

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. 116
TO BE ANSWERED ON NOVEMBER 25, 2019

STRUCTURAL REFORMS

*116. SHRI NAMA NAGESWARA RAO:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering to bring out a White Paper on economy and if so, the details thereof and if not, the reasons therefor;
- (b) the details of structural reforms initiated during the last two years in the country to bring out the economy from agricultural and industrial distress, improve employment opportunities in different sectors and help the unorganized sector, particularly after demonetisation;
- (c) the details of employment promised by the Government and the employment provided in both Government and private sectors, separately, during the last three years; and
- (d) the comments/views of the Ministry on demonetisation and its impact on society and organized sector?

ANSWER

FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D)
OF LOK SABHA STARRED QUESTION NO. 116 FOR 25.11.2019
BY SHRI NAMA NAGESWARA RAO REGARDING STRUCTURAL REFORMS

(a): At present, there is no proposal to bring out a White Paper on economy.

(b) & (c): Several structural reforms have been initiated in recent years. Introduction of Insolvency and Bankruptcy Code (IBC) is a significant step towards cleaning and strengthening the financial system of the country. Implementation of Goods and Services Tax stands out as the most important measure for improving ease of doing business in the country. Make-in-India programme is a major initiative towards increasing the indigenous capacity of the country to produce world class goods and services. Continuous liberalization has resulted in record and unprecedented inflows of foreign direct investment into the country. And all along Government

has kept inflation low, fiscal spending disciplined and current account deficit manageable to ensure macroeconomic stability so necessary to sustaining a healthy investment climate in the country. More recently Government has cut corporate tax rate from 30 percent to 22 percent to boost investment activity in the country. In particular, the corporate tax rate has been cut to 15 percent for new domestic manufacturing companies which is amongst the lowest in the world. This complements a cut in the repo rate by 135 basis points during 2019 by the Reserve Bank of India. Government has also extended PM Kisan scheme to include all farmers, which will boost rural consumption. A voluntary and contributory pension scheme for Small and Marginal Farmers across the country has been approved, which will boost income security in the rural sector. A similar pension scheme has also been approved for small shopkeepers and retailers and self-employed persons. The positive impact of structural reforms on growth creates additional employment on a sustainable basis both in the organized and the unorganized sector.

(d): Demonetization was a necessary step that had to be undertaken to weed out black money from the economy, widen the tax base and increase formalization for inclusive growth. The growth of a country depends on a number of factors viz, structural, external, fiscal & monetary factors. No direct and segregated data is available to measure the effect of demonetisation.
