

# NMCC sees SEZs as panacea to infrastructure bottlenecks

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The National Manufacturing Competitiveness Council (NMCC), targeting 14 per cent industrial growth, has strongly favoured Special Economic Zones (SEZ) in manufacturing saying this could be an answer to deal with infrastructure bottlenecks.

"As a concept we cannot dispute SEZs," NMCC Chairman V Krishnamurthy said but emphasised there should be adequate safeguards to ensure there was incremental growth and no in-

dustrial relocation.

SEZ is a good concept if it is largely used to boost manufacturing rather than any other purpose he added. SEZs could provide common facilities for manufacturing units rather than individual entrepreneurs scurrying around looking for a place with appropriate infrastructure.

The empowered sub-committee of the High-Powered Committee on Manufacturing headed by Prime Minister Manmohan Singh, had its first meeting in which a draft action plan prepared by the

Ministry of Food Processing was discussed threadbare.

The action plan is aimed at enhancing income levels of farmers, eradication of wastage of agri products that accounted for 35 per cent of the production and creating more jobs. The council has been asked for its report by December in other sectors like textile and garments, leather and leather products, IT and hardware.

The council said that it is not disturbed by the increasing number of acquisitions abroad by corporate India, but

feels the trend would accrue economic gains for the country.

"I do not see any warning signals (in overseas acquisitions). It is a positive sign and displays managerial and entrepreneurial abilities of Indians who can takeover under managed companies abroad and run them profitably," NMCC Chairman V Krishnamurthy said.

"The acquisitions should indeed help the economy by bringing new technology and address some of the bottlenecks that impede manufac-

turing" Krishnamurthy said.

Citing the examples of OVL's investments in Sakhalin gas field in Russia, Krishnamurthy said this sort of overseas investment would bring large benefits to the country.

Foreign locations could also be used for getting a part of the manufacturing process completed to take advantage of competencies of that country. But acquisition for the sake of one company's profits would only prove managerial capabilities of Indians and not help the economy.