

## **FICCI suggests measures to be taken by RBI governor**

**New Delhi, 6 September, 2013:** With Dr Raghuram Rajan taking charge of the RBI, FICCI welcomes the statement made by the new Governor highlighting his action plan for undertaking the overarching financial sector reforms including strengthening financial inclusion through introduction of greater competition in the banking sector and improving financial infrastructure along with some measures aimed at strengthening Rupee.

**FICCI would want RBI Governor to focus on the following four aspects, said Dr. Didar Singh, Secretary General, FICCI:**

**1. Measures to ease liquidity:**

The Central Bank should lower the interest rates at this juncture to enable a cut in lending rates by banks and thus stimulate corporate investments.

Bank provisions for CRR and SLR should also be brought down to ease liquidity

**2. Measures to strengthen corporate bond markets:**

The Central Bank should strengthen the corporate bond markets for long term funding to reduce the pressures on Banks on long-term lending and to diversify the debt risk beyond banking system.

**3. Measures for strengthening banking sector:**

The New Bank Licenses should be issued at a fast pace to bring in greater competition in the banking sector and improve access to financial services by the masses

**4. Measures to strengthen Rupee:**

To arrest the sharp depreciation in Rupee, RBI should consider floating Rupee bonds to NRIs. The costs of these should however be borne in mind and the tenure and rates of the bonds should be determined judiciously.

The Central bank should also consider removing all restrictions on interest rates on foreign currency deposits

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