Syllabus subtopic: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Prelims and Mains focus: about the key takeaways from the meeting; suggestions given by various stakeholders and their significance

News: Prominent industrialists on Thursday urged finance minister Nirmala Sitharaman to kick-start economic growth by encouraging private investment, improving the regulatory environment and increasing export competitiveness.

Context:

The finance minister is slated to present her second budget on 1 February amid expectations that she would announce fresh measures to reverse the current economic downturn that has led to GDP growth hitting a six-and-a-half year low at 4.5% in the September quarter.

Suggestions given by industrialists

- In a customary pre-budget consultation with Sitharaman and top officials of the finance ministry, the industrialists suggested ways to revive the rural economy by boosting consumption.

- The suggestions included ideas to improve the Insolvency and Bankruptcy Code with regard to the National Company Law Tribunal and banks, faster merger, acquisition and demerger processes, and ways to reduce time for approval of foreign direct investment proposals.

- The industrialists also called for structural changes in laws for creating an effective and stable business environment, time-bound decisions for augmenting ease of business both at the central and state levels and fresh capital investment by the government towards infrastructure development.

- They also stressed on the need to prevent predatory pricing and dumping in India, facilitate research and development in the country to boost Make
in India, and harness public-private partnership by leveraging social funding through a new programme, as well as ensuring liquidity for NBFCs (non-bank financial companies) with focus on rural economy, and ways to increase consumption in the economy.

- **Decriminalizing various laws and procedures** would address the issue of trust deficit. This will be in line with the principle that entrepreneurship is a risky venture. Wilful defaulters should be dealt with firmly. However, in most cases, the fine should be enough to deal with inadvertent non-compliance.

**Concerns raised by representatives of trade organisations**

The Finance Minister on Thursday also met representatives of trade unions and labour organizations as part of the pre-budget consultations.

- The participants aired their concerns about provision of social security for workers besides skilling, re-skilling, and up-skilling of the labour force.

- They also emphasized on the quality of job creation, the need to ensure minimum wages for workers in detail, and the need for streamlining various schemes for better results.