

Sense of uncertainty, says Kotak

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More money with the urban poor, greater government spending on healthcare, and rationalization of GST rates are necessary for a sustained

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'There is a sense of uncertainty'

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economic recovery, said Uday Kotak, managing director and CEO of Kotak Mahindra Bank and president of Confederation of Indian Industry (CII). In an email interview, Kotak also suggested developing large manufacturing zones with all the trunk infrastructure and common facilities near ports. Edited excerpts:

Apart from spending on infrastructure, what can the Centre do to revive demand in the economy?

Demand revival is crucial to sustaining the green shoots in the economy. A big factor that is affecting revival of business activity is the disruptive nature of lockdowns, which are now governed at the state level. There is a sense of uncertainty that has affected business sentiment. We believe this can be tackled by



Uday Kotak, MD and CEO of Kotak Mahindra Bank. MINT

adopting a micro-containment strategy and better coordination between Centre and states.

Second, the livelihood interventions in rural areas have yielded positive results.

An urban scheme can be launched for providing livelihoods to urban poor. The government has collated a large part of the data of migrant labour and has mapped them online, which gives an idea of how they are distributed

among states. This data can be used effectively.

To attract investments, India should leverage the opportunities arising out of the geographical shifts in global supply chains.

Is there really scope to reduce GST rates?

Yes. Although this is not the best time to look at any measure that leads to revenue loss, some GST rates could be rationalized to bring down the GST incidence, to boost demand.

What needs to be done on the ease of doing business to make it easier to operate in the new normal?

In spite of the tremendous progress, ease of doing business can be further improved. Apart from factor market reforms that are all a part of CII's recommendations, there is an urgent need to rationalize power tariffs for industrial consumers and ensure contractual sanctity.



INTERVIEW

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