

FICCI comments on GDP numbers (Q2) released today

New Delhi, 28 November, 2014: The GDP growth of 5.3% for Q2 FY15 is lower than the 5.7% growth witnessed in the previous quarter, though better than the 5.2% growth recorded in same quarter last fiscal. *“While the growth in agriculture and services sector is in line with expectations, the subdued growth in manufacturing at 0.1% is a matter of concern. Recent FICCI surveys show that despite positive business sentiments, investors are still cautious about expansion due to subdued demand conditions and limited improvement in capacity utilization levels”*, said **Mr. Sidharth Birla, President, FICCI**.

“The current wave of optimism needs to be maintained through continued efforts by the government towards further improving the tax and policy environment to encourage enterprises to expand. We are cognizant of government’s efforts to revive growth and believe that real turnaround in investments should take place in 12 to 18 months. We look forward to further action on all the pending reforms including early introduction of goods and services tax, changes to the Land Acquisition Act and further reforms in labour laws. Finally, an important element of the cost structure for manufacturing is interest rates and given the current inflation situation RBI should ease the monetary policy stance as this would give a boost to investment sentiment”, **Mr. Birla added**.

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