Non-Performing Assets in India

While delivering her key message, Christine Lagarde, the former managing director of the IMF, elucidated the importance of a strong banking system, and indicated that the primary reason for the disrupted banking relations is the increasing bank related crisis (New York, 2016). This is especially a concern for developing countries, as it not only demotivates big financial players to invest, but also leads to financial instability and economic slowdown. Similarly, India too has witnessed weakening of banking sector, due to the increasing ratios of *Non-Performing Assets* and collapsing credit markets. Thus, the paper aims at understanding *Non-Performing Assets* and highlighting its various dimensions in India.

INTRODUCTION

According to UNDP, there are five pillars which are necessary for sustaining growth and poverty alleviation, which includes macroeconomic stability, pro-business environment, strong institutions, social reforms, and environment management (UNDP, 2014). Among numerous institutions, an economy requires a strong financial sector for flourishing. One key element of a financial sector is a vigorous banking system which facilitates vital roles like freeing idle saving for investments, promoting trade and commerce, increasing credit-liquidity and mobility of capital in the economy, etc., therefore it is essential for keeping the markets efficient and economy healthy (Sharma, Sharma, 2014). In India, banks were established in the 18^{th} century, which focused on achieving government's social and economic agenda, by spreading bank branches, creating employment opportunities, priority-sector lending, etc. However, with the increase in globalisation and liberalization, India underwent a series of changes which transformed the banks from regulated system which focused on social and national objectives to a deregulated banking system which focused more on competition and better credit allocation to the private sector (Siraj, Pillai, 2013). Consequently, the risk to the banking sector hiked, which created an urgency to adopt reforms and implementation of a regulatory authority, so that the system can remain efficient, competitive, and profitable (Kumar, 2020). Therefore, quality assessment of the assets became essential for the banking system, which led to the addition of *Prudential Norms* under *Narasimham Committee Reforms* of 1991, promoting disclosure of income, asset classification, and provision for the *Non-Performing Assets* (NPA) by the banks in order to reflect their financial position. However, after the crisis of 2008, the *bad-loans* situation has worsened in India, paralyzing the performance of the banks as well as slowing down the economic growth, thus deteriorating the economy as a whole. Therefore, increase in NPA has become a major issue in recent times, due to which both government and banks have taken serious measures for being extremely careful while extending loans, and promoting fast recovery of the existing NPA, to avoid worse situations.

Although measures have been taken by the Indian banking system to keep the NPA level low, the problem of NPA has increased significantly over the last few years, gaining larger concern than before. According to Pankaj Patel, President of Federation of Indian Cambered of Commerce and Industry, "the early resolution of NPA crisis is important for making the banking sector more robust and facilitating credit takeoff and lead to greater economic expansion" (Nidugala, Pant, 2017), making NPA an essential area. Therefore, the paper discusses NPA and various categories defined under RBI Guidelines, the impact and determinant of NPA, followed by the extent and trends of NPA in India, and the various measures undertaken by the government.

NON-PERFORMING ASSETS

The guidelines for *prudential norms* on income generation, asset clarification, and provisioning pertaining to the Advanced Portfolio came into existence in the Narasimham Committee of 1991. According to these guidelines, NPA is defined as "a credit facility in respect of which the interest and/or instalment of principal has remained 'past due' for a specific period of time" (RBI, Guidelines). In general, NPA is an asset which is unable to generate income for more than 90 days, and indicates the probability of a default (Kumar, 2020). According to the *prudential norms,* bank advances are classified as *standard assets, sub-standard assets, doubtful assets* and *loss assets.* A *standard asset* has no more than normal risks attached to business, and are least likely to be NPA, while the remaining categories, called *non-standard assets*, have risk and possibility of default. RBI defines a *sub-standard asset* as an asset which remains NPA for at-most 12 months and the current market value of the security charged is inadequate to ensure full recovery to the bank, while a *doubtful asset* is the one that remains NPA for at-least 12 months and has more weaknesses than a *sub-standard assets.* A *loss asset* on the other hand are those advances where some loss has been identified, however these are not written off wholly as there might be some remaining value possessed by the asset. Therefore, based on these definitions, banks classify their assets, for computing the provisioning of the advances, and indicating the level of risks they face. The sum of all the *non-standard assets* gives the value of *Gross NPAs,* which are those advances that are considered to be irrecoverable by the banks, while deducting the provisioning regarding NPAs from GNPAs, gives the value of *Net NPAs.* (RBI, Guidelines)

