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# Industry Associations Welcome RBI's Rate Cut Decision

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**New Delhi, Dec 5 (KNN)** Industry bodies Federation of Indian Chambers of Commerce and Industry (FICCI), EEPIC India and All-India Association of Industries (AIAI) on Friday welcomed the Reserve Bank of India's decision to cut the policy repo rate by 25 basis points to 5.25 per cent.

FICCI President Anant Goenka said that the 25 bps reduction would help stimulate credit offtake and lower borrowing costs.

"The upward revision of estimated GDP growth for the current fiscal to 7.3 per cent from 6.8 per cent, as announced in the policy today, combined with a stable and benign inflation outlook, reflects the continued resilience of the Indian economy and the positive impact of sustained policy and reform measures — including the rationalisation of GST," Goenka added.

He also highlighted that the additional liquidity measures announced, such as the forex swap facility, will meaningfully strengthen market confidence and support investment flows.

EEPC India Chairman Pankaj Chadha said that the rate cut decision of the RBI was in line with expectations.

"This is a welcome move and expected to lift business sentiments including that of the engineering goods sector. The rate cut would bring down borrowing costs and further provide impetus to economic growth," he said.

WTC Mumbai and AIAI Chairman Dr. Vijay Kalantri said the rate cut would enhance liquidity and improve the availability of affordable credit.

"Governor Sanjay Malhotra has supported economic growth by reducing the benchmark repo rate by 25 basis points, thereby enhancing liquidity and ensuring that cheaper credit is available to borrowers. With this rate cut, coupled with comfortable foreign reserves and record-low inflation, the RBI's measures signal continued support for economic growth while also ensuring price stability in the market. This will help ensure that India's growth story remains healthy and on track," he stated.

Dr. Kalantri urged banks to transmit the benefit of the rate cut to MSMEs and exporters to ensure timely and cost-effective access to credit.

The MPC's decision aligns with the nation's robust macroeconomic indicators. India's GDP grew 8.2 per cent in Q2 FY2026 — the fastest pace in six quarters — while consumer inflation fell to an unprecedented 0.25 per cent in October.

*(KNN Bureau)*