

Opinion

SATURDAY, MAY 11, 2019



THREAT TO THE JUDICIARY

Union finance minister Arun Jaitley

The mass intimidation through social media is the single greatest threat to judicial independence... and the judiciary of the country has survived because of honour... Judges are gracious and take it with a smile

US's H-1B fee hike, local hiring rules hurt Indian IT

Indian IT companies must now focus on emerging areas like automation, AI, cloud, etc

IT COMPANIES WILL have no option but to cough up more for H-1B visas if the US increases the visa application fee as US labour secretary Alexander Acosta has said it would. To be sure, they would not mind the additional costs even if these impact their margins because the US is, after all, their biggest market. What is worrying, however, is that Indian companies may not get the number of visas they are looking for. In April, the United States Citizenship and Immigration Services (USCIS) said it had received enough applications for fiscal 2019 which starts in October, reflecting the enormous demand for these permits. This was the seventh year in a row in which the visa cap was reached in the first five business days. However, while the number of visa applications has steadily declined over past three years—last year, USCIS received 190,000 cap-subjected H-1B petitions, 199,000 in 2018 and 236,000 in 2017—that hasn't helped India. Industry experts point out the rejection rate for H1B visas for Indian IT companies has been rising in the last few years with some exceptions. Moreover, the scrutiny too has increased. Data released by USCIS shows that 'request for further evidence' (RFE) for H-1B applications from Indians increased to 72.4% in Q4CY17 from 18.2% in Q1CY17.

An analysis by Axis Securities shows the denial rate for H-1B applications increased to 23.6% in Q4CY17 from 18.3% in Q1CY17, possibly due to the US government's order issued in April 2017 that more Americans be hired. The higher rate of denials and RFE for skilled visas continued in CY18. The H-1B approval rate was approximately 75% in Q1FY19 against the five-year average of around 90%, while the approval rate for L1 (A/B) dropped to about 74% in Q1FY9 against five-year average of ~82%—a trend similar to that seen for H-1B visas. That is worrying because exports of software services in FY18 were \$77.3 billion, not much higher than the \$74.3 billion in FY17. While demand should pick up over the long term—Nasscom predicts global technology services spends will go up to \$4 trillion by 2025 from \$2.8 trillion in 2014—and Indian IT companies are well-positioned to cater for the demand, they must have enough visas to be able to do so. This is the first season of H-1B petitions after USCIS announced the new rules. The new rules give preference to professionals with a post-graduate degree from US educational institutions; such professionals would get an opportunity in the 65,000 general category and, if they fail, in the 20,000 advanced degree pool. While IT companies will attempt to step up local hiring, it is not easy to find talent, especially for mid-level positions, and besides, local talent is expensive. The increase in costs is already visible and comes at a time when spends on key verticals such as banking could stay subdued in 2019, especially in important geographies such as the US. Where Indian firms can score is by focussing on the emerging areas such as AI, analytics, automation and cloud. Moreover, inorganic initiatives can help them grow faster. Given the fast-increasing competitive intensity in the industry, such opportunities may emerge. Given the headwinds overseas the governments back home—state and central—must make sure the IT industry faces no disruptions whatsoever. Else, the pace of growth could slow, hurting India's forex earnings.

HIV & the ART of the possible

Studies show ART could help eliminate transmission

A NEW LANCET study should make India rethink how it extends anti-retroviral therapy (ART) support to those infected with HIV. Results from its PARTNER studies show that viral suppression brought about treatment with ART (plasma HIV-1 RNA <200 copies per ml) in the HIV-positive partner in a serodifferent couple (one partner HIV-positive, the other uninfected) translates into a zero risk of transmission in the case of unprotected sex between the couple—that is, the study backs a wider dissemination of the 'Undetectable equals Untransmittable' (U=U) message. While the message works to remove stigma and discrimination surrounding the disease, another inference from the study is that extending ART outreach with early testing and support for treatment could help eradicate the disease.

The Lancet study was conducted in two phases across 75 sites in 14 European nations. PARTNER 1 involved both heterosexual and gay couples and PARTNER 2 recruited only gay couples. The findings from both phases show condomless sex between serodifferent couples in which the HIV-positive partner was receiving virally suppressive ART didn't result in HIV transmission from seropositive partner to the seronegative one—some of the seronegative partners reported having condomless sex with others outside the pairing being studied, and, in the 15 cases of new infection, none of these could be phylogenetically linked to the seropositive partner. ART intervention at an early stage, when the viral load in a seropositive person is likely to be much lower than in an advanced stage of the infection or where the infection has led to AIDS, could help stop transmission, and thus, preventing new infections altogether could become easier.