Impact of NPAs

A surge in NPA is alarming as it disrupts smooth functioning of the banking sector, damaging both the profitability of the banks and financial stability the economy. This is because NPA leads to an increase in probability of defaults, which forces banks to reserve more money against the potential defaults (Jha, 2019). Consequently, banks increase their liquidity margins by increasing interest on new loans and reducing interest on the deposits, which leads to the increase in cost of capital, thus augmenting the inflation rate (Rathi, Rathi, 2020). Additionally, banks becomes extremely careful in advancing loans, especially to the new entrant, leading to a sluggish business environment. This further reduces the capital with the company, which hinders the expansion and growth of the business due to poor spending and consequently businesses start laying off workers due to their dearth of funds. Thus, NPA directly slows growth and indirectly aggravates unemployment issue. Furthermore, high NPA reduces the confidence of the shareholders in the investment opportunities of the banks, thus contracting the investment levels, due to which government fails to carry out various social and development projects essential for the economy (Jha, 2019). Similarly, the general public also loses confidence in the banks with their demand deposits, further aggravating the problem of reduced profitability of banks (Singh, 2016). In a nutshell, NPA has damaging effects on both the banks and the economy. On bank level, NPA contracts assets, cripples liquidity position, elevates capital cost, declines productivity, and reduces the confidence of people in banking system, while repercussions of NPA on economy includes disrupted flow of credit, reduction of domestic and international investments, slowdown of development projects, and a distorted business environment which further leads to economic instability (LARRDIS, 2014). Therefore, the detrimental effects of NPA makes its management a priority for the banks.

Determinants of NPAs

There exists a plethora of factors leading to higher level of NPAs in an economy, which can be either internal or external in nature. Internal factors are comprised of the failures associated with project or business undertaken, for instance “project could not be completed in given time, funds borrowed were used for some other purpose, or there were wilful defaults and frauds”. While external factors are comprised of the failures associated with the governance, laws, and various institutions, recession and high inflation in the economy, natural calamities, or scarcity of resources (Laveena, Guleria, 2016). Similarly, an asset can become an NPA either due to negligence of the borrower, for example the borrower undertakes unwanted expenses in his business, rely on borrowings heavily, management is of poor quality, etc. or the banks, for example banks select a wrong borrower, have poor supervision, attitude is very flexible, etc. In India, the primary reason for the surge in the NPA level is due to the large private lending in 2000s undertaken for improving infrastructure. However, when the global economy was struck by the financial crisis of 2008, the repayment capacity of these borrowers reduced, since the growth of these corporations were a result of higher borrowings rather than internal promoter equity (Paul, 2018). Therefore, the financial crisis along with significant tightening of the monetary easing adopted by India in 2011 for controlling inflation led to the rise in the NPA level in India (Singh, 2017). Additionally, the ex-governor of RBI, Raghuram Rajan expresses that factors like “domestic and international economic slowdown, statutory and other delays in approval of projects under implementation, aggressive lending in boom period, lack of appraising skills for specialized projects, wilful defaults, frauds, and corruption” have also contributed to the rise in NPA (Nidugala, Pant, 2017). Similarly, T.V. Gopalkrishnan elucidates that the rise in NPA in India is attributed to political, economic, social, and technological factors (Jha, 2019). Under the political causes, the major reason for the rise in NPAs in India is the inefficiency of the bureaucratic system in utilizing loans for the priority sector, leading to their large defaults, which the banks are unable to curb due to their poor monitoring and the absence of bankruptcy laws. Economic causes consist of the macro-economic factors including recession, lack of infrastructure, etc. and internal factors including “key-performing determinant of banks in terms of asset quality, earning capacity, management efficiency, capital adequacy and their liquidity” (Dhar, Bakshi, 2014). Additionally, lack of education among the borrowers also leads to the underutilization of the funds, doubt on the accountability of the borrower, lack of competitive spirit in conducting business, etc., which are considered as social causes for the increase in NPA. Further, Jha (2014) elucidates that lack of technology normally leads to higher costs and slower mobility of funds, making the payment and settlement system inefficient, thus contributing to the hike in NPAs. These issues leading to an NPA crisis must be dealt with in the long-term for the smooth functioning of the banks and the economy.

