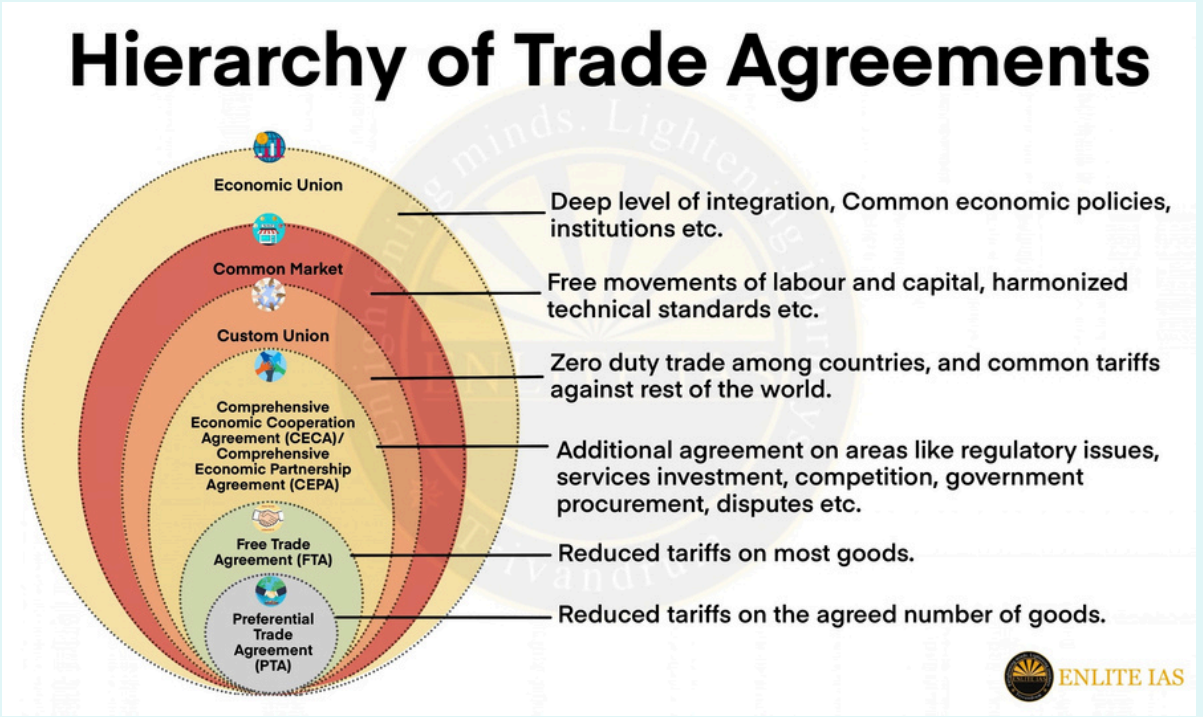
DATE: 13 NOVEMBER 2026

1 Free Trade Agreement (FTA) (Source: The Hindu)

FTA refers to eliminates tariffs and quotas on most goods and services among members, but each retains its own external tariffs. Examples include NAFTA (now USMCA) and EFTA.

