

## **Drama as India's PM makes final push to pass GST**

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**Frank Jack Daniel & Rajesh Kumar Singh, Reuters**

The government of Indian Prime Minister Narendra Modi is making a last push before the end of a stormy sitting of Parliament to pass a major tax reform aimed at boosting economic growth, but an opposition party has dug in its heels to stop the bill.

Aimed at creating a customs union for India's 1.2 billion people, the goods and service tax (GST) is the biggest revenue shake-up since independence from Britain in 1947. Supporters say it will add up to two percentage points to economic growth.

Obstacles to the prime minister's ambitious agenda of economic reform have increased a sense among debt-laden domestic companies suffering subdued earnings that India's fledgling economic recovery could take longer.

The government put the bill on today's list of business in the upper house but proceedings were adjourned repeatedly as members of the opposition Congress party stormed into the well shouting "shut it down".

Deputy Finance Minister Jayant Sinha made a plea for order, saying Parliament just needed to function for one day to pass the bill and accusing Congress of blocking economic progress.

"We must try to pass the GST in any way possible," he said. "This is very irrational."

The GST bill was originally written by Congress, which ruled India for a decade before being defeated by Modi last year. The party is demanding the resignation of senior BJP leaders it accuses of graft before allowing Parliament to work.

It also wants changes to the bill, which it says has been diluted to win support from states.

Modi made the constitutional amendment to allow the new tax the main goal of the "monsoon" sitting of Parliament, which ends on Thursday.

Failure to pass the GST bill will make it hard for Modi to meet a self-imposed 2016 deadline for implementing it. In a research note, DBS Bank said any holdup "will be negative for market sentiment and could further delay the recovery process".

Even so, many foreign investors still see India as a bright spot in the world economy.

The government, which does not have a majority in the upper house, needs two-thirds of votes in the house to pass the amendment. That is only possible if most opposition parties support it, or if Congress abstains.

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