

BENCHMARKS **LIVE****Nifty** 24,307.80 **268.46**

FEATURED FUNDS

★★★★★

5Y RETURN

Canara Robeco ELSS Ta...**22.94 %****INVEST NOW**

Search Stock Quotes, News, Mutual Funds and more

THE ECONOMIC TIMES | Politics

English Edition ▾ | Today's ePaper

My Watchlist

Subscribe

A ▾

BIG Price Drop Offer: 40% OFF!

Home ETPrime Markets Market Data

News Industry SME Politics Wealth MF Tech AI Careers Opinion NRI Panache ▾India IPL 2025 ▾ Web Stories Economy ▾ **Politics** Newsblogs Elections ▾ Defence ▾ More ▾

Business News ▸ News ▸ Politics ▸ Everything is hunky-dory, don't you agree?

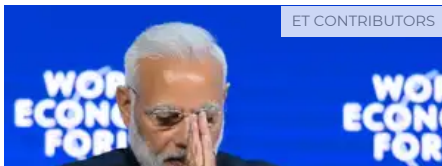
News Flash

India, France sign Rs 63,000 crore deal to buy 26 Rafales

Everything is hunky-dory, don't you agree?

Synopsis

Is the glass half-empty or half-full? The global economy is doing remarkably well. In 2017, there was an acceleration in the growth rates of three-quarters of the world.



ET CONTRIBUTORS

The prime minister's speech at the [World Economic Forum](#) was sweeping and aspirational (one observer said he was "preaching to the choir"). He

SECTIONS

Everything is hunky-dory, don't you agree?



investment destination in the world, with its democracy, its young population, its diversity and the headroom it has in catching up with

the West's levels of consumption. He also defended globalisation, saying protectionism cannot be considered a lesser threat than terrorism or climate change.

#Pahalgam Terrorist Attack

[India stares at a 'water bomb' threat as it freezes Indus Treaty](#)
[India readies short, mid & long-term Indus River plans](#)
[Shehbaz Sharif calls India's stand "worn-out narrative"](#)

I don't know if he had watched former US President Barack Obama's interview with [David Letterman](#) a few days earlier. Letterman, known for his irascibility during his Late Show years, lobbed softball questions at the former president. Yet, the conversation was thoughtful and engaging.



FOLLOW US SHARE FONT SIZE SAVE PRINT COMMENT

Videos



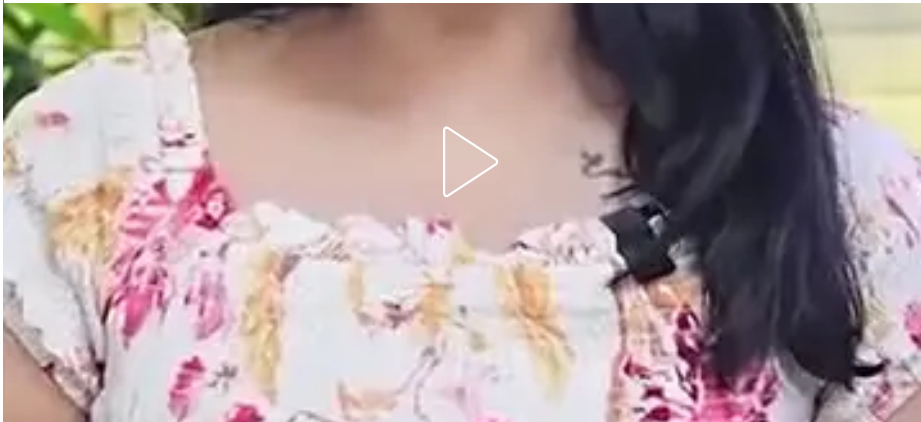
SpaceX Falcon 9 launches 23 Starlink satellites from Florida



Vancouver car attack: Eyewitness narrate horrific ordeal

During the past week I watched three interviews on television. Besides the Letterman interview, two with Prime Minister Narendra Modi. All three were touchy-feely and velvet-gloved. There was something else in common: the interviewers had all sheathed their claws. Especially the Indian ones: they were literally purring.

Q4 Earnings Season Heats Up: Big Names to Watch This Week



Many of the questions to Modi, who has not held a press conference in his 44 months in power, had me clutching my head (this is the Fourth Estate we are talking about, remember?) Among other things, the prime minister was informed that there was a New World Order called PTM – Putin, Trump, Modi. No mention of China's Xi Jinping, who has just tightened his grip on power for the next five years at the head of the world's second-largest economy. Modi was told that the opposition was needlessly dragging the government into the controversy gripping the [Supreme Court](#). To this, he replied: "The opposition has made several attempts to finish Narendra Modi. I wish them all the best." To which the journalist responded: "But they keep at it. It doesn't end."

Modi should have been pressed on why, despite his talk of inclusive growth and the good of the common citizen, he does not speak out strongly against caste and religious violence, or use his power to steer the national discourse towards the development theme he says is his lodestar.

Latest from ET

1. Rich Indians' best laid plans to build corpus overseas face a bump
2. Sensex jumps 1,000 points to defy Pakistan tension
3. No face to ask for statehood now: J&K CM Abdullah

ET THE ECONOMIC TIMES
invites you to

AI for Business Professionals Masterclass

Unlock AI to Drive Growth, Efficiency & Advantage

2 Days Live Masterclass

REGISTER NOW

ET THE ECONOMIC TIMES
invites you to

Value & Valuation Masterclass

Turn downturns into opportunities - Learn to Earn in the Stock Market

4 Days Live Masterclass

EXPLORE NOW

You had to trudge through the treacle to find the odd policy statement or insight from the prime minister. For instance, he spoke persuasively about his wish for simultaneous elections to the Lok Sabha and state assemblies. Administrative machinery is frozen while officials are diverted to election duty, thousands of crores are spent on campaigns, and police and paramilitary forces are deployed to poll security, away from their real functions – all good arguments for one big election every five years. That is a huge ask and will need the cooperation of every state. Look at the Bharatiya Janata Party-ruled states that, sensitive to the Vidhan Sabha elections strung out through this year, would rather keep the voters and law and order on a slow burn with the faux rage over ‘Padmaavat’ in defiance of the Supreme Court’s order. On the day Modi spoke at Davos, mobs were attacking malls and burning cars in Ahmedabad.

