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Centre & the RBI will have to work in tandem to control prices without destabilising growth. Analysts.

Indian Economy witnessing Inflationary pressure from last few quarters, which is above RBI's comfort zone ($\pm 4\%$) even after taking many measures.

COVID-19 lockdown, Russia-Ukraine war, rise in oil price, lesser sown area of food crops are some of the reasons to CPI inflation.

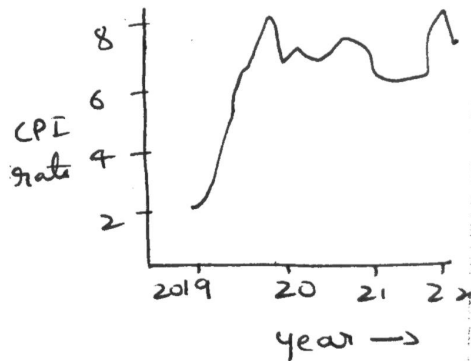
RBI took many measures like increasing Repo & reverse repo rate more than

100 Base points, selling

FOREX reserve to cope-up import demand

Even GoI temporary banned wheat & other food crops export

However strict monetary policy regime must not hurt growth.



As major contributors to CPI inflation is food & Fuel which is fuelled 10-12% and most importantly it is supply side driven inflation.

RBI is following US Fed rate as US inflation is multidecade high however it is demand driven

Thus Govt & RBI should work together to tackle inflation

- Bilateral negotiations to buy cheaper oil from Iran & Russia to bring fuel price low
- Encouraging to grow more food crops & temporary subsidy export of food crops
- Improving quality & frequency of data collection on inflation
- Preemptive monetary policy action to fight supply side inflation

If inflation continues to stay above comfort limit, it may turn into stagflation & finally economy recession thus RBI should take balanced approach