

FICCI comments on IIP Data

New Delhi, 12 February 2014: “While the negative growth in manufacturing is certainly disappointing but we hope that growth has bottomed out”, **said Dr A. Didar Singh, Secretary General, FICCI.** This has also been highlighted by recently conducted FICCI’s Manufacturing survey capturing Industry expectation for Q 4.

“Some of the measures taken by the Government in the past are likely to yield results in coming months. Couple of large projects facilitated for clearance through Cabinet Committee are now in initial stages of implementation and are expected to stimulate economic activity”. However, depressed demand as indicated by negative growth of 12.9 percent in consumer durables for April-December 2013 needs a relook at our monetary policy measures in a more holistic manner.

The softening in retail inflation as indicated by CPI data release today is a positive news. With prices falling for the second consecutive month and touching the lowest in about two years, CPI stands at 8.79% in January 2014 vis a vis 10.8% in the same month last year and 9.9% in December 2013. The food beverages and tobacco segment which has almost 50% weightage in the CPI index witnessed distinct moderation in prices. The food prices registered a growth of 9.9% in January 2014 after being in the double digit terrain for about 21 months.

“ Although sticky Inflation has been a concern area, however, we cannot ignore the weakening manufacturing growth. The IIP data continued to dip as reflected in the numbers announced today. Also, bringing down retail inflation to 6.0% level would be difficult without debottlenecking the supply side for which attention needs to be paid towards improving agri productivity and agri infrastructure”, **said Dr. Didar Singh, FICCI Secretary General.** Government and Reserve bank of India need to work in tandem to create balance between growth and inflation.

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