FICCI comments on the Economic Survey 2014-15

"…we need to continue with the reforms process to ensure that we are firmly rooted on a sustainable growth path". - FICCI president Jyotsna Suri

New Delhi, 27 February, 2015: Commenting on the Economic Survey 2014-15 tabled earlier today by the Finance Minister in the Parliament, **Dr. Jyotsna Suri, President, FICCI** said "The Economic Survey has highlighted that India is at the cusp of a higher growth trajectory. While the process of recovery has started, we need to continue with the reforms process to ensure that we are firmly rooted on a sustainable growth path".

"Given that the investment cycle has not gained traction on account of the private sector being constrained by weak demand, regulatory impediments and factors hindering competitiveness, the Economic Survey has highlighted the centrality of public investments as an engine of growth in the near term to crowd in private investments. This was evident in the Railway Budget and we hope to see this trend continuing in the Union Budget", **Dr. Suri added**.

"While reviving targeted public investment is important, the government will have to lay equal emphasis on improving the quality of its expenditure. The Economic Survey has rightly suggested elimination of the revenue deficit of the government and ensuring that over time borrowing is only for productive capital expenditure. FICCI for long has advocated this and we hope that the Union Budget would incorporate suggestions on subsidy rationalisation", **said Dr. Suri**.

With the government remaining committed to fiscal consolidation and with inflation remaining benign, FICCI feels that there is room for easing of monetary conditions leading to a lower lending rate framework in the country that would aid both consumption and investment demand.

As economic growth improves, there is bound to be an increase in the demand for funds from the financial sector. Presently, the public sector banks are weighed down by over reliance on them for meeting the funding needs of the economy. There is a need to diversify the sources of funds for various productive economic activities and in this context boosting the capital markets and corporate bond market are important. We hope to see measures towards this in the forthcoming Union Budget.

FICCI MEDIA DIVISION