Of India's 2.1 million people living with HIV/AIDS (PLHA), only 79% are aware of their HIV status—and just 56% receive ART. To qualify for ART from the government hospitals, earlier, a seropositive person had to have a CD4 count less than/equal to 500 cells/mm³. In 2017, India moved to the 'test and treat' protocol prescribed by the WHO, which meant every HIV-positive individual within the country was to be put on ART treatment, regardless of her/his CD4 count. India had adopted the UNAIDS 90-90-90 goal, under which, by 2020, 90% of all people living with HIV will know their HIV status, 90% of all people with HIV infection will receive sustained antiretroviral therapy, and 90% of all people receiving antiretroviral therapy will have viral suppression. Clearly, India is far from realising these targets. Despite a marked rise in ART coverage, many PLHA are unable to access the clinics. NACO's Link Workers Scheme under which volunteers from at-risk groups were trained to link their communities with HIV information, commodities and services. This has had some success, with 80% of those testing positive in these at-risk groups getting linked to ART centres. Adherence level, while at an encouraging 71% amongst adults receiving ART and 77% of among children, needs to be brought up to 100%. Centreing the HIV/AIDS strategy on ART will thus also need to tackle lack of adherence, which could be due to fear of disclosure and social stigma, low social support, inadequate communication and education, and depression amongst PLHA. Given how drug-resistant HIV is being flagged by experts as the emerging threat, India needs to make the most of ART by ensuring a 100% outreach, and adherence.

Fighting FAT

As a study published in *Nature* shows, the action must shift to rural areas now

RURAL OBESITY IS driving the global obesity epidemic, posits a paper published in *Nature*. The study conducted by the NCD Risk Factor Collaboration challenge the popular belief that, with wealth concentration in urban areas, these are the major contributors to global obesity. The research, using Body Mass Index (BMI) data, bases its findings on reports that cover around 30 years of data (1985-2017). The BMI data covers nearly 112 million adults from 200 countries. The data reveals that the BMI levels rose by an average of 2.2 kg/m² for men and 2 kg/m² for women resulting in each person becoming 5-6 kg heavier. This rise has mainly been occurred in the rural areas.

The report shows that the BMI in higher income countries' rural areas was always high as compared to the urban areas. However, while the rural areas in low- and middle-income countries usually had it low, over the last 30 years, it has increased tremendously. The report states that this increase has been due to higher incomes, availability of transport and a general transition from labour-intensive work like agriculture to other forms of work. Even in agriculture, mechanisation has substituted human labour use. All these factors and the spread of MNCs producing processed, low-nutritional value snacks have contributed to rising obesity. In India, the average BMI for women went up by 2.4 kg/m² (to 22.1 kg/m²) in 2017 from 19.7 kg/m² in 1985. Average rise in BMI for rural men was 2.6 kg/m², and for women 2.5 kg/m². The research shows that health interventions in rural areas need to also consider obesity as a major issue; this can be tamed if a campaign against poor-quality, low nutritional value diets are made a part of the plan to fight malnourishment. Also, public health professionals need to ensure that children in rural areas, have access to and awareness of high-quality nutrition as household incomes go up and lifestyles changes begin to occur.

OPINIONS VARY, BUT NOT THE REALITY. 2014 ELECTION WAS CONTESTED AROUND THE ECONOMY—2019 ELECTION IS BEING FOUGHT ALONG SIMILAR LINES. WILL THE RESULT BE SIMILAR?

NO PROOF REQUIRED

Election 2019: Another black swan?

THIS IS A polarised election. No, this is a presidential election. Wrong, this is a caste election. In any case, it is manifestly different from the 2014 "wave" election in which Narendra Modi won 282 seats with just 31% of the vote. So goes Conventional Wisdom-Delhi (hereafter, CWD).

This fact is cited most often, i.e., in 2014, Modi won the lowest percentage of any majority-elected PM in India. Extrapolating, scholars have derived the conclusion that Modi was a minority winner (only 31% vote), that he did not win a popular mandate, that 2014 was a black swan (very unusual event) election and therefore unlikely to be repeated again. Hence, the expert view that since black swans do not come in pairs, 2019 would revert back to a "normal" election.

What would the results of such a normal election look like? Between 1996 and 2009, the number of seats held by Congress wavered around 145, with a dip to 114 in 1999 and a bounce to 206 in 2009. Hence, the common refrain (or estimate) is that Congress is likely to obtain around 140-150 seats and thus be in a strong position to form the next government. Recall that in 2004, Congress obtained 145 seats and ran the government for the next 10 years.

For those arguing that 2014 was a black swan, and unusual, here are some sober (and sobering) statistics. Peruse through election history (short-cut, read my book *Citizen Raj*). Nehru and Indira Gandhi won six elections between them and garnered, on average, a vote share of around 42%. In 2014, the BJP contested 426 seats and obtained 31% of the vote. The NDA obtained 38.5% of the vote and won 336 seats.

The centre of gravity of the big Nehru-Indira wins was around 350 seats and 42% of the vote. The CSDS March opinion poll has the BJP increasing its vote share to 34%, and they are contesting about the same number of seats. With Nitish Kumar of Bihar replacing Chandrababu Naidu in Andhra Pradesh, the forecast vote share of the NDA might well reach the Nehru-Indira average of 1952-1971 (and 1980). No respectable scholar, or historian, called those elections as unrepresentative of a democracy—then, why so "serious" about the NDA in 2014, and

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possibly 2019?

I had the occasion to travel to both West Bengal and Uttar Pradesh from May 1 to May 7. Full disclosure—I am a card-carrying member of the Limousine Liberals (LL) team which, around major election time, farms out to the countryside to find out how real India is voting. The LL group is diverse—what follows are my observations, and interpretations, about Election 2019.

