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GOVERNMENT OF INDIA

**GOVERNMENT TOGETHER WITH RBI TO TAKE ALL APPROPRIATE STEPS
TO REDUCE INFLATION TO A COMFORTABLE LEVEL: FM**

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Union Finance Minister Shri Pranab Mukherjee said that inflation figures reported for the month of June 2011 continues to be matter of concern. The Finance Minister said that we are monitoring the price situation closely. He said that Government is working together with RBI to take appropriate steps to reduce inflation to more comfortable level. Shri Mukherjee was reacting to the figures of headline WPI inflation for the month of June, 2011 which were released today. The WPI inflation for the month of June 2011 stood at 9.44% as against 9.06% in May 2011 and 9.74% in April 2011.

The Finance Minister Shri Mukherjee said that the reasons for increase in WPI inflation include increase in administered fuel prices, seasonal effects, an upward movement in mineral and manufactured prices and in part reflecting imported inflation. The Finance Minister said that the Food Articles inflation has however stabilised at 8.38% in June 2011 from 8.37% in the last month. He said that it was coming down in last two weeks. Primary Articles inflation as a whole is upto 12.2% as compared to 11.3% in the last month, reflecting mainly the effect of increase in mineral prices. Manufactured inflation is slightly up to 7.43% in June 2011 as compared to 7.27% in May 2011.

DSM/GN