

ON TRUST DEFICIT BETWEEN THE GOVERNMENT AND INDIA INC

‘It takes two to clap ... Key is to run in a transparent way’

CONFEDERATION OF Indian Industry (CII) president VIKRAM KIRLOSKAR on Tuesday said the government should expand the fiscal deficit in the current year to push infrastructure spending for boosting growth. The industry and government should also work to narrow the trust deficit between the two, he said in an interview with SUNNY VERMA. Edited excerpts:

CII met Finance Minister Nirmala Sitharaman today in a pre-Budget meeting. What are your suggestions for economic revival?

We have met the Finance Minister, along with several other associations. We made few key suggestions. First is we felt that the government should perhaps pay less attention to fiscal deficit this year and let it expand by small amount and increase the infrastructure spending, and then go back to reducing the deficit over the next few years. This is again to push for demand. Second, payment of Rs 4,000 per farmer (under PM-KISAN) should be front-loaded. It has already been committed so that's not an extra burden. On pending payments to private companies, the government has already assured that they have released about Rs 60,000 crore. We also spoke about how liquidity to NBFCs can be improved.

You also discussed the issue of trust deficit.

Trust deficit we have talked about again. People who don't follow the



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VIKRAM KIRLOSKAR
PRESIDENT, CII

law, be very strict and close those issues, but generally most people are following the law, don't unnecessarily criminalise items in our normal work.

Basically you are talking about trust deficit between industry and government?

Yes, industry (and) government. Because of various issues, you start putting in very strict laws to make it (offences) criminal, whereas for criminal issues, the law of the land is already there. Please take action and do whatever you have to do and do it fast, no one will say that don't do that. But, people who are running legitimate businesses,

should not be hampered by all kind of laws which make it difficult to run the business.

You spoke of trust deficit, and another industry veteran, Rahul Bajaj, recently spoke about fear in the country. What's your view?

I think it always takes two people to clap. Industry should run in a very transparent way and request the government to be run in a very transparent way. That's the only way you can build trust and that cannot happen overnight.

CII has been very vocal on economic issues, but did not issue any statement or comment when numbers for GDP for second quarter were released, which pegged growth for July-September at 26-quarter low of 4.5 per cent.

You know headwind is a headwind, by saying you cannot make it a tailwind. The only thing we can do is get more data, try to find out what are possible solutions, what we think are good ideas, talk with our members and go back to the government explain what our members are thinking. You have to do it the hard way. Just saying things that this is bad or this is good, what difference is it going to make. From CII's viewpoint, our intention is not just to criticise for the sake of criticising. We like to work cooperatively with the government. People say you are being very nice and sweet, that's not the issue. I think the issue is trying to come to a common un-

derstanding of the problem, then try to solve the problem rather than create it.

While corporate tax cut would help businesses, are there any sectoral issues or sectors which require support?

Well definitely, my industry (automobiles) definitely requires support. How to get it is the question. Support that we are looking for is that policy should remain firm. For example, CAFE-1 (Corporate Average Fuel Efficiency) that we are doing now and moving to CAFE-2 from 2022 — the next set of norms. No one should change CAFE-2 (deadline) all of sudden. There is a cycle in the auto industry for development and amortisation and you have to respect that cycle. Then the government should keep long term policy and not short term policy, and make it simple.

Some industry leaders argue there is oligopolistic formation in many of the sectors in India such as telecom and e-commerce. Are you concerned?

I don't know what you think in Delhi, but in Bengaluru we see 200-300 new companies being formed every month. And Bangalore is still adding about 10-14 million square feet of prime office space every year, it's not going to the existing companies. There are a lot of new players coming in a big way, mostly in the tech space. You will see new player come up because our market is very open.