

Consumer Price Index Base Year Revision

New Series (2024=100) vs Old Series (2012=100)

Comparative Analysis of Weights, Items & Methodology

Based on MoSPI / PIB Press Release

Weights derived from Household Consumption Expenditure Survey (HCES) 2023–24

MICROFINANCE INDUSTRY NETWORK

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1. Executive Summary

The Ministry of Statistics & Programme Implementation (MoSPI) released the first Consumer Price Index under the new base year **2024=100** on 12 February 2026, replacing the decade-old 2012 base. This revision represents the most significant overhaul of India’s inflation measurement framework since the unified CPI was introduced in 2011.

The key takeaways:

- **Food & Beverages weight reduced** from 45.86% to 36.75% — the single largest change, reflecting declining food share in household expenditure as incomes rise.
- **Housing weight increased** from 10.07% (excl. utilities) to 17.67% (incl. utilities) — now the second-largest division.
- **Classification overhauled**: 6 groups → 12 divisions under COICOP 2018 (UN standard), with the old catch-all “Miscellaneous” (28.32%) broken into 8 standalone divisions.
- **Item basket expanded**: 299 items → 358 items (308 goods + 50 services), adding OTT streaming, rural housing, exercise equipment, and removing VCRs/DVD players.
- **January 2026 headline CPI**: 2.75% (provisional) under the new series, with food inflation at 2.13%.

2. Division-Level Weight Comparison

The new CPI adopts 12 divisions per the COICOP 2018 framework. The table below maps these against comparable weights from the old 6-group structure.

Table 1: CPI Weights: New Base 2024 vs Old Base 2012 (All India Combined)

Div.	Division Name	CPI 2024	CPI 2012	Δ (pp)	Remarks
1	Food & Non-Alcoholic Beverages	36.75	45.86	−9.11	Largest reduction
2	Alcoholic Beverages, Tobacco & Narcotics	2.99	2.38	+0.61	Old: Pan, Tobacco
3	Clothing & Footwear	6.40	6.53	−0.13	Marginal change
4	Housing, Water, Electricity, Gas & Fuels	17.67	16.91 ^a	+0.76	Incl. rural rent
5	Furnishings, HH Equip. & Maintenance	4.47	3.80 ^b	+0.67	From old Misc.
6	Health	6.10	5.89 ^b	+0.21	From old Misc.
7	Transport	8.80	6.40 ^c	+2.40	Sharp increase
8	Information & Communication	3.61	2.19 ^c	+1.42	OTT, broadband
9	Recreation, Sports & Culture	1.52	1.55 ^b	−0.03	Marginal
10	Education Services	3.33	4.46 ^b	−1.13	Excl. free transfers
11	Restaurants & Accommodation	3.35	—	New	Standalone division
12	Personal Care, Social Prot. & Misc.	5.04	4.04 ^b	+1.00	From old Misc.
Total		100.03^d	100.01^d		

^a Old Housing (10.07) + Fuel & Light (6.84) = 16.91.

^b Was a sub-group under “Miscellaneous” (total 28.32%) in the old series.

^c Old “Transport & Communication” (8.59) split into Transport + Info & Comm; split estimated.

^d Totals may not sum to exactly 100 due to rounding in publicly reported figures.

2.1 What Drove the Changes?

The weight shifts are driven by the **Household Consumption Expenditure Survey 2023–24**, which shows:

- Rural food share fell from 52.9% (2011–12) to 47.04% of monthly per capita expenditure.
- Urban food share declined from 42.62% to 39.68%.
- Spending on transport, communication, health, and housing has risen materially.

3. Old CPI (Base 2012=100): Detailed Sub-Group Weights

Table 2: CPI 2012 — Group & Sub-Group Weights (All India)

Group / Sub-Group	Rural	Urban	Combined
1. Food & Beverages	54.18	36.29	45.86
Cereals & Products	12.35	6.59	9.67
Meat & Fish	4.38	2.73	3.61
Egg	0.49	0.36	0.43
Milk & Products	7.72	5.33	6.61
Oils & Fats	4.21	2.81	3.56
Fruits	2.88	2.90	2.89
Vegetables	7.46	4.41	6.04
Pulses & Products	2.95	1.73	2.38
Sugar & Confectionery	1.70	0.97	1.36
Spices	3.11	1.79	2.50
Non-Alcoholic Beverages	1.37	1.13	1.26
Prepared Meals, Snacks etc.	5.56	5.54	5.55
2. Pan, Tobacco & Intoxicants	3.26	1.36	2.38
3. Clothing & Footwear	7.36	5.57	6.53
Clothing	6.32	4.72	5.57
Footwear	1.04	0.85	0.96
4. Housing	0.00	21.67	10.07
5. Fuel & Light	7.94	5.58	6.84
6. Miscellaneous	27.26	29.53	28.32
Household Goods & Services	3.75	3.87	3.80
Health	6.83	4.81	5.89
Transport & Communication	7.60	9.73	8.59
Recreation & Amusement	0.84	2.36	1.55
Education	3.46	5.61	4.46
Personal Care & Effects	4.78	3.15	4.04
TOTAL	100.00	100.00	100.00

