

Opinion

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I HAVE ADMIRE

d the swift rise of Mrs Nirmala Sitharaman from party spokesperson (2010) to commerce minister (2014) to defence minister (2017) and to finance minister (2019). At every rise she broke a glass ceiling. That should encourage more women to prove that they are not less capable than men.

No finance minister (FM) starts on a clean slate. The slate is always full of writing — some helpful, some harmless, some a headache and some a hindrance! The former chief economic adviser, Dr Arvind Subramanian, has cast a shadow on the growth numbers and has, in a way, concurred with the long-time critics of the methodology employed to calculate the GDP. It is too late to repent. Leaving that aside, the place to start is to take stock of the economic situation without a pre-disposed mind. Here are some facts and indicators.

Low inflation, but slow growth

● Inflation is low. WPI is at 3.07% and CPI at 3.05%. Low inflation is due to an over-tight monetary policy and low commodity prices, but both are changing.

As long as inflation is low, government expenditure can be increased, but is there money?

● Growth slowed down rapidly in 2018-19. In the four quarters, it was 8.0, 7.0, 6.6 and 5.8%. It will probably decline further in April-June 2019. Anticipating a downturn, RBI has lowered the forecast for 2019-20 to 7.2%.

● The farm sector grew at 2.9% in 2018-19. Agricultural wages grew at 4.64% in 2018. Over 10,000 farmers commit suicide every year. In Maharashtra alone, 808 farmers have taken their lives so far in 2019. Farmers will not brook neglect any longer.

Missing investments

● Investment is the prime driver of growth. In 2018-19, FDI inflows into India declined for the first time in the last six years, falling by 1% to \$44.37 billion. Gross Fixed Capital Formation was 29.3% (current prices) last year. Promoters are loath to invest because capacity utilisation has been low: e.g. in manufacturing, it was 76%.

● Foreign Institutional Investors (FII) pulled out money in 2018-19. Net FII last year was \$(-) 3,587 million.

● Manufacturing is in a slump. Between 2015-16 and 2018-19, the growth rates of IIP for manufacturing were 2.8, 4.4, 4.6 and 3.5%.

Now, vehicle manufacturers have reported declining sales and have cut back production.

● Merchandise exports, under NDA, crossed the level achieved in 2013-14 (\$315 billion) only in 2018-19. Unfortunately, protectionism is on the rise and trade/tariff war is in the offing. The new fiscal has started poorly with merchandise exports in April at only \$26 billion.

● The health of the banking sector is poor. Gross NPAs at the end of March 2019 stood at 9.3% of outstanding loans and a humongous sum of ₹5,55,603 crore has been written off by banks since April 2014. In the second term, the FM cannot blame the UPA government (as her predecessor was wont to do) for the woes of the banking sector.

ACROSS THE AISLE

P Chidambaram



The economy that she inherited



Day labourers waiting to be hired for work by the roadside in Dharamsala, India

BLOOMBERG

● Bank deposits are growing at 9.4%, but credit is growing at 13.1%. RBI has cut the policy rate and wants banks to cut interest rates for borrowers. Banks will not cut rates for borrowers unless they can also cut rates for depositors, which will hurt deposit growth. There is no easy solution.

Worrying fiscal situation

● The trade deficit was \$(-) 176.42 billion in 2018-19. This is putting pressure on the current account deficit (CAD) which was \$(-) 51.8 billion in the nine months ending December 2018. The CAD is a number watched by analysts and currency traders. The FM too should watch it.

● Tax revenues took a big hit in 2018-

19. The revised estimates (RE) for 2018-19 made on February 1, 2019, have turned out to be a joke. Total tax revenues were ₹13,16,951 crore against the RE of ₹14,84,406 crore — a loss of ₹1,67,455 crore. Obviously, the FM cannot stick to the Interim Budget Estimates for 2019-20 and has to present completely new estimates. Not a happy start.

● During the 5 years of NDA, the fiscal deficit (FD) was compressed by only 1.1%. Massive expenditure cuts were made in January-March 2019; otherwise, the FD would have been 4.1% in 2018-19, not 3.4%. If fiscal consolidation remains a prime objective of the government, the FM has to do a fine balancing act between revenue (more without hurting) and expenditure (less without offending).

● Unemployment was the topmost

concern of the people, yet the voters in most states voted the BJP back to power. The issue will come back to haunt the government. The FM's maiden Budget will be judged by its potential to revive economic growth and create jobs. On employment, the FM should not fall for the temptation of quoting the numbers of Mudra loans, Uber drivers and EPFO enrollments. The only reliable measure of unemployment is the Periodic Labour Force Survey. The FM should remember that the unemployment rate is 6.1%, the highest in 45 years.

Mrs Nirmala Sitharaman inherited the present economic situation. She deserves our best wishes and all the luck in the world.



