

CII calls for fiscal support worth ₹4.5 lakh crore for Indian industries

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NEW DELHI: The Confederation of Indian Industry (CII) has called for a fiscal support package equivalent to 2-3% of gross domestic product (GDP), or around ₹4.0- 4.5 lakh crore for industry in addition to the ₹1.7 lakh crore the government has earmarked to ease economic distress caused to the poor by the coronavirus (Covid-19) pandemic. The industry grouping asked the government not to expend its firepower all at once given the likelihood that the crisis will not go away anytime soon.

CII, which also addressed ways to restart the economy after the national lockdown imposed to check the spread of the pandemic ends, urged the government to set up an empowered group of ministers to plan, review and address implementation challenges. Inter-departmental task forces led by the chief secretaries should be formed at the state level too for the same job, it said in recommendations submitted to the government. "Since we are not going to see the end of the crisis soon, the government should not spend all its firepower at once. The Covid-19 pandemic has been the biggest disruption to the world economy since the 2008-09 financial crisis," CII director-general Chandrajit Banerjee said.

"While India entered the 2008 crisis coming off years of strong growth, the story is different this time around, with the economy going through a slowdown pre Covid. It is our considered judgement that the impact is severely adverse and the best estimates of GDP growth for the current fiscal would be no more than about 2% with a downward bias," Banerjee said.

Banerjee said the government should extend additional support to "people at the bottom of the pyramid" thorough cash transfers and Support to industry could come through the banking system.