

VIBRANCE ROCKS

Dear Friends,

Let us take a look at current issue. Why Infrastructure? For one, because when the economy slows down everybody talks of investing in infrastructure to get out of the rut. And in times like these, when the malice reaches the menacing meltdown mode, the voices become naturally shriller. That's Lord John Maynard Keynes' Interventionist monetary policy for you, in other words.

Today as we stand here in the beginning of a brand new year and look back at the year that went by, we shudder to see the dead and the lifeless littered on the global economic highway. Indeed, what began as a housing sector crisis in the United States and soon went ballistic with the exposure of the sub-prime bonds have claimed their toll, around the world. It is heartening that, India was, to a very great extent able to avoid the black hole that sucked in the rich and the poor alike. Yes, the times were bad. Yes we felt the jitters. Yes, many of the sectors went into an unprecedented huddle. Yet, the heartening fact remained, that in an increasingly globalised economic order, we were able to hold on to our own and ensure that the growth rates were maintained and that we were, by and large, able to carry on with a shrug.

The Honorable Prime Minister has warned of tough days ahead, yet even the most pessimistic prediction have not gone below a 7 percent growth rate of the GDP. And it is here that investment in the infrastructure sector will play a crucial role. Despite the large number of investments that have gone into the country, the spending on infrastructure remains woefully inadequate. Something that has to be addressed and corrected if we are not to maintain the rates we are talking about. The planning Commission of India has officially pegged the estimates at about US\$ 500 billion for investments in the infrastructure sector in the 11th plan period (which is about 2.5 times the spending during the 10th plan).

Public Private Participation (PPP), dismantling of barriers, rationalization of tariff structures, government's long term pragmatism...The chiches are flowing thick and fast as the segment braces itself up for the impending onslaught of players both desi and foreign. And all this is stemming from a basic fact – a study that has quietly pointed out that the rural poor is willing to pay a price for good infrastructure. And it is this one thing that is going to revolutionize the face of India and solve her infrastructure woes.

Speaking of revolution, we move onto the second half of this issue – to Gujarat, where a revolution of another kind is brewing. We all know Gujarat as one of the most industrially advanced states of India. We also know the fact that the state is a huge draw in terms of its investor friendliness. The fact that the people of Gujarat are among the most innovative in matters economic also needs no elucidation...Yet, what I saw in the state during the "Vibrant Gujarat" summit is something that had me spellbound. The

sheer numbers were mind boggling. The presence of Indian Industry's who's who blinded the eyes. The almost nonchalant presence of the Honorable Chief Minister, the principal protagonist, larger than life. Yet what was stunning was the enthusiasm among the people about the event, the complete involvement of the man on the street that made the difference. Their enthusiasm was almost infectious. So much so that the eagerness with which the bureaucracy approached the subject and solved so – called problems across the table, is something that has to be seen to be believed.

If rest of India takes doing business even half as seriously and I should hasten to add lovingly as Gujarat showed, I am sure of one thing, recession or meltdown, double digit growth would well be within our grasps.

Till then,
Cheers!

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Editor