

## **REMOVAL OF BOTTLENECKS TO EASE SUPPLY OF FOOD & GOODS VITAL TO TAME INFLATION: FICCI PRESIDENT, NAINA LAL KIDWAI**

**New Delhi, March 14, 2013:** “We at FICCI still hope that the inflation rate would be range bound between 6.2% and 6.6% as indicated by the recently released Economic Survey”, said **Ms. Naina Lal Kidwai, President, FICCI**. “Going forward, however, we need work on required structural changes. The deregulation of diesel prices is likely to further exert an upward pressure in the near term, albeit removal of the subsidies continues to be important. Also there has been a discernible increase in rural wages in the past few years. With changing food habits of the populace, we need to gear up to bring down the existing bottlenecks assuring smooth supply of food and goods . This will be imperative for controlling food prices” added Ms. Kidwai.

The gap between WPI and CPI has been widening and this has been mainly on account of food prices again and indeed remains a cause for worry. The CPI indicated an inflation of 10.91% in February 2013, the corresponding figure a year ago was 9.14%.

“Manufacturing sector inflation dropped to 4.51% in February 2013 (vis-à-vis 4.81% in January 2013 and 5.82% in February 2012) and remained easy. This gives room to the Reserve Bank of India to bring down interest rates and complement the intention of the Union Budget to enhance investments. This will help uplift sentiments of India Inc. The green shoots are certainly on the horizon and a concerted push in investment can help bring India back on the growth trajectory”, said Mrs Kidwai.

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