

FICCI hopes Budget will be pro-growth and spur capital formation
Business confidence shade lower in Q3 of 2012-13; weak demand, low investments, rising input & credit costs worrisome: FICCI Survey

NEW DELHI, February 16, 2013. India Inc. is waiting and watching. It's mood is that of cautious optimism. Despite signs of moderation, the Overall Business Confidence Index for the third quarter of 2012 remained at 61.2 slightly down from the 62.4 in the previous survey and is much higher than 51.8 registered in the first quarter of 2012. But the good news is that there is an expectation of higher, sales and profits (for January-June 2013), says **FICCI's Business Confidence Survey for the third quarter of 2012-13.**

The FICCI Survey reveals that weak external demand, lower investments and rising cost of raw materials and finance, however, continue to nag India Inc. However, the recent step by the RBI to reduce the repo rate and CRR may help revive investor sentiment and accelerate investment in the near future.

"Though the economic situation continues to be difficult and business sentiment remains weak, we are hopeful that green shoots would soon appear as the government continues to move ahead on the reform agenda. It is hoped The Union Budget to be announced shortly will be pro-growth and give a renewed thrust to capital formation. Setting up of the Cabinet Committee on Investments has been a positive step and it is hoped will resolve issues around projects that are stuck and lead to new projects and investments." **said Mrs Naina Lal Kidwai, President FICCI.**

The current survey round conducted during December 2012 and January 2013 drew responses from companies with a wide sectoral and geographical spread. The participating companies belonged to varied array of sectors such as textiles, cement, financial services, chemicals, metal and metal products, automobiles, FMCG, electrical equipment and machinery, paper and paper products. The survey brings out expectations of the India Inc for the period January 2013 to June 2013.

The survey, however, indicates some signs of improvement over the next two quarters. The respondents were optimistic regarding the economic and industry situation with the outlook for higher sales, selling price and profits.

Weblink:

<http://ficci.com/SEDocument/20223/FICCI-Business-Confidence-Survey-feb2013.pdf>

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