A Study on The Profitability and Financial Position of Information Technology Companies In India During The Post Liberalization Period

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INTRODUCTION

The corporate sector is increasingly depending on external sources for meeting its funding requirements. There appears to be growing preference for direct financing (Equity and Debt) instead of indirect financing from the external sources[3] like bank loan etc. The palpable reason is that value of the firm can be increased or a judicious mix of debt and equity capital can reduce the cost of capital. So the manner in which the overall cost of capital reacts to changes in capital structure and solvency, are required to be measured to know the shareholder's value. To obtain better understanding of the firm's position and performance of Information Technology Companies, the ratio analysis shall be considered as a tool for analysis of return on invested capital, profitability, liquidity, asset utilization and efficiency, capital structure and solvency etc., rather than as an end in itself.

OBJECTIVE OF THE STUDY

To study the profitability and financial position of Information Technology companies in India during the Post Liberalization period from 1997-98 to 2005-06.

METHODOLOGY

Financial analysis is the evaluation of a firm's past, present and anticipated future financial performance and financial condition. The financial statement information is only a subset of the information an analyst can examine. This section illustrates how financial information are collected and analyzed.

(i). Data Period: The company wise information has been collected on a number of variables during the period from 1997-98 to 2005-06, covering nine years.

(ii). Sources of Data: The basic data for this current study has been collected from the official directory of the Bombay stock exchange and the Electronic Data base PROWESS provided by Center for Monitoring Indian economy (CMIE).

(iii). Selection of Sample: The sample was drawn from the list of Information Technology companies listed at Bombay Stock Exchange (BSE IT). For the present study, top seven Information Technology companies have been selected out of twelve Information Technology companies listed at Bombay Stock Exchange, which are

1. Wipro Limited (Wipro),
2. Satyam Computer Services Limited (Satyam),
3. Infosys Technologies LTD (Infosys),
4. HCL Infosystems LTD (HCL)
5. Hexaware Technologies Limited (Hexaware)
6. Mphasis BFL Limited (Mphasis) and
7. Moser Baer India LTD (Moser Baer).

The parameter taken for selection of sample companies under the study is given below:

1. Companies having a minimum Sales Turnover of Rs.642 crore per annum and Market Capitalization rate of 491 crore during the year ended 2006.
2. Companies having continuous financial data for the last 9 years starting from 1997-98 to 2005-06.

(iv). Frame Work of Analysis: To find out the financial position and solvency in Information Technology companies, the Ratio analysis is used.

1.1 ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS USING FINANCIAL RATIO AND BASIC DESCRIPTIVE STATISTICS

The financial statements provide information about the financial positions of an enterprise that is useful to a wide range of users in making economic decisions. The significant role of this research is to ensure the perspicuous comparative study of these Information Technology companies by pursuing the research in two categories by Ratio analysis and basic descriptive statistics respectively. Ratio analysis is a widely used tool for financial

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analysis. It enables the shareholders to spot trends in a business and to compare its performance and condition with the average performance of similar businesses in the same industry. This research uses a selection of ratios to examine a firm's financial strength and weakness and to provide the essential foundation for financial decision-making and planning

2.1 LIQUIDITY RATIO

(i) Current Ratio

It is evident from the table 1.1 that current ratio of Satyam Computer services, Hexaware and Moser Baer shows very high average above four times. They have more current assets than current claims. Interestingly, further current ratio of Hexaware in the year 2002-03 which was about 11.55 times and Satyam in the year 2003-04 was about 7.33 times seems abnormally high and it specifies that the company had problems with collecting accounts receivable or be carrying too much inventory. The minimum current ratio of Wipro about 1.19 times in the year 2003-04, Infosys 1.65 times in the year 2003-04, HCL 1.36 times in the year 2003-04 and MphasiS 1.03 times in the year 2004-05 are also between 1 to 2 times which indicates that relationship between current asset and current liability is usually playing it too close for comfort.

