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## India Budget 2011-12 highlights: Economy to grow at 9%

**NEW DELHI (Commodity Online):** India's Finance Minister Pranab Mukherjee has begun the presentation of his Budget speech for 2011-12 stating that average inflation will be down next year and that Indian economy is expected to grow at 9% annually. Agriculture sector has recorded a growth of 5.4% while industry has grown by 8.1% in 2010-11.

The Finance Minister added that the current account deficit poses a major concern.

### Highlights:

- Encouraging trends in development of external sector
- Taxes, tariff procedures will be simplified
- To reconcile environment concerns, growth needs
- Current account deficit poses a concern
- 13th Finance Commission has worked out fiscal consolidation roadmap
- Agriculture growth at 5.4%, industry at 8.1% in 2010-11
- Self sufficiency in pulses, Rs 300 cr allocated for 60,000 pulses villages to increase production and productivity
  
- Self-help group fund to empower women
- Task force working on oil subsidy plans
- Rs 600 cr to public sector banks to maintain mandatory CRR
- Liberalisation of FDI policy
- FII allowed to invest in MF schemes
- 15 more mega food parks to be promoted
  
- Goods and Service Tax :significant progress
- Work is underway for states' GST
- High gap between wholesale and retail prices unacceptable
- Top priority for Agricultural productivity-- to promote organic farming, traditional farming and green agriculture
- FY12 Divestment target at Rs 40,000 crore
- FDI regulations consolidated into one comprehensive document
- States to cut down fiscal deficit to 3 percent of Gross State GDP by 2014

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