NON PERFORMING ASSETS IN INDIA

India’s NPA crisis aggravated after 2008 financial crisis, and since 20011-12 NPA level has experienced a hike for seven consecutive years, finally declining in 2019. RBI data on global operations elucidates that Net NPA has risen from INR2,79,016 crore in 2015, to INR6,84,732 crore in 2017, to INR8,95,601crore in 2018, which recently declined by INR1,68,305 crore to reach INR7,27,296 crore in September, 2019. Similarly, Gross NPA experienced the same trend where it rose continuously from 2006-07 to 2017-18 and finally decreasing by 10.2% to INR9,33,608 in 2019 (Fig. 1). Additionally, Gross NPA as a percentage of Gross Advances indicates that before 2011 the ratio was at an acceptable level of around 2%, however it rose to approximately 3% in 2011 due to the stringent policies. Similarly, the NPA level experienced a massive increase in 2016 “as the RBI carried out an expansive Asset Quality Review in the year 2015”, leading to large identification of NPA (Radhakrishnan, 2019).

Year	Gross Advances	Gross NPAs	Ratio
2006-07	2007413	50517	2.5
2007-08	2503431	56606	2.2
2008-09	3024652	69954	2.3
2009-10	3262079	81718	2.5
2010-11	3995982	93997	2.4
2011-12	4648808	136968	2.9
2012-13	5971820	192769	3.2
2013-14	6875748	263015	3.8
2014-15	7560666	322916	4.3
2015-16	8171114	611607	7.5
2016-17	8476705	791791	9.3
2017-18	9266210	1039679	11.2
2018-19	10287085	933608	9.08

Fig. 1: Gross Advances, Gross NPAs, and Ratio of Gross NPAs to Gross Advances
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

The data highlights a decrease in NPA in 2019, however, the decrease is minuscule as the Gross NPA to Gross Advances ratio remains as high as 9.08%. The ratio of Net NPA to Net Advances has followed the same trajectory as gross ratio, but the gap between the two has widened after 2015-16, indicating larger provisioning regarding NPAs (Fig. 2). Additionally, RBI predicted a worsened NPA level in 2020, but the situation will be exacerbated further as the COVID-19 outbreak has added to the pressure faced by banks (ET, April 6, 2020).

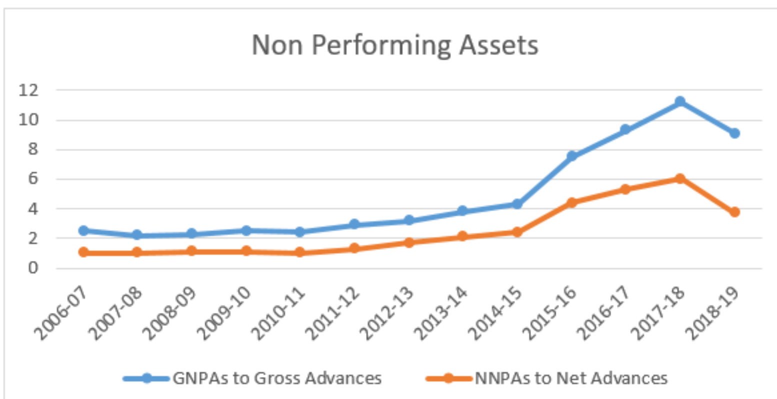


Fig. 2: Ratio of Gross NPAs to Gross Advances, and Net NPA to Net Advances
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

International Comparison

When comparing with BRICS members, the Gross NPA to total loan ratio of India was comparable to others till 2014, but then experienced a massive divergence relative to Brazil, China, and South Africa. On the other hand, the ratios of India and Russia have been converging lately, and had very similar ratios for 2016 to 2018, making them the worst among the members (Fig. 3). Similarly, among other emerging economies like Indonesia, Malaysia, Mexico, Philippines, and Thailand, which have NPA ratio of around 3%, India has the highest NPA ratio of 9%, indicating the poor banking system in India. Roy (2014), further elucidated that Indian banks had a better position than other Asian countries during the financial crisis of 1997-98, and 2008, due to India's lower integration with the global economy compared to others. However, the NPA situation impaired, making India's NPA crisis the worst among its peers.

