

Structural reforms keep economic recovery on course, says DEA secy

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India's economic recovery remains on course, supported by key structural reforms, despite exogenous shocks and challenges, Economic Affairs Secretary Ajay Seth said on Thursday.

Speaking virtually at the annual meeting of the Asian Development Bank (ADB), Seth said India's response has focused on supply-side reforms rather than a total reliance on demand management. "India is focusing on infrastructure-led capital spending aimed at enhancing productivity and employment while ensuring fiscal prudence with 'targetted' interventions," he added.

S&P Global Ratings in its



latest global macro update said India remains an outlier, having emerged from the pandemic with stronger corporate balance sheets as well as structural tailwinds. "For the 16 emerging economies that we cover excluding China, 2022 GDP growth will hit 5.2 per cent this year. India is the star of this group with growth of 7.3 per cent this fiscal ending in March 2023," it

added.

The ADB meeting is held in the backdrop of tightening of monetary policies, slowdown of the global economy, supply-chain disruptions, unprecedented inflation and rise in commodities prices endangering food security and livelihoods and the developmental gains made so far, Seth said.

"The need of the hour is increasing private sector operations to leverage the limited capital of the Bank (ADB) more efficiently, develop more affordable and innovative financing instruments to generate a multiplier development impact, including for employment generation in developing member countries (DMCs)," he added.