CWD-Polarisation: This is commonly understood as division between communities separated by caste (and religion). My travels suggested that while polarisation is there, it is more on the basis of whether you are pro-BJP or pro-Congress. In UP, the pro-Congress vote is not reflected in a vote for Congress, but a vote for the Mahagathbandhan. Indeed, possibly the most striking statistic from West Bengal and UP is that there was nary a mention of the Congress. Whether the centre of gravity of the Indian polity held by the Congress from Independence to 2014 has permanently shifted to the BJP we will only know on May 23rd. Conclusion—polarisation yes, but not in the Delhi sense.

CWD-Development not a concern in 2019: A certified CWD conclusion is that somewhat surprisingly, after 2014, Election 2019 is emphatically not about economic development. It is ostensibly about everything but. Regardless of the election result, this conclusion is certified wrong. Every journalist has her own style of soliciting a view from the potential voter. Mine is to never ask who the individual, or group of individuals, are going to vote for. I like to find out indirectly, i.e., what are the issues, what is the thinking on the problems being faced, etc. I then enjoy engaging the voter in a discussion about the issues. If one believes that there is no truth, just opinions about an "expected truth", then it is relatively less

difficult to infer voting preferences of the potential voter.

In an UP village, one of my fellow travellers asked me to talk to a group of youngish men about the "no jobs economy" they were facing. I readily jumped into the conversation (not being an angel, I had no fear) and asked the group about what had been happening to the economy overall. Is it true that it is difficult to find jobs? Yes, very difficult. This obviously happened because of Modi's economic policies, right? A worsened economic environment, right? Yes, the emphatic reply to both questions. But comparing today with 2014, is the situation worse, or the same, in terms of job availability? Here, unlike his highly educated counterparts in urban India (the old elite), the rural voter does not believe in arguments for the sake of argument. He admitted that the situation, in terms of jobs, was no worse than 2014, and may even be better.

The LL group arrives in large vans and enters villages, and constructs interviews by the roadside. I worry always, especially post 2014, as to how does the rural/semi-urban voter see us. Do they see us as part of the old elite (associated with the Congress) or as the new upwardly mobile elite (associated with the BJP)? Do they tailor their responses according to what they think we want to hear? Many seasoned journalists have come to the conclusion that Election 2019 will unleash the punishment of the silent voter. Is the silent voter pro-BJP or pro-Congress? Again, another defining view which will become known on May 23.

What nearly everyone admitted is

that their broadly defined income levels had gone up. There was construction of roads and delivery of nearly 24/7 electricity. Add toilets and LPG cylinders and bank accounts, mostly benefiting women. The beginnings of national health insurance. Motorcycles (and scooters) have increased manifold. Some even have got houses—don't know about West Bengal, but average welfare seems to have increased substantially in UP. The favourite explanation for the preponderance of motorcycle usage—given that there were (ostensibly) no jobs—was dowry demands for motorcycles. Still, progress.

CWD-The fearful voter: Did not see any evidence of fear on the part of the voter. She might be lying but she is not fearful in giving an opinion. At one roadside conversation, on the one-side were OBC's emphasising support for Modi; on the other side of the highway, barely 20 yards away, was a group of Muslims complaining about the bias against Muslims, and why they would definitely vote against the BJP (but not for the Congress).

Farmer distress and cow politics: If there is

one unanimous view emanating from the UP travel, it is that farmer distress is real, and that cow politics has deepened the distress among all, farmers and non-farmers. I have yet to come across anyone defending this policy, whether a BJP supporter or not. (I did not meet a self-confessed RSS man who might have a different view). Can anyone come up with a defence of this lose-lose policy? The poor Hindu farmer is hurt; Muslims lose their jobs, and in some instances, their life; the rural economy is hurt. Yet, the Hindu constitution, and Hindu India, continues to support this madness. Platitudes about gashalas are heard. What does this imply for voting in UP? Modi does not get the blame, Yogi does.

Conclusion: The number one policy concern of the new government should be a completely revamped policy towards agriculture, and animal husbandry.

LETTERS TO THE EDITOR

PM Modi must talk about real issues

It is heartening to read that the top retired naval officers have rejected prime minister Narendra Modi's allegations that former prime minister Rajiv Gandhi and his family used the aircraft carrier INS Viraat as a personal taxi for holidays in Lakshadweep in December 1987. The fact of the matter is that the former prime minister Rajiv Gandhi was on officials visit, as clarified by vice-admiral Vinod Pasricha and former Navy chief admiral L Ramdas, and he did not misuse his position for enjoying a holiday! This exposes Narendra Modi's lie, who is misguiding the people with wrong information for his selfish political gain. It is high time Modi stopped this calumny and talked about the serious issues like lack of jobs, slowing growth, farm distress, etc. — Bhagwan Thadani, on e-mail

Rise above caste

Caste and creed are defining features of Indian polity and politics. Needless to say, they are at play in elections and influence their outcome. Caste is weightier as it confers theological sanction to the hierarchical social order and sanctity to the notions of superiority and inferiority and purity and pollution based on the accident of birth. The overarching appeal of Hindutva is exploited to the hilt by the elitist and privileged upper castes to maintain their political dominance. The Hindu Right sometimes co-opts leaders from the lower castes on condition that they subscribe to upper caste supremacy. The only concession is that they can do so in the name of 'culture', 'nationalism' or the like. — G David Milton, Maruthancode

Write to us at feletters@expressindia.com

Crazy to turn away skilled immigrants

The Trump school of thought doesn't realise that welcoming engineers, doctors and other such skilled foreigners is a win-win policy

NOAH SMITH

Bloomberg



US PRESIDENT DONALD Trump has done a lot to scare high-skilled immigrants away from the US. He has made it harder for them to get green cards. He has blocked some foreign students from entering and discouraged others from working during school. He is considering banning the spouses of H-1B visa holders from working in the country at all. The harassment campaign appears to be working. H-1B applications are down, as is the number of visas being issued to overseas students.