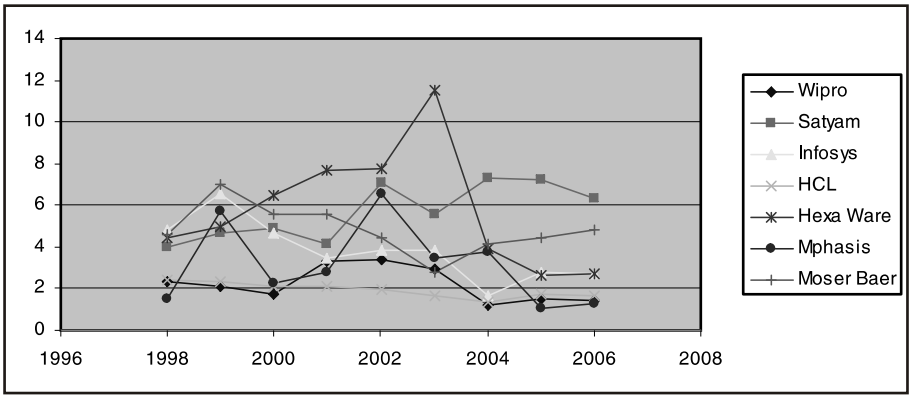
TABLE 1.1 Current Ratio of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		1.19	3.99	1.65	1.36	2.66	1.03	2.81
Maximum		3.38	7.33	6.57	2.42	11.55	6.52	6.98
Mean		2.22	5.70	3.82	1.93	5.78	3.15	4.81
Std. deviation		0.83	1.34	1.43	0.36	2.88	1.93	1.16
Variance		0.68	1.79	2.04	0.13	8.30	3.73	1.34
Skewness		0.36	0.05	0.53	-0.07	0.92	0.76	0.28
Correlations	Pearson	-2.41	0.76*	0.94*	-0.52	0.57	0.76*	0.96**
	Sig	5.32	0.02	0.00	0.00	0.11	0.02	0.00

Source : Secondary-Computed data
** Correlation is significant at the 0.05 and 0.10 level (2 tailed test)

Further, the standard deviation of current ratio with respect to all Information Technology companies is very high. The distribution of current ratio is positively skewed for the holding period except incase of HCL. The correlation between current asset and current liability of Moser Baer and Infosys shows a high correlation of 0.96 and 0.94 respectively and has statistically significant relationship at 1 percent and 5 percent level of significance. Where as current assets and current liabilities of Wipro and HCL are negatively associated with each other. Further, Satyam and Mphasis show statistically significant association with current ratio variables.

Figure 1 : Current Ratio of selected Indian Information Technology companies



(ii) Cash Ratio

It is inferred from the Table 1.2 that mostly, all Information Technology companies carry a huge amount of cash and bank balance as against current Liability. Average cash ratio of Satyam, Infosys, Hexaware and Moser Baer

show more than 150 percent are 303 percent, 192 percent, 179 percent and 151 percent respectively which is cited from figure 1.2. It indicates that they have sufficient cash and bank balance to meet the short term obligations. Whereas HCL, Infosys and Wipro Ltd hold only 28 percent and 35 percent respectively of cash and equivalence to cash against current liabilities.