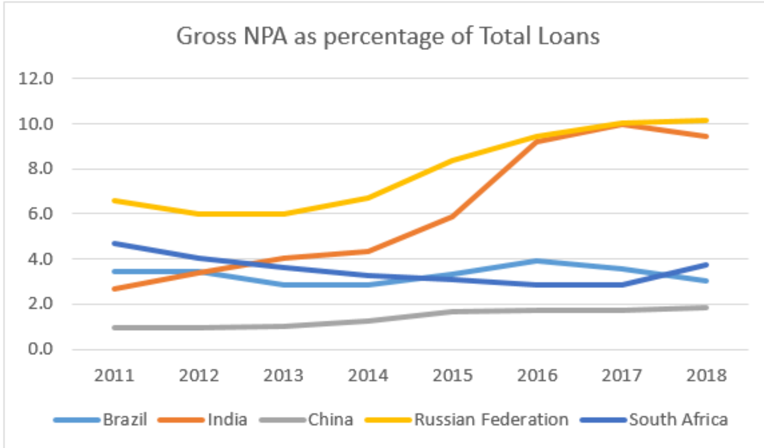
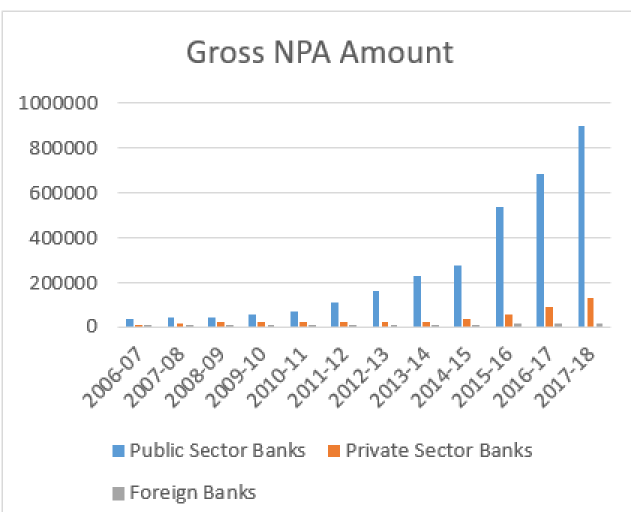


Fig. 3: BRICS Members' ratio of Gross NPA to Total Loans
Source: Open Data, World Bank

NPA across Bank-Groups

Among the scheduled commercial banks in India, which includes *Public Sector Banks*, *Private Sector Banks* and *Foreign Banks*, the NPA situation is worst in public banks. According to the RBI Data for 2006-2018, Public Sector Banks have the highest Gross NPA level, where their share is approximately 80% of the combined Gross NPAs of Public, Private and Foreign Banks (Fig. 4). Similarly, the Net NPA amount in public banks was INR4,54,473 crore in 2017-18, which is approximately 87%, while private banks held 12.3% of the Net NPAs and foreign banks held only 0.3% (Fig. 5). Additionally during 2006-2018, Gross NPA has increased by 96% in Public Banks, 91% in Private Banks, and 83% in Foreign Banks, while Net NPA has increased by 97% in Public Banks, 92% in Private Banks, and 40% in Foreign Banks, indicating the deepening of the NPA crisis over time. Since the public sector banks have the highest NPA level, consequently the loan ratios are also highest for the public banks, followed by private banks, and foreign banks (Fig. 6).



