



Indian Chamber of Commerce

Press Release

**Exclusive Interactive Session with
Shri ArunJaitley, Hon’ble Minister for Finance, Corporate Affairs & Information and Broadcasting,
Government of India
On
“Vision India 2020”**

Kolkata, 23rd August, 2015: GST has the capacity to improve India’s growth rate: Shri Arun Jaitley

Speaking at an exclusive interactive session entitled “Vision India 2020” organized by **Indian Chamber of Commerce, Kolkata, Shri Arun Jaitley, Hon’ble Minister of Finance, Corporate Affairs & Information and Broadcasting, Government of India** threw light on a few areas of importance and the concerned Government policy initiatives undertaken therein, to catapult India to the next growth league amongst developing nations by the year 2020.

The strategic leader and veteran politician Shri ArunJaitley pointed out that global integration normally has always been instrumental in stabilizing an economy. However, currently we have been witnessing a few turbulent days where the devaluation of the currency of one economy has affected the whole wide world. Inspite of the tough times faced, the Indian narrative is far from negative and it is obvious that we have indeed learnt to live in these troubled times.

Shri ArunJaitley mentioned that we are in a transient stage where proposed challenges and opportunities are waiting to unfold in the near future. In this situation, he mentioned that our immunity lies in how fast we can take decisions that benefit the economy and how fast we can materialize the same. It is heartening to witness India’s turn around as an economy which has been characterized by a GDP growth which has rallied firmly to more than 7% in last financial year and is expected to touch 8% in FY 16, a slowing down inflation, after a long period of runaway rise, burgeoning foreign reserves and contained fiscal deficit beating the target. Even with low adequacy of monsoon, by and large India has witnessed geographical comfort helping expect better agricultural produce.

Shri ArunJaitley was of the opinion that currently, the maturity of our political system is being tested and we can hope that as the world’s largest democracy the government is able to promote an inclusive and egalitarian growth process for the country.

He mentioned that the government has been reasonably clear about the roadmap for development. We had slowed down in the past because we had been concentrating on an alternative growth model which was redistribution of resources without consideration of productivity. More than a year of prudent initiatives taken up by the union government has led the way to a new era of development, reestablished the credibility of the Indian economy and accelerated growth and investment for the benefit of all Indians.

Shri ArunJaitley further mentioned that in order to achieve growth path, it is extremely important to open ourselves to investments in sectors which are sensitive from and economic and social perspective as these help generate employment and also create options for consumers. Opening the gates of investment

by raising FDI limits in the insurance sector, defence and the railways has been an effective handholding towards this.

The Hon'ble Minister of Finance, Corporate Affairs & Information and Broadcasting, Government of India further mentioned that the ease of doing business as a serious issue that could create grave concerns towards growth of the nation. The ease of doing business, he explained, lies in the time taken in conceiving a project and initiating the same without taking much time such that an investor finds other economies more attractive to invest in.

Shri ArunJaitley also spoke about a few bold reforms that could lead to a paradigm shift in the Indian Economy. The effort on part of the Government to infuse much needed capital in the banking sector, in Public Sector Banks in particular, the proposed Public Debt Management Agency (PDMA) and new bank licenses may together provide a new lease of life to the banking industry. According to him, a few more number of exemptions like the recent corporate tax cut will be phased out in the years to come which will also benefit the economy as a whole. He mentioned that the implementation of the GST will be pegged as one of the biggest game changing reforms of the Indian government. It will help India become an economically integrated economy, will help reduce business costs and facilitate seamless movements of goods and services eliminating local charges. It would reduce tax cascading eliminating tax on tax and hence help reach a situation where revenue would be benefited and GDP would improve.

He also pointed out a few interesting changes that have taken place in the economy and in this context mentioned that the biggest subsidy rationalization taken place in the oil and LPG sectors in the last 15 months have prevented leakages and allowed money into direct accounts of the people. He mentioned that agriculture and irrigation are key concerns for the nation and hence the government intends to spend 50,000 crores on the irrigation sector.

