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**FM CALLS FOR INCLUSIVE DEVELOPMENT AND MORE INVESTMENT IN
INFRASTRUCTURE SECTOR**

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The Union Finance Minister Shri Pranab Mukherjee has said that we need to make the development process more inclusive and also as a means to create sustained opportunities for growth in the country. He said that there is urgent need to improve the reach and quality of our social and physical infrastructure, reduce the regional imbalances and improve the opportunities for the less privileged, while strengthening the role of Government as an enabler. Shri Mukherjee was delivering the inaugural address at the 106th Annual General Meeting (AGM) of the PHD Chamber of Commerce here today. The theme of the conference was "India 2021: Promise or Progress". The Finance Minister Shri Mukherjee also released a book entitled "Growth Prospects of the Indian Industry" on this occasion.

The Finance Minister Shri Mukherjee said that India needs to invest an additional 3-4 per cent of GDP on infrastructure to sustain current levels of growth and to equalize its benefits. Shri Mukherjee said that development of quality infrastructure and ensuring its broad-based, regional and rural-urban balance is central to sustaining high growth. He said that areas like power and energy, ports and regional airports, water resources, rural connectivity and urban infrastructure are in need of a quantum leap. To boost private sector investment, Public-Private Partnerships (PPPs), with supporting initiatives like viability gap funding need to be adopted widely in all the infrastructure sectors, the Minister added.

The Finance Minister Shri Mukherjee also said that Planning Commission and the administrative Ministries concerned are seized of the issues relating to the key infrastructure sectors. He said that in order to ensure adequate flow of funds to infrastructure, the Government has notified guidelines for setting-up Infrastructure Debt Fund to attract new sources of long-term providers of debt. The Finance Minister said that RBI, in consultation with the Government of India, has also rationalised and liberalized the external commercial borrowings (ECB) policy during the current financial year.

The Union Finance Minister said that we have taken other policy initiatives in the past few months. He said that the 'National Manufacturing Policy' aimed at enhancing the share of the manufacturing sector in India's GDP to 25 per cent over the next ten years has been approved. Shri Mukherjee said that it would require the sector to grow at 12 to 14 per cent per

annum creating millions of job opportunities, in the process. There is a need to address the constraints related to availability of land for industrial development, among other factors, to make a success of this initiative, the Minister added.

The Finance Minister Shri Mukherjee said that we have done well in maintaining our growth momentum despite the impact of the unprecedented global economic developments over the past three years. Shri Mukherjee said that all major economies of the world are struggling to avert a recessionary phase and persistently high level of unemployment. The Finance Minister said that the IMF in its September 2011 World Economic Outlook has revised the global growth projections downward to 4 per cent for 2011 from the earlier 4.3 per cent. He said that India has been impacted by these developments. This Outlook has also reduced India's growth forecast from 8.2 per cent earlier to 7.8 per cent for 2011, the Minister added. He said that our own revised projections suggest that we should grow at 7.5 +/- 0.25 per cent in the fiscal year 2011-12. Globally, for policy makers this is one of the most challenging phases, the Finance Minister added.

The Union Finance Minister, Shri Mukherjee said that Foreign Direct Investment (FDI) in retail sector, PFRDA Bill and other major legislations which are part of the new economic reforms continue to be high on the agenda of the Government. He said that we are trying to build a consensus on these issues for their smooth passage by the Parliament and that is why it is taking more time. Shri Mukherjee said that present situation is no doubt difficult but I am very much confident that we have both capacity and resilience to overcome this difficult situation collectively as we have done in the past as well. He asked the Captains of Indian Industries to cooperate with the policy makers to overcome any challenging situation. He said that by 2021, we would have large number of young entrepreneurs and workers who will take the nation forward. Our work force needs to be skilled one and that's why we have launched national skill development programme to make a work force of 500 million skilled manpower ready by that time to meet any challenging situation, the Finance Minister concluded.

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