



Indian Council for Research on International Economic Relations (ICRIER)
International Monetary Fund

**Conference on
Fiscal Policy Achievements and Challenges in Asia—Implications for India**

New Delhi, May 6, 2013

Silver Oak Hall, India Habitat Centre, New Delhi

9:30-10:00 am

Registration and Tea/Coffee

10:00-10:50am

Session I: Fiscal Policy in Asia: Dampening Cyclical Fluctuations and Increasing Space to Support Inclusive Growth

Chairperson: Isher Judge Ahluwalia, Chairperson, ICRIER

Presenters (20 min): Romain Duval, Head-Regional Studies Division, Asia Pacific Department, IMF and Edda Zoli, Senior Economist, Asia Pacific Department, IMF

The presentation discusses fiscal policy achievements across Asia over the past decade and highlights remaining challenges. Two broad conclusions, cyclical and structural, come out of the analysis. Over the past decade fiscal policy in many Asian economies has become more successful in dampening output fluctuations. Nevertheless, key fiscal policy reforms remain a priority to foster income redistribution and support economic rebalancing. In several countries government revenues remain low due to widespread exemptions and the tax structure is not growth-friendly. There also appears to be much scope for improving the composition of public expenditure. Spending on education, social safety nets and infrastructure needs to be raised, partly by gradually replacing generalized subsidies by better targeted measures such as direct cash transfers.

Discussants (20 min): Partho Shome (Ministry of Finance), Chetan Ghate (ISI Delhi)

General discussion (10 min)

10:50-11:00am

Tea/Coffee Break

11:00-11:50pm

Session II: Energy Subsidy Reform: Lessons and Implications

Chairperson (10 min): Ashok Gulati, Chairman, CACP

Presenter (20 min): Thomas Richardson, Senior Resident Representative- India, IMF

The presentation provides an overview of the magnitude of energy subsidies worldwide, and discusses reform experiences and challenges. It shows that energy subsidies remain sizable and impose substantial fiscal costs in developing and emerging economies from most regions. They also produce adverse environmental, social and macroeconomic effects, including the crowding out of growth-enhancing public spending. Based on the experience of 28 major energy subsidy reform episodes across the globe, the presentation identifies lessons for “how to do” successful reforms. It also discusses more specifically the fiscal and welfare implications of fuel subsidy reform in India.

Discussant (10 min): Kirit Parikh (IRADe)

General discussion (10 min)

11:50-12:00pm

Tea/Coffee Break

12:00-1:00pm

Presentation of IMF Asia Pacific Spring 2013 Regional Economic Outlook

Chairperson: Rajat Kathuria, Director & CEO, ICRIER

Presenter (30 min): Anoop Singh, Director, Asia Pacific Department, IMF

The presentation will summarize the macroeconomic and financial outlook for countries in East and South Asia, and the Pacific, in light of the global economic outlook presented in the Fund’s twice yearly World Economic Outlook (WEO).

Discussants (20 min): Ila Patnaik (NIPFP), Martin Rama (Director, 2013 World Development Report, World Bank)

General discussion (10 min)

1:00 – 2:30pm

Lunch