

FICCI comments on IIP Data for July' 2013

New Delhi, 12 September 2013: Commenting on the Index of Industrial Production(IIP) data for July 2013 which was released today, **Dr A Didar Singh, Secretary General, FICCI said** "The positive manufacturing growth for July, though over the low base, does indicate some signs of up-turn in the sector as a result of certain initiatives taken by the Government in the last few months".

"We hope that manufacturing sector is able to achieve higher growth in the next few months backed by festive demand and improved export prospects." noted Dr Didar Singh.

FICCI's latest quarterly Manufacturing survey also indicated a slight upturn in manufacturing activity from Quarter-2 onwards. The survey had noted that recent initiatives of the government to remove supply bottlenecks by clearing some of the large projects are being reflected in the higher growth expectation for manufacturing sector in quarter two of 2013-14.

"While the capital goods sector has shown a high growth of over 15% but this is mostly contributed by growth in electrical machinery segment and other segments of the capital goods like earth-moving, plastic machinery have registered negative growth. Hence, it is too early to expect any upturn in the investment activity" said Dr Singh.

"While we expect some enhancement in consumer demand during forthcoming festive seasons but in order to sustain the growth in consumer demand Government needs to take some bold measures like reducing interest rates further, fast-track implementation of large projects like industrial corridors and through pro-active government procurement policies" **said Dr Singh.**

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