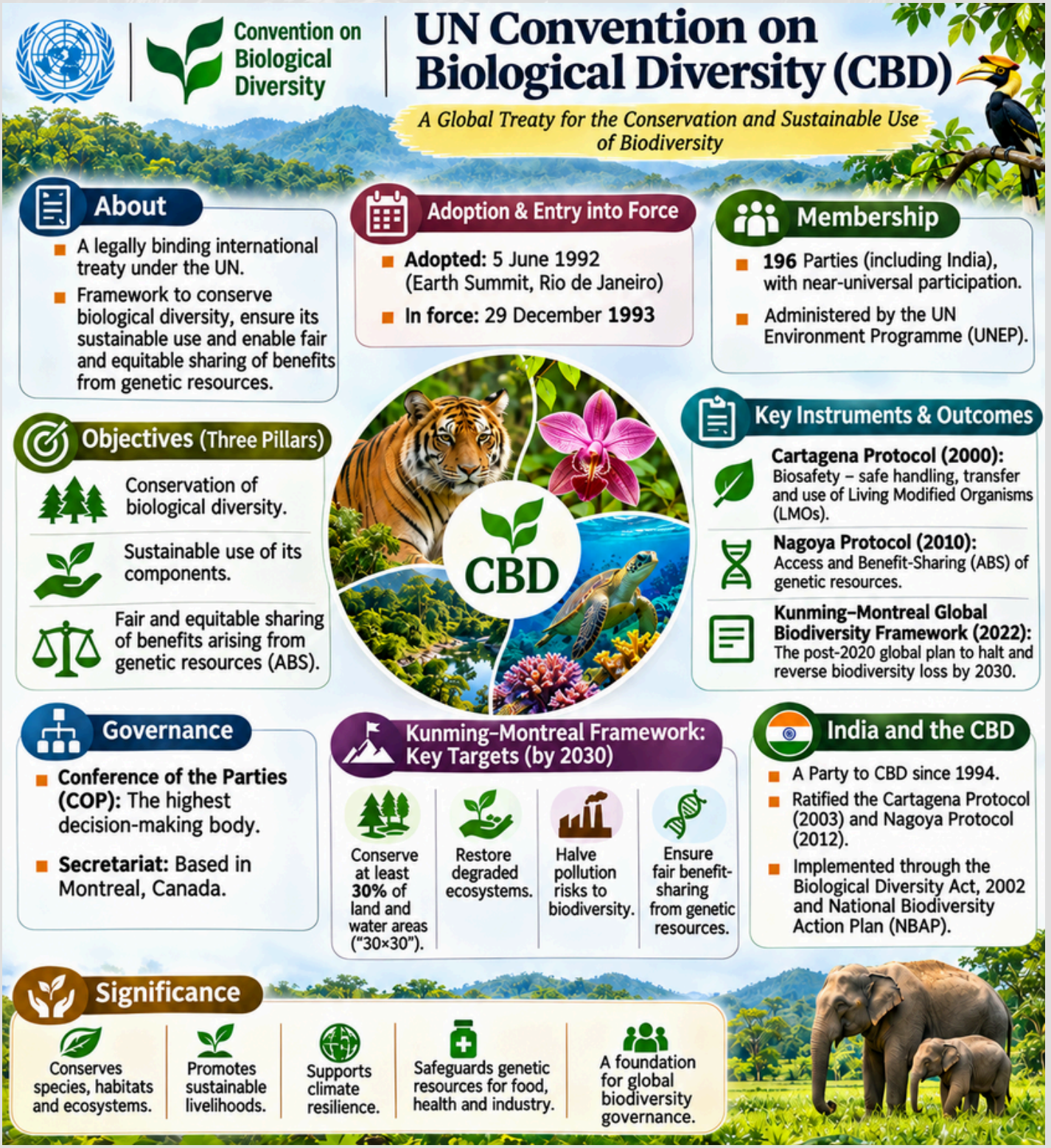
Levels of Economic Integration

- **Preferential Trade Agreement (PTA):** Countries offer reduced tariffs on select goods to each other while maintaining individual trade policies with outsiders. This is the shallowest form.
- **Free Trade Area (FTA)**
- **Customs Union**: Adds a common external tariff (CET) on non-members to an FTA, harmonizing trade policy toward outsiders. The EU began as one.
- **Common Market**: Extends customs union by allowing free movement of factors like labor and capital across borders.
- **Economic and Monetary Union**: Harmonizes fiscal and monetary policies, and often adopts a single currency, with supranational institutions. The Eurozone exemplifies this.
- **Complete (Political) Union**: Full unification of economic, fiscal, and political policies under a central authority, with synchronized sovereignty.



DATE: 13 NOVEMBER 2026

2 UN Convention on Biological Diversity (Source: Down To Earth)



DATE: 13 NOVEMBER 2026

3 Retail and Wholesale Inflation (Source: The Hindu)

Retail and Wholesale Inflation

Measures of Change in the General Price Level of Goods and Services

Retail Inflation

- Rise in prices of a basket of goods and services at the consumer level.
- Measured by Consumer Price Index (CPI).
- Reflects the cost of living and directly affects households.

Wholesale Inflation

- Rise in prices of goods at the wholesale (producer) level.
- Measured by Wholesale Price Index (WPI).
- Reflects price changes in goods before they reach consumers.

Key Indices

CPI
Measures retail inflation.
Base year: 2012 = 100.
Compiled by: NSO, MoSPI.

WPI
Measures wholesale inflation.
Base year: 2011–12 = 100.
Compiled by: Office of the Economic Adviser (MoC&I).

Retail Inflation vs Wholesale Inflation

Aspect	Retail Inflation (CPI)	Wholesale Inflation (WPI)
Coverage	Goods and services (food, fuel, housing, health, etc.)	Goods (primary, fuel & power, manufactured, etc.)
Price level	Consumer (retail) level	Wholesale (producer) level
Purpose	Measures cost of living	Tracks price changes in the production chain
Base year	2012 = 100	2011–12 = 100
Compiled by	NSO, MoSPI	Office of the Economic Adviser (MoC&I)

Drivers of Inflation

Retail Inflation (CPI)
- Food price movements (especially perishables)
- Fuel and energy costs (LPG, petrol, diesel)
- Housing rent and urban services
- Health, education and other services

Wholesale Inflation (WPI)
- Prices of primary articles (food, minerals)
- Fuel and power (coal, crude, electricity)
- Manufactured products (chemicals, metals, textiles, etc.)
- Global commodity prices (crude oil, metals, fertilizers)

Significance

- Indicator of price stability and overall economic health.
- Guides monetary policy (RBI) and fiscal policy (Government).
- Helps in income indexation (e.g., DA, wages) and social welfare planning.
- Useful for business, investment and production decisions.