

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**STATEMENT OF UNION FINANCE MINISTER ON US FEDERAL RESERVE'S  
DECISION ON THE TAPER**

**New Delhi, December 19, 2013**  
**Agrahayana 28, 1935**

The text of the Statement issued here today by the Union Finance Minister Shri P.Chidambaram regarding US Federal Reserve decision on the 'taper' is as follows:

“Government has taken note of the statement issued by the US Federal Reserve on the ‘taper’. This morning, I spoke to Dr. Raghuram Rajan, Governor, RBI.

The US Federal Reserve has announced that it will continue to purchase securities at the rate of USD 75 billion per month, as against the earlier level of USD 85 billion per month. This is a mild reduction, and the US Federal Reserve has not announced any sequential reduction. The statement also says that the US Federal Reserve will “continue its purchases of Treasury and agency mortgage-backed securities, and employ its other policy tools as appropriate, until the outlook for the labor market has improved substantially in a context of price stability.”

The statement also says that it is the US Federal Reserve’s “expectation that the current exceptionally low target range for the federal funds rate of 0 to ¼ percent will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent.”

Government is of the view that the markets had already factored in the US Federal Reserve’s decisions and, therefore, is not likely to be surprised by these moderate changes. Besides, we are better prepared than in May 2013 to deal with the consequences, if any, of the US Federal Reserve’s decisions.”

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