a 17-month high of 4.6% in May 2026 from 3.4% in April 2026, partly owing to an adverse base, mining OPPI inflation cooled slightly between these months (to +19.0% from +19.4%)



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Manufacturing OPPI inflation rose to a series high of 11.3% in May 2026 from 9.7% in April 2026, while electricity OPPI remained in the deflationary territory (-2.0%/-2.8% in May 2026/April 2026)

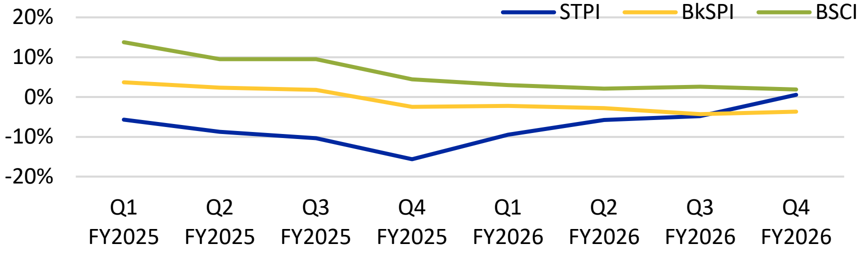


Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

- Within manufacturing, as many as 19 of the 23 sub-segments saw an uptick in their YoY inflation rates, pointing to a broad-based hardening in output inflation.
- Manufacturing output prices have risen by a sharp 8.2% between February 2026 and May 2026, reflecting the impact of the West Asia conflict, as against the 0.2% dip seen during the same period a year ago. While this was fairly broad-based, some categories such as manufacture of coke and refined petroleum products (+46.0% during February-May 2026 vs. -6.0% during February-May 2025), chemicals and chemical products (+11.4% vs. -1.2%), rubber and plastic products (+9.1% vs. -1.1%) and basic metals (+7.6% vs. +1.1%) witnessed a particularly sharp increase during this period.
- The mining and quarrying OPPI also surged by 11.3% between February 2026 and May 2026, reflecting the surge in global energy prices.

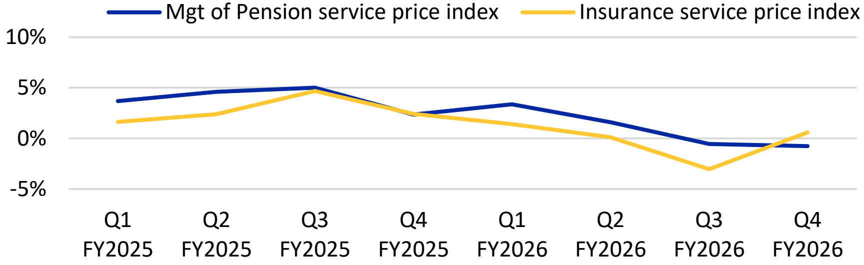
Services PPI data reveals divergent price trends across several services

EXHIBIT: BkSPI stood in deflationary zone for the 5th consecutive quarter in Q4 FY2026, while STPI saw a 0.5% rise in Q4 after declining for several quarters; BSCI reflects lower deposit & lending rates amid 125 rate cuts from Q4 FY2025



STPI: Securities Transaction Service Price Index; BkSPI: Banking Service Price Index; BSCI: Banking Service Contribution Index; Source: Office of Economic Adviser, GoI, ICRA Research

EXHIBIT: Management of pension service price posted YoY deflation for the second straight quarter (-0.8% in Q4 FY2026 vs. -0.6% in Q3), while insurance service rebounded to an inflation of 0.6% in Q4 FY2026, after easing by ~3% in Q3



Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

EXHIBIT: Telecom service price index witnessed subdued levels of inflation during Q2-Q4 FY2026 in the range of 0.5-1.0% on the back of a high base related to broad-based tariff hikes implemented by operators in July 2024

