

FICCI asks for a cut in interest rates to propel demand and investments

“Revival of capex is critical to push the growth further and create new employment avenues” –

FICCI president Jyotsna Suri

New Delhi, 1 June 2015: Ahead of the release of bi-monthly monetary policy of the RBI, **Dr. Jyotsna Suri, President, FICCI** urged for a cut in the policy rate and further easing of monetary policy.

“Revival of capex is critical to push the growth further and create new employment avenues. While government has given a push to public investments in infrastructure, private investments are still languishing on account of low capacity utilisation and weak consumer demand,” **said Dr. Jyotsna Suri.**

“Successive rounds of FICCI’s Business Confidence Survey show that investment outlook remains cautious, with majority participants citing availability and cost of credit to be a major constraining factor. Reduction in lending rates by financial institutions is the need of the hour, which has also been acknowledged by the Finance Minister and the Chief Economic Adviser recently. With inflation largely under control, we expect the Central Bank to reduce the repo rate by at least 50 bps to expedite revival of private investments and demand for housing, automobiles and consumer durables. A cut in CRR by 50 bps is also desirable as it will release liquidity in the system and enable effective transmission into lower lending rates by banks” **added Dr. Suri.**

.....
FICCI MEDIA DIVISION