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Pragmatic & certainly a step ahead

OVERALL, Budget 2012-13 looks pragmatic and certainly a step ahead from the last year's Budget. The finance minister has attempted to address the bottlenecks encountered during 2011-12. Expenditure on social sector and infrastructure has been substantially increased. Besides, a slew of measures has been taken for key sectors such as aviation and manufacturing sectors, including funding. The agriculture sector is likely to get the necessary boost with increased outlay for irrigation and ex-



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panded credit. This could curtail food inflation.

On the fiscal front, the government has projected fiscal deficit at 5.1% of GDP. It remains to be seen if this can be achieved given that excise and service tax rates have reverted to 12% and fuel prices may go up.

The commitment to contain subsidy to 1.75% of GDP in three years is welcome and we hope that the proposed direct transfers of certain subsidies such as fertiliser through e-formats will be rolled out rapidly.