

PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA

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**FINANCE MINISTER CONFIDENT THAT MODERATION IN INFLATION WOULD  
CONTINUE IN THE COMING MONTHS AND HEADLINE INFLATION SHOULD BE  
BETWEEN 6 AND 7% IN MARCH END 2012**

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The Union Finance Minister Shri Pranab Mukherjee said that the decline in the monthly headline inflation for December 2011 to 7.47% as against 9.11% in November 2011 was mainly due to significant decline in inflation for primary articles including food inflation in the month of December 2011. Shri Mukherjee was reacting to the monthly headline inflation data which was released today for December, 2011. The Finance Minister Shri Mukherjee said that he is confident that moderation in inflation would continue in the coming months though softening in the prices of manufactured goods despite the rapid decline in non-food primary inflation may be more gradual. The Finance Minister said that headline inflation should be between 6 and 7 per cent in March end 2012.

The Finance Minister Shri Mukherjee said that alongwith the IIP numbers for November 2011, the recent headline inflation figures indicate some improvement in the overall macro-economic parameters in the second half of 2011-12. The Finance Minister said that this trend is likely to consolidate in the coming months with some policy correctives.

The Finance Minister Shri Mukherjee said that the manufactured inflation and inflation in the power group of items have also decline though only marginally, therefore, continued to be a cause of concern. The annual rate of inflation (year on year) for December 2011 has declined to 7.4% against 9.11% in November 2011 and 9.45% in December 2010.

**DSM/SS/GN**