

‘Interest in India remains very high’

We Will See Huge Inflow Of Investments In Aftermath Of G20, Says Commerce Minister

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Commerce & industry minister Piyush Goyal spent the day meeting French businesses and key government officials, including French minister Oliver Becht. Excerpts from a conversation:

The IMF has lowered its growth projection for India. In your interactions do you sense companies are slowing down investment plans, given the issues in the US & Europe?

What agencies may be projecting as potential growth rate. . . The reality is that India is today a large market of 1.4 billion people and is by itself a huge domestic market. Our own share of world trade is relatively small, despite the massive growth over the last two years. India is gradually moving more and more into an export-led manufacturing-led economy. Our services sector is rapidly becoming the trusted partner of the world. There’s a very bright future ahead of us.

FDI numbers are down, what’s next year’s plan?

Largely, the FDI number has reduced in the startup ecosystem, some of which were due to valuations. In the post-Covid world, we see that there has been a softening of some of those valuations. I would also believe that a lot of the pent-up investment came into the country last year. Therefore, we need not draw up our plans for the long-term based on one year. The interest in India continues to be very large. We will see a huge inflow of investments, particularly in the post-G20 period, where a lot of business persons are coming to India, and are completely taken aback when they see transformational changes that have happened under PM Modi's leadership.

There are concerns over the monsoon. What does it mean for wheat and paddy production and how is the procurement during the current season?

Our paddy procurement has been well on target and we built up sufficient stocks. There is no concern at all on rice for the current year and we still have a second season, where we’ll get additional stocks. In terms of wheat (this season), it’s been slightly delayed because of the unseasonal rains, we had sent our teams to the states that have minor lustre loss or moisture issues, but that is not detrimental to procurement. In next few weeks, we’ll be seeing a significant amount of stocks coming in.

How have companies in France responded to FTA talks with the EU?

Everybody’s very excited. I had very good conversations with the French minister. We have full support from the French government and they are very keen that we should progress on all fronts — for a comprehensive free trade agreement, market access issues, investment protection agreement, the GI agreement. The companies also see tremendous opportunities and believe they will get more comfort with FTA as they firm up investment plans.

How will the carbon tax impact Indian exports, especially when the EU is working on more steps?

India is at the forefront of engaging with sustainability of building up a better ecosystem,

improving our own carbon footprint. It's too early because there is no clear indication of how this is going to operate, the modalities, the transition period. Once we get more clarity, we will be able to come to a negotiating table and find solutions.



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COMMERCE & INDUSTRY MINISTER**