

RBI staff ‘worried’ over move to set up public debt management agency

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Mumbai, August 28:

Employees of Reserve Bank of India have expressed concern over the setting up of the proposed Public Debt Management Agency (PDMA). In a letter written to Parliamentarians, RBI’s employees union has said that holding of government securities by the central bank in a developing economy is always advantageous.

“The argument for separation of public debt management from the RBI is hardly relevant in our context,” says the letter written jointly by All-India Reserve Bank Employees Association, All-India Reserve Bank Workers Federation, All-India Reserve Bank Officers Association and the Reserve Bank of India Officers Association.

Finance Minister Arun Jaitley had, in the 2016 Budget, proposed to divest the public debt management functions from the RBI. However, it was pushed into cold storage with the RBI opposing the move. However, it was recently reported by *BusinessLine* that the Finance Ministry has re-initiated discussions on the PDMA.

(This article was published in the Business Line print edition dated August 29, 2016)

Printable version | Feb 10, 2017 11:50:43 AM | <http://www.thehindubusinessline.com/todays-paper/tp-news/rbi-staff-worried-over-move-to-set-up-public-debt-management-agency/article9043634.ece> © The Hindu Business Line