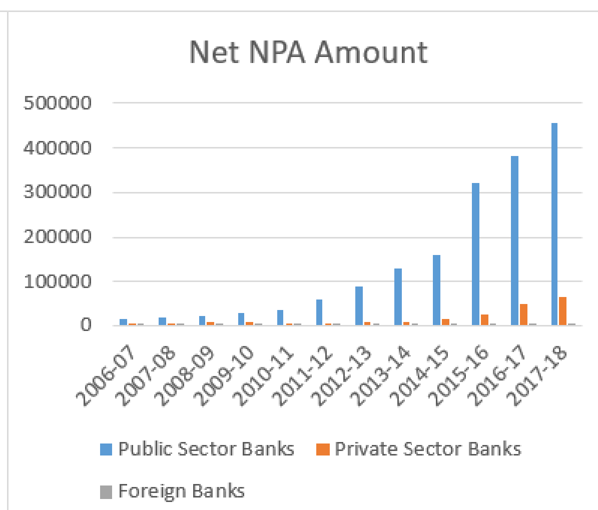


Fig. 4: Bank-wise Gross NPA Amount

Fig. 5: Bank-wise Net NPA Amount

Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Gross NPA as percentage of Gross Advances			
Year	Public Sector Banks	Private Sector Banks	Foreign Banks
2013-14	4.4	1.8	3.9
2014-15	5	2.1	3.2
2015-16	9.3	2.8	4.2
2016-17	11.7	4.1	4
2017-18	14.6	4.7	3.8
Net NPA as percentage of Net Advances			
Year	Public Sector Banks	Private Sector Banks	Foreign Banks
2013-14	2.6	0.7	1.1
2014-15	2.9	0.9	0.5
2015-16	5.7	1	0.8
2016-17	6.9	2.2	0.6
2017-18	8	2.4	0.4

Fig. 6: Bank-wise ratio of Gross NPA to Gross Advances, and Net NPA to Net Advances
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Additionally, the Bank-wise data for 2019 depicts that State Bank of India had the worst NPA situation among Public Banks with around INR1,72,750 crore of NPAs, followed by Punjab National Bank and Bank of India. Similarly, in Private Banks, IDBI Bank has the highest NPAs, followed by ICICI Bank and Axis Bank, while in Foreign Banks, Standard Chartered Bank has the worst NPA situation.

Sector-wise NPA

Bank lending is broadly categorized into *Priority Sector Lending*, which includes agriculture, MSME, education, housing, social infrastructure, renewable energy, export credit, and loans not exceeding INR 50,000, and *Non-priority Sector Lending.* According to the data, Gross NPA for both the priority sector and non-priority sector has increased from 2013-2017, where the absolute NPA is higher in the Public Banks compared to private banks (Fig. 7). This is primarily because the Gross Advances extended by the Public Banks is higher than Private Banks, which leads to higher default rates in Public Banks. Additionally, among the Public Banks, Nationalized banks have higher NPAs compared to the SBI groups, both in absolute term as well as ratio of Gross NPA to Gross Advances (Fig. 8).

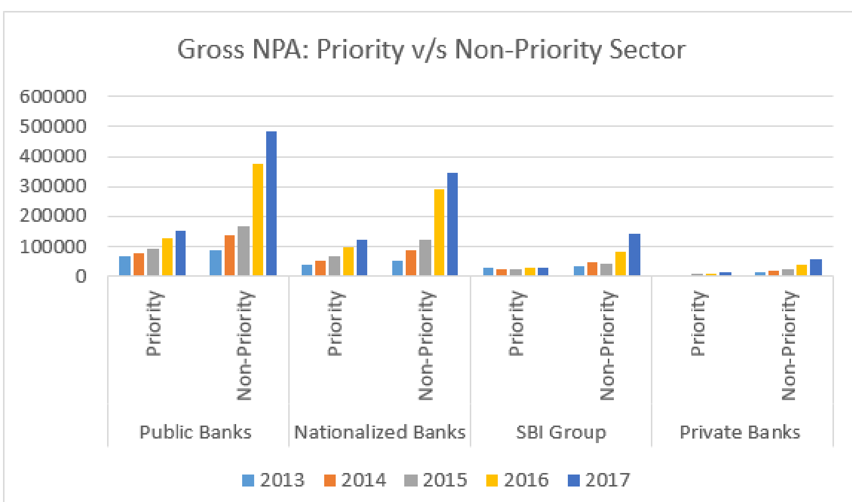


Fig. 7: Bank-wise Priority Sector NPA and Non-Priority Sector NPA
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Bank Category	Priority			Non-Priority		
	Gross Advance	Gross NPA	Gross NPA as % of Gross Advance	Gross Advance	Gross NPA	Gross NPA as % of Gross Advance
Public Banks	1959915	154276	7.87	3182309	486780	15.30
Nationalized Banks	1406151	124183	8.83	2070361	345857	16.71
SBI Group	553764	30093	5.43	1111948	140923	12.67
Private Banks	652004	13293	2.04	1452876	60549	4.17

Fig. 8: Sector-wise Gross Advances, Gross NPA, and ratio of Gross NPA to Gross Advances
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Furthermore, Banks have higher NPAs under non-priority sector as compared to priority sector, which is due to higher lending to non-priority sector. Additionally, ratio of non-priority NPAs to the priority NPAs indicates that non-priority NPAs have increased relative to priority NPAs, and SBI Group and Private Banks have higher non-priority NPAs as compared to Nationalized Banks (Fig. 9).