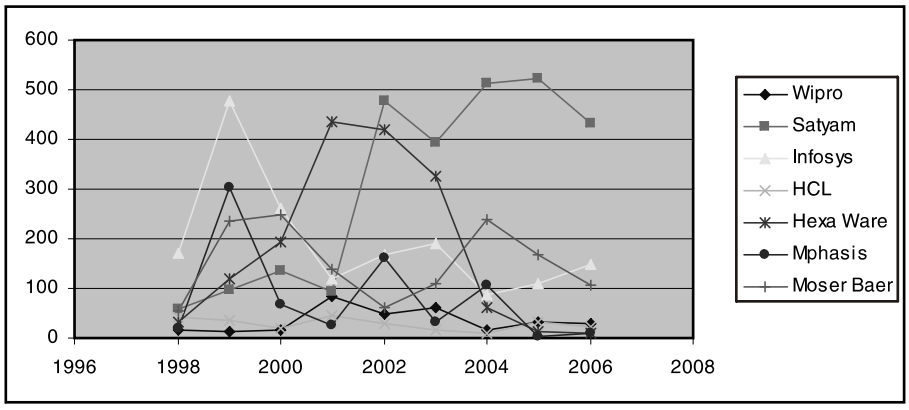
TABLE 1.2 Cash Ratio of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		11.62	58.39	86.97	11.21	9.73	4.45	53.71
Maximum		83.49	523.27	476.72	43.84	437.07	304.10	248.26
Mean		35.03	302.60	192.33	28.06	178.72	81.28	150.76
Std deviation		24.67	200.89	118.09	11.51	173.82	98.04	75.50
Variance		608.69	40357	13945	132.59	30215	9611.70	5699.96
Skewness		1.10	-0.17	2.10	0.06	0.60	1.75	0.13
Correlations	Pearson	0.83*	0.97**	0.93**	0.69	0.09	-0.30	0.87**
	Sig	0.01	0.00	0.00	0.00	0.81	0.94	0.00

Source : Secondary Computed data
** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

Variability of cash ratio of Satyam, Infosys and Hexaware over a period of time shows more than 100 percent. The distribution of cash ratio between cash balance and current liability are positively distributed incase of all Information Technology companies except Satyam company. Further it is inferred that the sign of Karl Pearson's coefficient of all Information Technology companies except Mphasis (-0.30) between cash and cash equivalents has positive association with each other. There is a statistically significant correlation between cash and current liabilities of Wipro, Satyam Computer Services, Infosys Technoloiges and Moser Baer.

Figure 2 : Cash Ratio of selected Indian Information Technology companies



(iii) Debtors' day outstanding

Table 1.3 reveals that the average collection period of Mphasis and Hexaware are about 120 days and 112 days respectively. Whereas Satyam provides only 95 days credit on an average. Mphasis only provides maximum credit period of 189 days in the year 2003-04 followed by Hexaware about 177 days in the year 2002-03, Satyam about 115 days in the year 1999-00 and Moser Baer about 148 days in the year 2000-01 and this is envisaged from the figure 1.3. The average debtor's outstanding of Infosys is 57 days which shows low collection period as compared to all other companies which implies the shorter the average collection period, the better the quality of debtors and the prompt payments by debtors. The standard deviation of Mphasis, Hexaware and Moser Baer are very high during the study period due to more fluctuations in the demand of IT product and services on account of varying sales rate.

The distribution of average collection period is positively skewed over a period of the time. Since Karl Pearson's coefficients of all Information Technology companies are close to 1 and all R-values are positive, then there is a strong positive association between total revenue and trade debtors. Especially, there is a perfect relationship

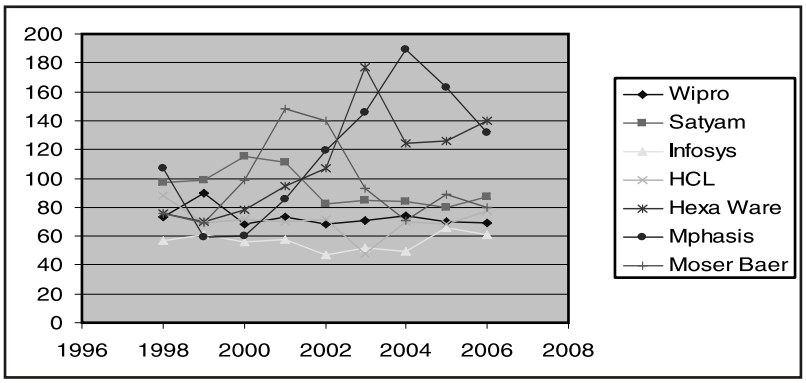
TABLE 1.3 Average collection period of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		68.00	80.00	47.00	48.00	70.00	59.00	69
Maximum		90.00	115.00	66.00	88.00	177.00	189.00	148
Mean		72.89	93.33	56.33	70.44	110.33	117.89	96.11
Std deviation		6.79	12.89	6.12	10.42	35.10	44.77	28.98
Variance		46.11	166.25	37.50	108.53	1231.75	2004.61	839.61
Skewness		2.41	0.78	-0.12	-0.80	0.69	0.08	1.16
Correlations	Pearson	1.00**	0.99**	0.99**	0.92**	0.83**	0.93**	0.95**
	Sig	0.00	0.00	0.00	0.00	0.06	0.00	0.00

