Laying foundation for a better tomorrow

THE MODI GOVERNMENT HAS SET INDIA ON THE FAST TRACK TO GROWTH

Prime Minister Narendra Modi's recent trip to America has elevated Indo-US ties to new heights, especially economic partnership. The confidence exhibited at the India-US business council earlier this week is a case in point.

His government has recently completed two years in office. Going by the reports of various international think tanks and international institutions, the Modi government has set India on the fast track to growth by introducing a raft of measures to boost the economy.

Some people have expressed their reservations on the government's economic growth figures. But apart from a few well-reasoned arguments, most of the criticism is politically motivated. It should be borne in mind that the GDP now is being calculated using the globally accepted Gross Value Added (GVA) method.

With the growth rate nearing 8 percent in the last quarter of 2015-16, there is no doubt that the economy is out of the doldrums. All indices of recovery are on target, whether it is revenue collection or fiscal deficit at 3.9 percent of GDP. Per capita income has also risen to Rs 93,293 from Rs 86,879 last year. Experts believe that the economy could grow in the range of 8-8.2 percent in 2016-17. This growth in agriculture sector growth surpassing the 3-4 percent mark depending on the monsoon.

These achievements are the result of the Modi government's tireless efforts: flagship initiatives like UDAY, Pahal, and renegotiation of coal and other energy-related agreements; the revival of steel and infrastructure projects in the country; and the overall economic growth. These initiatives have created a necessary infrastructure demand and have helped the country to move towards a more efficient and transparent economy.

On this count government has been very focused and successful in its approach. In its recent election, The Economist stated: "Encouragingly, India seems to be cleaning up its act. In 2008, its per capita income was 18 percent of GDP, putting it on a par with Russia. Today it stands at 3 percent, level with Australia. A slump in commodity prices has obliterated the balance sheets of its private sector mining tycoons. The government has got tough on graft, and the central bank has prodded state-owned banks to stop giving sweetheart deals to the rich. The billions of rupees that are spent on the real estate sector now go to those who have actually earned them." The Indian economy is now on a track to growth.

The government has taken several steps to control inflation, including raising interest rates, reducing subsidies, and promoting exports. This has helped to reduce the inflation rate to 4 percent, which is below the Reserve Bank of India's target of 6 percent.

The Indian government has also taken steps to improve the business environment, including simplifying the tax system and reducing red tape. These measures have helped to attract foreign investment, which has increased by 23 percent in the year ending March 2017.

It is clear that the Modi government has set India on a path of growth and development. The time is ripe for the country to realize its potential and become a major player in the global economy.