

FICCI'S REACTION TO IIP DATA FOR NOVEMBER 2011

12 JANUARY 2012, New Delhi: Rebound in industrial growth as per November IIP figures need to be seen with caution as some of the fundamental trends remain weak.

Commenting on the Index of Industrial Production (IIP) data for November which was released today, **Mr Harsh Mariwala, President, FICCI** said "The growth of 6.6% in manufacturing in November need not be seen as the upward trend since the growth in major sectors like capital goods and chemicals continues to be in the negative territory. Together these two sectors account for 25% of the manufacturing sector and it is important that the growth in these two basic sectors is revived for any sustainable growth of manufacturing".

"Strong growth in consumer goods in November is also based on a very low base of last year. In fact, 14.8% growth in consumer non-durables is on the negative base of last year. This certainly cannot be seen as the buoyancy of consumer demand in the country." said Mr Mariwala.

"Negative growth of mining industry remains a cause for concern and this will also reflect in slower industrial growth in the coming months" noted Mr Mariwala.

"Now that the inflation is going down and industrial growth remains fragile, RBI should reduce interest rates as soon as possible to revive investments" emphasized Mr Mariwala.

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