It is hard to see what this accomplishes other than whipping up enthusiasm from Trump's anti-immigrant base. It stifles the flow of foreign students to the research universities that are the best hope for an economic revival in declining regions. It starves the tech industry of talented workers. It hurts native-born workers: Evidence suggests that skilled immigration actually raises wages for Americans of all skill levels, by strengthening the local tech industry. It drains government coffers, because skilled immigrants pay much more in taxes than they use in government benefits.

Nonetheless, some restrictionists seek an economic rationale. For example, on both the right and the left, opponents of skilled immigration have claimed that allowing the best and the brightest into the US hurts developing countries by robbing them of badly needed talent. This is the so-called "brain drain" argument.

The argument has some superficial plausibility. Growth in poor countries like Bangladesh, Vietnam and

Ethiopia matters for global welfare. Therefore, while it might benefit the US to have more smart Bangladeshis, Vietnamese and Ethiopians, putting their talents to use building next-generation factories in their home countries instead of designing apps for wealthy Americans seems like it would serve humanity better overall.

But this ignores all the good things that can happen to a developing country when its smart people move to the US. First of all, skilled immigrants and their diasporic descendants often invest in their ancestral countries—providing not just capital but also rich-country ideas and technology. Sometimes, members of diasporas even move to their ancestral countries to start businesses, a phenomenon known as brain gain. Sociologist AnnaLee Saxenian has chronicled how this process has benefited countries such as China and India.

That's not all. The number of educated people in poor countries isn't fixed—lots of smart people probably fail to get a good education because economic opportunities for graduates are so limited. Harvard Business School economist William Kerr has documented how, when the US admits more skilled immigrants from a country, more people in that country tend to seek out higher education in the hope of emigrating, too. Many never

make it to the US, but instead apply their skills in their home countries.

In other words, the US can actually increase a country's education level—and boost its economy—by taking in more of its educated people. A 2017 paper by economists Gaurav Khanna and Nicolas Morales theorises that skilled immigration to the US in the 1990s—specifically, the boom in H-1B visas—jump-started India's information technology boom in the following decade. Noting that the IT industry jumped from 1.2% of India's economy to 7.5% by 2012, the authors write: "Many [H-1b] workers returned to India...this educated workforce in India enabled the Indian IT sector to grow rapidly...and over time, India became a major producer of software[.]"

Growth in India is one of the most important forces behind world poverty reduction. Thus, the US probably did the human race a great service by welcoming high-skilled immigrants from India in the 1990s.

Now, it is time for the US to do other countries a similar service. Nigeria, Ethiopia, Bangladesh, Indonesia and other poor countries have enormous reserves of underused talent. Welcoming this talent is as close to a win-win policy as the US will ever find.

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US steadily upping the game to counter China

The US has claimed that China's coast guard and fishing boats are not harmless, benign entities, but de facto maritime militia expanding China's presence in the seas. The new US position is that hostile behaviour from the coast guard and fishing boats will no longer be treated benign, but on a par with the Chinese navy

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CHINA'S RECENTLY CONCLUDED Belt and Road Forum (BRF)—the second (2019) following the first (2017)—has hogged limelight and stoked debate on its virtue and vice alike. The din surrounding the BRF has been so loud that it glosses key strategic moves in Asia. On April 24, a day before the BRF, China's aircraft carrier Liaoning conducted a combat drill in the East China Sea with 'anti-aircraft and anti-submarine warfare training'. In tandem, the US announced that it will unveil a new Indo-Pacific strategy at the upcoming Shangri-La Dialogue (May 31-June 2, in Singapore). China's Belt and Road Initiative (BRI) pragmatism about China nor dented China's global ambitions—including that on the high seas. Despite the best intents of China's economic diplomacy, is the US steadily upping the game to counter China?

At the BRI Summit, China came clean unveiling the old BRI in a new avatar, repackaging as Green BRI (green investments, green projects) and Clean BRI (corruption free, transparent and level-playing field where Chinese and non-Chinese companies can compete). This honed China's 'peaceful rise' as a conscientious global player whose trillions of forex surplus would be used for greater common good. The BRI also received copious press devoted to the recent rethinking by American researchers that China may not be a loan shark (given that several of its loans have sunk, with no or little payback). Yet the BRF sounded out the political fracture—between those who attended (5,000 participants from 150 countries and leaders from 36 coun-

tries) and those who didn't (among others, US, India, Australia, Japan, South Korea and North Korea).

US actions can be explained in the context that China is not helping its own case. China's live drills in the East China Sea and China's actions in the 3.5 million square km South China Sea have been controversial, to say the least.

Historically, China was not a great naval power in the manner of the La Royale (French Navy, 17th century) or the Royal Navy (UK Navy, 16th century). To be fair, the 15th century Ming dynasty explorer—the Muslim eunuch He's seven voyages reaching the Horn of Africa and Persian Gulf are famed. But rather than naval ships, China's merchant ships, junks and dhows traced their footprint on the economy, demography and culture in South East Asia with migration, trade and exchange.

