

Robust GDP growth to continue: CII

Says services sector, infrastructure activity and better demand conditions will drive economy in 2019

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India will continue to be the fastest-growing major economy, with robust GDP growth expected to continue through 2019, the Confederation of Indian Industry said, based on strong drivers from the services sector, infrastructure activity and better demand conditions.

“Better demand conditions, settled GST implementation, capacity expansion resulting from growing investments in infrastructure and continuing positive effects of the reform policies undertaken and improved credit offtake especially in services sector at 24% will sustain the robust GDP growth in the range of 7.5% in 2019,” Chandrajit Banerjee, Director General of CII,

What industry wants

Three tax slabs: standard rate, higher rate for demerit goods and lower rate for some mass consumption items

- Continued emphasis on simplifying business procedures
- More NCLT benches for faster exit of distressed firms

- Council must consider extending GST to fuels, real estate, electricity, alcohol

- States must implement Agriculture Produce and Livestock Marketing Model Act



- Higher domestic oil production to hedge against global price volatility
- RBI must revisit PCA framework, and open special window for NBFCs

said in a statement. CII has identified seven key drivers of growth that need to be encouraged in 2019, including lowering the number of GST rate slabs, bolstering the insolvency and bankruptcy framework, simplifying business procedures, and im-

proving agricultural productivity, among others.

“CII had suggested lowering the number of tax slabs to – a standard rate, a higher rate for demerit goods and a lower rate for some mass consumption items.” “CII also hopes that the Council

will also consider extending GST to excluded sectors such as fuels, real estate, electricity and alcohol.”

“While the process of resolution has taken shape..., the government should consider... additional benches of the National Company Law Tribunal to spread geographically... for easier and faster exit of distressed businesses,” it added.

Ease of doing business

On Ease of Doing Business, CII said the government should continue to place high priority on simplifying business procedures in 2019, especially in terms of working with the States for grass-roots improvements.

“Going forward, CII suggests that it is important to persuade States to imple-

ment the Agriculture Produce and Livestock Marketing Model Act, which has been implemented in just four States, to strengthen agriculture produce marketing,” it said.

The CII also said to spur credit growth and improve liquidity, the RBI should look at revisiting lending restrictions of banks placed under Prompt Corrective Action, and the opening of a limited Special Liquidity Window to meet emergencies of financial institutions.

CII said India can guard against risks of higher oil prices by raising domestic production of oil, providing a special window for oil marketing firms to procure oil and stepping up diplomacy with the U.S. to continue to secure purchases from Iran.