



# Demonetisation will lead to bigger, cleaner and real GDP, says Jaitley

## GST to spur growth, competitiveness, and greater transparency in economy

Posted On: 01 FEB 2017 4:06PM by PIB Delhi

The Union Minister of Finance and Corporate Affairs Shri Arun Jaitley said that India has witnessed historic and impactful economic reforms and policy making in the last one year and there were two tectonic policy initiatives, namely, passage of the Constitution Amendment Bill for GST and the progress made for its implementation ; and demonetisation of high denomination bank notes. Presenting the General Budget 2017-18 in Parliament today, the Finance Minister said, the advantages of GST for the economy in terms of spurring growth, competitiveness, indirect tax simplification and greater transparency have already been extensively discussed in both the Houses of Parliament.

The Finance Minister said that demonetisation seeks to create a new 'normal' wherein the GDP would be bigger, cleaner and real .He said that this exercise is part of the Government's resolve to eliminate corruption, black money, counterfeit currency and terror funding. The Finance Minister Shri Jaitley said, that the demonetisation has strong potential to generate long-term benefits in terms of greater digitisation of the economy, increased flow of financial savings and greater formalisation of the economy, all of which would eventually lead to higher GDP growth and tax revenues. It also helps to transfer resources from the tax evaders to the Government, which can use these resources for the welfare of the poor and the deprived at large. There is early evidence of an increased capacity of Banks to lend at reduced interest rates and a huge shift towards digitisation among all sections of society.

The Finance Minister Shri Jaitley underlined that demonetisation and GST which were built on the third transformational achievement of our Government, namely, the JAM vision, will have an epoch making impact on our economy and the lives of our people. He said that in the last two and half years, it has been the Government's mission to bring a Transformative Shift in the way our country is governed as we have moved from a discretionary administration to a policy and system based administration; from favouritism to transparency and objectivity in decision making; from blanket and loose entitlements to targeted delivery; and from informal economy to formal economy. Finance Minister further said that inflation, which was in double digits, has been controlled; sluggish growth has been replaced by high growth; and a massive war against black money has been launched. He added that the Government will continue to undertake many more measures to ensure that the fruits of growth reach the farmers, the workers, the poor, the youth, the Scheduled Castes and Scheduled Tribes, women and other vulnerable sections of our society.

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(Release ID: 1481557) Visitor Counter : 35

