

'\$10 trillion economy a realistic target by 2030'

HANS-PAUL BÜRKNER, Boston Consulting Group global chair emeritus, recently visited India to attend the Business 20 summit in the national capital. Bürkner, who served as chief executive officer and president of one of the world's top three management consulting firms from 2004 to 2012, discussed with **Surajeet Das Gupta** in New Delhi the challenges and opportunities in pushing India's growth story. Edited excerpts:

Do you believe India has the potential to become a \$10 trillion economy by 2030, or is it merely hype?

Becoming a \$10 trillion economy is a very realistic objective. India has maintained a strong growth trajectory over many years, not just in recent times. Even during the 1990s, when there were a few periods of slow growth, India performed well. Thus, sustaining a 7-8 per cent growth rate is entirely achievable in practical terms.

The key lies in consistent investment in the medium and long terms, encompassing infrastructure, human resources, financial markets, institutions, health care, education, and more.

What are the primary areas requiring focus to foster growth?

An emphasis on building institutions is essential. Many states globally talk about a one-stop shop for domestic and foreign investors. While this is a common narrative, it's seldom realised.

This isn't an issue unique to India; it's a global concern. Navigating through various ministries, agencies, and

regulators to secure permissions takes months or even years, rendering many memoranda of understanding ineffective.

Companies value stability more than the highest subsidies or the lowest tax rates. They seek assurance that existing conditions will remain unchanged for the next five to 10 years, enabling their investment plans to materialise. Prolonged processes result in evolving conditions, a worrisome factor for companies.

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'China Plus One' is generating a lot of buzz. Has India leveraged the strategy?

I prefer not to use the term 'China Plus One' as it implies being an appendix. India cannot be considered an

appendage to anyone; it holds its own position and developmental strength.

Companies worldwide are diversifying their sources of products, markets, and factories. Dependence on a single source is no longer viable, especially considering escalating US-China tensions due to US elections.

Businesses across the US, Europe, South Korea, and Japan are seeking to derisk their supply chains. However, diversification, particularly in sectors like semiconductors, electric vehicles, and aerospace, requires five to 10 years. India can indeed benefit from this trend while also leveraging its substantial consumption market.

Does building a global supply chain necessitate a more open trade policy in India?

Greater openness is necessary. Worldwide trade barriers have led to increased fragmentation of the global economy. This phenomenon is evident in the European Union (EU), China, the US, Canada, Mexico, India, and even Indonesia. While it may seem beneficial in the short term, this obstructs medium- to long-term growth. Indian companies need not fear competition.

The debate revolves around pursuing self-reliance in manufacturing via programmes like Atmanirbhar Bharat or focusing on information technology (IT) services, where India has a global edge. What's your perspective?

I firmly believe that self-reliance, whether for India or any other nation, is a fallacy. This applies even to China, often hailed as the world's factory. The global supply chain is interconnected. For instance, a car assembled in North America incorporates

parts that have crossed the Mexican border numerous times.

While cultivating a robust manufacturing base benefits India, it won't ensure complete self-reliance. This doesn't imply India should exclusively concentrate on IT services. The country boasts strong industries in automotive, machinery, white goods, and consumer electronics.

What are your expectations from the upcoming Group of Twenty (G20) summit in India?

G20 gatherings provide opportunities for countries to showcase themselves. However, significant groundbreaking decisions by leaders or task forces aren't to be expected. These discussions foster collaboration on issues like climate change and tension reduction, contributing to an ongoing process.

Is the impact of ChatGPT overstated?

The ultimate impact remains uncertain, but industries, companies, and institutions will undoubtedly undergo massive changes. Similar to the transformative effects of the internet and mobile services, ChatGPT will usher in changes. However, it won't render us obsolete. This process will span 10-15 years, involving both progress and resistance to change. We'll learn and adapt as we move forward.

How do you perceive India's role in addressing climate change?

India, alongside other emerging markets (EMs), still has a lot of room for economic development, involving increased power supply, infrastructure development, and more. Consequently, emissions will rise in India per capita and among other EMs.

Although India is making efforts, it is unrealistic to halt development due to emission concerns. Striving for enhanced efficiency in sectors like steel, cement, and refineries is vital. Developed nations have to cut back on emissions. Achieving equilibrium between 2050 and 2100 is plausible.

Is India's semiconductor policy on the right track in focusing on ecosystem development rather than chasing after a fabrication plant?

This challenge isn't unique to India; it's prevalent in the US and Europe. We need to start with learning to walk before running, although many would talk about leapfrogging. Basic aspects, including skill sets and design, should be perfected in a multi-year effort. India's approach aligns well with this principle.

Is the EU's response to Big Tech stifling innovation? How do you view India's stance?

Europe's wariness of change and new technology stems from its mature society, often prioritising risk assessment. Real concerns about data privacy, cybersecurity, and power misuse exist. Striking a balance is a constant struggle.

While Europe tends to lean towards caution, similar restrictions are observed in China. There's a global backlash against technology firms and social media.



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“ THERE IS NO SUCH THING AS SELF-RELIANCE ”

