



## Rural growth likely to push GDP to 7.5% by 2020

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The OECD has said in its Economic Outlook that this growth will come from higher domestic demand due to improved financial conditions, new income support measures for farmers, and recent structural reforms. Lower oil prices and the recent appreciation of the rupee is also likely to have a beneficial effect on inflation, the scourge of the common man. The report suggested that an improved collection of the GST and a wider base of personal income tax will help reduce the high public debt to GDP ratio. Ensuring a swift resolution of bankruptcy processes would help contain NPAs and boost productivity by reallocating resources to more productive firms and sectors, increasingly in the rural parts of the country.

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