

FinMin says India well prepared to deal with Fed rate hike

Our Bureau



Economic Affairs Secretary, Shaktikanta Das. (file photo)

New Delhi, Dec 17:

The Finance Ministry said the US Fed rate hike is on expected lines and its impact on India would be minimal.

“US Fed rate hike and reference to gradualism are on expected lines. India well prepared. US Fed policy: End of uncertainty and accommodative outlook for future will help policy makers in emerging economies,” Economic Affairs Secretary Shaktikanta Das said in a series of tweets, adding that the US recovery is good for Indian exports, especially from the IT sector.

Signalling a recovery in the US economy, the US Federal Reserve had on Wednesday hiked interest rates by 0.25 per cent --- its first such move in nearly a decade.

Chief Economic Adviser to the Finance Ministry Arvind Subramanian also said the rate hike was already anticipated and factored in by the Indian markets.

“As far as India is concerned, we are really well cushioned. Inflation is coming down, fiscal deficit situation is very good, external situation is also robust. So, I think for all these reasons, impact on India would be very minimal,” he said.

(This article was published on December 17, 2015)

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