Current Financial Situation and Potential Impacts on the Real Sector

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- The context
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The Context

- Liquidity has dried
- BoP is negative
- Interest rate has increased
- Hurdle rate to do business has gone up
- In addition to
  - Security issues
  - Perceived political risks
  - Labor related issues

The Analysis

- Reactive Vs Proactive
- Lack of Consistency
- No priorities
Reactive Vs Proactive

- The margin lending story
- The gold story
- The real estate story
- The energy story

Lack of Consistency

- Changing rate of returns
- Changing environment to do business
- Changing priorities
Prioritization

- Do we know what we want?
- Do we know how we will get them?
- Do we know it will not change?

The Way Ahead

- Environment conducive to business is non-negotiable
  - No Enterprises
  - No Labor
  - No Revenues
Areas of priority identified with the private sector and work upon
Use past reports and work done to look at priority sectors in
- Industrial policy
- Trade policy
- Bank licensing and Interest rate mechanisms
- Export policy
- Hydropower policy
- Capital Market Policy

Review key decisions taken in the past 36 months and make corrective changes like
- Margin lending
- Real estate lending

Consistency Please!
Thank you

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