

Political stability crucial to become 3rd largest eco: FM

'Policy Consistency To Ensure India's Eco Moving Upwards'

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New Delhi: Finance minister Nirmala Sitharaman on Thursday said political stability and policy consistency will be crucial for India to emerge as the world's third largest economy, a goal that PM Narendra Modi expects to be achieved by 2029.

"For anyone who indicates that it's a given that India will move from fifth to third place, they aren't making a fair comment. Only political stability, policy consistency and decisiveness will guarantee India's economy moving upwards. Industries are always concerned, and they ask for consistency in policy to ensure growth in economic activities," FM told students at the Shri Ram College of Commerce.

She said the economy had emerged as the fifth largest due to efforts from farmers, entrepreneurs and others. The comments came ahead of crucial general elections next year where a coalition of parties, which call themselves IN-

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Nirmala Sitharaman | FM



DIA, are seeking to end BJP's two-term run. Modi and his party colleagues have argued that they have provided stability to help the economy emerge from the Covid-crisis and become the fastest growing major economy. "There cannot be a more volatile macroeconomic situation globally. I am talking about the global situation, not just India. In that situation, what is actually guaranteed?" she said.

The minister also flagged concern over supply disruption in certain areas, such as food and fertiliser. Since the

war in Ukraine started over a year ago, governments across the world have been grappling with shortages, which have also pushed up prices of essential commodities including oil and fertiliser, and imposed a heavy subsidy burden at a time when inflation has trended up and growth in several parts of the world has slowed down significantly. High inflation has prompted central banks across most parts of the globe, including India, to raise interest rates.

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that are futuristic, ready for reforms and provide consistency for businesses to grow. That's exactly the difference when it comes to the kind of decisions the Modi government has taken and which didn't happen earlier, pulling the country backward," Sitharaman said.

The minister also said the Modi government's approach was not to "entitle people" but "empower" them, offering a choice by spending on fundamental things and providing access to resources and essential facilities like housing, roads, drinking water and toilets. She said policy continuity had helped India have a steady flow of foreign direct investment and that the recent move to include India in JP Morgan's bond index for emerging markets raised the prospects of around \$23 billion flowing into the country.

Sitharaman, who will travel to Morocco next week for the annual meeting of the World Bank and IMF, also called for a reform of multilateral agencies.