Year	Public Banks	Nationalized	SBI Group	Private Banks
2013	1.3	1.4	1.3	2.8
2014	1.7	1.7	1.9	2.8
2015	1.8	1.8	1.8	3.4
2016	2.9	2.9	2.9	3.8
2017	3.2	2.8	4.7	4.6

Fig. 9: Bank-wise ratio of Non-Priority Sector NPA to Priority Sector NPA
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

The data from the RBI Statistics on Banks indicates that the NPA crisis has deepened in India since the reforms of 1991, which is affecting the banks and economy negatively. Therefore, government is focused on curbing the problem by adopting various measures.

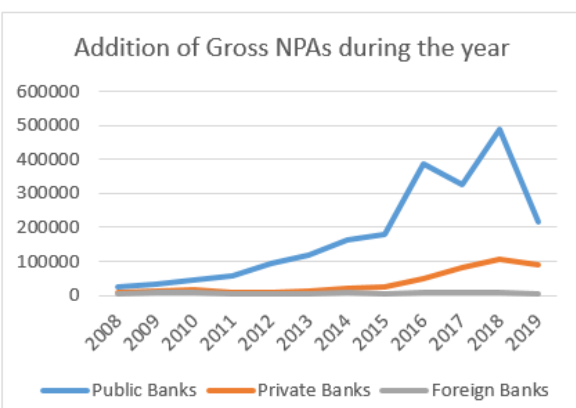
MANAGING NON-PERFORMING ASSETS

NPA situation in India has worsened over time, and continues to damage the economy at an alarming rate, due to which government has put in concrete efforts to tackle the crisis. The measures undertaken are of two types, *Preventive Measures* for reducing addition of fresh NPAs, and *Curative Measures* for recovering the damages of existing NPAs.

The primary preventive measure is the *Credit Appraisal Technique*, "which stresses over managing the quality of credit portfolio before default takes place" (Trivedi, 2017). This also includes careful evaluation of the loan application, and examining the credit history and viability of previous projects of the borrower before sanctioning the loan. Additionally, Banks must prepare guidelines on five categories, i.e. *financial, operational, banking, management,* and *external factors* to identify early warning signals for a potential default (Trivedi, 2017). Furthermore, Banks have also started to focus on monitoring the borrowers' activity post advancing loan by adopting *'Know Your Client'* (KYC) techniques which facilitates "constant flow of information from the units regarding their financial indicators, enabling Banks to identify warning signals for taking quick remedial actions" (Singh, 2013). Moreover, Banks are also suggested to undertake operational restructuring promoting managerial efficiency, advancement of skills for assessing, incorporation of technology for better monitoring, and equipping banks with latest credit risk management techniques to protect them against insolvency. On the other hand, Government of India has taken measures for creating a well-functioning legal and regulatory system allowing quick recovery of the NPAs. In order to facilitate the recovery of debts due to bank and reducing the time for settling cases, *Debt Recovery Tribunals* (DRTs) were established in 1993. Although DRTs has helped strengthening the recovery mechanism and management after the changes in 2000, however, the impact on the recovery of the NPAs has been low, which is primarily due to "inadequate infrastructure, under-staffing, and frequent adjournment of cases" (Singh, 2013). Therefore, institutions like *Lok Adalat* were set up to assist government with compromise settlement of disputes concerning *Doubtful* and *Loss* category advances. The mechanism not only facilitates speedy and efficient settlement of small loans, but also reduces the pressure on the legal system due to better division of loans among different institutions. Similarly, *Compromise Settlement Scheme* implemented in 2001, covers advances below INR10 crore, for all sectors and categories, but excludes *Willful Defaults* and *Fraud* cases (Raj, 2017). However, for covering against *Willful Defaulters*, government launched *Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act* (SARFAESI) in 2002, which promotes securitization, and pooling the NPAs of banks together in order to improve capital adequacy, transferring reinvestment risks, and matching assets and liabilities of the banks (Trivedi, 2017). The act has further facilitated the recovery of the NPAs without involving courts, and was initially perceived as a well-established solution for NPA, however "there exist certain loopholes in the act, which does not serve the envisaged objective of optimum recovery of NPAs" (Trivedi, 2017). Additionally, government also implemented *Corporate Debt Restructuring* in 2005, with an aim of reducing debt burden on the companies, "by decreasing the rates paid and increasing the time of repayments in order to maintain cash flows" (Raj, 2017). This relaxation was provided primarily because of the long timelines of the project, before they start yielding profits. Recently, government formulated *Insolvency and Bankruptcy Code Act* in 2016, for tackling the large delays taken for insolvency resolution, which aims at providing creditor with the control over debtor's asset in the case of default, and the creditor receives a 180-day-period for taking decisions for resolving insolvency (Gayam, 2016).

