

FICCI's reaction on the fifth bi-monthly monetary policy statement

New Delhi, December 02, 2014: "Industry was hoping that, given the combination of persistent weak demand and sustained moderation in inflation, the Reserve Bank could have found merit in an accommodative stance on interest rate reduction", **said Mr. Sidharth Birla, President, FICCI.**

"Although there has been some improvement in core sector activity, manufacturing has been subdued due to weak demand, therefore curbing major improvement in capacity utilizations.

FICCI's latest manufacturing survey indicates a weak outlook on capacity expansions. Easing of monetary policy and its transmission by banks could be one key element in encouraging capex, besides improving the demand side. Without new & expanded capacities coming on line in the foreseeable future we could create risks on the supply side, with consequent impact on future inflation. We continue to hope that RBI may send positive signals even sooner than the next policy review cycle", **added Mr. Birla.**

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