$5 trn economy possible in 18 mths: Kamath

Infrastructure development would be the key driver of India's growth, says NaBFID chairman

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K V KAMATH
Chairman, NaBFID

ANJALI KUMARI
Mumbai, 4 August

KV Kamath, chairman of the National Bank for Financing Infrastructure and Development (NaBFID), expressed his confidence in India's potential to achieve the $5-trillion economy target within 18 months.

"Between 2003 and 2008, we doubled our growth, which was the fastest growth till now. There were various reasons we slowed down, but we caught up again. Now, we are confidently talking of taking our $3.5 or $4 trillion (economy), somewhere in between, to $5 trillion in the next 18 months or so," Kamath said at the annual Maharashtra Green Infrastructure Conclave 2023.

He added, "These numbers are also dependent on the exchange rate, but I think for the nation $5 trillion (economy) is in sight."

He further emphasised on Maharashtra's potential for growth and encouraged stakeholders to set their sights on a $5-trillion economy instead of settling for a $1-trillion one.

"Maharashtra is growing at 9 per cent; $500 billion now and you can get to $1 trillion in the next 7-8 years. We can compound two more turns and get to $5 trillion," Kamath further said.

According to Kamath, infrastructure development would be the key driver for India's growth, especially in transforming its cities.

He stressed the need for significant investments in infrastructure projects. "India's matter is very clear, growth is going to be led by infrastructure," Kamath said.

Kamath advocated for a shift in perspective from the conventional 5-10-year horizon to a more extensive 25-year target when it comes to infrastructure development.

Additionally, he highlighted that corporate India and banks have improved their financial health, with the top-500 companies holding minimal debt and enjoying robust cash flow.

He said that banks have also improved their balance sheets in recent years and are now maintaining a strong capital adequacy.