Management Efficiency

Siraj and Pillai (2013), elucidates that the gap between the additions to the NPAs and reductions in the NPAs in a year indicates the efficiency of the NPA management, because "additions occurs as a result of ineffective credit appraisal, while reductions occur due to effective recovery mechanism". The data indicates that in absolute terms, both the additions and reductions to the Gross NPAs during the year has witnessed an increase from 2008 to 2019 for all the categories (Fig. 10, 11). Additionally, it can be inferred that recovery mechanism is not entirely efficient, as the addition to the Gross NPAs is higher than the reduction for every year and category, expect for foreign banks in 2011. This proposition is further bolstered by the exponential growth rate (computed by, $N=N_o e^{kt}$) data for additions and reductions to Gross NPA, where the growth rate for addition is higher than the reduction (Fig. 12). Additionally, higher addition than reduction indicates that banks are forced to provision more amount towards NPA, which reduces the profitability and lending capacity of the banks.



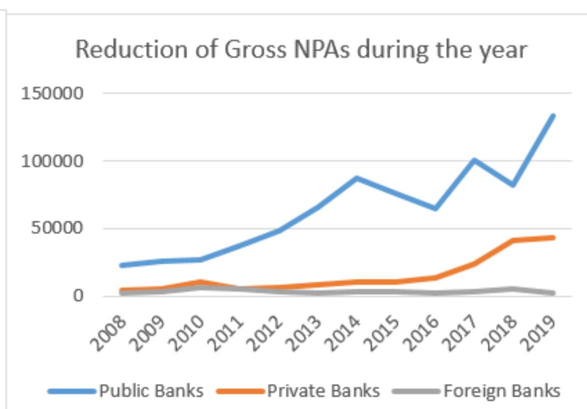


Fig. 10: Addition of Gross NPAs during the year

Fig. 11: Reduction of Gross NPAs during the year

Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Exponential Growth Rate	Addition of Gross NPAs	Reduction of Gross NPAs
Public Sector Banks	22	17
Private Sector Banks	25	24
Foreign Banks	6	3.70

Fig. 12: Exponential Growth of Addition of Gross NPAs and Reduction of Gross NPAs
Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Furthermore, by comparing the data for cases and recovery under *Lok Adalat*, *DRTs*, and *SARFAESI Act* it can be inferred that *Lok Adalat* received highest number of cases for recovery, which experienced a positive trend from 2012-13 to 2015-16, followed by a decline of 54% in 2016-17 (Fig. 13). Additionally, the absolute amount of recovery has increased, but the proportion of recovering from the total amount involved has experienced a decline for the given period (Fig. 14). Moreover, the ratio of recovery to the amount involved is highest for *SARFAESI Act* for all years except 2016-17, while *Lok Adalat* has the lowest ratio for all the years, which indicates a better performance of *SARFAESI* compared to others.

