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**INDIAN ECONOMY WILL SOON REVERT BACK TO THE PATH OF
HIGHER GROWTH TRAJECTORY: FM**

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The Union Finance Minister Shri Pranab Mukherjee said that Indian economy will soon revert back to the path of higher growth trajectory. He said that the present downturn is only temporary. The Finance Minister was addressing the fourth meeting of the Consultative Committee attached to the Ministry of Finance during the current fiscal, here yesterday. The subject matter of the meeting was “Present State of the Indian Economy and the Roadmap for Future”.

The Finance Minister Shri Mukherjee said that the world economy is going through turbulent times. He said that due to euro-zone crisis, downturn in external demand resulting in slowdown in exports, currency volatility and current account deficit among others have also affected our economy. It was, however, reassuring to note that the pause in the Indian growth story was brief, Shri Mukherjee added. He said that the food inflation has come down to 1.8% and there is moderation in inflation in general. The Finance Minister said that the savings rate had also gone up. He said that necessary instructions had been issued to all the Ministries and departments to adhere to their expenditure ceilings.

Various members of the Consultative Committee participated in the discussion. Members said that efforts should be made to stop the migration of agricultural labourers from villages to cities. In order to achieve this, setting-up of agrarian industries in rural areas should be encouraged. Some members stated that efforts should be made to reduce agriculture’s dependence on rain. Enough incentives should be given to produce oil seeds and pulses indigenously, the Members suggested. They said that credit to agriculture should also be increased and cash subsidy should be given directly to the beneficiaries. Some Members suggested that there was a need to bring FDI to give justice to farmers. The Government of India should arrive at a proper mechanism in close coordination with State Governments. It was stated that there must be a credible strong path of fiscal consolidation. Members stated that some key sectors like power, civil aviation, health, infrastructure and telecom need priority and higher investment. The Members said that

necessary checks should be in place to ensure that funds are not mis-utilized.

Members of Parliament who attended the Meeting include Smt. Rajkumari Ratna Singh, Shri S.P.Y. Reddy, Shri T.R. Baalu and Shri Vijay Inder Singla all from Lok Sabha and Shri N.K. Singh, Shri Tariq Anwar and Dr. Ashok Sekhar Ganguly from Rajya Sabha. Senior officials of the Ministry of Finance were also present during the meeting.

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