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INSIDE TRACK

COOMI KAPOOR

Left alone

Rahul Gandhi has reportedly gone abroad and is not planning to return till June 19 when the swearing in of the new MPs is complete. While party spokesperson Randeep Surjewala states emphatically that Rahul will continue as president, the buzz in the party is that Gandhi is serious about his resignation. With Gandhi's disappearance the Congress is shell shocked and in disarray, even if the core committee, constituted largely of old timers, is trying valiantly to hold the fort. Without a clear cut central authority, open warfare has broken out in some state units. There is near anarchy in Haryana with followers of former chief minister Bhopinder Hooda and PCC chief Ashok Tanwar practically coming to blows. Witnessing the street brawl, Ghulam Nabi Azad, in charge of the state, has simply backed off.

RSS's tame show

Once Eid Milan receptions in the capital used to be major social events with high flying politicians and top media persons marking their presence. But this year the political Eid Milans in Delhi were low key. The RSS's Indresh Kumar hosted an Eid Milan on behalf of the Muslim Rashtriya Manch at the Parliament House Annexe which failed to attract big names. Although a cabinet meeting was held around the same time in the same building, no minister or VIP dropped by. The anonymous guests had to sit in a conference hall, listening to speeches before tea. The Jamiat Ulama-i-Hind of Deoband, which is celebrating its centenary, held two separate functions, reflecting the division in the Madni family. One reception was hosted by Maulana Arshad Madni, the other by his nephew Maulana Mahmood Madni, who has reportedly been sidelined by his uncle. Mahmood's dinner had fewer guests, but it was the one at which the BJP marked its presence, with general secretary Bhopendra Yadav attending. An interesting side-light was that Ahmed Patel and Ajit Doval arrived late and had perforce to sit together at the same table. The two had little conversation to make and indicated to photographers that they did not want their snapshot taken.

Out in the open

The secret understanding between Shivpal Yadav, Akhilesh Yadav's estranged uncle, and UP CM Yogi Adityanath was out in the open last week. When Adityanath called on Mulayam Singh Yadav at his residence to inquire about his health, his brother Shivpal turned

up at exactly the same time. Photographers got a shot of the CM with Mulayam, Akhilesh and Shivpal which was flashed in the media. Akhilesh, clearly unhappy, re-tweeted the photograph, cutting Shivpal out of the frame. Even after the bitter elections, with Shivpal's party eating into the SP vote bank, Mulayam still hopes for a family patch-up. He summoned all family members including Shivpal and Ram Gopal, to his home at Saifai after the poll. But a truce remains elusive.

Soldier of fortune

Danish Ali's longtime boss H D Deve Gowda lost the parliamentary election in Karnataka and the JD(U), of which till recently Danish was a general secretary, is down in the dumps. But the fortunes of Gowda's one time man Friday in Delhi, who fought this election on a BSP ticket from Amroha, are on a roll. Ali won from Amroha and Mayawati appointed the newcomer as both leader and chief whip of her 10-member Lok Sabha parliamentary group. Ali was selected partly because Mayawati is keen to showcase a Muslim face as she believes her best prospects are in the Western UP Muslim dominated belt. Her longtime Muslim adviser Naseemuddin Siddiqui was thrown out of the party last year over a money dispute and his replacements, Munquad Ali and Mohammad Jamil Akhtar, have been found wanting. Danish has handled financial affairs for Deve Gowda's family in Delhi for years and *Behenji* feels his talents could be useful to her.

Uncalled for snub

Priyanka Gandhi Vadra could have been more gracious while addressing workers in Sonia Gandhi's Rae Bareilly constituency, the only seat won by the Congress in UP. Priyanka complained that the victory margin had come down and lashed out at Congress workers for not doing their bit. If party workers in Rae Bareilly and Amethi have lost some of their enthusiasm, it is because there has been little support from Delhi. There are frequent changes in people entrusted to look after the Gandhis' one-time pocket boroughs. For instance, Dhiraj Srivastava, who formerly worked in the Rajasthan government, was asked to oversee the Amethi constituency only four months back. In Indira and Rajiv Gandhi's time, there was a dedicated team, which knew the people in the constituency personally and ensured that they got special benefits including government jobs in Delhi and VIP treatment when they visited the capital.

Life's a beach

The prettiest golf course in America, Pebble Beach puts its game face on for the US Open

OVER THE TOP

Meraj Shah



"IF I ONLY had one more round to play, I would choose to play it at Pebble Beach." Jack Nicklaus's sentiments on his favourite track aren't surprising: there's general consensus that the quartet of golf courses laid out in this stunning coastal region of California presents the most coveted tee times in North America. Of the four, Pebble Beach Golf Links—hemmed in by Carmel Bay, the Pacific Ocean and the Monterey Peninsula on three sides—hugging the rugged coastline, leaves first-time visitors gobsmacked. Just for its sheer natural grandeur punctuated by dramatic greens perched on oceanside cliffs, Pebble Beach is one of the prettiest golf courses in the world.

