FICCI comments on RBI Monetary Policy

New Delhi, 7 December 2016: "*RBI's stance in the monetary policy announced today belied the wide expectation of a rate cut. At this juncture a 50 bps point cut in the repo rate would have provided the needed boost to the flagging industrial economy. The consumption demand has been impacted post demonetization and a rate cut would have given a strong signal to the consumers and to the industry as well,"* said **Mr. Harshavardhan Neotia, President, FICCI.**

"*The next couple of quarters are crucial and will have to be monitored closely. The investment activity remains lackadaisical, which was reaffirmed in the GDP data released last week. The RBI has also revised downwards the GVA growth estimate to 7.1% from 7.6% for the current fiscal year. Amidst a highly uncertain global environment, the impetus for growth will have to come from the domestic economy. While noting the concerns outlined by RBI on the inflationary trends in the economy, it is important to also highlight the close equation between jobs and growth. We hope that the necessary support for sustaining demand and investments will be looked into by the authorities*", **added Mr. Neotia**.

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