

## **Focus on learning the processes of consensus-building and coordination to boost manufacturing in India**

**New Delhi, September 14, 2012.** Mr. Arun Maira, Member, Planning Commission, at an interactive session on **'Implementing the Manufacturing Strategy: Disciplines of Coordination and Implementation: International Best Practices'** today declared that manufacturing must become an engine of growth and inclusion for the Indian economy. "India aims to create 70 million jobs by 2027 and reduce the growing trade imbalance. In 2011-12, a high current account deficit of 4.2% of GDP was recorded. The two root causes for poor project implementation are inadequate consensus among stakeholders and lack of coordination amongst agencies," Mr. Maira said.

He pointed out that the solution is not to appoint more coordination committees and monitoring agencies. Instead, we need to focus on learning the processes of consensus-building and coordination from other nations. One of the examples is TQM of Japan, which is a widespread movement to build capabilities.

Mr. Maira suggested, "Coordination needs to be effected among national and state governments; government ministries and departments; government and business (and other stakeholders); and systematic program/project management."

During his presentation, **Mr. Ku Kok Peng, Director, Economic Transformation Program (ETP) Investments and Director, Palm Oil & Rubber NKEA, Prime Minister's Delivery Unit (PEMANDU), Malaysia**, said, "To drive an economy three things are needed – competitiveness, focus and execution. To achieve a higher growth rate Malaysia adopted the new economic model which aimed at inclusiveness, high income and sustainability." "Strategic reform initiatives were adopted in Malaysia where policies underwent change for imparting competitiveness amongst businesses. Also, efforts are being made to reduce the fiscal deficit in terms of improving tax collection, implementation of GST and removing subsidy on products such as gas," added Mr. Peng.

**Dr. Rajiv Kumar, Secretary General, FICCI**, stated that in the manufacturing sector a coordination mechanism needs to be put in place to reduce the time consuming processes that are responsible for delaying projects. It has been seen that lack of coordination results in huge project risks and uncertainty.

**Dr. Jorge Arbache, Senior Adviser to the President, Brazilian Development Bank (BNDES), Brazil** and **Dr. Sanghoon Ahn, Vice President, Korea Development Institute (KDI)**, also shared their perspectives during the interactive session.

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