

FICCI's REACTION TO IIP DATA FOR NOVEMBER 2012

11 January 2013, New Delhi: Commenting on the Index of Industrial Production (IIP) data for November 2012 which was released today, **Mrs Naina Lal Kidwai, President, FICCI** said "While the data is indicative of high degree of volatility in the index as IIP has again registered a negative growth after a high growth in October, but the negative growth in mining, capital goods and intermediate goods indicates continuation of industrial slowdown for some more time".

"Slowdown in electricity in the last few months is a cause for concern as it will also impact the industrial activity significantly", said Mrs Kidwai.

"Consumer demand is also showing signs of volatility as we had 13.2% growth in October and suddenly the growth has plummeted to 1%. In the absence of any significant change in the economic and political environment it is difficult to understand why this demand has fallen so much in just one month, noted FICCI.

"The Government has in the recent past announced some major reforms but there are some more which need to be announced quickly to boost business confidence. Also, what is needed now is that Government quickly resolves the ground level problems through mechanism like Cabinet Committee on Investment to stimulate economic activity in the country", said Mrs Kidwai.

"We would request the Government to ensure speedy execution of the National Manufacturing Policy which envisages setting-up of National Investment and Manufacturing Zones, an alternate Exit Policy for the industry and Technology Acquisition and Development Fund" emphasized Mrs Kidwai.

"We also urge RBI to consider reducing interest rates to boost both investment and consumer demand" said Mrs Kidwai.

FICCI Media Division