

# NITI Aayog targets \$4 tn economy in next 5 years

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**NEW DELHI:** Federal policy think tank NITI Aayog has suggested several economic reforms with an aim to accelerate growth and boost the size of India's economy to \$4 trillion in the next five years.

The blueprint, called the *Strategy for New India@75*, released in the city by finance minister Arun Jaitley and NITI Aayog vice chairman Rajiv Kumar, proposes increasing the share of taxes in national income to 22% from 17%, inclusion of fuel and electricity within the goods and services tax (GST) and privatizing airports, as well as key railway assets such as freight terminals, engines and rolling stock.

The idea is to take steps that will keep India's \$2.7 trillion economy steadily expanding by about 8%, which could quicken to 9-10% by 2022-23, making India a \$4 trillion economy.

"It is also necessary to ensure that growth is inclusive, sustained, clean and formalized," the blueprint said.

The document, which captures the National Democratic Alliance administration's prescription for future reforms and growth milestones, comes just months ahead of national elections due by May.

Explaining the need for the blueprint, Jaitley said sound policy measures would put the economy on track, lift people out of poverty and improve the quality of life.

Although unlike its predecessor Planning Commission, NITI Aayog is not involved in allocation of funds to various programmes, officials say its advice will be heeded by ministries, given that the think tank is led by Prime Minister Narendra Modi.

NITI Aayog chief executive



■ Finance minister Arun Jaitley flanked by NITI Aayog vice chairman Rajiv Kumar (left) and CEO Amitabh Kant in New Delhi on Wednesday

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officer Amitabh Kant said the think tank has a monitoring and evaluation division, which prepares the outcome budget. "The entire focus of this government is on outcomes. Every resource spent is measured on the basis of outcomes delivered," said Kant. Kumar said the strategy document was reviewed in detail by the Prime Minister. "Therefore, we do have some lever," said Kumar.

The strategy paper lays emphasis on completing major infrastructure projects such as the first phase of Bharatmala Pariyojana, laying roads in the north-eastern region and digitally connecting 250,000 gram panchayats through the Bharat Net programme by 2019. It aims to deliver all government services up to the gram panchayat level digitally by 2022-23. It also proposes using idle land availa-

ble with state-owned companies for productive use, giving every family a *pucca* house and ensuring power for all. Production of minerals is another priority for which the blueprint proposes a revamped exploration policy and a regulator.

"Popular aspirations are growing, people are becoming impatient. They want things to happen faster," said Jaitley.

One key area of reform proposed by NITI Aayog is privatization of key government assets. The document advises that the government exit non-strategic sectors by divesting its stake, which will add to the exchequer.

Liberalizing foreign ownership limits across industries, encouraging foreign investments in government securities and easing rupee bond limits are among the key suggestions.

NITI Aayog has suggested that the investment rate be boosted from 29% of gross domestic product in FY18 to 36% by FY23. Doubling goods and services exports to \$800 billion by FY23 from \$478 billion in FY18, improving the business environment and working with states to relax land and labour rules are also part of the agenda.