

## **GDP growth rate likely to be lower than 6% in the current fiscal year; PMEAC projection on the higher side: FICCI**

**NEW DELHI, August 17, 2012.** The GDP estimate put out by the Prime Minister's Economic Advisory Council (PMEAC) for the current fiscal at 6.7% is on the higher side. The GDP growth may actually be lower at 6 %, observes, **Mr. R V Kanoria, President, FICCI**. In FY12 PMEAC's projection was significantly higher as compared to the actual (7.1% vis-a-vis 6.5%). "FICCI welcomes the PMEAC initiatives, particularly those relating to the creation of a predictable policy regime to invigorate the Indian growth story", says Mr. Kanoria and adds that "If the current trends are any indication, the projected investment rate for FY13 at 35.3% of GDP (34.7% in FY12) would entail a significant turnaround in investment, a prospect that is unlikely to materialize."

Mr. Kanoria said that FICCI shares the concern of the PMEAC regarding the projected current account deficit at 3.6% of GDP in FY13 and urges the Government to raise the prices of refined petroleum products, disincentivise gold imports and improve the domestic supply of coal.

According to **Dr. Rajiv Kumar, Secretary General, FICCI**, "A pick-up in investment can be effected if the government embarks on a path of fiscal consolidation, thereby creating an enabling atmosphere for investment".

FICCI would also strongly urge the Government to usher in supply-side reforms in several sectors which are currently facing constraints on investments. The energy sector, in particular, needs to be beefed up on a war footing to prevent further loss of output and investor confidence.

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