

ADB President pledged USD 12 billion in support of new flagship initiatives

Asian Development Bank (ADB) President Mr Takehiko Nakao met with India's Hon'ble Prime Minister Shri Narendra Modi on 29th August 2019 and pledged to support the government's new flagship initiatives led by the Prime Minister.

The discussion focussed on how to further enhance the partnership in areas such as the promotion of new technologies and innovation, renewable energy, solar-pump irrigation, electric vehicle and battery, fintech, sustainable tourism, and the recycling of plastics.

During the meeting, Mr Nakao commended the government's vision to make India a USD 5 trillion economy during Shri Narendra Modi's second term, and reaffirmed ADB's commitment to helping bolster the country's inclusive growth and rapid economic transformation to achieve this vision.

According to Mr Nakao, India is one of the fastest growing economies in Asia and the Pacific, maintaining a growth rate of about 7.5% on average in the last 5 years. ADB expects the country's growth in 2019 at 7.0% and in 2020 at 7.2%, despite downside risks in the global economy. The government needs to maintain prudent macroeconomic management, sustain its reform efforts, enhance industrial competitiveness and job creation, and rejuvenate the rural economy. Mr Nakao also commended the government's key reforms, such as the introduction of goods and services tax to make India a single market, the implementation of Insolvency and Bankruptcy Code 2016, capital infusion for banks, the improvement of business regulation, and its further opening to foreign direct investment, which are yielding results. He encouraged the government to sustain the momentum of reforms in areas such as labour laws, land acquisition,

and consolidating various welfare schemes.

According to Mr Nakao, ADB stands ready to commit more than USD 12 billion lending in the next three years, 2020–2022, averaging annually over USD3 billion for sovereign operations and USD1 billion for non-sovereign operations.

ADB's sovereign and non-sovereign operations will focus on the government's major initiatives, including:

- (i) The Jal Jeevan Mission (extending drinking water for all, water conservation, and more crop per drop);
- (ii) The East Coast Economic Corridor program;
- (iii) Promoting competitiveness of micro, small, and medium-sized enterprises by connecting to global value chains;
- (iv) Supporting national road safety programs; and
- (v) Constructing a rapid rail transit system to connect Delhi with neighbouring satellite cities, starting from Delhi to Meerut.
- (vi) ADB will also expand assistance in secondary education and the universal health system.

India is an ADB's founding member since 1966 and is now its biggest borrower. ADB has committed USD 39.7 billion in sovereign lending and USD 5.7 billion in non-sovereign lending and investment by June 2019.

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Regards,

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