'REVIVAL IN PRIVATE SECTOR CAPEX'

FM Confident of 'Good' Growth in June Quarter

Says industry should focus on strengths, instead of global slowdown concerns due to China

Team ET

New Delhi: Finance minister Nirmala Sitharaman Friday exuded confidence that India's economic expansion in the first quarter of the current fiscal should be "good" amid signs of a revival in capital expenditure from the private sector, which appears to have taken the cue from the government in building fresh capacities to help sustain New Delhi's world-beating growth credentials.

The finance minister also noted that instead of looking at global slowdown concerns arising out of China, businesses needed to recognise India for its strengths. She said India was working to bring changes to increase foreign direct investment. Addressing business leaders in New Delhi at the B20 summit organised by CII, she said the focus is on 'Aatmanirbhar Bharat' (self-reliant India) but essential imports will not be stopped.

The National Statistical Office (NSO) is scheduled to release the Gross Domestic Product (GDP) data for April-June quarter on August 31. An ET poll of 20 economists, published Wednesday, has projected Q1 growth at 7.8% (median growth).

India's strong performance, according to Sitharaman, has been the result of a plethora of economic reforms implemented over the past nine years to improve physical, digital, and social infrastructure.

She said the government was keeping a watch on developments in China. "Whilst I will keep a watch on developments happening in China, I am putting my energy on India's moment. I will rather play on opportunities that India presents," the FM said. The finance minister who was speaking at the meeting on sustaining global economic recovery identified taming inflation, building infrastructure, raising investment, climate change finance and diversification of global supply chains as the key priority areas.

GROWTH-INFLATION DILEMMA

Central banks need to be cognizant of growth- and growth-related priorities even while equally looking at curbing inflation, she noted.

On the diversification of supply chains, she was clear that the world could not afford to have more shocks to the supply chain, and there was a need to cushion against such shocks. The FM called for more collaboration on the issue of climate change financing, especially as the developed world had failed to meet its $100 billion commitment.