

MINUTES OF APRIL MPC MEETING

MPC members split on growth prospects

Das says situation dynamic and fast evolving

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All the external members of the Reserve Bank of India's monetary policy committee (MPC) flagged risk of slowing growth, while the internal members seemed more sanguine about the growth prospects, the minutes of the monetary policy review meeting held earlier this month showed.

All the members unanimously agreed to keep the repo rate unchanged at 6.5 per cent in the latest review. Between May 2022 and February 2023, the policy repo rate was increased by 250 basis points (bps).

"...domestic growth impulses remained buoyant in Q4FY23. Looking ahead, the thrust on infrastructure spending by the government would support investment activity," RBI Governor Shaktikanta Das said. Though core inflation might soften going forward, Das cautioned that the overall situation remained dynamic and fast evolving.

Turn to Page 6 ▶



DIFFERING VIEWS

Thrust on infra spending by govt would support investment activity:

RBI Governor Shaktikanta Das

Although growth is resilient, there are signs of slowdown in some high-frequency data: **External member Ashima Goyal**

Early warning signs of a possible slowdown were visible to a greater extent than in February: **External member Jayanth Varma**

The momentum of economic activity in India is broadening: **Deputy Governor M D Patra**



PAGE 6

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MPC...

“Milk prices may remain firm in the lean summer season on tight demand-supply balance and high fodder costs. The rising uncertainty in international crude oil prices also warrants close monitoring,” he added.

External member Ashima Goyal highlighted her concern on growth. “Although growth is resilient, there are signs of slowdown in some high-frequency data. Softening non-oil non-gold imports point to weakness in domestic demand; slowing exports are affecting manufacturing; rising loan rates are reducing demand for low income housing.” External member Shashanka Bhide said the growth performance pointed to both uneven growth across production sectors and subdued growth in the more recent quarters of FY23.

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