

'All political parties want economic growth'

CII will push for reforms in tax, manufacturing and old laws, says new chief

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In areas where the Government-owned companies are not doing well, privatisation is an answer, Ajay S Shriram said.

Shriram, who took over as President of the Confederation of Indian Industry (CII) last week, feels the need is to incentivise the

business environment while following good corporate governance norms.

In an interview with *Business Line*, Shriram said the requirement for privatisation will vary from industry to industry, but will also expand the shareholder base of these companies. It will mean more questions being asked.

Taking charge at a time when the Government at the Centre is set to see a change, Shriram said every political party today wants economic growth. Edited excerpts:

How do you see the economic agenda of various

political parties impacting growth prospects?

Every political party today wants rapid economic activity. There is no dichotomy. Each one's path and priorities may be different, but the target is same. We are ready to work with any Government that comes in.

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INTERVIEW

Which policy issues have the UPA failed to address?

In the first five years of this Government, they had an average of 9 per cent growth; two years after, it was 8 per cent; and it has come down in the last two years.

But it's now steady again. I think the Government has moved in a positive way. The areas where we would have liked the Government to give a push included Goods & Services Tax that would bring more transparency, better revenue generation, and facilitate faster movement of goods.

Manufacturing is another area where CII wants to work with both with the Centre and States.

Besides, the existing laws, which are decades old, need to be revisited. For example, some of the environment laws have not changed while environment technology management has changed.

How do you react to States not moving in sync with the Centre on FDI in multi-brand retail?

I think FDI in retail

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AJAY S SHRIRAM
CII President

is a good economic activity that the country needs. The farmers benefit and also the Government. Getting multi-brand retail will cut middlemen. Today, there are seven-eight middlemen between the farmer and the fork. The farmer gets only 15-20 per cent of the retail price. We want that to double. Farmers should benefit from everything — bring down the movement of transactions, bring down the costs and consumer benefits. The whole activity grows. Once the economic activity grows, each one has a role to play.

Privatisation has been an issue. What is your take?

In areas where the Government companies are not moving ahead, privatisation is an answer. It varies from industry to industry... Once you have a larger shareholder base, questions will be asked, then the approach will change. Even a partial disinvestment is a good thing to start.

Do you think Government auditors should audit accounts of private companies?

Government companies are run

under different structures or rules. Many public sector companies are also doing well — BHEL, ONGC, etc. But the issue is how do we make those not performing work better. The issue of having an audit is a process which an onus every company has to take.

For private firms, I don't think CAG audit is a good idea. We already have the Company Law mandating it.

Don't let one black sheep damage 99 other white sheep. If there is a need to do something, then adopt the mechanism which was taken for Satyam. But don't unnecessarily damage the business environment.

Do you see politics when Government intervenes in commodities pricing?

For the sugar industry, the Rangarajan committee came out with a solution — a win-win for all. One can't have a situation where only one benefits. Yes, there is politics which is not keeping a balance in the sugar price.

Take gas/petroleum price, there is a need to take a little aggressive but balanced view of what is good for the country. With the amount of money going into subsidy, frankly, we should have had more people coming out of the poverty line. Targeting of subsidies is important whether they use the national population register or Aadhar. Give the subsidy where it is needed and use the money for making the basic development of our country.

