There are crucial sectors in Indian economy which act as breeding ground for black money. Identifying and regulating them holistically is the need of the hour. Analyse (200 words).

Prevalence of black money in the economy hinders the growth of the economy in many ways. There are certain sectors which act as breeding ground for black money in both within and outside the country.

Recently, a report released by Parliamentary Committee on Finance states that sectors like gold and diamond, IT and consultation services helps in black money creation both within and outside the country.

Contribution of Sectors to black Money:

Gold, yellow metal is being exported to 2 nations largely. They are U.S and UAE.

Any export of gold to these countries involves a lot of unaccounted money. which creates. black Money.

In case of diamonds, the black money generation is done through overly estimating the value of diamond imported.

In case of services, the import of services help in outflow of foreign exchange which is transparent

But at the same time, fradulant companies might help laundering of black money.

Identifying and Regulating - Need :

Black money affects the domestic Industries which are smaller in size and also lot of many other Industries negatively.

So, Identifying those sensitive sectors at the grassroot level might give suitable solutions for the problem.

Involving all the stakeholders in knowing about the problem at grassroot level and analysing might help formulate necessary policy.

WAY FORWARD :

Identifying these crucial sectors and Introducing fair trade policies would make these sectors globally competitive.