

Meanwhile, the growth in the service sector that contributes around 50% of the country's gross domestic product (GDP) will be critically dependent on the level of performance of manufacturing and agriculture sectors in fiscal 2006-07, this sector recorded a growth of 6.7% up from 6.4% in fiscal 2005-06. This growth was then supported by rapid growth in industry and expansion in foreign trade. Also then, wholesale and retail trades, transport, telecommunication, community, social and personal services increased substantially in a situation when the cellular phone industry expanded driving the growth of telecommunication and emergence of new private television channels supported higher activities in the services sectors. But the situation so far this year remains lackluster, raising doubts over whether expansion of activities in the services sector will take place at the projected level in fiscal 2007-08.

All these developments in the economy blur the prospects for a turnaround of the economy from slowed-down activities. And here the latest round of price-hikes of oil and many other commodities in the international market would signal that abatement of inflationary pressures, particularly those relating to imported items, are unlikely in the near future.

Such a situation would rightly call for extra-ordinary efforts, not words of assurances, to tame the price situation and to achieve the projected growth momentum of the real sectors of the economy. Otherwise, fears about stagflation any become real, not a perceived one. *(The writer is the Editor of The Financial Express)*

Dutch Ambassador's visit to DBCCI



November 05, 2007; The new ambassador of the Netherlands, H.E. Mrs. Bea M. ten Tusscher visited the Chamber on the day and exchanged views with DBCCI Board Members on matters of mutual interest.