

**Press Information Bureau
Government of India**

**MAJOR FOCUS OF THE GOVERNMENT IS TO BRING BACK THE GROWTH
MOMENTUM: FINANCE MINISTER**

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The Union Finance Minister Shri Arun Jaitley said that the major priority of his Government is to bring back growth momentum into country's economy. He said that higher growth leads to more revenue collections, better employment opportunities and increase in Government's capacity to finance social sector programs among others. The Finance Minister Shri Jaitley said that in the last couple of years, there was a slow down in industry including manufacturing sector and decline in the investment resulting in growth of less than 5 per cent. The Finance Minister Shri Jaitley was making his opening remarks here today at the First Meeting of the Consultative Committee attached to the Ministry of Finance on the subject **"Sustaining Growth Momentum – The Road Ahead"**.

The Finance Minister Shri Jaitley enumerated the steps taken by the present Government in order to boost the growth which includes setting-up of Expenditure Management Commission(EMC) to bring about expenditure reforms, fillip to industry and infrastructure sector such as extension of the 10 year tax holiday for the power sector projects, reduction and rationalization of excise duty, emphasis on resolving current impasse in mining sector, measures to raise low-cost long term foreign borrowings by Indian companies, measures for promoting FDI in selected sectors, emphasis on development of smart cities, scheme for developing new airports in Tier I and Tier II cities, setting the target of housing for all by the year 2022, thrust on skill development including in rural areas and multi-skill programme called 'Skill India' and deregulation of diesel prices among others.

The Finance Minister Shri Jaitley further said that the Government launched 'Make in India' initiative on 25th September, 2014 which aims at enhancing the production in India with global quality standards. He said that the Indian economy has potential for achieving and sustaining higher growth. The economy registered a growth of 4.7% in 2013-14. For 2014-15 the Finance Minister expected that the growth could be in the range of 5.5% to 5.9%. He said the recent decline in international oil prices and prices of domestic food items point towards lower inflation in the coming months. The Finance Minister informed that the capital flows to finance Current Account Deficit (CAD) is adequate and further moderation in CAD can be expected in 2014-15 due to lower oil prices.

The Finance Minister Shri Jaitley said that major priorities of the Government would be to revive and sustain higher GDP growth, increase savings, fiscal consolidation, keeping the CAD at moderate level, reviving investment cycle, encouraging growth in manufacturing sector, augmenting supply response to contain inflation especially food inflation, boosting infrastructure sector and exports, rationalize subsidies and reforms in direct and indirect taxes among others.

The Members of the Committee gave various suggestions to boost growth. They stressed on expediting decision making process and more thrust on agriculture sector to boost agriculture production and more remunerative prices to farmers for their produce. Members suggested that first we shall make efforts to accelerate growth momentum to a favourable level and then sustain it. They asked for liberalizing policies and streamlining of various laws in order to give boost to industrial sector including the manufacturing sector. They pointed out the major challenges for the Government to tackle the

problem of increasing credit supply and controlling inflation at the same time. The Members pointed out that the banks may be asked to expedite the decision making process for giving credit facilities to both agriculture and industrial sectors. Some of the members suggested that the farmers may be given direct benefit by higher support prices for their produce rather than through subsidies which most of the times does not reach them. Some members suggested that policies and procedures should be simplified to enhance the growth. Some of the members suggested for review of existing Crop Insurance Scheme as the farmers are not benefitted by it. Some members suggested that it may be ensured that defence FDI does not affect adversely the local defence manufacturers. Members suggested that income tax exemption be extended to dairy sectors as in the case of agriculture sector.

In his concluding remarks, the Finance Minister thanked the members for their valuable suggestions and assured that they would be given due consideration at the time of decision making and framing policies.

Among the Members of Consultative Committee who attended the aforesaid meeting included Shri Anirudhan Sampath, Shri Anoop Mishra, Shri Haribhai Parthibhai Chaudhary, Shri J. Jayasingh Thiagaraj Natterjee, Shri Prabhatsinh Pratapsinh Chauhan, Shri Ram Charitra, Shri S.P.Y. Reddy, Shri Sharadkumar Maruti Bansode, Shri Subhash Chandra Baheria, Smt. Supriya Sadanand Sule, Shri Suresh Chanabassappa Angadi and Shri Yerram Venkata Subbareddy (all Lok Sabha Members) and Shri Anil Desai, Shri Rajkumar Dhoot, Shri Ranvijay Singh Judev, Shri Satish Chandra Misra and Shri Sukhendu Sekhar Roy (all Rajya Sabha Members). Besides the Members, the meeting was also attended by Shri Rajiv Mehrishi, Secretary, Department of Economic Affairs, Shri Ratan P. Watal, Secretary (Expenditure), Shri G.S. Sandhu, Secretary (Financial Services), Ms. Ardhana Johri, Secretary (Disinvestment) and other senior officers of the Ministry of Finance.
