



Industry Notes..... Feb 2018

Dear friends,

This month started with Union Budget for the fiscal 2018-19 which had continuity of government policy on key economic matters and the implementation path. The focus of budget remained on using public resources to beef up India's healthcare for masses, enhance agricultural income and generate employment at the grass root level. These initiatives are vital for long term sustainable growth of economy and the current government deserves kudos in their continued pursuit for something which is fundamental to sustainable development of the country. It would be unfair to classify these initiatives as populist. The rural-urban divide and wealth distribution across the cross section of society needs attention and it is the duty of government to keep the balance for the nation to grow in harmony and peace.

The resolution to banking sector NPL continues to hog the limelight. There seems to be critical need to correct the value system in which entrepreneurship in India has grown and the focus of the government/system is clearly on such course correction. It is clear now that taxpayer / government will have to pay a huge price to achieve this task, but it looks inevitable. Good or bad, it is probably the

first time in our generation, who has been active in professional life since 1990, that we have witnessed the decisiveness with which a political party can manage the country if provided with an overwhelming mandate. And amazing fact is that it allows the policy makers to take quick course correction without a fear of being dubbed as failure by the opposition even if it means making frequent changes to the policy measures. There is no magic formula to ensure growth, but it is important to follow good economics with sustainability of development as key criteria.

Looking around, the move to digital is penetrating well into businesses and daily lives. Jio has made smart phone and its usage affordable and impact is visible across the country. There are some permanent changes to buying behavior of Indian consumer across the cross-section and this has a resulting impact on our traditional methods of sales, marketing, innovation, research and management. A convergence of physical means with digital seems to be in the making and next five years will probably see more action in this direction for the good of consumer and overall optimization of the resources. We are in for some great mergers or strategic partnerships as the two channels converge to find the most optimal path forward.

Ashutosh Maheshwari

Chairman

ashutosh@imapindia.in