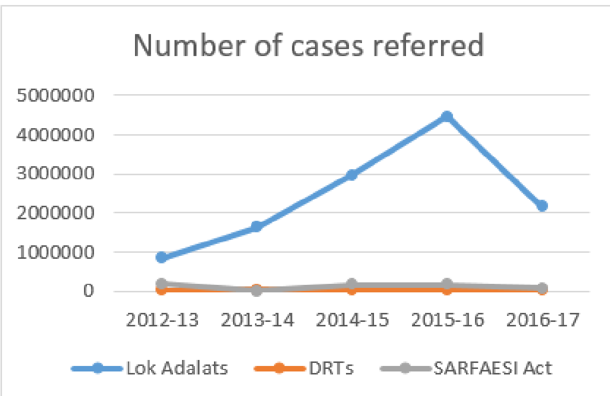


Fig. 13: Number of cases referred under different Acts

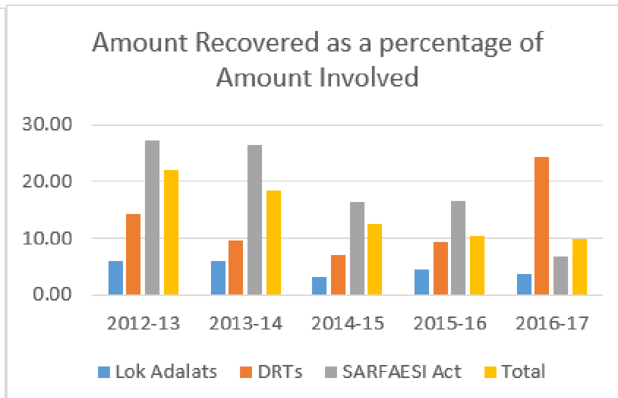


Fig. 14: Ratio of Amount Recovered to the Amount Involved

Source: Statistical Tables Relating to Banks in India: 2018-19, RBI

Conclusively, many steps have been taken by the government in order to tackle the increasing NPA situation in India, yet continuous regressive steps have to be undertaken for better management of the NPAs, for facilitating smooth functioning of both the financial institutions and the economy.

CONCLUSION

To facilitate the smooth functioning of the banking sector, higher levels of NPAs has always received criticism as it not only distorts the financial stability of the banks, but also diverts the funds of the economy from essential spending to recovery of these poor assets. Evidence from RBI suggests that the NPA situation in India has worsened over time, especially after the global financial crisis of 2008, and has reached an exorbitant amount INR 9,33,608 crore in 2019, with maximum brunt experienced by Public Sector Banks. This increases the cause of concern among the financial advisors as higher NPA level has led to the merger of many banks lately, indicating the weakening of the banking sector, and has contributed to the slowdown of the economic growth. Therefore, government has taken up numerous preventive as well as curative steps in order to tackle the ever-rising NPA levels in India. Despite the efforts, there still exist large gaps between the addition of new NPAs and reduction of existing NPAs during a year, and NPA levels in India is still amongst the highest within the emerging economies, indicating the existence of inefficiencies in the management of NPAs.

The need for curbing the NPA crisis has become an absolute necessity for both developed and developing countries due to the recent COVID-19 outbreak. In India, businesses have faced a complete stagnation during the period of national-lockdown, which has pressurized RBI for pumping liquidity in the system for the revival and survival of these business, and consequently the economy. However, Former Economic Affairs Secretary, Subhas Chandra Grag, has raised the concern that stagnant activities of businesses coupled with increase in additional credit, will have negative repercussions of the NPA level, which might double up over time (Rawat, 2020). Although RBI has recently provided a cushioning against the rising NPA issue by "excluding moratorium period for all accounts where the lenders decide to give the three-months relief", however with the recent *Economic Stimulus Package,* the MSMEs which already has an NPA will be eligible for another loan, will only worsen the NPA situation in India. Additionally, due to global slowdown, many assets now have higher risk of becoming non-performing, and to revive the economy, RBI has recommended Banks to increase their lending over the coming months, creating higher pressure on the Banks (Indian Express, April 02, 2020). Although the national-lockdown has been relaxed lately, the worsening COVID-19 situation will continue to impact the economic activity, and consequently the level of NPA is expected to rise in the coming months, however the extent is uncertain, as no one is sure about when the vaccine will be developed and the world will go back to normal (Rawat, 2020). Therefore, India can only undertake stringent and well-examined steps which will not only help with the NPA crisis, but also bring the economy on track.

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