But in the last decades as China has become richer, there has been a resurgence of nationalism that is drifting China back to history citing historical not legal claims in the seas—the reefs, atolls, islets and islands of the East China Sea and South China Sea. The Chinese



ILLUSTRATION: ROHNIT PHORE

want to escape being a continental power and the First Island Chain (East Asian Coastline) with the Second Island Chain and Third Island Chain under the US umbrella.

But it's how China is going about it, that has become contentious. In the East China Sea, the dispute is between China and Japan, but in the South China Sea, there are other claimants including the Philippines, Malaysia, Vietnam, Taiwan and Brunei.

China's drills in the East China Sea are one thing between Japan and China, but in the South China Sea with several claimants, China's actions are being perceived as belligerent. China's reclamation efforts and land acquisition have resulted in artificial islands. Reports and satellite images suggest military fortification and military installations, surveillance aircraft, guided missile destroyers and airport runways. China-watchers say China is consolidating a 'strategic triangle' in the seas. In fact, the US Naval Institute has characterised China's actions as 'maritime grey zone operations' that ride the thin line between war and peace. In other words, China may be narrowly engaging in war without war.

The case of the Philippines vacillating between ally US and aid-giver China illustrates the stakes in the high seas. The issue of Scarborough Shoal (disputed between China and the Philippines, seized by China in 2012) is alive. In 2016, the Philippines took China to The Hague, which ruled that China's claims had no legal basis. But China's commitment to

invest in President Rodrigo Duterte's proposed 75 infrastructure projects under the rubric of 'Build, Build, Build' managed to let the sleeping dogs lie.

But in early April, President Duterte protested China's fishing vessels swarming in on the disputed Pag-asa (Thitu) Island, warning that Philippine troops would resort to 'suicide missions' if China touched it. The US said that it would come to the aid of the Philippines in case of any attack, which the Philippines did not refute.

The US has claimed that China's coast guard and fishing boats are not harmless, benign entities, but de facto maritime militia expanding China's presence in the seas. The new US position is that hostile behaviour from the coast guard and fishing boats will no longer be treated benign, but on a par with the Chinese navy.

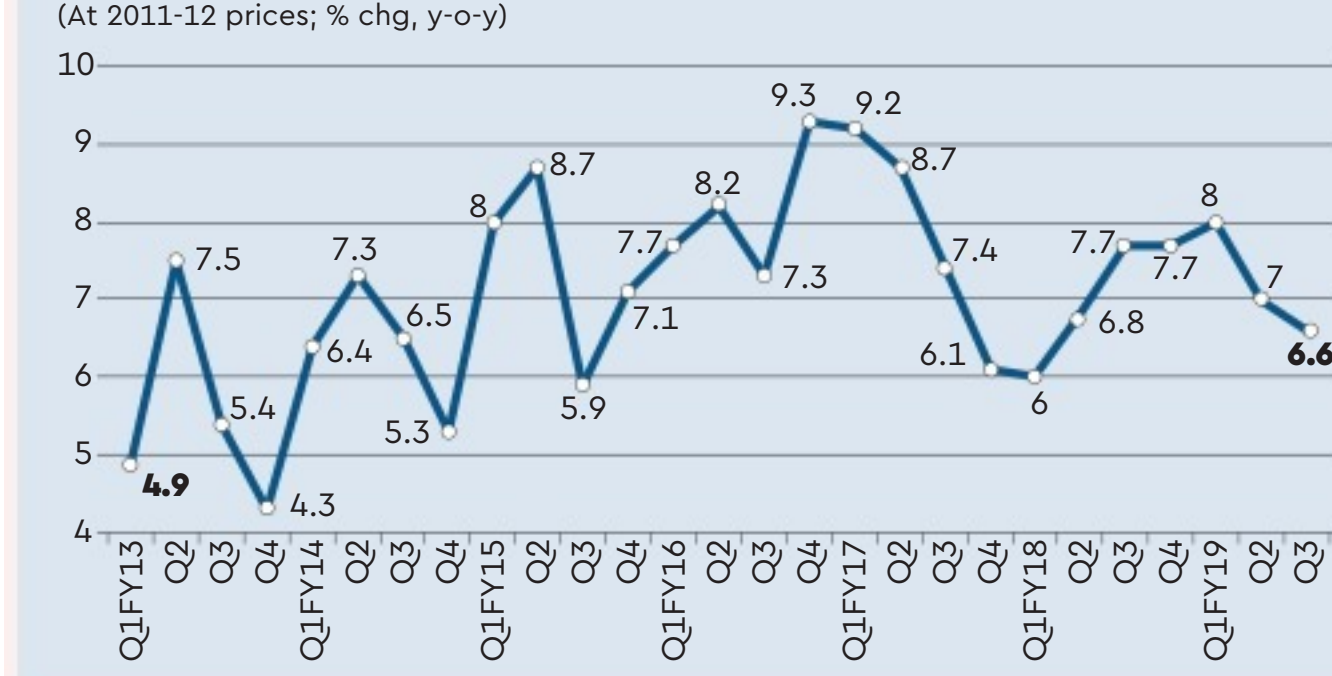
The Assistant Secretary of Defense for Indo-Pacific Security Affairs, Randall Schriver, has indicated that the US would back the 10-member Association of Southeast Asian Nations (ASEAN) for a code of conduct (COC) 'consistent with existing international laws and norms' applicable to all.

