



# OECD Economic Survey of India 2017 : Indian economy is expanding at a fast pace, boosting living standards and reducing poverty nationwide; Hails India's recent growth rate of more than 7 percent annually as the strongest among G-20 countries; Secretary, Department of Economic Affairs, Shri Shaktikanta Das and Secretary-General OECD, Mr. Angel Gurría jointly launched OECD Economic Survey of India in Delhi today.

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The Indian economy is expanding at a fast pace, boosting living standards and reducing poverty nationwide. Further reforms are now necessary to maintain strong growth and ensure that all Indians benefit from it, according to a new report from the OECD.

The latest **OECD Economic Survey of India 2017** finds that the acceleration of structural reforms and the move toward a rule-based macroeconomic policy framework are sustaining the country's longstanding rapid economic expansion.

The Survey, launched in New Delhi today by OECD Secretary-General Mr Angel Gurría and Secretary, Department of Economic Affairs, Ministry of Finance, Govt. of India, Shri Shaktikanta Das, hails India's recent growth rate of more than 7 percent annually as the strongest among G-20 countries. It identifies priority areas for future action, including continuing plans to maintain macroeconomic stability and further reduce poverty, additional comprehensive tax reforms and new efforts to boost productivity and reduce disparities between India's various regions.

Speaking on the occasion, Mr Gurría said that India provides a welcome counter-point to a global economy that has been under-performing for years. He further said that India has been top performer and reforms are bearing fruit, growth is strong and other macroeconomic indicators are improving. Mr Gurría said that Maintaining the reform momentum will be critical to boosting investment and creating the quality jobs needed to ensure strong and inclusive growth for future generation, with all segments of society benefitting from it.

Later, Shri Shaktikanta Das, Secretary, Department of Economic Affairs, Ministry of Finance, Government of India said that he was pleased to note that the OECD survey considers India as a top reformer in the world. As per the report, the ease of doing business in India has improved. He assured that the Government of India is well aware about the challenges before it and there is work in progress on all of the recommendations enshrined in the Survey.

The implementation of the landmark GST reform will contribute to making India a more integrated market. By reducing tax cascading, it will boost competitiveness, investment and job creation. The GST reform - designed to be initially revenue-neutral - should be complemented by a form of income and property taxes, the Survey said.

The Survey points out the need to make income and property taxes more growth-friendly and redistributive. A comprehensive tax reform could help raise revenue to finance much-needed social and physical infrastructure, promote corporate investment, enable more effective redistribution and strengthen the ability of states and municipalities to better respond to local needs, according to the Survey.

The OECD points out that achieving strong and balanced regional development will also be key to promoting inclusive growth. Inequality in income and in access to core public services between states and between rural and urban areas is currently large across India, while rural poverty is pervasive. Continuing efforts to improve universal access to core public services is essential.

Recent changes in India's federalism model have given states more freedom and incentives to modernize regulations and tailor public policies to local circumstances. Ranking states on the ease of doing business is opening a new era of structural reforms at the state level and will help unleash India's growth potential. Further benchmarking among states and strengthening the sharing of best practices, particularly labor regulations and land laws could add to the reform momentum.

Raising living standard in poorer states will require increasing productivity in the agricultural sector. With employment expected to gradually shift away from the agricultural sector, urbanization will gather pace. Thus, better urban infrastructure will be needed to fully exploit cities' potential for job creation, productivity gains and improving the quality of life.

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