

## India to grow at 9.5 % this year, 9% growth over medium term achievable

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**T V Narendran addresses media after taking over as President CII**

**Says India to grow at 9.5 % this year, 9% growth over medium term achievable**

**Economy: Space for fiscal stimulus of upto INR 3 lakh crores, Financial Sector reforms important**

**Vaccination: CII recommends creation of an empowered Vaccine Minister, increasing vaccine availability by 2X**

**CII interventions related to COVID: CII Project Vaccine Nation, Vaccination Awareness Campaign, E-ICUs to be set up in 12 states, National Oxygen Development Plan, CII Code for Industry Staff Welfare**

**INVC NEWS  
New Delhi,**

At his first media interaction as President, Confederation of Indian Industry (CII), Mr T V Narendran pegged India's GDP growth rate for 2021-22 at 9.5%. "Ultra-high frequency indicators strongly presage growth recovery following the second wave of the pandemic. With recent uptick in mobility indicators, traffic congestion index and daily railway passenger movement, we believe that 9.5% growth rate can be achieved this year," noted Mr Narendran, CEO and Managing Director of Tata Steel Limited. Mr Narendran took charge as President, CII on 31 May 2021.

Mentioning that growth needs to pick up to 9% by 2024-25 with public expenditure, reforms and vaccination as key levers, the President stated, "The cumulative impact of the two waves on incomes and consumer sentiment, coupled with the increase in household medical expenses in the second wave, is likely to affect consumer demand for some time. As the economy reopens post the second wave, a dual-pronged Government strategy is required to boost consumption and support industry till demand is well-entrenched."

Referring to a CII survey that showed the impact of infections on businesses, Mr Narendran outlined key points to reenergize the economy.

One, he batted for a strong fiscal stimulus and Government expenditure program. "CII estimates that there is fiscal headroom of up to INR 3 lakh crore and this amount can be channelised towards direct cash transfers to the vulnerable people, higher allocation for MNREGA, short-term GST rate cuts and lower excise duty on fuel." Demand can also be revitalized through a time bound tax concession of interest rate subvention for home buyers, a LTC cash voucher scheme as done last year and extending the Atmanirbhar Bharat Rozgar Yojana till 31 March 2022, he added.

CII further urged for expansion in the Reserve Bank of India (RBI) balance sheet to meet the demand exigencies of the pandemic.

Two, Mr Narendran called for support to industry through increase in Emergency Credit Line Guarantee Scheme (ECLGS) to INR 5 lakh crore along with extension of the scheme to 31 March 2022 and inclusion of more distressed sectors such as retail. He further suggested long pending structural tax reforms such as inclusion of ATF and other fuel products under GST to be considered.

Three, the President emphasized, "As businesses reopen, their credit needs must be met and the financial sector should be able to absorb pandemic-induced non-performing assets." A corpus may be set up as a pandemic pool to cover the risk of losses from future pandemics.

Four, CII suggested a range of measures for accelerating vaccination. As per CII estimates, an average of about 71 lakh daily vaccinations are required over June to December 2021 to administer at least a single dose to all adults. For this, the vaccine availability must increase by 2 times.

CII stated that Government should fast track all necessary licensing requirements and pay in advance for purchases, besides providing capital subsidies to incentivise production. It should urge the IP owners of vaccines to issue licenses for mass manufacturing with transfer of technology.

Mr Narendran advocated for the appointment of an empowered Minister of Vaccination to accelerate the

vaccination program including in rural areas, procurement and distribution of vaccines to states based on scientific criteria and monitoring progress through a daily dashboard.

CII's Project Vaccine Nation aims to assist in this by reaching out to its 3,00,000 direct and indirect members and linking vaccination demand with manufacturers and healthcare providers.

Five, noting that a third wave is a possibility, President CII urged that district administrations and the private sector partner to set up Covid Care Centres in rural areas. Free land, deemed clearances and tax benefits could be extended for this. Government should also keep handy reserves of essential drugs, vaccines and oxygen to meet infection spikes, said CII.

Six, CII suggested a multi-pronged National Oxygen Development Plan to create a robust oxygen ecosystem.

Seven, a comprehensive social health insurance for all should be instituted by 2025 with funding from various central and state sources and private beneficiaries, according to CII.

"With majority of the population vaccinated by the end of this year, implementation of big-ticket reforms in factor markets and the financial sector, and a large fiscal stimulus, we will be able to reach the critical US\$5 trillion mark by 2025-26. This is the best-case scenario that CII has estimated," stated Mr Narendran.

Outlining the CII agenda for the year under the theme of 'Building India for a New World: Competitiveness, Growth, Sustainability, Technology' Mr Narendran said that CII has set up several task forces to go into the issues of third wave of pandemic preparation, risk surveillance and early warning systems, and strengthening scientific data.

He informed that CII aims to set up E-ICUs in rural areas across 12 states, for which pilot projects in Maharashtra and Haryana have been successful. The CII E-ICUs will have testing and diagnostic facilities and oxygen generation capacities.

CII will also undertake capacity building of ASHA workers and Auxiliary Nurse Midwives (ANMs).

CII has drafted a Code for Industry Staff Welfare to provide relief to families of employees who succumbed to Covid-19. The code suggests support by companies on 5 key areas including welfare support, income support, higher education support, Term Insurance support and support to contractual staff.

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