

India Inc relieved as government wins trust vote

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'The worst for the Indian economy is still not over. But hopefully the political instability that was adding to the problems and the government's woes now stand hugely diluted,' said a leading industrialist.

'We hope the government now will concentrate on addressing some pressing issues - like reining in inflation and give a push to manufacturing growth - and put the reforms agenda back on track,' the industrialist added.

The Left parties, he said, had been preventing the government from taking some key decisions in areas like financial sector reforms in pension and insurance and in divesting state equity in public sector undertakings.

The reactions came after the UPA government, led by Prime Minister Manmohan Singh, won the confidence motion, which was forced on it after the Left parties withdrew their outside support on the issue of Indo-US civilian nuclear deal.

'We expect that in the next three months some major bills pending in parliament will also be pushed,' said Rajeev Chandrasekhar, president of the Federation of Indian Chambers of Commerce and Industry (Ficci).

He specifically listed two such bills - on pensions and banking - and said a 10-point agenda to move the reforms efforts forward would be presented to the prime minister Wednesday.

'Once these flurry of reforms are undertaken, the confidence level which had been dropping over the last three quarters in the business confidence survey of Ficci will bottom out and will put the economy back into a growth trajectory.'

The Associated Chambers of Commerce and Industry of India (Assocham) said the UPA government had won a vote for the future of India and for the pragmatic policies pursued by the pursued by it to build a strong nation.

Chamber president Sajjan Jindal hoped the government, with its new coalition partner, would vigorously pursue reforms that are friendly towards people and industry in the remaining tenure.

Investors in equity markets, which has been going through a turbulent time ever since the Left parties withdrew support, were equally elated at the government winning the trust vote.

'We can expect a good session for the Indian equity markets from tomorrow,' Deepan Mehta, a

noted stockbroker, told IANS from Mumbai.

'It will prove to be a shot in the arm for the government's reforms agenda and confidence will return to the economy and the country.'

Washington-based industry lobby, US-India Business Council in a statement said it will do its best to ensure the passage of the bilateral civilian agreement through the US Congress.

In Mumbai, eminent economist and Planning Commission member Bhalchandra Mungekar said the positive verdict of 'the peoples' parliament in this critical time in the country's history' augurs well for our economy.

Probably for the first time since Independence, the UPA government has initiated so many measures for the economy, social change and the welfare of the masses, said Mungekar, a former vice-chancellor of University of Mumbai.

In Kolkata, Bengal National Chamber of Commerce and Industries president K. K. Navada said he was happy over the outcome.

"Now the government is under no obligation to placate the Left. Several reform measures like labour reforms and insurance reforms are due. These are needed to ensure inclusive growth and enable India inc to compete internationally," he said.

Indian Chamber of Commerce secretary general (eastern region) Rajiv Singh too welcomed the development.

"There will be stability at the centre now, at least for the next six months. At this moment inflation is high. prices of commodities are also rising. The capital market is not doing so well. Considering all these factors, we need stability. So the government's victory in the trust motion augurs well for the country."

- *Indo Asian News Service*