

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**FINANCE MINISTER CALLS FOR CLOSE WATCH ON DOMESTIC AND
INTERNATIONAL DEVELOPMENTS IN THE COMING MONTHS AND FOR
APPROPRIATE ADJUSTMENTS TO CHECK INFLATION**

New Delhi: **Jyestha 24 1933**
June 14, 2011

The Union Finance Minister Shri Pranab Mukherjee said that core inflation in May, 2011 is higher at 8.71 per cent in comparison to 7.93 per cent in April, 2011 and 10.34 per cent in March 2011. Finance Minister Shri Mukherjee said that we would keep a close watch on developments, both domestic as well as international, in the coming months and make appropriate adjustments as we go along.

The Union Finance Minister Shri Pranab Mukherjee said that provisional Whole Sale Price Index data for the month of May 2011 has been released. He said that the year-on-year overall inflation has gone up marginally to 9.06 per cent from 8.66 per cent in April 2011, but is lower than 10.48 per cent recorded in May 2010. The Finance Minister Shri Mukherjee said that the picture for the latest month is however mixed. He said while food and primary inflation has declined the core inflation (that is other than food, fuel and power inflation) continues to harden. The Union Finance Minister Shri Mukherjee said that this poses some concerns which will have to be addressed.

Earlier, food inflation has been continuously moderating and at 8.37 per cent is now half of nearly 16.68 per cent recorded in January 2011. Other than fruits, inflation is moderating in all food items. The Finance Minister Shri Mukherjee said that inflation in primary non-food articles, though still elevated, has declined considerably to 22.35 per cent in May from 27.33 per cent in April 2011. Shri Mukherjee said that this should help moderate the inflationary tendency in the economy in the coming months.

DSM/SS/GN