

# Making enough effort to ensure economy remains buoyant: FM

## 'Weakness in demand for goods, services activity could be a drag on recovery'

RUCHI BHATIA

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Finance Minister Nirmala Sitharaman has said the government is making "enough efforts to make sure the economy remains buoyant".

External factors, including the OPEC+ output cut and "the spillover of all the decisions" related to Russia's war in Ukraine are "the two main things which I think I'd be more worried about than anything internal", she said in a wide-ranging interview with *Bloomberg* on the sidelines of the International Monetary Fund Spring meetings in Washington.

She also said weakness in demand for manufacturing goods and services activity could be a drag on India's recovery going forward.

On the Reserve Bank of India's pause on rate hikes, she said the central bank has found reasonable justification to pause for now.

"They are keeping a very close eye on the economy and business leaders have welcomed this pause with a sense of relief."

The RBI has given a hawkish outlook for India's inflation, but the price-gain trajectory will depend of monsoon rainfall going ahead, she said.

The finance minister said "we

## RBI'S PAUSE

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hope to continue on the (fiscal) glide path," adding that the government will adhere to the budgeted target of 5.9 per cent for the fiscal year starting April. "We have been careful."

In India, privatisation goes

## ADANI SAGA

**THE GOVERNMENT OF INDIA STAYS AT A DISTANCE FROM COMPANIES**

## JOB CREATION

**THE EMPHASIS NOW IS ON FILLING VACANCIES THAT HAVE ALREADY BEEN SANCTIONED OR ARE AVAILABLE IN THE GOVERNMENT**

through a whole lot of filters as all stakeholders have to be kept together, Sitharaman said when asked about the slow progress of stake sales in state-run firms. "The idea is not to close units down, it's more that the



**Nirmala Sitharaman, Finance Minister**

government wants to get out of businesses where more equity is not possible but there's interest outside and the economy will benefit if the companies are kept as going concern, so those considerations do take time."

Sitharaman said the upcoming national elections may pose a hurdle. "Bids come in after a certain level of certainty comes in," she said.

On the Adani saga, she said the government of India "stays at a distance from companies." A Supreme Court-monitored panel, she added, will probe allegations made by the US short-seller Hindenburg Research against the Adani Group.

"We think it may be inappropriate to comment even as the judiciary is having a look at it."

On job creation, Sitharaman said, "The emphasis now is to fill vacant jobs that have already been sanctioned or available in the government...There's a lot of skilling happening in the private

sector."

On cryptocurrency, she said more reports show that cryptocurrencies have macro-stability implications. If there's a consensus among G-20 members, "we will look at a broad framework and will leave it to each country to adopt their own legislative framework," she said.

Sitharaman said India could buy Russian crude oil near or past the price cap imposed by the G-7 if the recent OPEC+ output cut increases energy costs. "We will have to constantly re-figure where we get the best deal as it is a critical input for the economy," she said, adding that the nation will look at "affordable prices" to serve its large population

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