

FICCI comments on WPI numbers for July 2015

These numbers make a good case for further cuts in the policy rate by RBI

New Delhi, 14 August 2015: “WPI based inflation data for the month of July 2015 shows continuation of the deflationary trend in the economy. CPI numbers released earlier also indicate further softening of prices. These numbers when looked at alongside figures of industrial performance make a good case for further cuts in the policy rate by RBI and we hope the central bank would continue moving in that direction after its brief hiatus followed by transmission by an equivalent amount by banks in the form of lower lending rates. At this point there is an imperative need to propel domestic demand on a sustainable basis that could lead to higher capacity utilization and eventually more investments”, **said Dr. Jyotsna Suri, President, FICCI.**

“Food inflation numbers are also moderating. Even though we are having mixed signals with regard to the progress of monsoon, given government’s adequate preparedness on this front, we should be able to keep food prices under check. Further, with oil prices remaining range bound and commodity prices being subdued, the issue of imported inflation too is not much of concern presently. Promoting growth should therefore take precedence at this juncture”, **added Dr. Suri.**

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