

FICCI comments on Repo Rate cut by RBI

March 4, 2015, New Delhi: Commenting on the 25 basis points repo rate cut announced by the RBI earlier today, **Dr. Jyotsna Suri, President, FICCI** said *“FICCI welcomes this move by the central bank. It comes on the back of a progressive Union Budget and should complement the growth enhancing measures outlined by the Finance Minister.”*

“The 25 basis points cut in repo rate signifies that inflationary impulses are weakening in the economy at a faster pace. More importantly it highlights that the quality of the fiscal consolidation path chosen by the government is credible”, **she added.**

“Given the cut in the policy rate, we now hope to see transmission of this move in the form of lowering of lending rates by the banks for investment and consumer loans. While the revised GDP numbers brought out by the CSO indicate a pick-up in GDP growth, yet, several segments of industry are faced with weak demand and low capacity utilisation levels. As measures announced in the Union budget take effect and demand situation starts improving, we could see an improvement in capacity utilisation levels leading to fresh investments being planned by industry. Lower lending rates by banks would provide an impetus to this trend and contribute to overall recovery in the economy”, **said Dr. Suri.**

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