

Government of India  
Ministry of Finance  
Department of Economic Affairs

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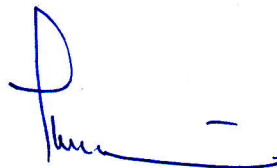
**PRESS RELEASE**

The first meeting of the Financial Stability Development Council (FSDC) was held today under the Chairmanship of FM. The notification constituting the Council is attached. The list of participants is also attached.

2. The following issues were discussed in the first meeting.
  - i) Functioning of FSDC
  - ii) State of the Indian Economy
  - iii) Economic recovery in the West and implications for India; and
  - iv) Exchange Rate Issues
3. The meeting discussed the agenda items. On the functioning of FSDC, it was decided that necessary guidelines would be issued.
4. On the state of the Indian economy, the general consensus was that the nation would be able to sustain its present level of growth and prospects are bright for attaining double digit figures. The challenges to continue on this trajectory of growth would include reducing the fiscal and current account deficits and fast tracking India's infrastructure projects.
5. The meeting assessed the signs of economic recovery in the West and came to the conclusion that 2011 could see improvement in the world economy. US could see better growth in 2011. EU could also see positive growth though the sovereign debt crisis and woes of some nations are a matter of concern. In the light of the projected economic recovery, India's exports are likely to improve.

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6. Currency issues, as is being played out, could have implications for India. The effort to keep the value of currencies artificially low could have adverse impact on the competitiveness of Indian companies both within and without the country. If nations adopt protectionist measures, it could have serious implications for the world economy as a whole.
7. The meeting was constructive and productive.

  
( Dr. Thomas Mathew )

Joint Secretary (CM)

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Dated 31<sup>st</sup> December 2010

Press Information Bureau is requested to give wide publicity to this Press Release.

Press Information Officer,  
Press Information Bureau,  
New Delhi.

### **LIST OF PARTICIPANTS**

1. Dr. Subba Rao, Governor, RBI
2. Shri Ashok Chawla, Finance Secretary
3. Shri R. Gopalan, Secretary, Department of Financial Services
4. Shri Rajiv Aggarwal, Secretary, Ministry of Consumer Affairs,
5. Dr. Kaushik Basu, Chief Economic Advisor
6. Shri C.B. Bhawe, Chairman, SEBI
7. Shri J. Hari Narayan, Chairman, IRDA
8. Shri Yogesh Agarwal, Chairman, PFRDA
9. Shri B. Khatua, Chairman, Forward Markets Commission
10. Shri Bimal Julka, DG (DoC)
11. Dr. Thomas Mathew, JS (CM)

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