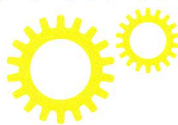


WHAT MR. JAITLEY SHOULD DO

Panellists at *Business Today's* pre-Budget discussion want the government to take steps to accelerate economic growth, boost investment and create jobs. 

There are high hopes from the first full Budget of the Narendra Modi government. Finance Minister Arun Jaitley has promised the second generation of reforms, rationalisation of subsidies and tight fiscal control. The Budget will also have to find ways to support Modi's Make in India programme and focus on job creation and growth. To discuss these issues, *BT* organised a panel discussion with Rajiv Kumar, Senior Fellow at the Centre for Policy Research; Surjit Bhalla, Managing Director of Oxus Research; Bakul Dholakia, Director General of International Management Institute, New Delhi; Professor M.V. Rajeev Gowda, Congress spokesperson and Rajya Sabha MP; Ajit Ranade, Chief Economist of the Aditya Birla group; Laveesh Bhandari, Director and Chief Economist at Indicus Analytics; and Ridham Desai, MD and Head of India Research, Morgan Stanley. *BT's* Prosenjit Datta and Shweta Punj moderated the discussion. Edited excerpts:

Ajit Ranade: The backdrop for this Budget is that, we've had this very good fortune of a steep drop in international oil prices and that gives us a triple bonus. Number one is the fiscal relief you get because of lower subsidies; the relief on the current account because of decrease in oil prices and number three is the impact on inflation. This translates into something like a de-facto stimulus to the economy without the side effects. The estimate is something like between half and one per cent of GDP.

I expect the Budget to take advantage of this huge stimulus impact coupled with a creative and aggressive disinvestment programme... we can't depend that much on export-led growth. Growth has to come from domestic factors and you can't depend on consumption growth as much as investment growth and investment has to come primarily from both public and private sector. Private sector investment is still not picking up steam. So, it's up to the government to take the lead in terms of investment.

