

CII chief calls for incentive-based schemes for labour-intensive sectors

FE BUREAU
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CII PRESIDENT SANJIV Bajaj said on Tuesday that while the production linked incentive (PLI) scheme will give industry a booster shot, employment-intensive sectors like tourism and footwear also need incentive-linked programmes. "In many sectors the capacity utilisation has hit 70% so there is room to expand. Once there is some stability and the risks, created by the war, come down, we should see capex picking up," he said.

Bajaj called for a GST-like system that would ease the problems of entrepreneurs relating to land, energy and labour, and improve the ease of doing business. Moreover, he highlighted the need for a tech-



nology mission that would help small businesses get access to technology.

"There needs to be an enabling framework by which the government and academia can work together to help MSMEs access technology," he said. Moreover, it was important to ensure smooth flow of credit and capital to businesses. In this context, Bajaj stressed the need for more competition in the lending space and more privati-

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sation by the government of lenders. He mooted the idea of allowing large non-banking financial companies (NBFCs) to offer full banking services.

CII expects the share of manufacturing in the country's GDP to hit 25% by 2031 from 16-17% at present.

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The government, he observed, had taken a bold step to lower corporation taxes to spur investments. "As a country, we have an opportunity to become a manufacturing hub and we need to create the ecosystem to use this opportunity," he said, pointing out the record exports were an indication India did have the ability to sell in the global market.

It was also necessary, the CII chief said, to ensure there is skilling and re-skilling of the workforce. While automation could take away some jobs in manufacturing, job opportunities would also be created, as is happening in the services sector; industry has a way of adapting to situations. CII has initiated a three-year skilling programme for 300,000 MSMEs.