



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

November 25, 2016

Inflation-Forecast Targeting For India: An Outline of the Analytical Framework

The Reserve Bank of India today placed on its website a Working Paper titled "[Inflation-Forecast Targeting for India: An Outline of The Analytical Framework](#)" by Jaromir Benes, Kevin Clinton, Asish Thomas George, Joice John, Ondra Kamenik, Douglas Laxton, Pratik Mitra, G.V. Nadhanael, Hou Wang, and Fan Zhang under the Reserve Bank of India Working Paper Series.

The paper first describes the move towards the flexible inflation targeting (FIT) regime for monetary policy by the Reserve Bank in the context of the evolving macro-economic scenario. It is followed by a discussion on the cross-country experiences in adopting and implementing the FIT regime. The paper then presents the key features of the core quarterly projection model (QPM). Thereafter, it is used for illustrating the policy options and its implications under a FIT regime. Overall, the paper, through the use of a core QPM developed for India, has tried to derive the implications of a credible policy with an emphasis on strong nominal anchor, as in an FIT framework, in dampening the impact of repeated bouts of supply shocks to inflation and in improving the macroeconomic stability.

Press Release : 2016-2017/1330

Anirudha D. Jadhav
Assistant Manager