According to him, India needs to aim for an inclusive growth process in order to sustain high growth rates. Overcoming the existing challenges faced by the Indian banking system in transforming from class to mass banking has been the prime essence of inclusive India. Ensuring the financial mandates set up by the Govt, schemes like Jan DhanYojana, Pradhan Mantri Suraksha BimaYojana and Pradhan MantriJeevanJyotiBimaYojana and Atal Pension Yojana have successfully given access to basic financial services for low income groups. To make the growth process more inclusive, he mentioned, the government has paid due importance to the amelioration of the plight of the economically marginalized population in the country, with the introduction of social security schemes like Pradhan Mantri Jan-DhanYojana (PMJDY), Pradhan Mantri Suraksha BimaYojana (PMSBY) amongst others , which is the National Mission for Financial Inclusion designed to serve the bottom of the pyramid.

Apart from this, he mentioned that the Make in India initiative, in conjunction with concurrent government schemes like 'Skill India' Mission will definitely firm up manufacturing activities in the country. Micro Units Development Refinance Agency (MUDRA) Banks set up by the government with the aim of funding the unfunded will be responsible for refinancing all micro-finance Institutions which are in the business of lending to small entities of business.

Shri ArunJaitley stressed upon the importance of India becoming a cashless society and the steps taken against black money and detection of the same. He also mentioned about the serious challenges in steel, power, highways & sugar that have been responsible for the stress in public sector banks in recent years. He mentioned that there are many other reforms in the pipeline. Changes in public procurement law and arbitration law are a part of the ongoing reform process which are pending. If we are able to increase the

pace of manufacturing sector, improve the agricultural sector along with additional infrastructural spending improvement in growth is possible. India needs to think of ways and means from translating beyond 8-10% growth band for which standards of governance needs to be improved and executive and legislative decisions need to be made more economy friendly according to Shri Arun Jaitley.

Welcoming Shri Jaitley at the session **Mr. Shiv SiddhantKaul, President ICC**highlighted that the roadmap of growth for India based on “SabkaSaathSabkaVikas”which has been extremely welcomes by ICC who has been witnessing each and every mile stone of the initiative. The current government’s emphasis on for the roadmap of governance and development, serious investment plans,policy reforms towards buildingour manufacturing competitiveness, and fiscal reforms to embolden India’s prospects of becoming a global manufacturing hub were sincerely appreciated by Mr. Kaul. He concluded his session mentioning that there is a need for a clear vision and urged that the government looks at a cohesive framework such that projects can be done which are sustainable, ensures development for which there has to be a joint collaboration of states, center and people.

Mr. Aditya V. Agarwal, Senior Vice President, ICC, while proposing his welcome address at the forum mentioned about the current reforms undertaken by the government. He mentioned that the Indian Economy is back on a growth path which seems sustainable. He mentioned that east and North east India would contribute to the sustainability of Indian economy and explained how the Act East policy could be beneficial in this context. He observed that inclusive growth is possible for India holding the East and North east of India with equal importance.

Mr. ShashwatGoenka, Vice President, ICC while proposing his welcome address at the forum mentioned about India being on a high growth trajectory featuring a high GDP rate as well. Notably he mentioned that this strong GDP growth is backed by a controlled current account deficit, comfortable inflation rate and recovery in Index of Industrial Production. He mentioned that Government has introduced certain bold reform measures that could lead to a paradigm shift in Indian economy.With all the visionary Missions, like “Make in India”, “Skill India”, “Digital India” or policies like “Act East”, certainly India, along with East and North East India, is ready to usher in a new era and the industry is always there to support the Government in ushering that new era of industrialization, inclusive growth and sustainable development.

Dr. Rajeev Singh, Director General ICC, gave the vote of thanks where he summarized the game changing reforms of the government in brief which have accounted for the ache din of the economy and for the challenges of attaining macroeconomic stability and ameliorate conditions of sustainable development, double digit growth, poverty alleviation and job creation, amongst others.

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