



Merchants' Chamber of Commerce

PRESS COMMUNIQUE

Commenting on the Third Quarter Monetary Policy Review, Shri Sudesh Sonthalia, President, Merchants' Chamber of Commerce feels that 0.25 bp rise in the Repo and Reverse Repo rates would not have much impact on the spiraling inflation, particularly of Food items. On the contrary, interest rates would harden further, slowing down the growth of industries and farm—infrastructure.

Shri Sonthalia says that current inflation figures do not reflect the adverse impact of the recent rise in Petrol prices by Rs. 2.50 per litre. Hence, RBI should have considered this factor, and taken steps to ease supply-side constraints, in the short-run. The difference between lending rates and deposit rates of funds needs to be reduced also for boosting investment in agricultural infrastructure.

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