

INDIA

Governor Statement India

28th Annual Meeting of the Board of Governors
European Bank for Reconstruction and Development (**EBRD**)
8th May 2019

Honorable Dr. Denis Zvizdić, the Chairman of the Council of Ministers of Bosnia and Herzegovina,
Chair of the Board of Governors, Mr Jyrki Katainen,
Distinguished members of the EBRD Board of Governors, President Sir Suma Chakrabarti,
Ladies and Gentlemen,

Let me first express my sincere gratitude to the Government of Bosnia and Herzegovina for the warm welcome, excellent arrangements for the meetings and hospitality extended to us. As you all are aware, India formally joined the Bank on July 11th 2018 as the 69th member. It is a great honor for the Indian delegation to attend the annual meeting of EBRD Board of Governors for the first time.

India's Growth Story

Today, India is one of the fastest growing major economies. It is also ensuring that the growth and development proceed at the same pace, making it unique in many ways. India has taken several initiatives aimed at strengthening the different elements of governance capacity. These efforts are reflected in the Ease of Doing Business Rankings, in which India improved from 130 to 100 in World Bank's Doing Business Report (**DBR**) 2018, and then to 77 in DBR 2019. We aspire to be in top 50 in the coming years. According to the April IMF World Economic Outlook (**WEO**), released during 2019 Spring Meeting, India is expected to grow at 7.3% in fiscal year 2019-20. The growth is estimated to go up to 7.5% during 2020-21.

India's Engagement with EBRD

We appreciate the Bank's efforts to support Indian companies on a number of activities in EBRD countries of operations even before India joined the ranks of EBRD's shareholders. This can be attributed by the fact that the value of joint India-EBRD investment reached €919 million at the end of 2018, with particularly strong investments in Turkey, Romania, and Ukraine. EBRD has been closely working with various Indian business chambers like Federation of Indian Chambers of Commerce and Industry (**FICCI**), Confederation of Indian Industry (**CII**) and Associated Chambers of Commerce and Industry of India (**ASSOCHAM**).

Now that India has become a shareholder of the EBRD, we hope to more systematically engage with the Bank and take calibrated steps to ensure the furtherance of the Bank objectives in its countries of operations. We appreciate EBRD efforts for organizing a successful **“Joint India EBRD workshop on Enhancing Indian Private Sector’s Engagement with EBRD.”** We believe that such formal engagements would definitely help to make aware a larger number of Indian companies about the Bank’s activities, and also benefit from the Bank’s activities in its country of operations.

EBRD’s strong focus on supporting the private sector and small and medium enterprises through a combination of financial investment, policy engagement to enhance the environment for business, and technical assistance would be a strong motivation for Indian companies. India has a very strong Micro, Medium & Small Scale Industry (MSMEs) sector which contributes a significant portion to India's manufacturing output and contributes around 45% to the overall exports from India. We look forward to enhance our private sector’s and MSMEs engagement with the Bank, to not only enable the Indian companies to benefit from the EBRD’s capabilities in our areas of interest but also in process support the objectives of the Bank in its countries of operations.

EBRD- the Way forward

EBRD’s transition mandate towards open market-oriented economies and to promote private and entrepreneurial initiative in countries of operations committed to and applying the principles of multiparty democracy, pluralism and market economics make the Bank differ from other Multilateral Development Banks. These principles gel with our thinking and hence we remain committed to supporting the EBRD’s cause.

The Bank’s studies show that the pace of economic convergence of the Bank’s countries of operations has slowed over time. The theme of “Preserving and Accelerating Transition” for the Medium-Term Directions in preparation of the Strategic and Capital Framework 2021-2025 has appropriately addressed the need for investments in sustainable infrastructure, technology and innovation to address the economic convergence.

Given the Bank’s strategy to reduce its share of undisbursed portfolio within its sovereign lending activities, our experience on sovereign projects funded by MDBs shows that the Bank can be successful with sovereign activities as well. As an MDB, our goal is to advance development in member countries. With this view, given that the Bank is in a secure financial position and given its unique mandate of fostering transition to market oriented economies, as proposed under management papers, the priority of Bank should be enhancing its operational activities and future expansion.

Supporting an increase in the quality and quantity of the Bank's activity in its countries of operations through its Strategic Review is a significant step. The current Strategy Implementation Plan 2019-2021 has very well addressed the financial soundness and sustainability, improves the efficiency of capital utilization and expands the Bank's business activities. With regard to Pre-Feasibility Study, India is in favor of Bank's geographical expansion to Sub-Saharan Africa. In fact, we suggest the Bank to gradually further expand its countries of operations, given its unique mandate that differentiates it from other MDBs, however, keeping in view its financial strength.

As a new member, and based on our own experience of development, we look forward to cooperate with the Bank in some of the potential areas like Agri-Business, Information and Communication Technology, Energy and Power, Infrastructure development, Financial Institutions and Green Sectors. India is committed to further scaling up its cooperation with EBRD and ensure a win-win situation for both India and EBRD.

We appreciate the effort of President Sir Suma Chakrabarti and the EBRD team for their endless support and guidance to India. We look forward for a deeper cooperation between Indian businesses and EBRD in future. We are in favor to work together in the development to the transition of countries of operations towards market economy.