But that's all old hat: if you're a golf fan then you don't need to be informed about Pebble Beach's natural beauty: the seventh hole is possibly the most photographed short par-3 in the world, the eighth hole with its 'cliffs of doom' might be the most

dramatic, and the 18th hole is widely regarded as the best finishing par-5 in the game. No less than nine supremely picturesque holes wind along the ocean.

For the game's aficionados, Pebble Beach's history is inextricably intertwined with the US Open—a tournament it's hosting for the sixth time. It's the place where Jack Nicklaus hit that magical 1-iron during the 1972 US Open. Leading by two strokes with two holes to go, Nicklaus drilled his longest iron into a strong headwind; the ball hit the pin and settled inches from the cup for a gimme birdie that sealed Nicklaus's win. A bit of trivia that might interest readers: last year, Dustin Johnson, while training at the Bear's Club in Jupiter, Las Vegas, had a go when Nicklaus handed him the same 1-iron to hit at the range. For the record, Johnson hit that club 232 yards, which puts Nicklaus' 219-yard into-the-wind effort into perspective.

Nicklaus, seeking his fifth US Open trophy was at the receiving end at the 1982 US Open when Tom Watson made an impossible chip-in birdie on the same hole to take a one-stroke lead over Nicklaus with one hole to go. Watson who birdied the last two in par-3 in the world, the eighth hole that shot as the "highlight of his career", fit-



An impression of Jack Nicklaus' famous 'miracle' 1-iron on the 17th hole at Pebble Beach in 1972

DUDLEY BIEN-VEU

ting because it was his solitary US Open triumph. Then, in 2000, came Tiger Woods. In his inimitable fashion, a young feisty Woods dismantled the course and the field in unprecedented fashion eventually winning by an astounding 15 shots. That performance is still regarded as Woods' greatest ever; four special days when the most dominant player of our generation was in complete control of his game. South African Ernie Els, one of the best players in

the game at the time tried to catch Woods but gave up early. "I wanted to shoot a good number (in the final round). After six holes you could see it was over. I kind of just tried to enjoy the walk with him. It was a good walk on a beautiful Sunday."

The last Open at Pebble Beach was the scene of Ulsterman Graeme McDowell's breakthrough Major triumph in 2010. The same 17th hole that saw heroics from Nicklaus and Watson gave no reason to

cheer in 2010. Tim Clark holed a bunker shot for the sole birdie in the final round of that year's event at what was the toughest hole of the championship.

What differentiates Pebble Beach from any other Major Championship venue, is that the course has not been lengthened significantly. In 2010, Pebble Beach Golf Links stretched out to 7,040 yards and this year it's playing only 35 yards longer than that. By US Open standards that approach 8,000 yards, this is a very short track—only Merion in 2013 played marginally shorter. But Pebble Beach Golf Links is not longer because it doesn't need to be. The course has always had the smallest greens on the PGA Tour, and then there's that unpredictable ocean breeze, that can ratchet up to gale-speed for no apparent reason. The greens are between 12–15 on the stimp meter—slick beyond belief. But, apart from a few tweaks here and there this is pretty much the same golf course that hosted the US Open in 2010.

At the time this column is being written, the second round is yet to commence. But the first question: how many players will break par has already been answered—39 on Thursday. Justin Rose leads at six-under, and the entire platoon of hopefuls is in with a chance. This includes Rickie Fowler, Xander Schauffele, Louis Oosthuizen, Jason Day and Francesco Molinari who're in the Top-10. Schauffele has made a habit of popping up on leaderboards in Majors.

I'm still putting my money on the last

guy in red—Tiger Woods at 1-under. Woods still instils terror in the hearts of players half his age who've never gone up against him in a Major, and he's fresh off his win at the Masters Tournament. Crucially he knows how to win at Pebble Beach—he's done in twice and that includes that monumental US Open win in 2000. But there's really no suspense about the odds. Brooks Koepka, who's won four of the last eight Majors he's entered will be aiming for a third consecutive US Open title at Pebble Beach. Koepka hit seven fairways and 12 greens in regulation on the first day and is in the running at two-under-par. It'll all depend on how the conditions change at Pebble Beach Golf Links over the weekend.

For me, what really differentiates this layout from other Major championship venues is that it's a public course (a 'Mun' in American lingo). Sure it's expensive to play—\$500 on average just for the green fee—but the fact remains that you can play it if you like. That instantly elevates its stock above other contenders like Augusta in Georgia which hosts the Masters Tournament. Augusta, a private club, still represents a hackneyed, exclusionary narrative, which the game would do well to digress from if it has to grow and attract young people into its fold. Don't miss the action today folks; promises to be a humdinger!

A golfer, Meraj Shah also writes about the game