

**SPEECH DELIVERED BY RANDEEP SINGH SURJEWALA, MINISTER FOR INDUSTRIES, PWD (B&R), PARLIAMENTARY AFFAIRS AND SCIENCE & TECHNOLOGY, GOVERNMENT OF HARYANA AT 'INVEST NORTH' CONCLAVE HELD BY CONFEDERATION OF INDIAN INDUSTRY (CII) AT NEW DELHI ON 26<sup>TH</sup> AUGUST, 2013**

As I stand before this august gathering today, I want to thank Confederation of Indian Industry (CII) and leaders of Indian Industry for your belief, your faith and your trust – in the strength of Haryana's and India's economic and social foundations. I know that with a rapidly declining rupee, downgrading of India's credit worthiness by certain private International credit agencies, flight of Foreign Direct Investment (FDI) and reduction in Gross Domestic Product (GDP) growth rate in country to about 5%; doomsdayer's prophecies of 'I told you so' may sometimes appear partially true. Yet, I must say that it is our job as governments, both at the State and National level to fix the engine, enhance the torque (as my friends from JCB may say) and enhance the BHP (as Mr. Munjhal may put it) but we finally look up to you and millions of other small, medium and large entrepreneurs to captain and propel the ship forward.

States of the Union, including Haryana, can not live in silos and remain unaffected by downward trend of National economy. While officers and other friends from the State have already brought out various strengths of Haryana, some of which I shall also dwell upon later, I take this opportunity to present to you a few facets of India's economy today and its outlook.

**CURRENT NATIONAL SCENARIO AND UPA**

India is today passing through a serious economic meltdown. Let me be the devil's advocate for a while. There are some serious indices to ponder over, some of which I must list:-

- \* In recent times, our currency has got devalued by -16%, the only other two currencies below us being that of Brazil at -17% and South Africa at -20%. Same can also be said to an extent about the stock market.
- \* Our fiscal deficit as a percentage of GDP has reached 5%.

- \* Our Current Account Deficit (CAD) is -5%. The only two countries that appear to be below us are South Africa at -5.8% and Turkey at -6.6%. All of this is when the maximum sustainable CAD is 2.5% and increased deficit is not happening on account of increased growth.
- \* Debt of top ten corporates in India has increased from 1,000 billion Indian rupees in 2007 to 6,000 billion Indian rupees in 2013. Take another factor, Indian corporates invested US \$ 21 billion in 2008 but in 2013, this investment has come down to US \$ 7 billion. Also, it is estimated that 20-25% companies in India do not have the requisite resources to service their debt.
- \* Our annual gas and oil bill is US \$ 160 billion and our annual gold import bill is US \$ 50 billion.

May I say that critics and self-appointed political aspirants for high offices, a section of extreme right wing economic thinkers and some friends in the media have already jumped the gun, comparing the present day economic meltdown to a 1991 like scenario.

Friends, with all humility at my command, they are miles away from reality. In their quest to eulogize and crown a Prime Ministerial aspirant without a proper public mandate of 121 crore Indians, they are sub-consciously and consciously berating India's great socio-economic strength brought about by UPA government headed by Smt. Sonia Gandhi and Prime Minister, Dr. Manmohan Singh.

**And may I state a few facts:-**

- \* In 1991, India's Foreign Exchange Reserves (FER) were US \$ one billion. In 2013, our FER are US \$ 288 billion.
- \* In the eight years of NDA regime i.e. 1995-96 to 2003-04, average growth rate in India was 5.7%. As against this, average growth rate in the eight years of UPA i.e. 2004-05 to 2012-13 is 8.2%.
- \* With 62% of India still depending upon agriculture, a primary indicator of growth is agriculture. In the 10<sup>th</sup> Five Year Plan i.e. 2002-07, our agriculture growth was 2.4%. As against this, in the 11<sup>th</sup> Five Year Plan i.e. 2007-12, agriculture growth was 3.6%. Resultantly, per capita rural consumption in India also rose at 2.9%

during the UPA regime of 2004-05 to 2011-12 as compared to 1% during NDA regime. Even the rural real wages increased at 6.8% during 2007-2012 as compared to 1% earlier.

### **A REFORMIST AGENDA – A WAY FORWARD**

While economic slowdown is a reality caused by rapidly volatile foreign exchange markets, flight of capital from emerging nations to old economies of US/Canada/UK, a further downslide in demand from European Union and a number of localized factors, UPA government has taken a bold, new leaf in reducing subsidies and unleashing reforms. **Let's note a few:-**

- \* Reduction in petro product subsidy is one of the boldest, biggest and politically riskiest reforms unleashed by UPA. Net consequence is that gap in under recovery of diesel has been reduced from Rs.13/- to Rs.2/- per litre and petrol to almost zero. LPG and kerosene subsidies have also been brought down to an extent after decades. This, my friends, required great fortitude, determination and balancing of scales.
- \* Increased duty on gold import, an unpopular step amongst the common man, has led to a sharp decline in import of gold during July-August, 2013 saving precious foreign exchange.
- \* FDI in 'insurance' has been raised from 26% to 49% under automatic route. FDI in 'single bend retail' has been increased to 49% under automatic route and to 100% with permission of foreign investment promotion board. With India being the second largest producer in the world producing 240 million tons of fruits and vegetables annually with only 23.6 million tons of storage capacity, it is an important milestone in bringing food from 'farm to plate' at lower prices with maximum investment. FDI in 'oil refinery', 'commodity bourses', 'power exchanges' and 'clearing corporations' has been increased to 49% under automatic route. FDI in 'basic and cellular services' has been increased from 74% to 100%. FDI in 'assets reconstruction firms', 'tea plantation' and 'courier services' has been increased to 100%. Those are some major reforms forward.