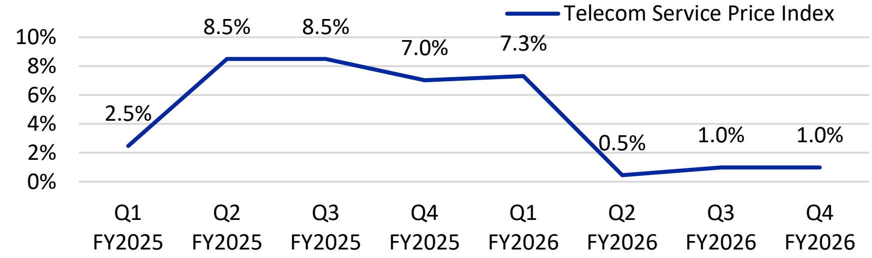
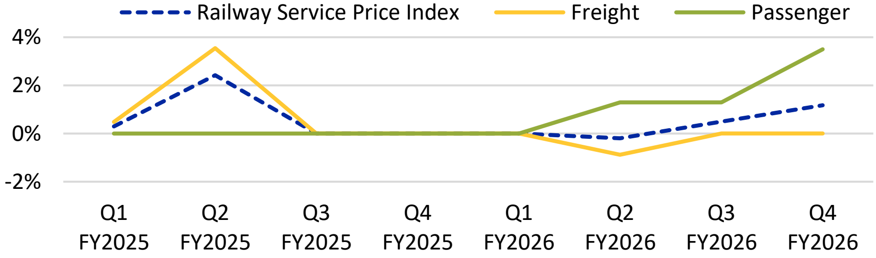


EXHIBIT: Railway service price inflation rose to a 6-quarter high of 1.2% in Q4 FY2026 from 0.5% in Q3, driven by uptick in passenger service inflation, even as rail freight prices remained flat on a YoY basis since Q3 FY2026



Note: Weights have not been assigned to aforementioned services as these services do not cover the entire service sector. However, sub-service level weights under each service, have been computed using the data of FY 2022-23 for arriving at the PPI of respective Services; Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; ICRA Research

Annexure A.1

Table A.1: Trend in Monthly WPI Inflation

Base year: 2022-23	Weight	YoY Inflation (%)					
	%	December-25	January-26	February-26	March-26	April-26	May-26
WPI	**100.00**	***0.3%***	***1.2%***	***2.2%***	***4.0%***	***8.3%***	***9.7%***
Primary Articles	***22.76***	***-2.8%***	***-0.1%***	***1.6%***	***2.6%***	***3.8%***	***5.0%***
- Food	15.98	-4.4%	-1.3%	0.8%	1.5%	2.4%	3.6%
- Non-Food	5.53	2.7%	4.0%	4.7%	6.7%	7.6%	9.5%
- Minerals	1.25	-1.7%	-0.4%	1.4%	0.1%	6.4%	4.9%
Fuel and Power	***14.11***	***-2.6%***	***-3.8%***	***-3.4%***	***3.2%***	***24.9%***	***30.3%***
- Coal and Lignite	0.74	-3.1%	-3.9%	-2.4%	-0.8%	-1.6%	-2.3%
- Minerals Oils	8.19	-1.9%	-4.2%	-4.3%	4.3%	40.7%	49.8%
- Electricity	4.46	-2.7%	-2.3%	-1.6%	-2.0%	-2.7%	-1.8%
- Crude Petroleum and Natural Gas	0.72	-8.3%	-9.9%	-5.3%	26.1%	56.3%	61.5%
Manufactured Products	***63.13***	***2.2%***	***2.8%***	***3.6%***	***4.8%***	***6.7%***	***7.5%***
- Food	9.02	1.1%	1.6%	2.1%	2.5%	4.5%	6.1%
- Non-Food	54.11	2.4%	3.0%	3.9%	5.2%	7.1%	7.7%

Source: Office of the Economic Advisor, Ministry of Commerce and Industry, GoI; CEIC; ICRA Research

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Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist, Head-Research and Outreach	aditin@icraindia.com	0124 - 4545 385
Rahul Agrawal	Principal Economist	rahul.agrawal@icraindia.com	022 – 6114 3425
Aarzoo Pahwa	Deputy Senior Economist	aarzoo.pahwa@icraindia.com	0124 – 4545 835
Tiasha Chakraborty	Economist	tiasha.chakraborty@icraindia.com	0124 - 4545 848
Isha Sinha	Senior Associate Economist	isha.sinha@icraindia.com	0124 - 4545 377

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860

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