

# ASSET MONETISATION, PRIVATISATION DECISIONS TO HELP EMPOWER INDIANS: PM MODI

Relevant for: Indian Economy | Topic: Effects of Liberalization on the economy, changes in industrial policy and their effects on industrial growth incl. Economic Reforms

Prime Minister Narendra Modi said on Wednesday that the central government is going ahead with the mantra of 'monetise' and 'modernise'. In a webinar on privatisation, Modi shared a glimpse of Centre's asset monetisation and privatisation plan.

"Many public sector enterprises are loss-making and several of them need the support of public money. It burdens the economy," he said.

Reiterating the need of privatisation in the country, Modi said, Public sector enterprises should not be run because they were started many years ago and were someone's pet project."

There was a different time when public sector enterprises were established & the needs were also different. There is always scope to reform the policy which was good 50-60 years ago. Now when we are bringing reform, our aim is to optimally utilise public money, he further added.

I can understand the need of any public sector enterprise if it is fulfilling the needs of any sector & of any strategic importance. It is the responsibility of the govt to supply support country's enterprise & business but there is no need for govt to be in business, he added.

He said about 100 under-utilised or unutilised assets with public sector units (PSUs), such as those in the oil and gas and power sectors, will be monetised, creating 2.5 lakh crore of investment opportunities.

"It is government's duty to support enterprises and businesses. But it is not essential that it should own and run enterprises," the Prime Minister said.

The private sector brings in investment, global best practices, top-quality managers, changes in management and modernisation, he said, adding the money generated from the stake sales will be routed to public welfare schemes in areas like water and sanitation, education and healthcare.

Modi said his government is committed to privatising all PSUs barring four strategic sectors — atomic energy, space and defence; transport and telecommunications; power, petroleum, coal and other minerals; and banking, insurance and financial services, where the government will retain a bare minimum presence.

"The government has no business to be in the business," he said.

Modi also said to speed up the disinvestment process, an empowered group of secretaries has been set up to settle investor issues.

The government has to focus on development and the public sector and whenever it engages in business, it leads to losses, he said, adding several loss-making PSUs are supported by taxpayers' money which otherwise should have gone into welfare schemes.

At least 1.75 lakh crore is being targeted from the sale of government stake in firms such as

India's second-biggest oil firm BPCL, national carrier Air India, largest shipping line Shipping Corporation of India Ltd, helicopter services company Pawan Hans, IDBI Bank and Container Corporation of India in the next fiscal year beginning April 1.

This, along with an initial public offering of Life Insurance Corporation (LIC) and sale of two public sector banks and one general insurance company, will be the largest disinvestment drive ever.

The government has already received "multiple expressions of interest" for privatisation of Air India, BPCL and Pawan Hans.

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