

National Investment and Manufacturing Zones Transformative for India and an Investment in the Future of the Country: Commerce, Industry and Textile Minister Anand Sharma to IBEF

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In an exclusive and a candid conversation with India Brand Equity Foundation (IBEF), Mr. Anand Sharma, Minister for Commerce, Industry and Textile, Government of India, shared his views on the future outlook on the Indian economy – importance of the recent set of economic decisions, including FDI in multi-brand retail, the export policy, and the *Brand India* campaign at the upcoming Annual Meeting of the World Economic Forum (WEF) scheduled for January 23-27, 2013 at Davos, Switzerland.

Mr. Anand Sharma, who has played a key role in the recent FDI policy announcements made by the government, when asked about the economic impact of the FDI policy said that the policy announcements carry a message to India's partners to look at the opportunities offered by India.

Highlighting the impact of FDI in multi-brand retail on infrastructure development, Minister Anand Sharma said that, "The minimum threshold that we have is US \$100 million for any FDI proposal to be considered and half on this investment is for backend infrastructure." Mr Sharma mentioned that the foreign technology and know-how will help India create efficiencies in the integrated value chain in the multi-brand retail sector and add new employment opportunities at both the front and the back-end.

Reiterating the significance of the National Manufacturing Policy as one of the biggest policy initiatives India had taken, the Minister said that, "It would take the share of manufacturing up from 16% to 25% of GDP and would create 100 million skilled jobs in one decade in India." Referring to the National Investment and Manufacturing Zones, he said, "these would be integrated industrial townships that are not brown-field but green-field. 12 of these had already been notified, which would not only be transformative but is an investment in the future of the country". Building infrastructure remained a key priority for the government and offered a US \$1 trillion investment opportunity in the sector over the next 5 years.

India as a young nation of 1.2 bn people with a median age of 23-24, is aspirational and has the capacity to grow and the ability to engage.

On the future outlook of the Indian economy, Minister Anand Sharma said that the fundamentals of the Indian economy remained strong. It is the National Investment rate which has to go up from the current level of 30%-31%. An increase to 35%-36% was desirable, which would lead to growth in the GDP and for which the government and the industry would have to work together.

As regards the export policy, the Minister said that market diversification was a conscious decision. The Foreign Trade Policy 2009-14 added 41 new markets. The deficit in Trade Account has to be addressed by pushing exports, attracting FDI and remaining competitive globally. Conclusively on this topic, the Minister stated that, "If you and rightfully so, an aspiration to be a major player in the global economic order as there is a rebalancing of the



global economy, India has to take the initiatives which are required to meet those objectives and that is what we are trying to do.”

On the Brand India campaign – *India an aspirational nation of potential and promise, Land of limitless opportunities, India beckons the world* - proposed to be undertaken later this month at the Annual Meeting of the World Economic Forum at Davos, Minister Anand Sharma reiterated that India is a land of opportunities and potential, and a country which has promise.

About India Brand Equity Foundation (IBEF)

Web: www.ibef.org

India Brand Equity Foundation (IBEF) is a Trust established by the Ministry of Commerce. IBEF’s primary objective is to promote and create international awareness of the *Made in India* label in markets overseas and to facilitate the dissemination of knowledge of Indian products and services. Towards this objective, IBEF works closely with stakeholders across government and industry.

To learn more about the initiatives and developments taking place at the IBEF *India Adda* at Davos, visit: <http://www.india-at-davos.ibef.org/>

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