

RBI to unveil Monetary Policy for 2013-14 on May 3

Amidst demands for further reduction of interest rates to spur economic growth, the Reserve Bank today said it will announce annual monetary policy for the current fiscal on May 3.

[RBI](#) Governor D Subbarao will announce the Monetary Policy Statement 2013-14 on May 3, 2013, the central bank said in a statement.

This will be done in a meeting with the chief executives of banks, it said.

In its last policy review in March, RBI slashed short-term lending rate by 0.25 per cent to 7.5 per cent.

Accordingly, the short-term borrowing rate came down to 6.5 per cent. However, the Cash Reserve Ratio (CRR) was retained at 4 per cent on the expectation that government will start spending more.

Earlier this week, Finance Minister P Chidambaram had argued for further interest rate cut as headline inflation has softened, and a pressing need to push growth to the potential level of 8 per cent.

"We see the beginning of green-shoots, more enquires for loans and there are more project proposal, stalled projects people are beginning to esquire.

"I think at this time perhaps there is still a room for cutting interest rates but let me add ...That is the call the (RBI) Governor has to take", he had said.

"The RBI had to keep in mind, weigh the fact that headline inflation has come down yet consumer price inflation is sticky...It has to keep Current Account Deficit in mind before it lowers interest rate.

"But government is always pro-growth and the government will always argue for lower interest rates", the Minister had said.

(Business Standard)