- \* Government is setting up 50 new airports at different locations including one at Hisar and another at Karnal in Haryana.
- \* Construction of 'Delhi-Mumbai Industrial Corridor Project' starting from Gujarat to Haryana has begun.
- \* 'Direct benefit transfer scheme' to bring transparency and eradicating corruption has been extended to 127 districts currently.
- \* 8,000 new banks are being opened by Government of India in 2013-14 for social inclusion. LIC and other insurance companies have been directed to open their office in all towns with a population of 10,000. A new committee constituted and headed by Prime Minister has already given clearance to 76 pending projects awaiting environment clearances over last four months.
- \* Government of India has introduced and implemented 50 major reforms in last one year.
- \* Two new huge ports in West Bengal and Andhra Pradesh have been sanctioned and National Waterways I and II have been opened.
- \* Measures have been taken to streamline 70 out of 147 centrally sponsored schemes.
- \* A new bank licensing policy has been announced and new bank licenses are being granted.
- \* New gas pricing reflects market realities better and incentivizes exploration.

These are but some of the bold new measures to propel growth, to drive economy and to unleash rural potential of India and all of this when our inherent fundamentals and local markets remain robust and strong. So my humble request to doomsdayers, don't cut the tree of life in search of unsurpassed negativity.

### **HARYANA – A SHINING EXAMPLE OF INDIA'S GROWTH**

Friends, Haryana – land of Bhagwat Geeta and Eternal Karma – has surged ahead of the entire country and many Asian nations in 'infrastructure creation', 'growth rate', 'investment translation' and 'ease of doing business'.

With 1.6% of India's geographical area and 1.19% of its population, Haryana contributes 3.4% of National GDP. Our commitment to economic growth can be gauged from a few facts:-

- \* In eight years of Congress rule since March 2005, Haryana has surged ahead from 14<sup>th</sup> rank in 'per capita investment' to 1st rank in the country.
- \* Except for the small State of Goa, Haryana has surged to 1st position in the country with 'per capita income' of Rs.1.24 lakh during 2012-13.
- \* Haryana is already No.1 with 81% of all committed investments materializing on the ground.
- \* In last eight years of Congress rule since March, 2005 upto 2011-12), our economy has grown at an excellent average annual growth rate of 9.3%, which even in 2012-13 was over 8%.
- \* Not to mention that Haryana has highest 'per capita wheat productivity' in India and highest 'per capita milk production' in India, a fact for which our Chief Minister has been awarded for last two successive years by none less than the Hon'ble President of India.
- \* Maturity of Haryana's economy can be gauged from the fact that manufacturing and service sectors contribute to about 83% of State's GDP. It is for this reason that our planned budget i.e. the budget we spend on creation of social and physical infrastructure has increased from Rs.2,200 crore in 2004-05 (when Shri Om Parkash Chautala was Haryana Chief Minister) to over Rs.27,000 crore in 2013-14. Friends, this is over 1200% increase in the developmental budget of any State in the country that is truly unprecedented.

### **HARYANA – AN INVESTMENT DESTINATION**

While my colleagues have given details of various investment options in the State and more can be furnished, you can validly ask me and our government – why Haryana? I would say that 'yes', 'only Haryana'.

Only Haryana – because of ease of doing business; only Haryana – because positive energy of our Chief Minister and our government is our trade mark; only Haryana –

because of its astounding infrastructure and it being the throbbing heart of North India with complete road, rail and air accessibility to half of the country; only Haryana – because it is the fastest urbanizing State of India with youngest population who are largely skill-trained; only Haryana – because these indices make us home to nearly 1,000 National and Multi-National companies.

Friends, may I say that we are neither communally polarized like many West Indian States in the country nor are plagued by organized criminal mafia like in many large Central Indian States.

While proximity to Delhi is our strength but it is only part of the story. Our biggest strength is tolerance of our people, our capacity to assimilate and to harness talented individuals as also organizations. As I have said many times earlier, in Haryana, we will not judge you by your sub-nationalities, nationalities, language, religion, gender, colour of your skin or even by your financial capacity. We will judge you only by your talent, your intellectual capital, your capacity to invest and grow and to be part of Haryana's and India's growth story.

Friends, I call upon you to pose, to ponder, to look around and to look within and search your heart and tell me – can the topnotch business centres of India from Ahmedabad to Bombay (or shall I say Mumbai), to Bangalore (or shall I say Bengaluru), to Trivandrum (or shall I say Thiruvananthapuram), to Madras (or shall I say Chennai), to Calcutta (or shall I say Kolkata) – say the same thing? As a young Indian, I must say that quest for identity of language, religion, region and colour of skin is holding back the unleashing of true growth story of India. Sooner, we, the Indians, realize it the better, it would be for our successive generations.

Humbly, I want to ask all those who seek to divide the polity with their parochial machinations to take a cue from the city of Gurgaon where you will find any number of Japanese, Korean, Thai, German, Spanish, Italian and Chinese food outlets catering to expats and Indians mingling as one and co-existing with outlets selling '*pakor*s, *paranthas and lassi*'. Simple as we Haryanvis are, we only recognize the colour of humanity and colour of growth and that is a political lesson that our Chief Minister sitting here and all of us have learnt, inculcated and spread.

Hence, I welcome you to the land of equal opportunities – only Haryana.

**JAI HIND!**