

# India needs to aspire for 8-10% GDP growth: Assocham chief

**AIMING HIGH.** Country well placed to achieve at least 6.5 per cent GDP growth this fiscal

**KR Srivats**  
New Delhi

India has to be ambitious and look to achieve 8-10 per cent GDP growth on sustained basis, Sanjay Nayar, President, Assocham, said on Wednesday.

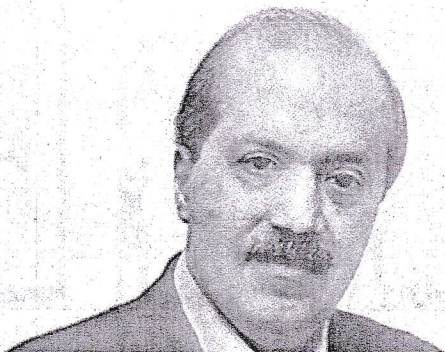
"Only if you aspire for 8-10 percent GDP growth, you will do the things that are required to get there. If private sector jumps in with capex push, it can be done. The markets are telling you 8-10 per cent growth is possible while we are still floating around with 6.5-7 per cent aim," Nayar told *businessline* in an interview.

Nayar, a well-known name in the global financial markets and Founder and Chairman, Sorin Investment Fund, said that a 6.5 per cent GDP growth is in the bag and a 7 per cent growth will be a great outcome.

## **PVT SECTOR'S ROLE**

Nayar also said that one must understand the reasons why private sector has not jumped the whole hog in capex investments although green shoots are visible.

"It's not a full-blown expansion from private sector



Today, cost of capital is quite low. Corporates must leverage on good valuations in equity markets, raise equity and build assets.

**SANJAY NAYAR,**  
President, Assocham

the way markets are discounting. The markets are discounting 18-20 per cent growth. There are early signs of credit pickup, project announcements. It's not commensurate with what markets are telling us," he said.

Nayar felt that reasons for private capex not picking up could be perception around absence of long-term demand.

Another issue could be generational shift and the way the next generation is keen to create wealth by de-

ploying working capital in financial markets rather than build factories, he added.

"It can't be cost of capital that is coming in the way of the private sector. Indeed today cost of capital is quite low.

"Corporates must leverage on good valuations in equity markets, raise equity and build assets," he added.

Meanwhile, Assocham has embarked on a study of MSMEs that are part of its membership to better understand the constraints faced

by them as regards cost of doing business. "This study should be ready in couple of weeks and we will share it with the government," he added.

Nayar also endorsed the approach in the recent Budget to prioritise fiscal consolidation over ramping up welfare expenditure, noting that it is a prudent strategy by the Government.

The recent Budget move to peg the public infrastructure capex at ₹11.11 lakh crore for 2024-25 is good. There is also need to reinvigorate national monetisation plan in whatever form, he added.

## **JOB CREATION**

On the four schemes announced in Budget for job creation, Nayar said that full impact on private sector and its contribution can be known only after about six months and still there are more work and guidelines required on that front.

Given the global uncertainty and increased protectionist tendencies across the world, India would do well to focus on opportunities in the domestic market to push up overall economic growth, Nayar said.