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Budget 2020: 'Not enough to provide populist sops such as middle-class tax cuts'



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“We are seeing global headwinds buffeting the Indian economy, caused by uncertainties in the energy sector due to the USA-Iran imbroglio, and both bilateral and multilateral trade disputes between the USA, China, and members of the World Trade Organization (WTO). These pressures, together with softening in consumer spending and a manufacturing slowdown have led to the IMF projecting a much lower rate of GDP growth for next year. I would be keen to see the Honorable Finance Minister provide for the following in the upcoming budget session:

1. Stimulate rural spending through aggressive promotion of rural employment, improving rural productivity and investing in infrastructure. It is not enough to provide populist sops such as middle-class tax cuts without also providing for more inclusive growth in the rural sector.

2. Make it easier for home-grown startups and further reform the “angel tax” process that chills the entrepreneurial spirit and leads to the flight of capital to other, more start-up friendly countries.

3. Provide a massive fillip to innovation, especially in areas related to Industry 4.0 such as IoT (Internet of Things), AI (Artificial Intelligence), and ML (machine learning).

Substantial and sustained investments in incubators and accelerators, coupled with an emphasis on making solutions relevant for all sections of society via social entrepreneurship initiatives is the need of the hour.

4. Reduce corporate taxes, but ensure much better compliance by using technology to better predict tax avoidance and default probability.”

(Dr Suresh Ramanathan, Dean, Great Lakes Institute of Management)

Link: <https://www.deccanherald.com/business/budget-2020/budget-2020-not-enough-to-provide-populist-sops-such-as-middle-class-tax-cuts-798932.html>