



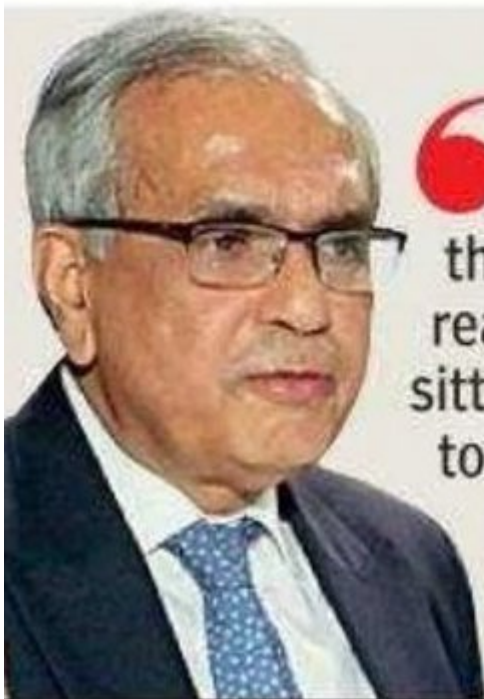
## Rebooting the economy

09 SEP,2019 | MEDC

# NOT ON THE SAME PAGE

“ If we basically expect the government to use taxpayer money to intervene every time when there are some ‘sunsets’ it will introduce possible moral hazards from ‘too big to fail’ and also the possibility of a situation where profits are private and losses are public which is basically an anathema to way the market economy works.”

— KRISHNAMURTHY SUBRAMANIAM



“ Nobody is trusting anybody else... within the private sector nobody is ready to lend, everyone is sitting on cash...you may have to take steps which are extraordinary”

— RAJIV KUMAR | NITI AAYOG VC

“ F... is... 5.5-6%. T... of subdu... expendit... elections... reduction... ”

The Finance Minister has recently released a list of 32 growth boosting measures for the economy. It shows that the government is taking cognizance of the slowdown and designing actionable plans to combat it. A clear achievement of the policymakers is controlling the inflation rate. However, low inflation can also be due to a lack of demand, which is responsible for the slowdown. Q1 GDP growth for 2019-20 is pegged at

5%, which is a 25 quarter low, and it shows the economy losing steam. This isn't something we can afford for much longer if we are to deliver on our promise of achieving a \$ 5 trillion economy in the coming five years. The government needs to engage more deeply with macroeconomic policy formulation. The enemy is within, and it needs to be identified and eliminated at the earliest.

*\*Photo Credit: Google*