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MUMBAI THIRUVANANTHAPURAM KOLKATA HYDERABAD CHENNAI BANGALORE AIZAWL

Press Releases

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Ministry of Finance

📌 **Finance Minister's Speech at 10th National Convention of Confederation of Real Estate Developers' Associations of India**
Realty Sector needs to be more Sensitive and Price their Products Appropriately
FM Emphasizes need for Greater Integrity in Development, Construction and Marketing of Real Estate Business

Following is the text of Finance Minister's Speech made on this occasion:

"It gives me great pleasure to participate in this inaugural session of the tenth National Convention organized by the Confederation of Real Estate Developers' Associations of India (CREDAI). At the very outset, let me complement CREDAI for bringing together different stakeholders from across the country to deliberate on a theme that is very close to my heart. Indeed, the theme "home for all" touches everyone's heart, and particularly of the multitudes of Indians who are seeking to improve their living environments and the quality of life as the growing prosperity of our economy touches them.

I am told that CREDAI represents over 5,000 developers through 20 member associations from across the country, which speaks volume of CREDAI's success in bringing the majority of organized private real estate developers under a single umbrella. It makes you a potent force for rapid development of the realty sector in the country.

I am aware that CREDAI played a significant role in drafting of the National Housing Policy in 1998 and its revised version - the National Housing and Habitat Policy. Many of your valuable suggestions have also been taken into account while formulating the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Your initiatives and activities in the field of real estate are helping the developers from across the country work towards better practices in real estate. You have provided an active forum for dialogue with the potential partners in the development of real estate in the country, which includes the industry, the financial sector, the Government and the consumers. This has helped in garnering public opinion, building consensus, crystallizing policy inputs and giving us feedback on our policy initiatives.

The issue of housing deficit, particularly in the urban areas, and the related issue of urbanization, while presenting a challenge to a rapidly growing India is also a source of opportunity to sustain our development momentum. Urbanisation in India has occurred slowly and unevenly. Even though the

extent of urbanization in our country is only 28 per cent, the size of urban population is 300 million, which is larger than the population of many countries put together. This is set to change and change rapidly.

With sustained high economic growth, the pace of urbanisation is set to accelerate. The next 25 years should see the urban population living in Indian towns and cities doubling. This is in conformity with the global trend towards growing urbanization, where more than half of world's population is living in cities and towns. We already have about 393 urban agglomerations and towns with more than one lakh population and about 400 smaller towns with a population of more than 50,000. Some of the major States such as Tamil Nadu, Maharashtra and Gujarat already have a very high percentage of urban population. In such a scenario, it is important that we plan carefully to meet the challenge of housing shortage and urbanization comprehensively.

I would place the desire to own a house or the need to have a roof over ones head as one of the basic desires of an individual or a family. In an expanding economy with a young population, this basic human desire presents a huge opportunity for the growth of real estate sector in India. However, the task of meeting this desire cannot be seen purely in terms of a commercial venture. There is a larger social dimension to it, which cannot be lost sight off. This sector has number of backward and forward linkages and especially in India the sector has huge scope for employment generation, for urban renewal and rejuvenation, which have direct implications for poverty eradication.

Urban India holds tremendous potential as an engine of economic and social development, in creating jobs and generating wealth. We need to sustain and augmented the cities and towns to meet, as well as, feed the requirements of rapidly expanding economy. National development and poverty reduction efforts will be increasingly determined by the productivity of our cities and towns. It is imperative to enhance the productivity of urban areas, which calls for improving the efficiency and equity in the delivery and financing of urban infrastructure.

The Government has already taken several initiatives to revitalise our urban sector under the flagship programme Jawahar Lal Nehru National Urban Renewal Mission. All efforts are being made to afford basic services to the urban poor. Slum development and integrated housing schemes are presently implemented in almost all the States. Rajiv Awas Yojana (RAY) primarily focuses on the slum dwellers and the urban poor and envisages a 'Slum free India' through a multi-pronged approach. Let me reiterate that the UPA Government is committed for urban renewal in the country. It is critical for realising our objective of inclusive growth and development. The Government has been allocating increasing share of resources towards urban renewal and for the schemes relating to housing for the urban poor and slum dwellers. We view inclusive and equitable growth as the key to long term peace and prosperity of our country.

The shortages of urban land and housing for improving our urban infrastructure and habitations have to be addressed. Fulfilling the dream of housing for all is an enormous task that the Government alone would never be able to meet on its own. The private sector's role is crucial as is the role of ultimate

consumers. The real estate developers have to play a leading role in supplementing the efforts of the Government.

You have to bridge the gap between construction technology, the customer's need and offer value in terms of design, functionality, services, connectivity and above all affordability of the product. The realty sector has to be sensitive to the larger social dimension of housing by pricing their products appropriately, responding to the cross section of housing demand- covering the rich and the poor alike and, above all, anchoring its work in strong ethical practices. Events in our recent past and lessons from elsewhere in the world suggests that there is scope for greater integrity in development, construction and marketing of the real estate business in the country, which CREDAI should continue to pursue.

I learnt with great interest from the Chairman NSDC, of the pilot project launched to develop a sustainable model for training, up skilling and placement of construction workers by CREDAI Pune. The availability of skilled workers in adequate numbers and quality is an emerging constraint on our ability to scale up the development of infrastructure in the country. In that context I welcome this initiative. Indeed I would like to encourage such workable proposals to set up facilities for imparting skills and creating a system of training, recruitment and lifelong learning that brings pride and self esteem among the workers and that your industry also does not face a shortage of talent and required skills.

I would also like to mention that under the National Skill Policy, NSDC is mandated to set up sector skills councils. The councils would serve as the industry vehicle to develop competencies and curriculum that produce skilled persons in the number and quality that the industry requires. I would like to see NSDC and the construction industry initiate the Construction Sector Skill Council in the coming months.

Before I conclude let me I thank CREDAI for giving me this opportunity to address this convention. I wish you fruitful discussions and success in your endeavors in building housing for all the segments of our population.”