EAC-PM Meeting

What is the issue?

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- Indian economic growth is declining, various economic agencies proves this fact.
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- Amidst the Indian economic slowdown,first meeting of Economic Advisory Council to the Prime Minister (EAC-PM) was recently held at Delhi.
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What are the projections about slowing Indian economy?

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- **IMF -**International Monetary Fund stated that India's economic growth for 2017 and 2018 would be slower than earlier projections because of the lingering impact of demonetisation and the goods and services tax.
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- The IMF projected India would grow at 6.7 per cent in 2017-18 and 7.4 per cent in 2018-19, which are 0.5 and 0.3 percentage points less than its projections earlier this year, respectively.
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- **RBI -** Recently the Reserve Bank of India had cut back its forecast for gross value added to 6.7 per cent for the full financial year.
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- **World Bank -**The World Bank, in its recently released South Asia Economic Focus, snipped off 20 basis points from its earlier estimate of 7.2 per cent for 2017-18.
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- For 2018-19, the World Bank's estimate is lower than the IMF's at 7.3 per cent.
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- **Other agencies -**The Asian Development Bank and the Organisation for Economic Cooperation and Development have also reduced their projection for India's economic growth.

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What is EAC-PM?

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- Economic Advisory Council to the Prime Minister is a non-constitutional, non-permanent and independent body constituted to give economic advice to the Government of India, specifically the Prime Minister.
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- The council serves to highlight key economic issues facing the country to the government of India from a neutral viewpoint.
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- It advises the Prime Minister on a whole host of economic issues like inflation, microfinance, industrial output, etc.
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- The PMEAC is chaired by a Chairperson and consists of eminent economists as members.
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- It is supported in its functions by a team of officials and administrators.
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- There is no fixed definition on the exact number of members and staff of the EAC-PM.
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- Its role would thus be different from that of the NITI Aayog, the latter's role will be to provide the bird's eye view, while the former will focus on providing "critical interventions" to accelerate economic growth and employment.
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What are the highlights of the meet?

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- The council identified 10 themes covering a wide range of broad topics for accelerating economic growth and employment.
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- The recommendations of the council will be structured around these themes, which include economic growth, employment and job creation, the fiscal framework and monetary policy.
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Source: Business Standard

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