

## FICCI Comments on IIP Data - September 2013

**New Delhi, 12 November 2013:** Commenting on the Index of Industrial Production (IIP) data for September 2013 which was released today, **Mrs Naina Lal Kidwai, President, FICCI** said "The positive growth in manufacturing, shows some revival in manufacturing activity. However, we expect the growth in manufacturing to be subdued in the coming months also as a result of the current slowdown in domestic demand and a lack of investor optimism given the usual uncertainty that builds around elections".

"Improvement on the export front is likely to support manufacturing growth for the next few months. Looking at the consistent negative growth in consumer durables, Government need to consider reviving demand to stimulate investments including reduction of interest rates both for consumers and corporates" **said Mrs Kidwai.**

FICCI's latest Quarterly Survey on Manufacturing for the third quarter (Q-3) of 2013-14 released yesterday, indicated that conditions were slightly better than the previous quarter helped by improvement in exports and the improving power position in the country as stalled projects come on stream. The survey also indicated continuation of growth, in the manufacturing activity in Quarter-3 of 2013-14. The survey noted rising concerns over the cost of credit as compared to previous surveys. The proportion of respondents availing credit above 12% per annum rose significantly in the current survey to 58% as compared to 42% in the previous survey, **noted Mrs Kidwai.** In terms of investment, the survey observed that it remains subdued in the manufacturing sector as was the case for the previous quarter also with 72% respondents not having any plans for capacity additions for the next six months.

"It is heartening to see revival in the electricity sector which is related to growth in the coal sector. Growth in coal production by over 12 percent in September would certainly support growth of electricity and in turn of manufacturing in coming months. This will also help our CAD as imported coal demand diminishes" **said Mrs Kidwai.**

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**FICCI MEDIA DIVISION**