

RBI & Govt on Same Page on Proposed Monetary Policy Framework: CEA

Chief Economic Advisor Arvind Subramanian has said the RBI and the government are on the same page on the proposed monetary policy framework, indicating a convergence between the two on this crucial issue.

“RBI and government on the same page on monetary policy framework Both RBI and government have common commitment to lower inflation,” Subramanian said on Monday .

The government and the RBI had serious differences over the contours of the monetary policy framework including composition of the monetary policy committee. Key differences centred around the extent of RBI control over the monetary policy.

RBI Governor Raghuram Rajan wanted to head the committee to select the non-RBI members on the monetary policy committee besides appointing the nominees of the central bank. In the run-up to the discussions on the framework, Rajan had also sought cabinet minister rank for the governor and a fixed five-year term.

The statement comes ahead of Rajan's customary pre-policy meeting with Finance Minister Arun Jaitley on Tuesday.

(Economic Times)