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CII seeks ₹15 lakh crore as immediate stimulus package

Suggests ₹2 lakh crore cash transfer to JAM account holders

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The Confederation of Indian Industry (CII) has urged the government to announce an immediate stimulus package of ₹15 lakh crore, which translates into 7.5% of GDP, with COVID-19 crippling the Indian economy.

“With economic activities being restricted for over 50 days now, the negative impact on the economy is expected to be even more significant than what we had earlier anticipated.

This needs to be offset by a large fiscal stimulus so that

jobs and livelihoods are protected. CII recommends the government to announce an immediate stimulus package of ₹15 lakh crore, which translates into 7.5% of GDP,” said Vikram Kirloskar, president, CII.

The broad elements of the stimulus include cash transfers amounting to ₹2 lakh crore to JAM account holders.

“A key fallout of this economic slowdown would be the human cost in terms of loss of jobs and livelihoods, which need urgent government intervention,” said

Chandrajit Banerjee, director general, CII. It should be ensured that the migrant labourers are kept within the purview of the proposed cash transfers, Mr. Banerjee added.

Further, in order to provide enterprises the immediate support to pay salaries to its workers and avoid any job losses, CII has suggested a provision of ₹2 lakh crore for additional working capital limits to be provided by banks, equivalent to April-June wage bill of the borrowers, backed by a government guarantee, at 4-5% interest.