It is no accident, too, that the US has stepped up Freedom of Navigation Operations (FONOPs) with two warships sailing through the Taiwan Strait, bringing the total number of transits to 92 (since 2007). In 2018, British navy warship conducted a FONOP and in 2019 a French warship made a transit through the Taiwan Strait. The British and French actions are turning points that indicate a growing consensus on the strategic implications of China's rise.

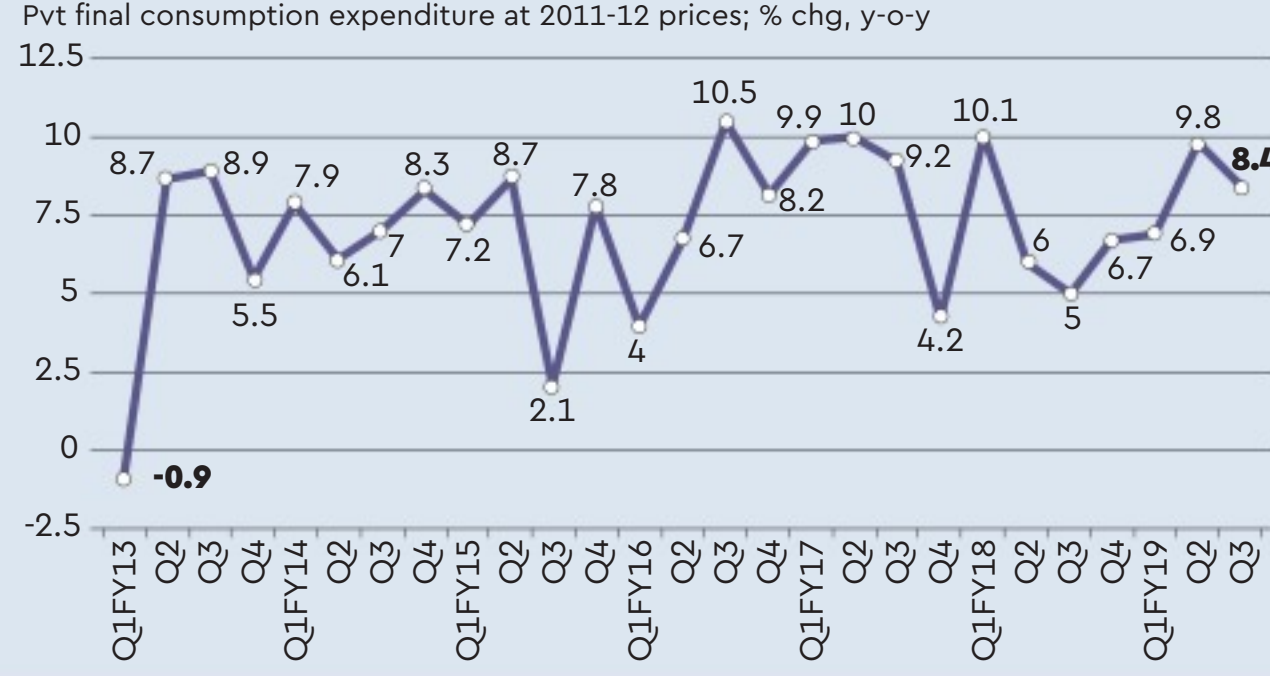
China's BRF party has ended on a high, what with cooperation agreements worth \$64 billion signed, a nod to greater multilateralism and participation, but the ground seems shifting. Platitudes of trade and cooperation aside, the storm is brewing in the seas. What's more, in the polarised political spectrum of the US, President Donald Trump has bipartisan support on this. It's obviously the issue.

DATA DRIVE

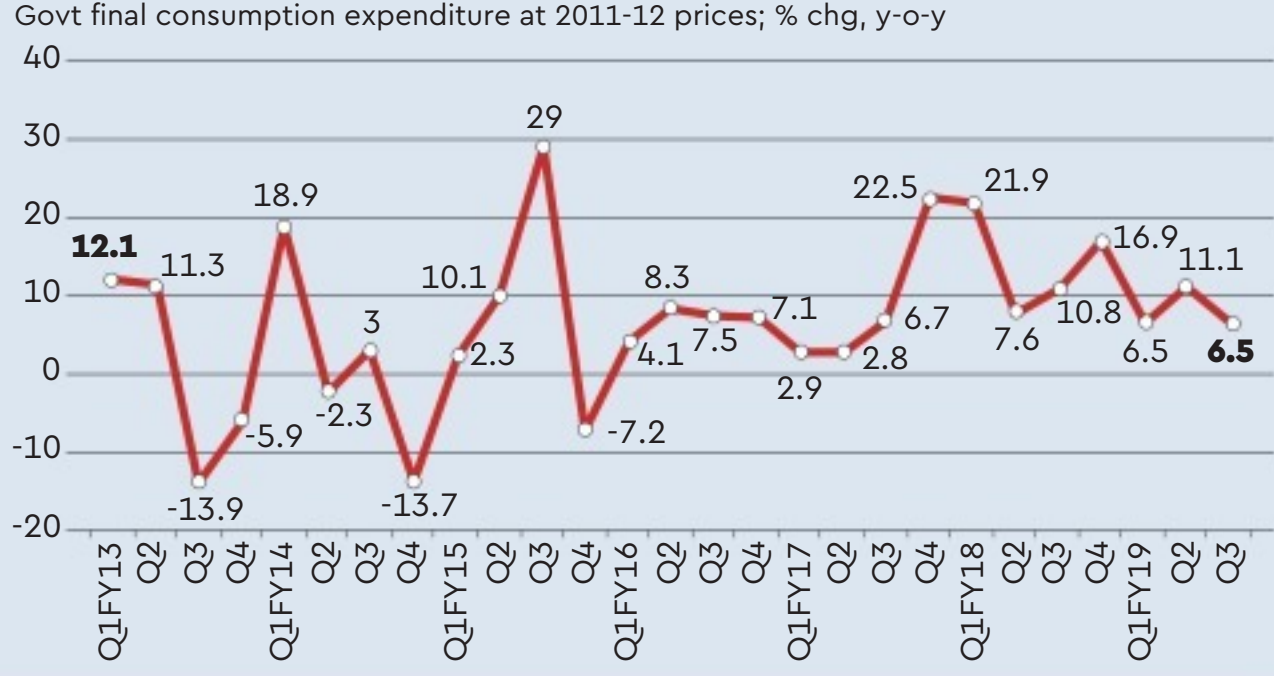
As GDP growth slows down...