Presaging Davos, Obama talked about the things that worried him. “You still have growing inequality,” he said. “The combination of technology and globalisation means that entire industries and categories of jobs are being eliminated ... in that environment, if all the money is going to a handful of people at the top, and they are investing in all kinds of stuff because they want to maximise their return, that’s how you start getting bubbles, that’s how you start getting an overheated financial system. The challenge we still have to address is, how do we make an economy in this globalised, technological environment, that’s working for everybody?”

That question ought to preoccupy our policymakers as we head into an eventful year. Trade and development topped the agenda at Modi’s summit on Thursday with leaders of the Association of Southeast Asian Nations. ASEAN is dominated by authoritarian members who couldn’t have been too pleased with the violence and intimidation triggered by Padmaavat’s release, including the reprehensible attack on a schoolbus in Gurgaon not far from the airport where the VIPs were flying in.

POLITICS TRENDING TERMS

Rahul Gandhi

Nupur Sharma

Ashok Chandra

» **Wealth Edition:** Latest Edition of weekly money management guide is out now.

Popular in Politics

1. After SC pressure, Senthil Balaji resigns from TN govt; K Ponmudy quits too as CM Stalin rejigs portfolios



2. 'Not just in mountains': PM Modi on noteworthy effort to grow apples in Karnataka; also mentions Kerala's saffron cultivation, litchis in TN



3. Pahalgam Terror Attack: War with Pakistan must be last resort, Siddaramaiah says



4. Thackeray brothers eye reunion, Shinde seeks to cement hold



5. Rahul Gandhi to visit Rae Bareilly, Amethi on April 29-30



Is the glass half-empty or half-full? The global economy is doing remarkably well. In 2017, there was an acceleration in the growth rates of three-quarters of the world. India was among those countries whose growth rate shrank. Global trade is also growing in value and volume. This trend is spreading to India's exports; but oil prices are also rising, putting an end to more than three years of low import bills. At the same time, the oil price rise is benefiting India's exports of oil products – take a look at Reliance Industries' latest profit figures.

The disruption caused by [demonetisation](#) and the introduction of the Goods and [Services Tax](#) is starting to dissipate. The bad news is that India is not heading back into a boom in a hurry. This is mainly because of our Twin Balance Sheet problem – over-indebted companies (causing the continuing atrophy in investment) coupled with banks burdened with bad loans. Both are being addressed: creditors may have to take a haircut, but there are bidders for the stressed asset that will be sold off.

These remedies are going to take a couple of years to take effect. This means the patient will be out of the ICU, but linger in the recovery room, when general elections roll around next year (that is if Modi does not club major state elections late this year with early Lok Sabha polls).

Finance Minister Arun Jaitley will not have room to present a populist budget next Thursday. He will have to contend with a revenue crunch. The clamour from businessmen is that he needs to trim corporate tax rates urgently. It is clear that Jaitley will not be able to hold to his fiscal-deficit target of 3.2 percent of GDP in 2017-18. Modi told one of his interviewers that his government was hopeful of creating many new jobs by boosting infrastructure spending on highways and railways. Where will that money come from?

The government also announced reforms in state-owned banks and a Rs 88,000-crore capital infusion, adding a huge slab of expenditure. It will have to move forward purposefully on consolidation. That process seems to have already begun in the private sector, with the proposed merger between Capital First and IDFC Bank. Capital First is a non-banking financial company with a strong base of retail credit, caters mainly to small and medium businesses as well as individual borrowers, and has an enviably low bad-loan ratio. IDFC Bank has been struggling to 'retailise' since it obtained a banking licence in 2015.

There are reports that the government may loosen foreign investment rules to allow 100 per cent foreign equity in Indian private banks, and up to 49 per cent foreign ownership in state-owned banks. That move would catapult the banking sector into positive-sentiment territory. The privatisation of [Air India](#)

will also send a strong signal that India means business. For the moment, though, we have to wait and see if the floodgates of investment open up. Don't expect much bravado in this government's final full budget. Everything is not hunky-dory yet.

DISCLAIMER : Views expressed above are the author's own.

(You can now subscribe to our [Economic Times WhatsApp channel](#))

(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.economictimes.com.)

READ MORE NEWS ON

World Economic Forum Services Tax Demonetisation Supreme Court Air India
David Letterman India

(Catch all the **Business News**, **Breaking News**, **Budget 2025** Events and **La ...more**

[VIEW 7 COMMENTS](#) ON THIS STORY

Prime Exclusives

Investment Ideas

Stock Report Plus

ePaper

Wealth Edition



How friendly MNCs are turning the heat on Indian tec...



Ka-ching! Why scam victims, banks are thankin...



How India's CNG-powered clean fuel dream is losing...



Why ID chose to INR75k

[View all Stories»](#)

NEXT STORY

ADVERTORIAL

Bull vs. bear markets: How equities and bonds perform in different market cycles

By Vineet Agrawal – Co-founder Jiraaf, ET Spotlight Last Updated: Apr 21, 2025, 03:35:00 PM IST