

'Not going back to licence raj'

In an exclusive interview, Sitharaman says focus is on sunrise sectors, job creation

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Job creation is a priority for the government and the Centre is not moving towards a licence raj, Union Finance Minister Nirmala Sitharaman has said amid growing apprehension about unemployment and protectionist measures such as curbs on laptop imports. The FM told *Business Standard* in an interview at her North Block office on Thursday that sunrise sectors and those which can have a big bearing on jobs were given priority.

"So we have to tailor it to suit the demands that we have in our list," she said, while explaining the rationale behind choosing sectors for the production-linked incentive scheme. Sitharaman said the domestic support to the companies would be specific and phased out in a time-bound manner. "We are equally concerned that unless we give support to some areas of manufacturing, they will never be able to stand

up. But that is not going back to the licence raj. It was very specific, targeted and for a limited time and not going to be permanent," she said.

Showing her resolve to control inflation, Sitharaman said the government had never passed the burden of imported inflation on to the consumer. "If there has been inflationary pressure, we have come out openly to say how we are trying to curtail it, bring it down. Except for the last month when it touched and went beyond 7 per cent, it's always been 6 per cent or below."

The finance minister said inflation is a permanent challenge and the government has to work to assuage the common poor citizens who will have to buy things from the market. "But the fact remains that the Narendra Modi government has repeatedly had a better record in managing inflation when compared to any other government earlier. But that doesn't mean I'm going to sit back. We are taking enough measures."

On managing the rising subsidy burden, Sitharaman said the

government had always taken the position that the farmer should not be burdened. "The kind of burden we took upon ourselves two years ago when the price had gone up 10 times, we still didn't burden the farmer. We value the farmers and it is important for India to be food self-sufficient," she added.

Sitharaman said she was confident of meeting the fiscal deficit target of 5.9 per cent of GDP in FY24. "Look at our record (it speaks for itself). Even when there was the gravest of challenges in Covid times (with almost 23 per cent contraction in the economy), we explained in a clear statement (the reasons for missing the target)."

On internationalisation of the rupee, she said there's a lot of interest in rupee trade.

"Countries which no longer have the comfort of a reserve currency like the dollar are happy to deal in the rupee, more so because they find it's been stable against many other currencies. It also gives them a comfort that India is an emerging market. So that is where you find that nearly 22 countries are in discussion to see where they can tie it all up," she said. Turn to Page 6 ▶

Q&A

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INTERVIEW
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IF THERE HAS BEEN INFLATIONARY PRESSURE, WE HAVE COME OUT OPENLY TO SAY HOW WE ARE TRYING TO CURTAIL IT, BRING IT DOWN

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NSE's derivatives market share was 98 per cent, and it was 100 per cent in FY17. The relatively lower competition in the stock exchange business has led to increased profits amid surging markets. The figures for relative profitability for the BSE are similar, although the BSE has been losing market share. A larger proportion of companies listed on the exchange are currently more profitable compared to a few years ago. Asia's oldest stock exchange has over 4,000 listed companies, with approximately 3,759 of them having comparable data since FY17.

An email sent to the exchanges on Wednesday did not receive a reply.

FM...

On the slowdown of the Chinese economy, the FM said it is still not clear whether the real estate problem of China is going to be confined only to real estate. It is closely going to be monitored, she pointed out. "(We are) being conscious that we are not getting the full picture ever," she added.

On the Adani-Hindenburg saga, Sitharaman said short-selling is a common phenomenon even in overseas jurisdictions and helps in improving corporate governance. "Regulators in India are doing the job. There is no hide and seek. But the larger point is that because of this episode, corporate governance comes to check. Even the markets are better informed of compliance. I think it will do a lot of good for the whole country," she added.

On the pending disinvestment of IDBI Bank, Sitharaman said nothing in particular is holding it back. "IDBI should happen... As for when, I want to watch the market and take a call," she added. On the G20 summit outcome, Sitharaman said,

"India has utilised the opportunity of this Presidency in all aspects — diplomatic, finance, and in all other ministerial tracks. In every one of them, the contents were very substantive," she added.

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