

16. Govt's Prudent Economic Policies Made India Better Placed To Deal With Pandemic Crisis

By Gopal Krishna Agarwal,

The BJP on Thursday said India is better placed than many other countries to deal with the economic fallout of the Covid pandemic due to the Narendra Modi government's prudent policies and criticised several opposition-ruled state governments for not slashing Value Added Tax on petrol and diesel after the Centre reduced the excise duty.

BJP spokesperson Gopal Krishna Agarwal said the cut in petrol and diesel prices by the Centre and several states, mostly ruled by the BJP-led NDA, will hand over Rs 88,000 crore in the hands of consumers as the central government works to boost demand and noted that nine states - Andhra Pradesh, Jharkhand, Maharashtra, Tamil Nadu, Telangana, Chhattisgarh, West Bengal, Delhi and Kerala - have not reduced VAT.

Lauding the Modi government for taking right decisions at the right time, he said it generated resources when the global crude prices fell and provided financial support to different sectors that needed support due to the pandemic. It has now slashed the oil prices despite the rising global crude rate amid a buoyance in direct and indirect tax revenue, he noted.

He said unlike many countries India did not resort to uncontrolled fiscal deficit financing which has made it much better placed to deal with inflationary pressure being felt across the world, including in the US and Europe.

The Modi government resorted to staggered fiscal stimulus and gave sector-specific packages while helping the most vulnerable people with direct benefit transfer, he said.

Alleging the the UPA rule during 2004-14 was a lost decade economically for India, the BJP spokesperson faulted the previous government's handling of the 2008 global financial crisis that created circumstances for the economic crisis in the country in 2013.

In contrast, the Modi government's handling of the much graver crisis caused by the pandemic has been "exemplary", he said, noting that India's foreign exchange reserve now can fund its import bill for 14 months.

Citing the selling of Air India, he said India is now firmly on the path of economic reforms and the government will take more measures, including in the nest year's budget, as necessary,