

## Manmohan Singh directs new fiscal package by weekend

Prime Minister Manmohan Singh Tuesday chaired a meeting of top ministers and policy makers in the backdrop of a confirmed US recession and directed that a package of measures be unveiled by this weekend to cushion the Indian economy from the global meltdown.

The two-and-a-half hour meeting called by the prime minister discussed, among other issues, the decline in India's exports in October for the first time in several years, as also the impact of the recession in several countries.

'Based on his directions, a package of measures is being prepared which will be finalized and announced by the end of the week,' an official statement said soon after the meeting of what is called the apex group chaired by Manmohan Singh.

Besides the prime minister as the chair, the apex group includes Commerce Minister Kamal Nath, Planning Commission Deputy Chairman Montek Singh Ahluwalia and Reserve Bank of India Governor D. Subbarao.

Manmohan Singh, who constituted the group, took charge of the finance portfolio after shifting its incumbent P. Chidambaram to the home ministry Sunday. The move came after the resignation of Shivraj Patil as home minister in the wake of the [Mumbai](#) terror attacks.

'There were detailed deliberations,' said a senior official in the Prime Minister's Office, adding that the decline in India's merchandise exports by over 12 percent, as opposed to steady growth over the past several years, was an immediate cause for concern.

'An urgent need was felt to ensure that our economic growth does not suffer on account of global developments. Yes, the US recession - particularly the impact on our economy - was also discussed in detail,' the official added.

The US is India's largest trade partner and a majority of foreign investment into India is from that country, even if several American companies route it through Mauritius to avail of the tax benefits.

With recession now confirmed for the first time since 2001 in the US - India's largest market for goods and services - the industry and economists were worried alike, particularly over its impact on exports and stock markets.

They said India was unlikely to plunge into recession, having logged a growth of over nine percent in the past few years and managing 7.8 percent expansion in the first half of this fiscal. But a slowdown, they said, was imminent.

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