
India Inc needs to invest more: CEA Nageswaran

New Delhi: India's corporate sector needs to invest more to make a comeback for rebalancing the country's economy towards investment and manufacturing, the government's Chief Economic Advisor (CEA) V. Anantha Nageswaran said on Thursday.

Speaking at apex business chamber CII's Global Economic Policy Forum 2023, he said: "Balance sheets have been largely repaired both in the financial sector and the corporates. The gross savings of private non-financial companies or corporates have doubled in the last eight years."

His message was clear that corporates need to invest instead of sitting on funds.

"Waiting for demand to

arise before they start investing will delay the onset of such demand conditions from happening," he opined.

"Investment leads to employment, income generation, consumption and savings is recycled into investments, so the more the corporate sector delays its investments, the virtuous cycle of employment generation, income growth, and consumption growth leading to more savings will not materialise," he added.

As things stand, private investments have not rebounded to their pre-pandemic levels.

There has been a lack of job creation, while investments have been limited to infrastructure and consumer sectors. Even the consumption recovery has been

uneven as rural demand has been lagging behind.

"The onus of ensuring that the rebalancing happens, as it did in the first decade of the millennium, is to be shared between the non-financial private corporate sector and financial sector, in terms of providing the resources," Nageswaran said.

"The corporate sector without even depending on financial resources from the capital market or financial institutions have enough of their resources to be able to make these investments and make the rebalancing happen," he added.

The slowdown in investment comes amid a global slowdown and economic uncertainties arising due to the outbreak of wars in the Middle East and Ukraine. IANS