

Indian growth affected due to deficient monsoon: business body

KOLKATA, India, July 31 (Xinhua) -- A leading Indian business body, the Confederation of Indian Industry (CII) in its latest report said deficient monsoon is likely to worsen macro-economic situation and put further pressure on economic growth.

CII director general Chandrajit Banerjee said in the report, "not only will there be an impact on the performance of the agricultural sector but also on other sectors through the effect on rural incomes."

The Indian economy is combating rising food prices leading to high inflation and the situation has worsened with a less than average rainfall of 23 percent.

This led to 18 percent less sowing of crops compared to last year and indicated a pattern which happened in 2009 when the country saw a drought worst in last four decades.

To combat the present situation, the CII suggested urgent measures to be taken in the medium to long run.

The chamber body suggested that along with agricultural reforms, instead of depending only on monsoon, technology needed to be upgraded like drip irrigation, promote rain water harvesting and develop drought resistant quality of seeds.

The report also said the forecast mechanism of meteorological department also needed an urgent overhauling to enable farmers and related stakeholders take timely decisions to cope up with any deficiency.

Banerjee said, "a pro-active approach from the government is the need of the hour in order to mitigate the impact of the deficiency in monsoon and to ensure that the occurrence of such drought-like situation is reduced.

"More than 60 years after our independence we remain highly dependent on monsoon for our food supplies and this needs to be corrected.

"In this context it is also extremely important to look at the kind of capital creation happening in agriculture. Our resources aimed at the farm sector needs to translate in creation of assets like irrigation and other facilities," he added.