Source : Secondary Computed data
** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

incase of Wipro Ltd (R=1). Therefore variations in sales turnover of all Information Technology companies are explained by variation in total debtors.

Figure 3 : Average collection period of selected Indian Information Technology companies



(iv) Net Working Capital Ratio

It is inferred form the Table 1.4 that the average working capital ratio of Satyam computer services, Infosys Technologies and HCL infosys (0.644, 0.600 and 0.60 respectively) are high in the holding period. Net working capital as against net asset of Satyam is a maximum of 0.87 times in the years 2004-05 and 2005-06 followed by

TABLE 1.4 Net Working Capital ratio of Selected Indian Information Technology Companies

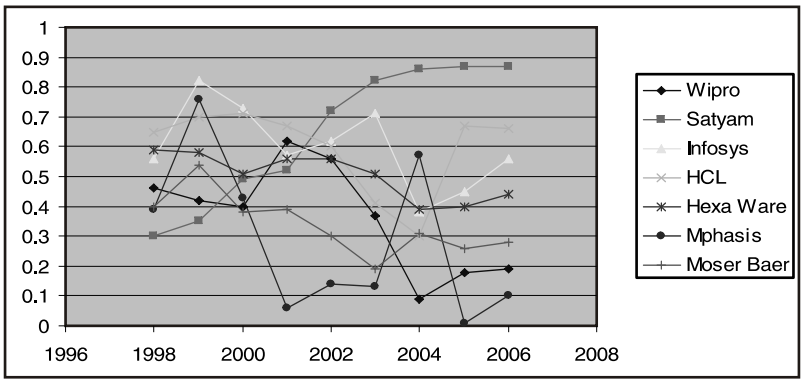
Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		0.09	0.30	0.38	0.30	0.39	0.01	0.19
Maximum		0.62	0.87	0.82	0.71	0.59	0.76	0.54
Mean		0.37	0.64	0.60	0.60	0.50	0.29	0.10
Std deviation		0.18	0.23	0.14	0.14	0.08	0.26	0.10
Variance		0.03	0.05	0.02	0.02	0.01	0.07	0.01
Skewness		-0.22	-0.43	0.00	-1.58	-0.53	0.77	0.69
Correlations	Pearson	0.52	1.00**	0.97**	0.62	0.98**	0.40	0.97**
	Sig	0.15	0.00	0.00	0.07	0.00	0.29	0.00

Source : Secondary - Computed data
** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

Infosys about 0.82 times in the year 1998-99 and Mphasis BFL about 0.76 times in the year 1998-99 and this is represented from the figure 1.4. It means that there is a greater ability to meet the current obligation for the firm that has the large NWC. Wipro, Moser Baer and Mphasis show minimum average working capital ratio (0.365, 0.34 and 0.287 respectively).

The Standard deviation of NWC of Mphasis and Satyam (0.26 times and 0.23 times respectively) produces very high during the holding period while HCL, Infosys, Moser Baer and Hexaware show comparatively minimum variation. Anyway variation between NWC and Net asset of the entire fiscal years under the study are very low that is only less than 26 percent. The distribution of Working capital ratio of all Information Technology companies except Mphasis and Moser Baer is negatively skewed. The coefficient correlation between Working capital and Capital employed of all Information Technology hubs are positively associated with each other. Further NWC of Satyam, Infosys, Hexaware and Moser Baer are having statistically significant relationship with net asset at 1 percent and 5 percent level of significance. It evidenced that any variation in working capital may be explained by changes in net asset employed.

