

---

## Macroeconomic indicators - Iranian inflation falls below 10pct

*Friday, 16 Oct, 2009*

Reuters reported that Iran's annual inflation rate fell by almost 4 percentage points to 9.3% in September continuing a rapid downward trend in the world's 5th largest oil exporter.

The official YoY rate declined from 13.1% in August and from a peak of nearly 30% late 2008.

Easing inflationary pressures could help the government of President Mr Mahmoud Ahmadinejad counter criticism by some lawmakers that a subsidy reform plan now being debated by parliament would stoke price rises and hurt the poor.

The central bank said that the annual rate in the Iranian month of Shahrivar, which ended on September 22nd 2009 declined sharply even though consumer prices rose 0.4% from the previous month. If measured as the average rate during the 12 months to Shahrivar compared with the same period the previous year, the inflation rate was 18.5%.

High inflation was a key issue in campaigning for June's disputed presidential vote in which Mr Ahmadinejad won reelection by a landslide. His moderate rivals said that the vote was rigged, a charge the authorities reject.

Critics have accused Mr Ahmadinejad of stoking inflation during his first term with profligate spending of petrodollars since he came to power in 2005 pledging to share out Iran's oil wealth more fairly.

Mr Ahmadinejad has blamed inflation on international energy and food price rises that peaked during 2008 and points to a falling trend since late 2008.

Economists said that the declining inflation rate is partly due to a slowing economy as a result of lower crude prices over the 2008 and the global economic downturn, as well as monetary tightening by the central bank.

The government has introduced a proposal to parliament that would cut subsidies on gasoline, natural gas, water and electricity. Critics said that it would stoke price rises but MPs on Sunday approved the outlines of the bill.

(Sourced from Reuters)

For more news visit at [www.steelguru.com](http://www.steelguru.com)