

FICCI comments on GDP Data

New Delhi, 01 December 2016: Commenting on the GDP data announced today, Mr. Harshvardhan Neotia, President, FICCI said, "Good monsoons and the award of seventh pay commission has given a push to agriculture sector growth and consumption levels respectively which is reflected in the second quarter GDP numbers. However, what remains worrisome is the gross fixed capital formation, which has reported contraction for the third consecutive quarter. The momentum in the capex cycle remains elusive and kick starting the domestic investment cycle is the need of the hour."

"Further, in light of the demonetization move, there will be a temporary squeeze in liquidity. Also, growth numbers might witness moderation in the second half of the current year but the gains of this move will be apparent in the coming years. FICCI urges the Government and RBI to consider bringing down the interest rates that could help stabilise demand in the economy. We look forward to a 50 bps cut in the repo rate in the monetary policy to be announced next week", said Mr. Neotia.

"Also, we are optimistic that Government will give a further direction on reforms in the forthcoming Union Budget 2017-18", added Mr. Neotia.

FICCI MEDIA DIVISION