

## REACTION FROM FICCI ON GDP NUMBERS FOR 2009-10

**New Delhi, May 31, 2010:** Reacting to the latest GDP numbers, **Mr. Rajan Bharti Mittal, President, FICCI** said *“Indian economy is growing on the back of a very strong performance of the manufacturing sector which has improved its performance consistently over the four quarters of the year 2009-10. If we are to grow at a fast pace in the year 2010-11 then maintaining high growth in the manufacturing sector will be critical.”*

*“The mining sector is also showing an encouraging trend and this can be related to developments in the manufacturing sector. FICCI’s recent Business Confidence Surveys indicate that supplier and downstream industries will have to grow faster to support expansion seen in the manufacturing sector”,* he added.

*“Fortunately, the agriculture sector, which contracted by 1.8 percent in the third quarter of 2009-10, has turned out a surprise positive performance, though only marginal, in the fourth quarter of 2009-10. Hopefully with a normal monsoon this year, this trend will be held up strongly”,* observed Mr. Mittal.

*“The services sector which forms the bulk of the economy is showing a mixed trend. The trade, hotels, transport and communication segments is on the upswing indicating that it is getting a boost from the buoyancy seen in business activity. Financing, insurance, real estate and business services segment is however showing signs of a slowdown and this a cause for concern. Moreover, given the situation in the global economy, trade, hotels and transportation sector too may feel some pressure in the months ahead”,* he said.

*“The main thrust for maintaining the growth momentum in the near term will therefore be on the manufacturing sector. FICCI would urge that the broad macroeconomic policy*

*tools be fine tuned keeping this in mind. Hiking of interest rates at this point in time will act as a break on the overall growth process”, observed Mr. Mittal.*

Media Division