Figure 4 : Networking Capital Ratio of selected Indian Information Technology companies



2.2. PROFITABILITY RATIOS

(i). Return on Equity (ROE)

Table 1.5 reveals the descriptive statistics in which Infosys backs up a safe position of the highest with 35.37 percent followed by Satyam with 31.05 percent. The ROE of these companies are greater due to cost efficiencies, innovation, technology, distribution network, and brand equity. Though Mphasis had incurred heavy loss for the year 1997 with 13.40 crore, the company has a negative average ROE with -31.01 percent, yet the company retrieved and showed a maximum of 48.82 percent in 1998-99. At the financial year-end 2005-06, the company transcribes ROE of 14.31 percent and this is portrayed in the figure 1.5.

TABLE 1.5 Return of Equity of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		24.94	21.53	23.14	14.12	0.74	-392.08	0.23
Maximum		39.02	43.62	44.85	30.50	43.05	48.82	27.03
Mean		30.72	31.05	35.037	23.71	19.76	-31.01	17.85
Std deviation		4.71	8.68	5.75	6.70	15.06	136.23	9.59
Variance		22.15	75.41	33.07	44.91	226.94	18557	91.99
Skewness		0.28	0.21	-0.78	-0.42	0.60	-2.93	-1.32
Correlations	Pearson	0.99**	0.98**	0.99**	0.86**	0.69*	0.53	0.38
	Sig	0.00	0.00	0.00	0.00	0.04	0.14	0.32

Source : Secondary - Computed data

** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

ROE of Infosys reached the maximum of about 44.9 percent in 2000-01 and then it gradually declined every year to about 35.1 percent in 2005-06. ROE of Satyam also obtained the maximum of 43.62 percent in 1997-98 and then it gradually declined every year to 23.32 percent in 2004-05 and then revamped to 28.60 percent in 2005-06.

It is inferred from the above analysis that ROE of the all Information Technology companies over the years have fallen markedly due to the substantial increase in its cost of goods manufactured and competitive biding price of all MNC reflected in the sharp decrease in price of software and hardware products. The company is increasing the profitability of equity by employing debt in the capital structure. In the absence of debt or its diminishing trend, the rate of return would have declined. The sign of correlation indicates that these variables are positively correlated.

(ii). Earning Power

The descriptive statistics is revealed by the Table 1.6 in which Infosys ascertain the predominant position of the highest with 28.15 percent on average showing that the EAIT and Total asset influence each other, in turn the total asset invested by Infosys is with a high return.

TABLE 1.6 Earning Power of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		10.77	15.90	20.16	6.05	0.59	-57.54	0.12
Maximum		27.41	27.58	36.46	13.93	20.97	42.01	12.24
Mean		20.54	20.30	28.15	9.95	12.95	4.10	8.34
Std deviation		5.37	3.93	4.63	2.85	7.19	26.42	4.38
Variance		28.87	15.42	21.40	8.11	51.76	698.13	19.19
Skewness		-0.63	0.77	0.10	-0.01	-0.80	-1.52	-1.43
Correlations	Pearson	0.98**	0.98**	1.00**	0.97	0.74*	0.61	0.39
	Sig	0.00	0.00	0.00	0.00	0.02	0.08	0.30

Source : Secondary - Computed data

** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

This analysis shows that earning power of all Information Technology companies has declined in some period signifying a fall in the over all profitability and they however, restore again indicating their superior performance over the last three years. They are able to ramp up over the years and create a distinct mark on the Information Technology sector with clients spread across the world. This phenomenon has happened because of boom in the Information Technology sector for which they owe a great deal to the proactive government policies.

