

FICCI'S REACTION TO IIP DATA FOR DECEMBER 2011

10 FEBRUARY 2012, New Delhi: Commenting on the Index of Industrial Production (IIP) data for December which was released today, **Mr R V Kanoria, President, FICCI** said "The growth in manufacturing and mining remains an area of concern. The growth in manufacturing is indeed subdued and with continuous negative growth of capital goods we are not looking at any uptrend in manufacturing sector in coming months".

Currently, manufacturing companies are grappling with the rising raw material and fuel costs and high interest cost. Also, because of forex losses, the operating expenses have been affected.

"The coming budget should not look at any increase in the excise duty for the manufacturing sector and Government should retain the current levels of duty. Also, RBI should bring down the interest rates" said Mr Kanoria.

"A continuous negative growth in mining is certainly going to impact the sectors like basic metals and electricity which will further pull down the growth of industry", noted Mr Kanoria.

"We are also worried with the low growth of employment intensive sectors like textiles, apparel, furniture, wood and Government should come out with a special package for these sectors", said Mr Kanoria.

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