SBI RESEARCH
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RECOMMENDATIONS OF THE EXPERT GROUP ON REVISED CPI PLACED IN PUBLIC DOMAIN

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Revision of CPI Base Year to 2023-24 from 2011-12: Expert Group Recommendations

- To measure CPI accurately, with the changing consumption behaviour of the households and to incorporate latest global best practices including methodological developments, MOSPI had formed an expert group and the recommendations has been released today.
- The report outlines the processes adopted for the base revision exercise, details the enhancements and modifications introduced in the new CPI series i.e. in CPI 2024, and provides detailed recommendations of the Expert Group.
- The CPI 2024 series, will comprise of 358 weighted items, mapped to 12 Divisions, 43 Groups, 62 Classes and 192 Sub-classes in accordance with the Classification of Individual Consumption According to Purpose (COICOP) 2018 classification.
- The first CPI_2024, will release on 12 Feb 2026, with indices data from January 2025 onwards and inflation data for January 2026. The All-India level back series for the Rural, Urban, and Combined sectors, from January 2013 onwards, will also be released on 12th February, 2026.
- **By considering the new weights on unchanged index we have calculated New CPI with old indices and found that overall CPI will increase marginally by 20-30 bps. While, in the months when food inflation is higher, the new CPI will be low by 20-30 bps.**

CPI All India (Combined) Weights: Old_2012 Series vs New_2024 Series

Groups	Old Weight	New Weight
Food and beverages	45.86	36.75
Pan, tobacco and intoxicants	2.38	2.99
Clothing and footwear	6.53	6.38
Housing, water, electricity, gas and other fuels	16.91	17.66
Furnishings, household equipment and routine household maintenance	3.80	4.47
Health	5.89	6.10
Transport, Information and Communication	8.59	12.41
Recreation, sport and culture	1.68	4.86
Education services	4.46	3.33
Personal care, social protection and miscellaneous goods and services	3.89	5.04
Total	100.00	100.00

Source: MOSPI, SBI Research

Annexure

Key Highlights/Summary of Key Recommendations

- The **base year for new series will be 2024=100**.
- The **price data will be collected from 1465 rural markets and 1395 urban markets across 434 towns**. Total number of weighted items in this basket will be 358. Among these items, goods will increase from 259 to 314 and services from 40 to 50 items.
- To enhance credibility and to ensure global comparability of Indian CPI, the latest structure of Classification of Individual Consumption According to Purpose (COICOP) 2018 will be adopted in the CPI 2024 series.
- To verify rural and urban samples, identification of markets, shops and mapping of item identification, a de novo market survey will be conducted. **The practice of mapping reserve shops in CPI may be discontinued**.
- To capture price movements on the e-commerce platforms, **12 online markets/towns (having more than 25 lakh population) will be added in CPI 2024 series**. The prices of items will be collected through online/e-commerce platforms on weekly basis.
- To improve quality and reduce data collection burden on the investigators, **price collection of electricity will be done by the State Regional Offices of FOD**.
- Since prices of rail fare, postal services and fuel (petrol, diesel, LPG, CNG & PNG) are centrally determined, price collection and compilation will be done by PSD.
- Price collection of telecom services and online media services (OTT) will be done centrally by PSD through the online sources.
- **Airfare for the international direct routes are incorporated into the price collection framework in CPI 2024**.
- In case of gold and silver jewellery, the Group recommended to adopt the **approach of defining standard jewellery items that are likely to be available consistently in the market, rather than attempting to price customised pieces**. Accordingly, prices of basic and simple gold and silver jewellery such as bangles, necklaces, and rings will be collected.
- For compilation of elementary level indices, **Jevon's short index formula will be used instead of long index method**. This will ensure better quality adjustments and reduce direct dependency on base prices for calculation.
- **Employer provided accommodations will be excluded from the CPI 2024 series**.
- The **electricity charges will be captured for four slabs** (100, 200, 300 and 400 units) from the State Regional offices.
- It was decided **not to include free social transfers for any item in CPI**.

(Source: Expert Group Report on Comprehensive Updation of Consumer Price Index)

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