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Robust Reforms Can Help Beat Inflation: CII Prez

Our Bureau

New Delhi: Global headwinds and inflation will have to be countered with robust reforms, said Confederation of Indian Industry's (CII's) newly elected president, Sanjiv Bajaj.

Speaking to reporters on Monday, Bajaj also underlined a 10-point policy agenda for the government to leapfrog Gross Domestic Product to \$9 trillion by financial year 2030-31.

According to Bajaj, both domestic and external sector reforms are needed to unlock the growth potential of the economy. "Tailwinds that are supportive of growth in the short-term include government capital expenditure and private sector investment, which are showing an uptick aided by strong demand in some sectors and the Performan-



ce Linked Incentive (PLI) push in the others."

Bajaj also listed the good agriculture season on the back of the expectations of a good monsoon and good export momentum as positive impetuses. On inflation, he said the RBI decision to

raise benchmark interest rates and the likelihood of a good monsoon will help in containing inflation.

On interest rate hike, he said, "I do believe we are now in an era of higher interest rates. This will help us in bringing down inflation, at least a part of that, going forward."

An immediate measure to moderate inflation could be to moderate taxes on fuel products, which constitute a large share of the retail pump prices of petrol and diesel. "CII would encourage Centre and state governments to collaborate in reducing these duties," he said.

CII estimates India's annual GDP growth to be in the band of 7.4-8.2% depending on global oil prices. "As far as the projections are concerned, as you know, Reserve Bank of India's own projections are at the lower end of this", he said