

FICCI's Reaction to GDP Numbers

NEW DELHI, November 30, 2012. Commenting on the latest GDP numbers released today which estimates growth at 5.3% for the second quarter of this fiscal, marginally lower than previous quarter growth of 5.5%, Mr. R. V. Kanoria, President of FICCI said, "These numbers confirm that economic activity continues to remain sluggish and unless the growth performance in the second half improves considerably, we will have to settle for a sub-6 per cent growth this year. This is not good news for an economy that must generate a large number of new jobs every year".

In fact, the FICCI Chief said, "It is essential that the reform agenda is carried forward with vigour and that the recently announced measures are implemented in earnest. Only then we will be able to witness a paradigm shift and place the economy on the path of higher and sustainable growth trajectory. At the same time, it is imperative for the government to give a renewed thrust to the manufacturing sector which is not showing signs of any sustained pick-up."

Mr. Kanoria said, "While it is heartening that investment activity is picking up, with the growth in gross fixed capital formation for Q2 increasing to 4.1%, up from 0.7% growth registered in first quarter, it may still be early to say that the slowdown in investment activity has bottomed out."

FICCI MEDIA DIVISION