

FICCI's REACTION TO IIP DATA FOR DECEMBER 2012

12 February 2013, New Delhi: Commenting on the Index of Industrial Production (IIP) data for December 2012 which was released today, **Mrs Naina Lal Kidwai, President, FICCI** said "IIP data for December 2012 has dimmed hope for a recovery in manufacturing in the near future. It is definitely a cause for serious concern as both consumer goods and investments have witnessed negative growth. We need to closely watch purchasing data (PMI index) which was showing signs of revival "

"While new project announcements have tapered off, existing projects are suffering with cost and time overruns indicating a need for improving and strengthening implementation in order to ensure project completion . The new Cabinet Committee on Investments also needs to consider and clear the pending projects within the shortest possible time" said Mrs Kidwai.

"We feel that these disappointing figures certainly call for high level Committee under the Prime Minister to look into the issue of industrial slowdown and monitor its progress for the next few months" urged Mrs Kidwai.

"In the light of current figures, RBI should also look at further reducing interest rates in order to ensure that domestic consumer demand is strong " noted Mrs Kidwai.

FICCI Media Division