



INFRASTRUCTURE INDUSTRY AND LOGISTICS FEDERATION OF INDIA

Press Release

ILFI Reaction on Union Budget 2014-15 “ILFI HAILS BUDGET FOR FOCUS ON INFRASTRUCTURE”

New Delhi, Thursday 10th July, 2014: Welcoming the general Budget 2014-15 Mr Sushill Jiwarajka, President, Infrastructure Industry and Logistics Federation of India (ILFI) said that “The unprecedented focus on Infrastructure and related industries in the Budget will spur growth, generate employment and facilitate a framework for inclusive growth”

In a statement issued today, Mr Jiwarajka flagmarked some of the big ticket projects in the Budget such as, 10 year tax holiday for power companies, higher investment to build highways, building connectivity with rural areas, linking industrial hubs with harbour facilities, development of under developed regions like north east etc., “These proactive steps will have a positive impact on the economic growth. We can naturally expect an annual growth of 7 to 8% in the near future” he added. Introduction of infrastructure Trust Fund on the lines of Real Estate Investment Trust will give much needed liquidity for infrastructure development.

He said that, liberalizing the lending norms by the banking sector will provide necessary funds for the massive investment requirement in the infra sector.

Complimenting the finance minister for his bold steps for increasing the threshold limit for FDI in insurance and defence sector to 49%, ILFI president said that this would be instrumental in augmenting the much needed FDI into the country. However, he wanted an enabling ecosystem in the country to accelerate flow of the investment from both within the country and abroad.

Laying emphasis on fostering growth of manufacturing sector, the Finance Minister has rightly laid emphasis on skill development, Mr Jiwarajka said. However, going by the slow achievement in this segment, it is necessary to fast track the projects given the fact that 500 million gainful jobs have to be created by the end of 12th plan.

President ILFI, observed, that the Industry has a wish list which has to be addressed as and when the economy picks up such as extending the increased investment allowance to more sectors, toning up the contours of PPP model given the fact that the private sectors involvement is not at the desired level etc.

About the inverted tax structure in the case of customs duty leviable on raw material and intermediate goods, Mr Jiwarajka said that it was a welcome step since many of the finished goods carried lesser duty than the intermediate goods making domestic production unviable.

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