

Recapitalising(पुनःपूँजीकरण) **the Banks is a prerequisite**(जरूरी, पहली आवश्यकता)**for sustained**(लगातार, बराबर) **growth**

The latest data on *inflation*(महँगाई), for September, and industrial production, for August, both offer some cheer. Food inflation is *muted*,(दबा हुआ) rather than *galloping* (दौड़नेवाला) ahead, as many had feared, and overall consumer price inflation is only 3.3 per cent. It is a different matter that this could well signal yet more farm *distress*(परेशानी). The index of industrial production (IIP) for August went up 4.3 per cent, a rate of growth higher than in any month this *fiscal* (धन संबंधी) so far. Mining and electricity have risen the fastest. Capital goods have risen by 5.6 per cent, but overall manufacturing growth remains *tepid* (उत्साहहीन) at 3.1 per cent. The fact remains that growth will get going only when fixed capital formation as a proportion of GDP *comes off*(succeed; be accomplished.) its present low — lower than at any point since 2003-04 — and *edges up* (push one's way into) over 30 per cent. After the *destocking* (reduce the quantity of stock held) that was expected in the *run-up* (पहुँचना the period preceding a notable event) to launch of GST, whose treatment of *legacy*(विरासत) input tax on stocks was *hazy* (धुंधला) for most producers, August should have been a hectic month of re-stocking. That has not quite happened. But the fact remains that mining has shown growth in excess of 9 per cent in August, and that

would *trigger* (शुरू करना) an *uptick*(a small increase or slight upward trend) in demand for commercial vehicles to transport whatever is mined. But there remains *considerable* (महत्त्वपूर्ण) *slack* मंदी in capacity utilisation by industry, which means private investment will remain tepid. Only if investment in infrastructure *picks up*, (improve or that in the unincorporated sector, which merges in the data for households, picks up can the economy see sustained *momentum*(गति) in fixed capital formation. Public investment and *revamped* (पुनर्निर्माण करना) public-private partnership (PPP) must provide the *lead* (प्रमुख) in the sector. The good news is that there is *extensive* (बहुत बड़ा) *paucity*(कमी) of infrastructure in the country. The problem is that this is matched by paucity of *viable* (विकासक्षम) projects to build infrastructure. Then, of course, banks are not in a position to finance infrastructure building, given their bad loan burden. The government must *step up* (to increase something) the *pace* (गति) of creating new PPP projects in infrastructure and spend political capital on *cleaning up*(to stop bad, unfair, or criminal behaviour in a place or activity) the banks' books and recapitalising them. This would *entail* (के लिए आवश्यक होना) some pain. But without that, there would be no gain either.