

Jaitley to do balancing act on inflation-growth dynamics

Says he's taking over at a challenging time when economic growth needs a boost & inflation is to be contained

Arun Jaitley today took charge of the Finance Ministry, promising to do a balancing act between containing inflation and boosting growth.

"So the balancing act will have to be done," Jaitley told reporters when asked about inflation and the need to cut interest rates.

The new finance minister said he is taking over at a very challenging time when the economic growth needs a boost and inflation is to be contained, besides going for fiscal consolidation.

"I am taking over at a very challenging time when there is need to rebuild the Indian economy. The challenges are very obvious. We have to restore back pace of growth, contain inflation and obviously concentrate on fiscal consolidation itself, " the new minister said.

India's economy refused to grow over 5 per cent in 2012-13 and 2013-14. The retail price inflation is over 9 per cent in April. However, fiscal deficit has been as per the road map given by the previous government and is likely to come down to 4.5 per cent of gross domestic product in 2013-14 against 4.6 per cent given in the revised estimate. Some quarters, though, have questioned the way fiscal deficit is reduced.

However, Jaitley asked reporters to wait for a few days before he spells out his entire strategy to do these things.

He said the decisive mandate that the Narendra Modi government has got will itself give signals to the investors.

"The mandate which our government has received has in-built hope in it. I am sure political change itself sends a strong signal for the global community as well as domestic investors," he said.

He promised to expedite decision-making processes in the next few months.

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