



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

इ-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001  
फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

October 10, 2011

### RBI Working Paper Series No. 16 for September 2011

The Reserve Bank of India today placed a Working Paper titled "[Measures of Core Inflation in India – An Empirical Evaluation by Janak Raj and Sangita Misra](#)" in the web site. The study is relevant in the Indian context as supply side shocks have led to large variations in relative prices and the generally accepted measure of inflation i.e. 'headline inflation' seems for policy purpose.

The authors have discussed various techniques employed to measure core inflation. They have argued that the exclusion-based core inflation is the preferred choice of policymakers and hence accordingly measure core inflation for India. According to them non-food manufacturing, which the Reserve Bank uses as a measure of demand side pressures, is the best representative of a core measure of inflation. However, given that the weightage of non-food manufacturing components accounts for only 55 per cent as compared with a larger share of 80 per cent in most of the countries, inflation management is more challenging in India than in other countries.

The Reserve Bank of India introduced in April this year, a 'RBI Working Paper Series' (RBI - WP) to provide a platform to the Reserve Bank Staff for presenting their research studies as well as to receive feedback from informed researchers.

The views expressed in all the research publications of the Reserve Bank, including the RBI Working Papers Series, do not necessarily reflect the views of the Reserve Bank and as such should not be reported as representing the views of the Reserve Bank of India.

Feedback, if any, on the papers could be addressed to the respective authors of the research studies.

Press Release : 2011-2012/553

**Ajit Prasad**  
Assistant General Manager