

## **Exporters pinning hope on Union Budget for a stimulus**

Exporters are pinning their hopes high on the Union Budget for 2017-18 for decisive fiscal measures which would act as a stimulus to revive the economic sentiment that had seen a short-term impact of the demonetization, said Chairman of the EEPC India Mr T S Bhasin.

“ Budget would be critical to revive investment sentiments followed by introduction of the Goods and Services tax which will further ensure that the entire value chain in the economic activity is integrated and mapped electronically through the GST Network,” said Chairman of the apex organisation of the engineering exporters.

He said while the “new normal” would lead to some adjustment problems particularly for the small and medium enterprises and especially those dependent on cash for daily operations, the government should invest heavily in digital infrastructure as cash as a percentage of GDP is expected to halve from the present 12% in the next three years or so. “Different agencies and the public sector entities like the banks and the oil marketing companies along with the Railways and port authorities should take lead in reducing the cost of digital transactions”.

But in the long run, Mr Bhasin said the entire direction towards digitalization of the economy and transparency in the government machinery and business paradigm would be beneficial.

“Transparency and the value chain integration should help ensure the ease of doing business and reducing the transaction costs for the domestic industry and those who are engaged in highly competitive export sector,” the EEPC India Chairman said.

He said while an uptick in the US economy and in large parts of the European markets is a good news for India, “we must work for getting more and more competitive and stay on top of the situation unfolding from the impending inauguration of Donald Trump and the fall out of the Brexit “.

Mr Bhasin hoped that the Finance Minister Mr Arun Jaitley would unveil a special package for the exporters in the form of both fiscal incentives and procedural de-bottlenecks in the Budget on February 1.