

FICCI comments on RBI Monetary Policy Review

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New Delhi, 29 September 2015: “FICCI has been strongly advocating need for a deeper rate cut. We are delighted that RBI has now cut the repo rate by 50 basis points. We are equally encouraged by RBI’s statement that the policy stance will continue to be accommodative and that it would work with the government to ensure that impediments to banks on passing on the policy rate cuts in the form of lower lending rates would be removed. With today’s rate cut while the policy rate has been reduced by 125 basis point, only 30 basis point has been transmitted in form of lending rates. FICCI is looking forward to a faster transmission by banks as this would give a boost to the much needed investment and consumption demand in the economy”, said **Dr Jyotsna Suri, President, FICCI.**

“We agree with the Governor’s statement that investment will respond more strongly if there is more certainty about the extent of monetary policy stimulus in the pipeline”, **added Dr. Suri.**

“Further, the proposal to reduce the risk weights applicable to lower value housing loans is also a positive move. This is line with Government’s ‘Housing for all’ initiative and will lend support to the subdued activity in the housing sector. Any improvement in the housing construction sector will have a bearing on core sectors and thus propel overall investments and growth”, **Dr. Suri added further.**

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