

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION No. 2482**

TO BE ANSWERED ON TUESDAY, DECEMBER 17, 2024 / *AGRAHAYANA 26, 1946*
(*SAKA*)

REPO RATE

2482. SHRI DEREK O' BRIEN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Repo Rate has remained at 6.5 per cent for ten consecutive times in a row;
- (b) whether the Repo Rate has not been reduced due to RBIs concern regarding inflation, if so, the details thereof; and
- (c) whether Central Banks around the world have started to manage their inflation rates and hence started to reduce the Repo Rate, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): Yes, Sir. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has maintained the policy repo rate at 6.5 per cent since February 2023. This stance of MPC has helped to mitigate the inflation risks emanating from uncertainties relating to heightened global geo-political risk, financial market volatility, adverse weather events and the recent rise in global food and metal prices. However, in December 2024, the MPC reduced Cash Reserve Ratio (CRR) by 50 basis points to 4 per cent, with an objective to pump about ₹1.16 lakh crore liquidity into the banking system to support productive requirements of our economy.

(c): Central banks in many countries have faced with high inflation, particularly after providing large scale stimulus measures in wake of the COVID-19 pandemic and geopolitical turmoils. In response, many Central Banks aggressively raised policy rates. However, as inflation began to moderate, most of these countries started easing their previous elevated interest rates.
