

‘India can tap China-plus-1 window to create mfg jobs’

TIMES NEWS NETWORK

New Delhi: World Bank’s India-born president **Ajay Banga** said on Wednesday that India has an opportunity to create jobs in the manufacturing sector by tapping into the ‘China plus one’ opportunity, but that window is available only for a short period of time. “India’s opportunity currently is to cash in on the China-plus-one opportunity. This opportunity won’t stay open for 10 years. This is a three-to-five-year opportunity when the supply chains start adding on in another location. That is one of the topics that we’ll be discussing with people in the government,” Banga, who is in the Capital to meet top government officials, told reporters.

While sounding upbeat on India, the World Bank chief said that 15-20 million jobs need to be created with some highly skilled ones in manufacturing and technology, with a larger pool in the services sector. “India has done a lot of things that have allowed it to stay ahead. It has had great growth last year. Most countries would be very happy with a 7% growth in this environment. I am a little optimis-



World Bank chief Ajay Banga in a metro train in New Delhi

tic. My general sense is that if there is a global slowdown, one thing that is going for India is that a very high share of its GDP comes from domestic consumption, which is very helpful at a time like this,” Banga said.

He said that like several other countries, India too was pulled back in its fight against poverty but has now come out “relatively strong”. Latest data released by Niti Aayog estimated that 13.5 crore Indians have moved out of multi-dimensional poverty during the last five years. “The best way to drive a nail in the coffin of poverty is growth and jobs. You have to provide skilling, education and healthcare but finally, it’s growth and jobs

and your country is focused on that. So, I’m actually more optimistic today, with all the infrastructure that’s going on, investment, digital and physical. I’m much more optimistic today than I was (before),” he said after visiting a skill development centre near the Delhi airport.

Asked about reforming the World Bank, Banga, who worked in several multinationals, said that a decision on new instruments will be taken at the annual meeting in October but steps such as reducing the loan-to-equity ratio can be taken by the agency itself. He said a massive amount of money was required to meet new challenges with renewable energy requiring around \$1 trillion.

“You can’t get that kind of money from governments or multilateral banks alone, or even philanthropies, you have to get the private sector. You will need different forms of concessional capital as well as different forms of multilateral and government capital and philanthropies to take first risk position or enable the blended finance to come through. We are actually fighting many crises. The requirements are immense,” he said.