

“India a \$10 Billion Market in Five Years”



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E *edited excerpts of a conversation BT'S CHAITANYA KALBAG and JOSEY PULIYENTHURUTHEL had with GE Chairman and CEO JEFFREY IMMELT:*

On the US economy

Things are getting better in the United States. It's a slow recovery and some of that is based on how steep the crisis was, on consumer deleveraging and the savings rate going up. The thing that doesn't always get effect is that corporations have a lot of cash — probably more than any time in their history. That gives them lots of financial flexibility to continue to invest and that's typically a good sign.

The jobless rate is very high — it's 9.6 per cent. In 25 or 30 years, the inflation adjusted income of the middle class hasn't increased. My belief is that has something to do with manufacturing jobs that have left the United States. I really think there has to be more focus on areas like exports, and the key focus is to create some of these higher-end middle-class jobs. The US has to repurpose its economy, has to be more technology-focused, more manufacturing-based. The notion that the US can be a service economy is just completely wrong.

On the India growth opportunity

I would expect China to be at 10-15



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per cent growth (for GE) but India should be 30 per cent growth. In five years from now, India should be (a market of) \$10 billion or more, and five to 10 per cent of GE.

The (nuclear energy) liability law as currently written doesn't quite work for GE and most western companies. As much as I would love to participate in the Indian nuclear market, I would never put the enterprise at risk. There are certain things the CEO of any company just can't do; one of

On financial sector reforms

Think about 10-15 years ago: the banks in China were more or less the same size as banks in India. Today all of them dwarf the biggest banks in India. There has to be a lot more reform and globalisation in financial services (in India).

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them is taking uncapped risk.

On the new India structure, localisation

It (the new India management structure) is all about speed. What we have done is we have a country leader, he's got a budget, he can make decisions. He has got my backing with the decisions he makes.

In the end, the measurement for the team is not organisational philosophy. I always tell people here's my philosophy for the organisation: 'Whatever works.'

If you take the business of health-care, about 30 per cent is already localised here and that might be 70 per cent in five years. I can envision making MR/CTS (scanners) and other products in India for India.

On an India listing

I don't rule it (a local listing) out. Historically, that is not something we have done. But, we have to be mindful of the way the world is changing and at some point if we build a hugely successful, very local Indian business, we will see. ♦

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