

**Press Information Bureau
Government of India**

FINANCE SECRETARY EXUBERATES CONFIDENCE ON ACHIEVING A GROWTH RATE IN THE RANGE OF 5.7 TO 5.9 PER CENT DURING THE CURRENT FISCAL YEAR 2014-15; INVESTMENT DATA IN SEPTEMBER 2014 SHOWS AN UPTICK WITH A GROWTH OF 9.8 PER CENT AS AGAINST 6.7 PER CENT GROWTH DURING THE CORRESPONDING PERIOD IN THE LAST FISCAL ; TOTAL FDI FLOWS IN INDIA DURING APRIL –JULY 2014, STOOD AT USD 14.6 BILLION AS COMPARED TO USD 11.7 BILLION DURING THE SAME PERIOD A YEAR AGO

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Dr Arvind Mayaram, Finance Secretary, Government of India exuberated confidence on achieving a growth rate in the range of 5.7 to 5.9 per cent during the current fiscal year 2014-15. Dr Mayaram was speaking at a function organized by the Madras Chamber of Commerce & Industry to celebrate their Chamber Day at Chennai today. He said that an upgrade by S&P in the overall outlook from negative to stable reaffirms the fact that the health of the economy is in a much better condition than it was a year ago. Finance Secretary Dr Mayaram said that the indices in H1 of 2015 appear to be more robust, with the first quarter GDP growth numbers coming in at 5.7 per cent, significantly low rates of inflation and a healthier external account balance. He said that investments are higher compared with the levels in the previous year.

Finance Secretary Dr Arvind Mayaram said that the new Government through its General Budget 2014-15 indicated the overall direction in which the Indian economy would move. He said that infrastructure development is one of the foundations on which the present Government wants to accelerate growth and create employment opportunities. In the past, large projects had come to a standstill and many others were stressed on account of slow decision making and paralysis. Finance Secretary said that signs of recovery are visible in the sector, albeit slowly. Dr Mayaram said that the investment data in September 2014 shows an uptick with a growth of 9.8 per cent as

against 6.7 per cent growth during the corresponding period in the last fiscal year. He said that he is confident that the steps taken by the Government to distress projects and simplify decision making will show increasingly better results in the coming quarters. He further said that SEBI has already notified the guidelines on REITS and InvITs. FDI limits have been enhanced in Railway infrastructure and defence, he added.

Finance Secretary Dr Mayaram said that this is also getting reflected in how the markets are performing and the receipt of the foreign inflows in the economy both in the form of FDI and FII. He said that the FII net investment in Indian markets since the beginning of 2014 have reached USD 34.2 billion compared to the USD 12.13 billion in the entire year of 2013. The net FII investment in the debt side is USD 19.9 billion and in the equities markets is USD 14.2 billion. Finance Secretary said that total FDI flows into India for the period in April –July 2014, stood at USD 14.6 billion compared to USD 11.7 billion during the same period a year ago.

Finance Secretary Dr Arvind Mayaram said that the Government is confident of meeting its target of fiscal deficit of 4.1 per cent this year. While addressing the issue of quality of expenditure, Dr Mayaram stated that the Government has already constituted the Expenditure Management Commission (EMC) which would give its first report by the end of this year.

Finance Secretary Dr Arvind Mayaram said that Current Account Deficit(CAD) has been brought down substantially and this has also been acknowledged as of the key credit strength by S&P in its recent report. Dr Mayaram said that this Government is committed to an early roll-out of GST, providing gainful employment to its youth through its skill development programme, fast tracking work on Industrial Corridors and bringing in the requisite amendments in the Land Acquisition Act to expedite project clearances. The WPI is at the lowest level since October, 2009 and CPI is less than 8 per cent which is the target for this year according to the Dr Urjit Patel Committee Report. Conditions are becoming favourable for a more benign monetary policy going forward in this year, the Finance Secretary added.

On ease of doing business, Finance Secretary Dr Mayaram said that whereas some of the Central Government policies and processes need to be changed and the revision is underway, most of the action lies with the states. He suggested that the Chamber must recommend laws under which the State Governments can move towards self certification or third party certification for giving clearances and approvals.

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