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# Spending the lone remedy: CII prez

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WITH the economy reeling under a slowdown, automobile baron Vikram Kirloskar, who is also president of the Confederation of Indian Industry, wants the Centre to spend its way out of the trouble.

"The slowdown is a matter of concern as no one knows how long it will take to recover. I feel that at this point of time, spending is the only way out of the slowdown. The government should spend on infrastructure projects, in rural schemes," Kirloskar said in an interview with *TNIE*.

With heavy expectations that the upcoming Budget would have measures to prop the ailing economy, he felt that the Centre shouldn't worry about fiscal deficit too much at this

juncture. "The Budget should focus on the spending. There is a need to drop the guards for the time being. Slight fiscal slippage is not going to hurt," Kirloskar said.

The chamber has already met the government and spoken about its apprehensions and expectations. As the Centre has already reduced the corporate tax and with personal income-tax rate cuts possibly on cards, Kirloskar said it will be "unrealistic" to expect any radical tax cuts.

"We can't ask for the impossible. The Centre cannot reduce GST rates on everything. From where will the revenue come?

The only way is that wealth is created in the economy, so that people have money to

spend," he said.

Acknowledging the several initiatives by the government to improve the business climate, he said there is much to be done on priority basis. "First (step) is to make equity more attractive than the debt. You cannot have debt instruments with higher return rates than equity. Also, government should not shy away from perusing FTAs, of course while keeping Indian interests in mind. There is also a need to fix the NBFC sector," he said.

Playing down the trust deficit with the Centre, Kirloskar said the industry's intention is not just to criticise for the sake of criticising, and that "we like to work cooperatively with the government."



**We like to work cooperatively with the government. The attempt is trying to come to a common understanding of the problem, then trying to solve the problem rather than create it**

Vikram Kirloskar, president, CII