

## **FICCI REACTION ON IIP DATA FOR MAY 2010**

12 July, 2010, New Delhi: Commenting on the May- 2010 IIP data released today, Dr Amit Mitra, Secretary General, FICCI said “The impact of low base on the growth of Indian manufacturing sector is gradually receding and it is likely that from June onwards we may see further slowdown in the manufacturing sector. The robust growth in capital goods sector is also on the back of negative growth last year. The forthcoming review of monetary policy should keep this in mind before announcing any measure that would further hurt or discourage the sentiments in manufacturing sector”.

Incidentally, FICCI quarterly survey on Indian manufacturing sector had predicted that manufacturing growth will slowdown on Q-to-Q basis in April-June 2010. Hardening of raw material prices was seen as the biggest constraint for the manufacturing sector in short term in the survey.

FICCI has in particular expressed concern over the continued slowdown of textile products which witnessed a growth of merely 1.7% in May 2010, 1.5% in April 2010 and -5.4% in March 2010. This sector, FICCI pointed-out, is the largest source of employment after agriculture in the country.

Media Division