4. New CPI (Base 2024=100): Division Weights & Item Coverage

Table 3: CPI 2024 — Division Weights with Basket Details

Div.	Division Name	Wt (%)	Key Additions / Notes
1	Food & Non-Alcoholic Beverages	36.75	Value-added dairy, barley products
2	Alc. Beverages, Tobacco & Narcotics	2.99	Renamed from old Pan, Tobacco
3	Clothing & Footwear	6.40	Marginal reduction
4	Housing, Water, Elec., Gas & Fuels	17.67	Rural housing rent now covered
5	Furnishings, HH Equip. & Maint.	4.47	Pen-drive, external hard disk
6	Health	6.10	Standalone; expanded services
7	Transport	8.80	Separated from old T&C
8	Information & Communication	3.61	OTT streaming, broadband
9	Recreation, Sports & Culture	1.52	Exercise equipment added
10	Education Services	3.33	Excludes free social transfers
11	Restaurants & Accommodation	3.35	New standalone division
12	Personal Care, Social Prot. & Misc.	5.04	Babysitter, attendant services
Total		≈100	358 items (308 goods + 50 services)

4.1 Classification Hierarchy

The new series follows a five-level COICOP 2018 hierarchy:

12 Divisions → 43 Groups → 92 Classes → 162 Sub-classes → 358 Items

compared to the old structure of **6 Groups → 23 Sub-groups → 299 Items**.

5. Key Structural & Methodology Changes

Table 4: Old vs New Series: Parameter Comparison

Parameter	Old (CPI 2012)	New (CPI 2024)
Base Year	2012	2024
Weight Reference	HCES 2011–12	HCES 2023–24
Classification	6 Groups, 23 Sub-groups	12 Divisions (COICOP 2018)
Total Items	299 (259G + 40S)	358 (308G + 50S)
Elementary Index	Dutot / Carli	Jevons (geometric mean)
Higher-Level Index	Modified Laspeyres	Young / Modified Laspeyres
Rural Markets	1,181	1,465
Urban Markets	1,114 (310 towns)	1,395 (434 towns)
Online Markets	None	12 (cities > 25 lakh pop.)
Free Social Transfers	Included (PDS, etc.)	Excluded (per IMF CPI manual)
Data Collection	Paper-based	CAPI (handheld devices)
Revision Cycle	Ad hoc	Every 5 years

6. Items Added & Removed

6.1 Notable New Items in CPI 2024

S.No.	Item Added	Division
1	Rural Housing Rent	Div. 4: Housing
2	Online Media / OTT Streaming	Div. 8: Info & Communication
3	Value-Added Dairy Products	Div. 1: Food
4	Barley & Its Products	Div. 1: Food
5	Pen Drive / External Hard Disk	Div. 5: Furnishings
6	Exercise Equipment	Div. 9: Recreation
7	Babysitter / Attendant Services	Div. 12: Personal Care
8	Broadband Internet Services	Div. 8: Info & Communication

6.2 Items Removed

S.No.	Item Removed
1	VCR / VCD Player
2	DVD Player
3	Other obsolete consumer electronics

7. First Data Release: January 2026

The inaugural release under the new base provides the following provisional numbers:

Metric	Jan 2026 (YoY)
Headline CPI Inflation (All India)	2.75%
Rural CPI Inflation	2.73%
Urban CPI Inflation	2.77%
Consumer Food Price Index (CFPI)	2.13%
Housing Inflation	2.05%

Index values under the new series are available from January 2025. Year-on-year inflation is therefore comparable only from January 2026 onwards. A linking factor has been provided by MoSPI for back-calculation to 2013.

8. Implications for Policy & Markets

- Lower headline volatility:** With food weight at 36.75% (vs 45.86%), supply-side food price shocks will have a smaller impact on headline CPI. Core inflation will carry more weight in the headline number.
- Monetary policy recalibration:** RBI's inflation targeting ($4\% \pm 2\%$) will need to be assessed against the new series. The structural break in the series may require re-estimation of transmission models.
- Marginally higher base inflation:** SBI Research estimates that applying new weights would raise headline CPI by 20–30 bps on average, but during high food-inflation episodes, headline CPI could be 20–30 bps *lower*.
- Housing gains prominence:** With housing at 17.67%, rental inflation and utility costs will have a more material impact on the headline number, particularly in urban India.
- Services inflation matters more:** Transport (8.80%), Health (6.10%), and Info & Communication (3.61%) as standalone divisions mean services-driven inflation will be more visible and trackable.

9. Data Gaps & Next Steps

- Sub-group weights within new divisions** (e.g., how much of the 36.75% food weight goes to cereals vs milk vs vegetables) — available in MoSPI Expert Group Report annexures; to be incorporated once reviewed.
- State-wise weights** — expected to be published on cpi.mospi.gov.in in due course.
- Next HCES:** Scheduled for 2027–28; base year will be revised to the HCES year thereafter.

Source: MoSPI / PIB Press Release (12 Feb 2026), HCES 2023–24
Expert Group Report on Comprehensive Updation of CPI (MoSPI, 2026)

— End of Document —

Ref: MFIN/RES/CPI/2026–27/001 · Microfinance Industry Network · Research & Policy Division