

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2683

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INFLATION FORECAST

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Will the Minister of FINANCE be pleased to state:

- (a) the agencies participating in the process of forecasting the financial situation apart from the Planning Commission and Ministry of Finance;
- (b) whether aberrations have been absorbed in the forecast made by the said agencies regarding inflation/financial situation in the country;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) A number of agencies and research institutes are involved in forecasting some of the economic and financial indicators viz. GDP, inflation, foreign exchange rate, equity prices, etc. A few of such institutes include National Council of Applied Economic Research, Delhi School of Economics, Institute of Economic Growth and others. Some international agencies like International Monetary Fund, World Bank and Asian Development Bank are also involved in forecasting economic and financial indicators. The Reserve Bank of India also publishes forecasts of select macroeconomic Indicators through a survey of professional forecasters.

(b)&(c) Forecasts made by these agencies are based on different assumptions, methodology, data sets and data points used and therefore may not be strictly comparable to one another. The actual situation can sometimes be close to the forecasts made while at other times there can be significant divergences.

(d) The Government is aware of the forecasts on the parameters being made by different agencies. These are considered as inputs in the assessment of economic situation of the country.