



Dear Member,

India's population of nearly 1.30 billion which was once considered the biggest hurdle in the country's march towards economic growth and development, is today being perceived as its most promising resource. 54 per cent of country's population will be in the age group of 15-49 by 2015, while the average Indian will be 29 years by 2020. On the other hand, by the same period, the average Chinese and American will be 37 years; West European 45 years and the Japanese 48 years. It is believed that such a scenario would lead to a reasonable shortage of people of working age. The shortage in the United States is estimated at 17 million. In China, it would be 10 million, while in Japan and Russia the same would be 9 million and 6 million respectively. India will have a surplus of 47 million working age people. This surplus is expected to bring demographic dividend in the form of significant benefits including the competitive advantage in labour cost. But, inadequate educational opportunities, and absence of employable people may turn the dividend into a curse. It is therefore, essential that our educational system needs to be overhauled and re-oriented to impart practical and employable skills to the young people. Only then, the slogans of 'poverty alleviation' will have real re-sonance and demographic dividend be a source of prosperity.

The growth rate of Indian economy is around 9.4 per cent. For a 9 per cent average growth in the next 5 years, Finance Minister says, India requires US\$ 475 billion. Poor physical infrastructure, airports, bumpy roads and cramped airports costs the country 1.5-2 per cent in gross domestic product. The position is still more alarming in social infrastructure such as health and education. Money, however, flows into regions that have good infrastructure and this leads to rising inequality. It is, therefore, imperative that for a quicker and speedier growth and development, that is even we need to urgently put in place an independent infrastructure regulator. The regulator must focus on lesser developed regions and let the more developed ones be on their own. The country also needs to think in terms of considering to move away from the compulsions of political economy to a user price regime which will attract private capital for faster economic growth and development.

I thank you for your co-operation.



Atluri Subba Rao