



Ajay Banga, who is on his first visit to India, met Finance Minister Nirmala Sitharaman PHOTO: PTI

Banga: India will be shielded from risks of global slowdown

'India gets a lot of its GDP from domestic consumption'

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Amid risk of a global slowdown in the early part of next year, India is expected to remain shielded from its effects due to robust domestic consumption, World Bank President Ajay Banga said in New Delhi on Wednesday.

"The outlook for the world economy is better than expectations, but there is more risk on the downside in terms of a slowdown in the early part of next year. Since India gets a lot of its gross domestic product from domestic consumption, even if the world were to slow down for a few months, India has a natural cushion against (it)," Banga, who is on his first visit to India, told the media following his meeting with Finance Minister Nirmala Sitharaman.

Besides, there were discussions between the finance minister and the global lending head regarding India's sectoral priorities like municipal financing, logistics, recycling of water, and renewable energy grids, for seeking assistance from the World Bank Group in leveraging private investments and how the India and World Bank could cooperate to further the Group of Twenty agenda, as India is one of the largest markets for World Bank in terms of its portfolio.

"The finance minister mentioned that

bridging the knowledge and technology gaps is key to future economic development and the World Bank should accelerate efforts to share the Indian development experience with the Global South," said the finance ministry in a tweet.

Earlier in the day, during his visit to a skill centre in the national Capital, when asked about India's potential growth in high-income jobs, Banga remarked that India has an opportunity to cash in on global firms' efforts to build factories outside China, as companies seek to diversify their supply chains.

"We need to understand where these jobs are. They are in technology, which is very few... then they are in manufacturing. I think India's opportunity currently is to cash in on the China Plus One opportunity. This opportunity won't stay open for 10 years. It is a three- to five-year opportunity when supply chains start relocating or add another location that is going to need work," he said.

His comments follow recent investment announcements by US firms, including chip-maker Micron Technology, in India, as the US looks for a strong counterweight to China in Asia amid growing tensions in ties.

In recent years, many companies have adopted a China Plus One strategy to build new manufacturing units outside the People's Republic.