

India Budget is pragmatic, growth-oriented: US-India chamber

PTI Washington March 1, 2011



The annual **Budget** presented by Finance Minister Pranab Mukherjee on Monday has been hailed by a US-India business chamber as pragmatic and growth-oriented.

"Increase in healthcare and infrastructure expenditure is a positive step. We hope a serious attempt is made in the coming years to promote research and development in BioPharma," said Karun Rishi, the president of the USA-India Chamber of Commerce (USAIC).

The Chamber holds a US-India Bio Pharma summit every year that is attended by top industry leaders, besides officials from both countries.

"The Indian Finance Minister has presented a pragmatic growth-oriented Budget. We applaud the initiatives taken for inclusive growth," Rishi said in a statement.

Noting that inflation remains a key challenge, Rishi said the government will need to use innovative fiscal and monetary policy tools to curb inflation.

"Spike in crude oil prices due to crisis in the Middle East can hurt the growth. This can upset the Finance Minister's calculations," he said. However, he added it was unfortunate that reforms in retail, insurance and tax were bypassed.

Meanwhile, noting that the Budget presented by Finance Minister Pranab Mukherjee sets forth clear parameters to sustain and spur greater investment in India's infrastructure sector, Corporate America on Monday said the confidence-building measures bode well for the country.

"The sheer confidence this Budget represents is worthy of our praise," said Ron Somers, the president of the US-India Business Council (USIBC), adding that the proposals will give greater impetus to invest in the "India opportunity".

American industry also praised the liberalisation of foreign institutional investment (FII) in equity mutual funds.

"The opening of the mutual fund industry to FIIs is a step that will serve to mobilise significant amounts of capital and expertise in India's financial markets," Somers said.

"This change, along with the raised FII investment limits in some infrastructure bonds and strides leading to a predictable, streamlined investment tax regime, will ultimately bolster India's efforts to build-out the country's infrastructure. US industry stands ready to be full participants in this activity," he said.

US firms read as a favorable indicator the government of India's stated goal to eliminate bottlenecks in the country's food distribution system, which hints toward opening up the country's multi-brand retail sector.

India is presently battling a steep food price-rise and inflation. These twin challenges can be addressed by improving efficiencies in the farm-to-market supply chain, which will be benefited by inviting into this sector both technology and investment, the USIBC said in a statement.

"The beneficiaries of modern retail, resulting from improved access to food distribution outlets, will be farmers," Somers said.

The Union Finance Minister pointed out "the massive inefficiencies in India's agricultural supply chains" in his Budget, remarking that "high cost hurts rural farmers most".

"India's next evergreen revolution, spawned by the greater efficiencies in India's farm-to-market supply chain that will be brought to bear by the entry of organised players in this sector, is a 'game-changer' that will benefit the millions of Indians who make their living in the rural agricultural sector," Somers said.

In addition to the 'hard' and 'soft' financial infrastructure attributes of the Budget, combined with the prospect of opening up India's multi-brand retail sector, US industry hailed India's signal to enhance spending in the defence and security sectors.

India has embarked on a \$46 billion upgrade of its military over the next year, it said.

The USIBC said American firms are eager to partner with Indian counterparts to bring the 'best technology' to India's armed forces and security establishment.

STORY TOOLS

[AA](#) Change font size

[Print this story](#)

[E-Mail this story](#)

Replay

More than 50 lac buyers & suppliers are benefitting.

ARE YOU?

indiamart.com
Source > Supply > Grow

Register Your Company **FREE!**