

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

ISSUE OF QUANTITATIVE EASING IN USA, CHINA AND JAPAN HAS NO RELEVANCE AT ALL TO THE SITUATION IN INDIA; INFLATION SHOWING DOWNWARD TREND WHILE FOREIGN INFLOWS ARE COPIOUS; NO NEED FOR ANY KIND OF NERVOUSNESS; OIL SUBSIDY BILL FOR THIS YEAR NOT TO EXCEED RS.80,000 CRORE: FM

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The Union Finance Minister Shri P.Chidambaram said that issue of Quantitative Easing in USA, China and Japan has no relevance at all to the situation in India. He said that as we see the situation in India, inflation has come down. He said that even agriculture labour inflation and core inflation has come down. WPI Headline Inflation has come down below 5%. CPI based inflation is also coming down. Shri Chidambaram said that the foreign inflows are copious. The Finance Minister said that there is no need for any kind of nervousness. Shri Chidambaram said that he is looking forward to June 2013 and second quarter with greater confidence and the Indian Markets should read the situation correctly rather than be influenced by something elsewhere.

The Union Finance Minister Shri P.Chidambaram said that we have been looking at what has been happening in the market. He said that we think that the US Federal Reserve Chairman Mr Bernanke's Statement on Quantitative Easing has been misunderstood or mis-interpreted. The Finance Minister was talking to the media persons here today. He said that Mr Bernanke has clearly indicated that he will continue with Quantitative Easing in the foreseeable future, about \$85 billion a month or so. The Finance Minister Shri P.Chidambaram said that he thinks someone either misunderstood or misinterpreted the statement. He said that the Quantitative Easing in Japan continues while there has been no change whatsoever as far as the Quantitative Easing in Europe is concerned. The Finance Minister said that the foreign flows into India in the month of May 2013 have been extremely copious.

Regarding the oil subsidy, the Union Finance Minister Shri P. Chidambaram said that that Ministry of Finance has given Rs. 45,000 crore yesterday to the Ministry of Petroleum and Natural Gas on account but we don't expect any more claims from the said Ministry during 2013-14. He said that this year out of the budgeted Rs. 65,000 crore, we still have Rs 20,000 crore and another Rs.60,000 crore will come from upstream companies. So we have got Rs 80,000 crore and we do not think the oil subsidy bill for this year would exceed Rs.80,000 crore, the Finance Minister added.
