

FICCI's REACTION TO IIP DATA FOR SEPTEMBER 2012

12 November 2012, New Delhi: Commenting on the Index of Industrial Production (IIP) data for September 2012 which was released today, **Mr. R V Kanoria, President, FICCI** said "The negative IIP figure for September 2012 is indeed disturbing as it indicates that manufacturing growth had not bottomed out in previous months and both domestic and export demand continue to remain an area of concern for us".

"At this juncture, it is important that Government does not lose momentum on reform front and need to take courage now to implement some big ticket reforms like implementation of GST, effective and time-bound coordination mechanism for project clearance envisaged in NIB, introducing competition in coal sector and introducing targeted delivery mechanism for existing development schemes to check the subsidy burden", emphasized Mr Kanoria.

"Capital goods remain a cause for concern as the growth of this sector has fallen steeply in September and also figures for August have undergone for downward revision thereby reflecting a continued environment of subdued investment activity", said Mr Kanoria. FICCI also hopes that RBI will relook at its monetary policy in the light of latest IIP figures to reduce interest rates.

FICCI Media Division