

## FICCI comments on RBI Monetary Policy Review

**New Delhi, 1 April, 2014:** *"The Reserve Bank maintained status quo on key policy rates in its first bi-monthly monetary policy announcement. FICCI feels tweaking policy rates downwards would help lift business sentiments"*, said **Mr. Sidharth Birla, President, FICCI.**

*"Industrial growth remains sluggish. The improvement in January IIP numbers is meager and there are no clear signs of growth bottoming out. Going ahead, it will be vital to strengthen the sync between government actions and RBI policy. We feel relying primarily on monetary policy for inflation management may not be a comprehensive approach. There are administrative fixes and fiscal measures that need to be adopted. This is all the more important because the inflation problem that confronts us is largely the result of supply side factors. Also, there has been an evident shift towards consumptive expenditure from investment expenditure and we need to amend this on a priority basis"*, added **Mr. Birla.**

In addition, in the recently conducted FICCI's Economic Outlook Survey a view emerged that basing the monetary policy on a single variable (like Consumer Price Index) may not be the right approach. We might be ignoring important warning signals from other variables that are as important to maintain stability and these have to be given due cognizance.

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