Addressing the captains of the Indian Industry, Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman stressed that structural reforms are a key priority of the government as has been reflected in the slew of measures & policies announced since outbreak of COVID-19. Every policy which was introduced had a structural component. Consequently, thereforms are having significant impact on the recovery process which we are currently witnessing.

Further, in order to facilitate the recovery process, the Home Ministry has given out directions to the state governments for imposing no curbs on the movement of people and inter-state movement of goods & services. “There cannot be better time for exemplar cooperation between government, regulators and industry to ensure that Indian comes out from the present crisis”, she added.

Taking cognizance of the fact that many sectors such as Tourism, Hotels & Hospitality, Real Estate & Construction and Airlines have been disproportionately affected by the pandemic, the Finance Minister said that these are critical sectors with significant multiplier impact on the economy. In order to ease the pain of few of these ailing sectors, the Standard Operating Procedures (SoPs) for the hotels, banquets & related activities will be looked into, she assured. On the issue of strategic disinvestment,SmtSitharaman highlighted that there was a need to move fast on cabinet cleared disinvestment decisions.

Regarding the privateinvestment cycle which got a fillip from the corporate tax cut in September 2019, investments however couldn’t take off due to outbreak of COVID-19.SmtSitharaman was of the view that in a post-COVID world, these should fructify.“With post-COVID reset happening, emphasis has to be on adoption of data-driven manufacturing models through ploughing greater investments in these models”, she further added.

On the issue of local manufacturing, SmtSitharaman said that Productivity Linked Incentives (PLIs) scheme has met with excellent response and has helped speed up manufacturing of critical bulk drugs and APIs in 6 states.

On delayed payments by the government agencies, it was said that the Finance Ministry is taking periodic reviews to expedite the due payments to the industry. Further, the Finance Minister alluded that infrastructure sector plays a key role in speeding up growth momentum, hence, to give its financing a further boost, external funds will also be welcome. Responding to a question about the need for lowering GST rates on 2-wheelers, she assured that this was indeed a good suggestion as this category is neither a luxury nor a sin good and hence merits a rate revision. Consequently, this will be taken up with the GST Council, she added.

Mr Uday Kotak, President, CII, in his opening remarks, highlighted that we are seeing ample signs of a nascent recovery from the lows seen in April-May as a result of the supportive steps taken by both the Central Government and RBI. However, the localized lockdowns implemented in many States has given rise to supply-side bottlenecks, which could impede growth when demand side cranks up. He further added that government-owned institutions like NABARD, SIDBI and NIIF have the potential to evolve into development finance corporations in order to support recovery.

Mr Chandrajit Banerjee, Director General, CII in his welcome remarks highlighted the continual support from the government in assisting the industry navigate through the difficult times.