

# We're Bullish on The Way Things Are Going, Says Ajay Shriram

ET Q&A

India Inc is hopeful of attaining 6.5% growth rate by next fiscal and fore-

sees the country becoming a high-ranking investment destination over next few years, but is still anxious about implementation of new policies. Confederation of Indian Industry President **Ajay Shriram** told Anindya **Upadhyay** in an interview that easy access to power, land, a uniform goods and services tax (GST) regime and easier norms for doing business is what the industry seeks from the new government to spur economic growth. Edited Excerpts:

## What's the mood of the industry amidst the recent spate of reforms concerning fuel?

The mood of the industry is not just driven by events of past few days. Infact, the mood changed soon after election results came out (in June) and with the knowledge that here is a prime minister who has proven himself. That was the starting point. We also thought that in Mr Modi we had someone who had understood the pulse of the demographics of the country. He got down to business from day one. We're bullish on the way things are going.

## What does the industry make of the Maharashtra and Haryana election results?

It's good to see full majority in Haryana. The key requirement for the country is decisiveness in decision making. We're hoping for the government to keep on taking decisive steps. As industry, our objective is to accelerate economic growth because we do know that job creation is critical for the country. We require 10 million jobs a year for the next ten years. It has to be broad based with manufacturing. It can't come only from agriculture or services. The recent elections give the government emotional strength to do even better.

## Which are the areas that the Indian industry thinks need immediate attention?

We want the government to improve ease of doing business and, therefore, make an attractive business environment. We have to be welcoming to the investor. We should not look at everyone with suspicion. The reality is that you will have a black sheep in a hundred white. The next issue is infrastructure, especially power



access within that. Once you have the coal at the port, where is the railway line to carry it to the mainland? Land is going to be the key area of focus. One can't be waiting for five years for land to start a project. The economics of a project changes in that much time. One has to find a balance. Goods and Services Tax is a key requirement and the government is working on it too, which is a great thing.

## With the current developments, where do you see economic growth next fiscal?

I think in FY15-16, we will be around 6.5% GDP growth rate. If held up investment projects start moving fast, this growth is achievable. With states competing for investments and the PM selling India as an attractive business destination, all combined can make us achieve 6.5% growth rate in FY15-16.

**India ranks low at 134 among 180 countries on World Bank's 'Ease of Doing Business' Index. At the current pace of action by the**

## government, where do you see the country a few years from now?

I think in the next 3-4 years' time, India should certainly come to a level of 50 or better from 134 at present. We should devise some mechanism to evaluate ease of business among various states. If you were to that, you'll find a wide variation. That will indicate which are better and which not. Like vibrant Gujarat, now we have Madhya Pradesh following that. There's an environment now where states want to compete with each other. The centre state relationship is being redefined. States are beginning to compete with each other to become attractive investment destinations because all of them want jobs. Actual action takes place in the states.

## How is it different dealing with the new government for the industry?

We're seeing the impatience of this government in the way they want information, data, organisation and assistance. Secondly, they're open to ideas and are asking for studies. However, the big bang approach is a misconception. It's better to have gradual changes and have them implemented rather than an approach in which we get stuck. I think this government's approach is proactive and creative. Who would have thought that the new government would talk about Swachh Bharat or cleaning toilets? That's out of the box thinking and a breath of fresh air.

## What are the anxieties of the industry as far as the new government is concerned?

In the entire government, the PM is trying to bring a tremendous mindset change in governance structure. We want to start seeing results on the ground of effectuation of policies to take the country forward. For a company or for a country the challenge is always implementation. We need to get the policies implemented fully and because many subjects being concurrent, the centre and the states both have to come together. No one will ever get 100% decisions right. There will be some wrong decisions. One must be able to change track when things not working and continue ahead. The industry is not able to make a five year plan as no one is certain what may happen in five years.