

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

**FINANCE MINISTER SAYS QUICK ESTIMATES OF IIP FOR JUNE 2012 ARE
DISAPPOINTING; CALLS FOR FOCUS ON THE CRITICAL SECTORS,
REMOVAL OF BOTTLENECKS AND FOR FILLIP TO PRODUCTION**

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The Union Finance Minister Shri P. Chidambaram has said that the Quick Estimates of IIP for the month of June, 2012 are disappointing. The Finance Minister said that it is important to focus on the critical sectors, remove bottlenecks and give a fillip to production. The Finance Minister was reacting to the quick estimates of IIP index for the month of June, 2012 which were released today. The Finance Minister Shri Chidambaram further said that the production will revive if there are new investments in the demand creating industries. In this regard, he also referred to his statement of August 06, 2012 wherein he said, “Supply side constraints upon manufacturing and exports must be removed in double quick time.... We intend to find practical solutions to the problems that impede higher production or output in the coal, mining, petroleum, power, road transport, railway and port sectors.”

Regarding the decline in estimates of IIP, the Finance Minister Shri Chidambaram said that it is due to decline in the manufacturing sector (-3.2% in June and -0.7% in the April-June quarter). He said that within the manufacturing sector, capital goods declined -27.9% in June and consumer non-durables declined -1.0% in June.

The Finance Minister Shri Chidambaram said that the positives are electricity generation which has recorded 8.8% growth in June (6.4% for April-June quarter); textiles at 9.3% (7.8% for the quarter); basic goods at 4.1%(3.5% for the quarter); consumer goods at 3.5% (4.0% for the quarter); and mining and quarrying at 0.6% (-1.1% for the quarter). More coal was available. Consumer spending remains good, the Minister added.

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