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India Economic Conclave 2020 organized by The Bengal Chamber at The Park on 15th January 2020

GST messy, disruptive in short run: Fin panel member

TIMES NEWS NETWORK

Kolkata: Member of 15th Finance Commission and former chief economic adviser to the



Centre, **Ashok Lahiri**, has slammed the goods and services tax (GST) as it could be "messy and disruptive in the short run". He has also indicated that the economy needs some corrective action.

"While GST will prove to be a game-changing reform over medium to long term, in the short run, it has proved to be messy and disruptive and poor in revenue performance," he said while speaking at a conclave organised by the Bengal Chamber of Commerce & Industry (BCC&I).

Lahiri pointed out that the GST Network (GSTN) was not fully ready when the new tax regime was launched in July 2017. This has assumed significance because some of these points are often raised in the last two years by Bengal finance minister Amit Mitra, who used to be the head of the empowered committee of state finance ministers during the GST rollout and a strong critique of the hasty rollout of GST.

Barely six weeks before the launch of GST, the tax rates were not decided and the specific rule needed to enforce the CGST, SGST and IGST laws were not settled, he said. Lahiri came down heavily on the hurried decision of providing compensation package for the states, which is now being considered as one of the lifelines for many states following a slow GST collection.

Lahiri, however, argued that even a deferred rollout could not have been better, as claimed by the Opposition parties. "The irony is that even if the target date of GST's introduction had been postponed, it is unlikely that the situation would have improved," he added.

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