(iii). Returns on Net Asset (RONA) or Return on Capital Employed

Descriptive statistic Table 1.7 reveals the highest average of 40.73 percent by Infosys emphasizing the fact that the net asset invested is with the high return, followed by Wipro by 33.12 percent. Infosys started to progress from 38.08 percent of ROCE in the year 1997-98 to the maximum of 50.99 percent in the year 2000-01 and then gradually decreased to 40.51 percent in the year 2002-03 and then regained 45.20 percent in the year 2003-04. It

TABLE 1.7 Return of Capital Employed of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		20.87	24.25	27.13	11.78	2.32	-90.19	2.66
Maximum		45.80	37.59	50.09	29.00	37.96	50.97	16.84
Mean		33.12	28.17	40.73	20.01	19.41	3.08	11.85
Std deviation		7.58	4.47	6.38	6.37	12.52	38.27	5.44
Variance		57.49	19.97	40.76	40.55	156.80	1465	29.59
Skewness		-0.04	1.49	-0.95	0.17	0.24	-1.97	-1.19
Correlations	Pearson	0.99**	0.98**	1.00**	0.00	0.65	0.51	0.53
	Sig	0.00	0.00	0.00	0.00	0.06	0.16	0.14

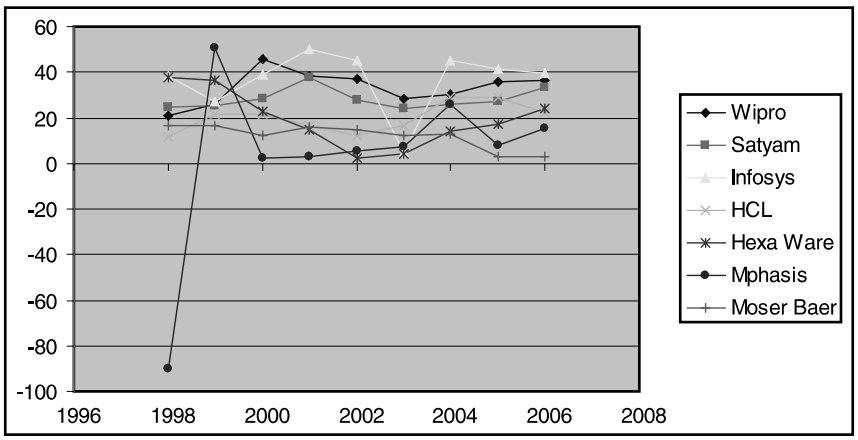
Source : Secondary - Computed data

** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

shows only 39.50 percent at the end of the year 2005-06.

The above analysis makes clear that many of the Information Technology companies showing declining trend in some of the years and then ramp up at the end of 2005-06. They can turn up at a high ROCE by either increasing its profit or more efficiently utilizing its capital to increase sales. There are likely to be competitive constraints and technological constraints on increase in sales, but Information Technology companies still have some freedom within these constraints of their ROCE. The Indian players are no more in the humdrum business sphere. The scope and value of orders grabbed by them shows that they are moving up the value chain, as large domestic and global users are showing more trust in them. So this should be celebration time for all Information Technology companies.

Figure 5 : Return on Capital Employed of selected Indian Information Technology companies



Minimum average of ROCE is exhibited by Mphasis by 3.08 percent. They started to progress from -90.19 percent of ROCE in the year 1997-98 to the maximum of 50.97 percent in the year 1998-99 and then gradually decreased to 2.36 percent in the year 1999-00 and then regained 15.18 percent in the year 2005-06. The fluctuation remains greater with 156.80 percent by Hexaware. Wipro, Infosys and Moser Baer make clear negative skewness whereas Satyam and Hexaware portray a positive skewness. Karl Pearson's correlation between EBIT and Capital employed are influenced at the 5 percent level of significance. Wipro, Satyam and Infosys show a significant affiliation whereas Hexaware and Mphasis portray a relationship, which is insignificant. The sign of coefficient correlation indicates these variables are positively correlated.

