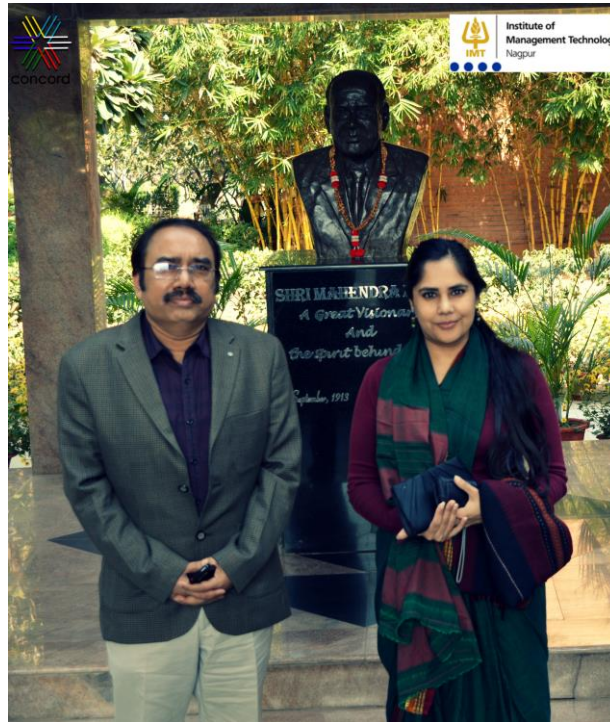


In talks with Ms. Manika Prem Singh



(From left to right: Dr. V.S. Gajevelli and Ms. Manika Prem Singh)

Ms. Manika Prem Singh, Economist Entrepreneur and founder of Orbis Economics, visited IMT Nagpur on 8th January to deliver an insightful lecture on growing the Indian economy. Ms. Prem Singh has 12 years of experience in the field of economics research. Here are few of the excerpts from her conversation with the students of IMT Nagpur.

Q1. In country like India, where the Industry is mainly male dominated and people are dubious of economics as a career option, was it difficult to open your own economics firm?

Ans: There are two things which determine if one would enter business, or not. Firstly, the viability of the business idea and the secondly the interest one has in the business. If we look globally, there are macroeconomic research firms whereas in India we see research typically coming out of banks and consultancies. As we grow as an economy, this number of firms involved in pure-play research is sure to take a hike. There is greater scope for this taking place and it is becoming increasingly visible as the importance of pure-play research, which allows you to be independent of any uncertainties the future might hold, is realized in India. Apart from all these, being an economist myself and having worked in this sector for a long period, opening up Orbis came very naturally to me. India being a male dominated country never really did affect my decision, also if there is no challenge there is no fun.

Q2. Are the recent changes in GDP calculation's base year a good decision in your viewpoint?

Ans: It is a good decision as every few years there should be an adequate reflection of how the economy is growing. Since India is a developing economy and it is changing very fast therefore updating the base year and improvement in methodology shall allow us to capture the changes that are taking place in that period. The only challenge that we are facing with the new method is the lack of ability to compare it with the old base and therefore find out where the difference lies.

Q3. With S&P revising the BBB rating of India and a global downward revision, how will this affect the growing start-up culture of India?

Ans: If an economy is rated better than in its peers in terms of investment, it reflects where investors would feel more comfortable in investing. India has been trying to get more FDI in the past year. The start-up culture will benefit from this overall increase in inflow to the country. This is essential, as promotion of entrepreneurship is a core part of becoming a market lead economy opposed to state lead economy which India has a legacy of being.

Q4. The government of India and RBI are in a conflict of increasing the liquidity in the market due to its inflationary implications. What is your take on this?

Ans: There is not a difference in the goals of government and RBI; both want to contain inflation along with high growth. RBI and government both recognize that liquidity is necessary for growth, but the government has a wider mandate. The RBI needs to maintain the monetary side of the economy but government has to keep the business happy which wants higher liquidity and lower interest rates. This is where the clash lies, as RBI has to make sure that the interest rates are at a certain level in order to ensure inflation does not take off. So there is no real tussle, they are catering to different stakeholders but at the core, the arguments they are offering are the same.

Q5. How was your experience in IMT Nagpur?

Ans: It has been a very good experience here. The quality of the questions and answers in the session was very good which helped in making the session interactive.