

FICCI Comments on GDP Numbers

New Delhi, November 29, 2013: “The GDP numbers released today indicated some recovery, with Q2 FY14 growth reported at 4.8%. This was slightly higher than 4.4% growth registered in the previous quarter. In fact FICCI’s most recent Economic Outlook Survey had projected GDP growth rate of 4.5 % for Q2 FY14. It is encouraging to see that the actual numbers have surpassed expectations and we believe this trend will continue ”, **said Ms Naina Lal Kidwai, President, FICCI**

“While the situation could further improve in the second half of the year, some of the existing stress points need to be dealt with effectively. Appropriate targeting to check persistently high food inflation is of utmost importance”, added Ms Kidwai.

The agricultural and allied activities sector registered a growth of 4.6% in Q2 FY14, vis-à-vis 2.7% growth in Q1 FY14 and this comes as a big support as performance of both industry and services segments remained subdued. Though manufacturing sector reported a growth of 1.0% in Q2 FY14 vis-à-vis (-) 1.2% in Q1 FY14, growth in the sector remains volatile and has not yet bottomed out.

“The liquidity situation remains a major concern for industry and recent hikes in repo rate do not bode well for reduction in interest rates . Various surveys and studies conducted by FICCI over the past three quarters have clearly shown that high lending rates have emerged as one of the major worries for companies”, **said Ms. Kidwai.**

FICCI MEDIA DIVISION