

Chidambaram to hold pre-Budget consultations with state FMs

Finance Minister P Chidambaram will hold pre-Budget consultations with state finance ministers and industry chambers on Wednesday. The issue of proposed Goods and Services Tax (GST) is likely to figure prominently in the Union finance minister's meeting with state finance ministers, as the Centre is keen on early implementation of the tax regime.

State finance ministers are likely to press for early release of compensation for lowering Central State Tax (CST) rate, among other regional issues. CST, a tax imposed on the inter-state movement of goods, was reduced from 4 per cent to 3 per cent in 2007-08 and further to 2 per cent after the introduction of Value-Added Tax (VAT).

Later in the day, Chidambaram will meet representatives of leading industry chambers CII, FICCI and Assocham. With factory output slowing amid high interest rate regime, industry is seeking steps to improve investment climate and boost business sentiment.

Chidambaram is holding consultations with various stakeholders in run up to the Union Budget 2013-14. The Finance Minister has already held consultations with bankers, trade unions, economists and agriculturalists, among others.

(Source: ibnlive.in.com)