

FICCI's REACTION TO IIP DATA FOR March 2013

New Delhi, 10 May 2013: Commenting on the Index of Industrial Production (IIP) data for March 2013 which was released today, **Mrs Naina Lal Kidwai, President, FICCI** said "The growth of 3.2 percent in manufacturing comes over a negative base and can hardly be looked as a revival in manufacturing. Overall slowdown in economic activity and consumer demand continues to constrain manufacturing growth. Also, the growth within manufacturing is highly concentrated amongst top five high growth sectors in 2012-13 thereby weakening the chances of any sustainable growth in near future in manufacturing".

"Looking at the financial year 2012-13 data, it is evident that the growth in manufacturing is constrained by shortage of power and subdued growth of core sectors of the economy. Electricity growth has decelerated to just half of what it was in 2011-12, which is a cause for concern" noted Mrs Kidwai.

"Supply side bottlenecks due to inadequate infrastructure, inadequacy of fuel supply linkages and delays in project clearances of large manufacturing and infrastructure projects should be the priority areas to be addressed through policy. Besides, interest rates need to be further moderated to stimulate investment activity" said Mrs Kidwai.

FICCI MEDIA DIVISION