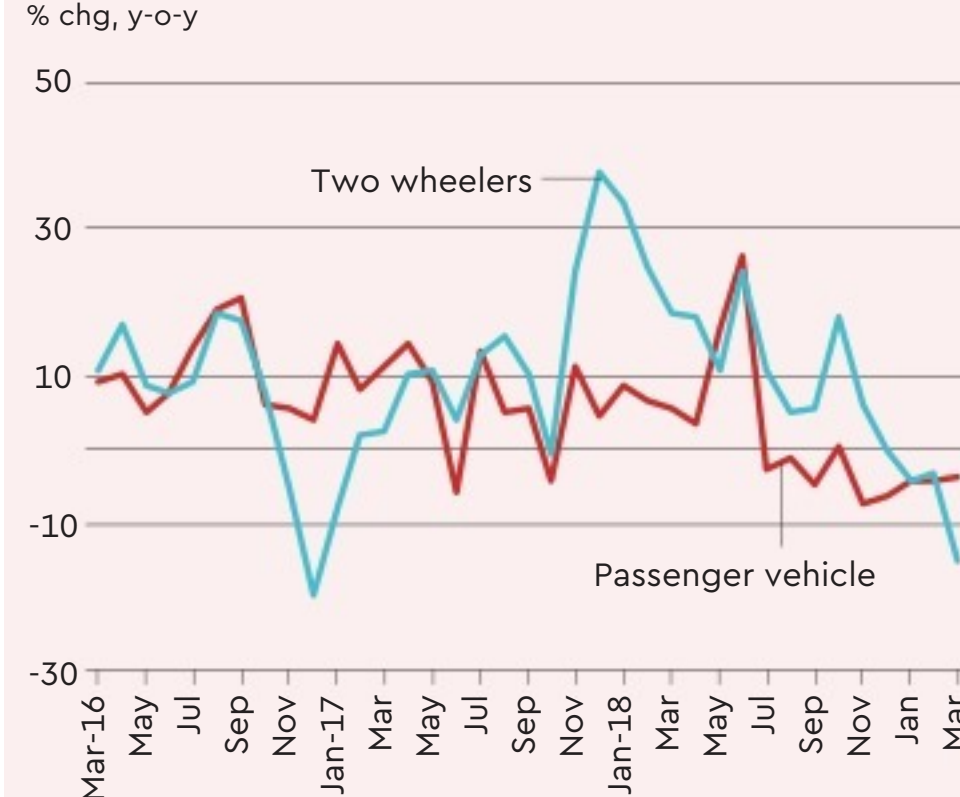
...private consumption takes a hit



Even govt spending slows down



Auto sales tumble



Factory output growth drops to 21-month low



Consumption sputters



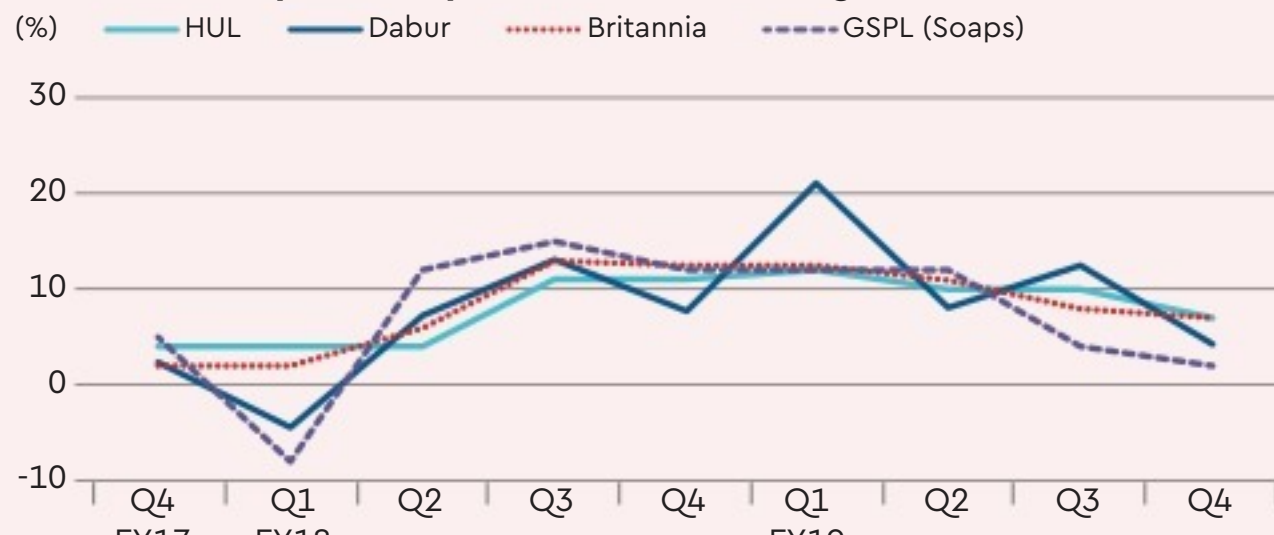
THE RISING RURAL distress has led to slowdown in private consumption as households have gradually reduced consumption due to insufficient income growth. Agricultural wage growth remains depressed due to muted growth in domestic and global food prices. The economy, which is likely to grow at 7% in FY19 as compared to 8.2% in FY17, has been battered by a slowdown in manufacturing output, tepid growth in investment, declining household savings and muted credit. Volume growth at leading FMCG companies that derive more than a third of sales from rural areas has dropped. In fact, for the first time in five quarters, FMCG major HUL reported single digit (7%) volume growth in the three months to March this year. Even other consumer staple companies such as Britannia, GSPL and Dabur are witnessing slowdown.

