

FICCI Comments on GDP Growth GDP grows at 5.3% during Q4 FY12

New Delhi, May 31, 2012: Latest numbers released today reported a growth of 5.3% for Q4 of FY12, taking the GDP growth to 6.5% for the year 2011-12. This is lower than the earlier advance estimate of 6.9%.

Reacting to the GDP numbers, Dr Rajiv Kumar, Secretary General, FICCI said “This is the fourth straight quarter of decline and quarterly growth dipped to the same level during Q3 of 2008-09 (5.6%). Nevertheless, this decline in growth is not surprising as FICCI had forewarned in April that the Q3 growth did not represent the bottoming out of the economy. The manufacturing sector growth has slumped to (-) 0.3% in Q4 and 2.5% for the year as a whole. This will severely pull down services sector growth in the coming quarters.” The current global situation remains fragile and all steps need to be taken on the domestic front to guard against such uncertainties.

The services sector clocked a growth of 8.9% in 2011-12, and continues to be the key sector driving GDP growth. Minus the services, the GDP registered a growth of just 3.1% in FY12.

The Gross Capital Formation registered a growth of 5.3% in FY12 compared to the 11.1% last year. “This shows a grave crisis of investors confidence. We may be in the danger of slipping in to a 1991 like crisis. Therefore urgent and bold steps are immediately needed to prevent the economy from descending in to a full blown crisis. This must be averted at all costs”, said Dr. Kumar.

MEDIA DIVISION

Sugandha Gupta

Senior Assistant Director- Media Division

Federation of Indian Chambers of Commerce and Industry (FICCI)

Industry's Voice for Policy Change

Federation House, 1, Tansen Marg, New Delhi - 110001

T : 91-11- 23753117/ 23357392

M: + 91-9899258671

F: 91-11- 23753119

Website : www.ficci.com