

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

FM: GLOBAL SITUATION IS FAVOURABLE TO THE COUNTRY AS MORE AND MORE INVESTORS ARE SHOWING CURIOSITY AND INTEREST IN INDIA; OUR MAJOR CHALLENGES WILL BE TO BOOST INVESTMENT ESPECIALLY IN INFRASTRUCTURE SECTOR AND GIVE FURTHER BOOST TO BOTH MANUFACTURING AND AGRICULTURE SECTOR AMONG OTHERS

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The Union Finance Minister, Shri Arun Jaitley said that overall economic situation in the country is looking better and basic parameters of Indian economy are moving in the right direction. Shri Jaitley said that current account deficit will be under control and will try to keep fiscal deficit also within the prescribed limit. The Finance Minister said that the growth rate would be better than the last year as per the old system. The Finance Minister was making the Opening Remarks at the First Meeting of the Parliamentary Consultative Committee attached to his Ministry held here today to discuss 'Suggestions for the Budget'.

The Union Finance Minister Shri Jaitley further said that the global situation is favourable to the country as more and more investors are showing curiosity and interest in India. The Finance Minister said that our major challenges will be to boost investment especially in infrastructure sector and give further boost to both manufacturing and agriculture sector among others. Regarding bringing back the black money stashed abroad, the Finance Minister said that India will soon become part of international consortium where the focus would be on automatic transfer of information which would in turn help the Government in getting easy access to such foreign accounts of Indian residents.

Most of the members of the Consultative Committee congratulated the Government for the gradual turn-around of the Indian Economy taking place and also welcomed the increased inflows of FDIs and FIIs during the current year. Various suggestions were given with regard to the forthcoming Union Budget by the participating members which include significant increase in allocation for judicial sector for setting- up fast track courts in order to clear the heavy back log of pending court cases in various courts; abolition of differential import tax levied on end use basis as this leads to misuse and corruption, steps be taken to broaden the tax base and impose small tax at flat rate on everyone including small businessmen so that everyone is a stakeholder in the country's development. It was also suggested to make big ticket announcements by the Finance Minister in his Budget Speech including policy reforms to keep the optimism going on.

Other suggestions included focus on inland waterways, rationalization of subsidies including in case of urea leading to its excessive use which in turn spoiled the quality of land and brought down the productivity, more concession for migrant workers and agricultural labourers, incentives for modernization of agriculture to make it viable, focus on creating strong rural

infrastructure, incentives for agri-exports, more tax benefits to cooperative sector, incentivize use of ethanol in petrol, more allocation for animal husbandry and veterinary research, boost to micro-irrigation, 50% subsidy by the Central Government for drip irrigation be extended to all farmers in all areas and financing of remaining 50% liberally by banks through soft loans to farmers among others. Other suggestions include labour reforms, settlement of issue of wages etc of staff of public sector banks and insurance companies and focus on skill development programmes for workers and labourers among others.

Some other suggestions included structural reforms in manufacturing sector, incentives in income tax for exporters, incentivize import of cutting edge technology rather than finished products, and online scrutiny of tax returns to bring high level of transparency and probity. Other suggestions included incentivizing tourism by creating tourism infrastructure as tourism has a great potential both for generating revenue as well as creating employment opportunities. More allocation to Archaeological Survey of India for preserving cultural heritage, incentives to local bodies and private sector for solid waste management, tax relief to women especially those working in informal sector and more allocation for education and health sectors among others. Suggestions were made to fill-up the vacant positions in CBDT and CBEC for better revenue collections and law be amended to ensure that registered offices of the companies/corporate houses are located where their substantial business take place to avoid tax evasion etc.

Along with the Finance Minister, Members of Parliament and of the Consultative Committee who attended the aforesaid Meeting include Shri Anirudhan Sampath, Shri Baijayanta Jai Panda, Shri Kailkesh Narayan Singh Deo, Shri P.P. Chaudhary, Shri Prabhatsinh Pratapsinh Chauhan, Shri Ram Charitra Nishad, Shri S.P.Y. Reddy, Shri Sharadkumar Maruti Bansode, Shri Subhash Chandra Baheria, Shri Suresh Chanabassappa Angadi and Dr. Udit Raj (all Members of Lok Sabha); Shri Anil Desai, Dr. K.P. Ramalingam, Shri Ranvijay Singh Judev and Kumari Salja(all Members of Rajya Sabha). Among the officers, the meeting was attended by Shri Rajiv Mehrishi, Finance Secretary Shri Shaktikanta Dass, Revenue Secretary, Shri Ratan P. Watal, Secretary (Expenditure), Dr. Hasmukh Adhia, Secretary (DFS), Ms. Aradhna Johri, Secretary (Disinvestment), Dr Arvind Subramanian, Chief Economic Adviser, Shri Kaushal Srivastava, Chairman, CBEC, Ms Anita Kapur, Chairperson, CBDT and senior officers of the Ministry of Finance among others.