Automobile sales have seen a sharp slowdown in recent months as retail sales of motor vehicles fell 8% to 1.64 million units in April from a year. In fact, passenger car volumes have dropped in nine of the past 10 months. As consumers curb spending growth in sales of passenger cars was 2% in the last fiscal year, the lowest in five. Two-wheeler volume growth, too, fell to the lowest since Narendra Modi's note ban in November 2016. The slowdown, which started with real estate sales five years ago, has now spread across. The priority of the next government will be to revive the economic growth and pump up consumption to boost investment.

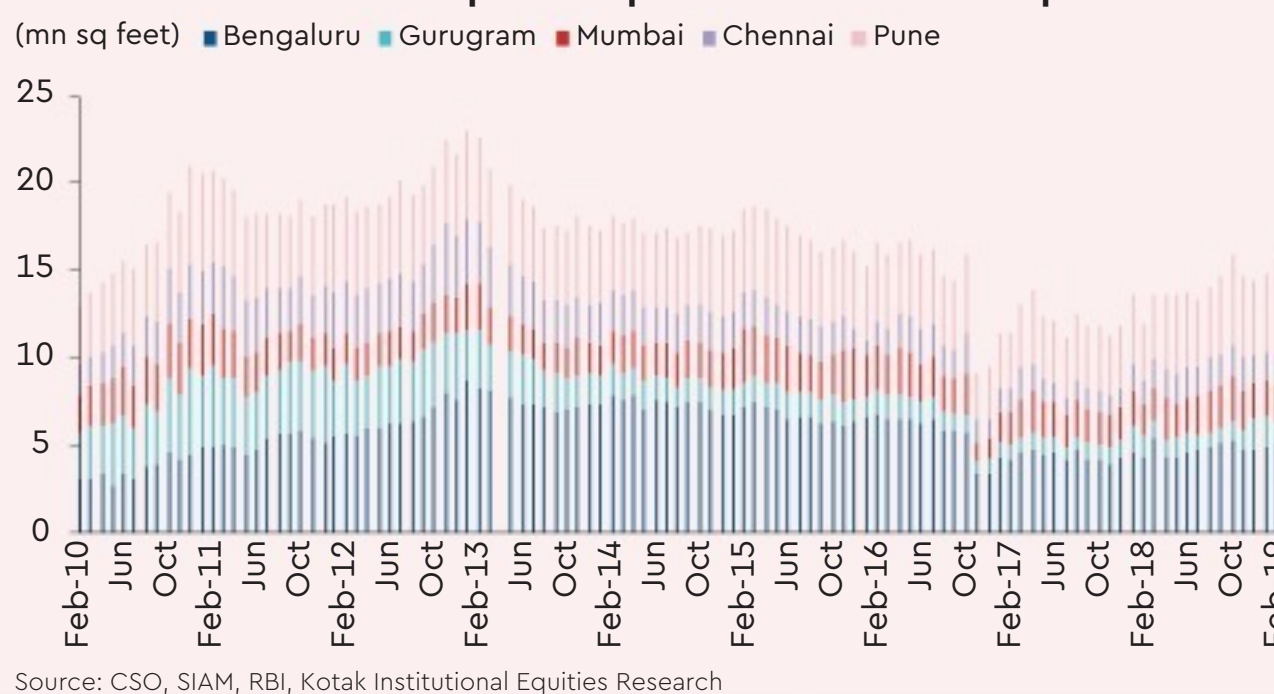
Savings have declined over the past few years



Consumer staples companies are witnessing slowdown



Real estate demand has picked up but still below FY13 peak level



Source: CSO, SIAM, RBI, Kotak Institutional Equities Research