

# Commodity's volatile price and quality not meeting the adequacy

RK Behera, Chairman, RSB Group

**W**hile auto component sector is witnessing positive sentiments during the first 3 quarters of 2015-16 showing signs of growth, facilitative measures taken by new government for industrial sector, creating conducive environment for the manufacturing activities and focus on improving policies and procedures, have together hastened the recovery of industrial sector. The launch of Make in India initiative is expected to make India a global manufacturing hub while eliminating the irrelevant laws and regulations, smoothening and easing the bureaucratic processes and bringing transparency to the system. Besides commendable initiatives like development of smart cities, skill development, National Investment and Manufacturing zones and FDI enhancement, the plan is also to build a pentagon of corridors across the country to boost manufacturing and to project India as the most favored Global Manufacturing destination.

The focus has also been tuned on refueling the growth, taming price pressures, facilitating industrial and businesses environment and simplifying the policies and procedures. The various approaches such as "Look – East on one side, and Link – West on the other", Highways and I-ways, fostering innovation, incentivising investments, protection of intellectual property and building best-in-class manufacturing infrastructure, are appreciably bold and positives to bolster industrial growth. De-licensing and de-

regulation measures are expected to reduce complexity and increase transparency. Digital approach to 24/7 on-line application for Industrial License and Industrial Entrepreneur Memorandum, on-line environmental clearances, will remove bottlenecks and facilitate the ease of doing business.

While all said, "Make in India" also has basket of woes and issues, which is a bottleneck in making our products competitive globally. Steel, a vital input raw material to auto component sector, continues to hit roof with high cost. The commodity's volatile price and quality norms not meeting the adequacy, trouble the users.

To give our products a competitive edge in the international market, access to latest technology needs a serious address in terms of cost of

acquisition and assimilation. Yawning gap in energy needs vis-a-vis power generation needs to be bridged on war-footing. Added to this, high cost of power needs to be rationalised. In terms of infrastructure, physical and efficient linking of every corner of country to domestic and international markets through roads, railways, ports and airports through shortest possible routes, with efficient tracking through GPS and latest digital technology, will smoothen the movement of finished products, bringing down the cost considerably. Linking every one electronically and financially to a broader system through e-modes and encourage development of public institutions like markets, warehouses, regulators, information aggregators and disseminators, need to be addressed in totality.

The tax system needs rationalisation and implementation of GST to be done on priority to avoid multiple taxation. Current laws make the land acquisition a difficult task. Labor laws need changes so as to be more progressive to create employment growth opportunities. Lack of single-window clearances and limited R&D are the impediments in Make in India journey, which needs time-bound resolution. The issues will hopefully get settled as Make in India has already been unfolded, grows fast and steadily. It is a big boon and opportunity for us to regain and repeat the glory of great India as has been a fact historically. **ACI**

— as told to Bhargav TS

