

Govt taking steps to revive economy: President

Expressing concern over declining growth, President Pranab Mukherjee today said government is taking steps to revive investment activity and boost economy.

"Both global and domestic factors have affected our growth. We need to address the impact of both. My government has responded to the situation by taking several measures to revive investment activity and investor sentiment," he said in his address to the joint sitting of Parliament at the beginning of the Budget Session.

The economic growth during the 2012-13 is expected to fall to a decade low level of 5%. It was 6.2% in the previous fiscal.

"The past year has been a very difficult one for the global economy ...It has been a difficult year for India also.

"The Indian economy is currently experiencing slower growth. The real GDP grew by 5.4% in the first half of the current fiscal year. This is significantly lower than the average of around 8% in the last decade," Mukherjee said, adding the government is taking steps to deal with factors responsible for the slowdown.

On concerns over fiscal prudence, Mukherjee said, the government has announced a roadmap for fiscal consolidation and would contain the fiscal deficit to 5.3% of the GDP in the current financial year.

Referring to the issue of price rise, he said "inflation is easing gradually, it is still a problem ... There has been a moderation in core inflation and recovery in growth is likely".

The inflation based on Wholesale Price Index (WPI) plummeted to a three year low of 6.62% in January. The retail inflation, however continued to remain in double digit.

The government, he added, is also working with states to reach a consensus on Goods and Services Tax (GST), which will streamline indirect taxation system.

The address, a constitutional requirement, marks the commencement of the Budget session of Parliament.

Mukherjee also announced that government proposes to introduce the Judicial Standards and Accountability Bill in this session as a "significant" measure towards judicial reforms.

The President devoted a considerable part of the speech to the economic situation and the burden of gathering anxieties about slowdown, job security and employment prospects.

"People are concerned about the security of our women and children. They are also anxious about timely delivery of their entitlements and about persisting social and economic inequality," he said.

Mukherjee said the past year has been "very difficult one" for the global economy. "Europe is in recession. Most emerging markets are growing very slowly. It has been a difficult year for India also. Both global and domestic factors have affected our growth.

"We need to address the impact of both. My Government has responded to the situation by taking several measures to revive investment activity and investor sentiment," he said.

Mukherjee, who was Finance Minister before his election as President last July, noted that the Indian economy is currently experiencing slower growth.

"Real GDP grew by 5.4% in the first half of the current fiscal year.

This is significantly lower than the average of around 8% in the last decade. Our slower growth is the consequence of a combination of global and domestic factors," he said.

The President assured the nation that the government was taking steps to deal with the factors responsible for the slowdown.

"Inflation is easing gradually but is still a problem. In recent months, there have been positive developments too. There has been a moderation in core inflation and recovery in growth is likely. Policy measures announced during the year have also restored optimism at home and abroad," he said.

"My government has announced a road map for fiscal consolidation by containing the current year's fiscal deficit at 5.3 per cent of the GDP. The Government is also working with State Governments to reach a consensus on the Goods and Services Tax," he said.

In his speech, he also referred to the enactment of a "path-breaking" the Protection of Children from Sexual Offences Act, providing for stringent punishment for persons who commit or abet such offences.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Bill has already been passed by Lok Sabha for ensuring a safe and secure environment for women in work places.

"My Government is also deeply concerned about incidents of sexual offences against women. After considering the recommendations of the Justice J.S. Verma Committee, the Government has promulgated an ordinance, amending the criminal law to provide for stringent punishment for heinous sexual offences against women.

"The Government has also begun to implement a series of administrative measures to improve the safety and security of women in the country," the President said.

(Business Standard)