(iv). Net Profit margin

Table 1.8 reveals the highest average of 27.37 percent by Infosys expressing the fact that the operating efficiency of the firm is fairly good as it implies that the cost of production of the firm is relatively low. The company started to progress from 23.18 percent in the year 1997-98 to the maximum of 31.80 percent in the year 2000-01 and then gradually decreased to 26.40 percent in the year 2005-06. This implied that the operating expenses relative to

TABLE 1.8 No profit margin of Selected Indian Information Technology Companies

Company / year		Wipro	Satyam	Infosys	HCL	Hexa Ware	Mphasis	Moser Baer
Minimum		7.76	19.24	23.18	3.74	1.32	-46.30	0.26
Maximum		24.25	27.18	31.80	8.40	20.95	33.46	36.30
Mean		17.06	22.42	27.37	5.58	12.93	13.81	19.98
Std deviation		5.70	2.75	2.94	1.64	5.98	24.82	11.64
Variance		32.46	7.57	8.62	2.68	35.82	616	135.52
Skewness		-0.67	0.69	0.44	0.38	-0.80	-2.11	-0.60
Correlations	Pearson	0.98**	0.99**	0.99**	0.80*	0.95**	0.85**	0.35
	Sig	0.00	0.00	0.00	0.01	0.00	0.00	0.36

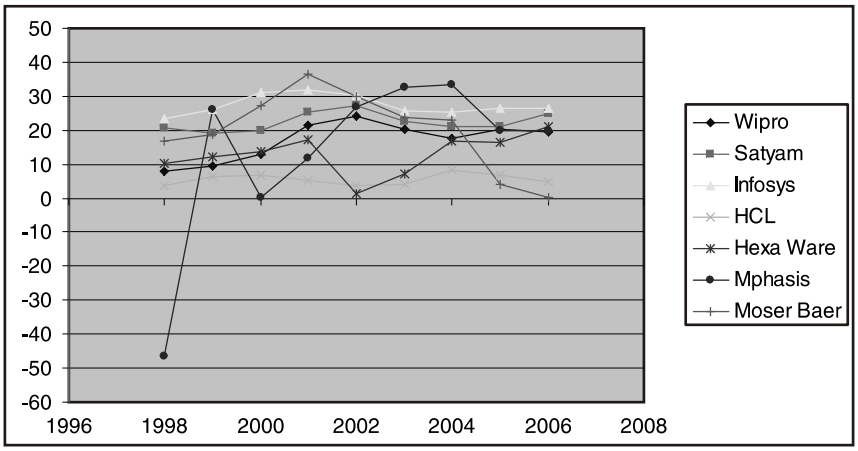
Source : Secondary - Computed data

** Correlation is significant at the 0.05 and 0.10 level (2 -tailed test)

sales have been increasing.

The above study generalizes that many of the Information Technology companies such as Satyam, Wipro and Hexaware showing declining trend in some of the years and then rise up at the end of 2005-06. They can go up to a high Net profit margin either as a whole or individual items of operating expenses decline substantially that ensures adequate returns to the owners as well as enable those companies to withstand adverse economic conditions when selling price is declining, cost of production is rising and demand for the product is falling.

Figure 6: Net profit margin of selected Indian Information Technology companies



The fluctuation is Net profit margin remains greater with 24.82 by Mphasis. Wipro, Hexaware, Moser Baer and Mphasis support negative skewness -0.67, -0.80, -0.60 and -2.11 respectively whereas Satyam, HCL and Infosys expose a positive skewness. Karl Pearson's correlation gives a picture of EAIT and sales of all Information Technology companies, which have influenced each other at 5 percent level of significance irrespective of all Information Technology companies except Moser Baer on the list.

CONCLUSION

The march of Indian Information Technology companies' right into the territories of global corporations continues unabated. Over the last couple of years, Indian companies have been able to challenge leaders such as EDS, Accenture and CSC on their home ground. The reaction from these companies has been to set up offshore units in India to have cost efficiency. While Indian companies are forcing entry into FORTUNE 500 companies, their foreign counterparts are busy setting base on Indian shores. Hence, Indian companies have an advantage over their counter parts. The Indian Information Technology industries ensconce equipoise in setting an archetype in its errands. This excerpt typifies a ramble on how the financial performance and shareholders' value are in existence in Information Technology companies and how they have furnished into a fusillade through which the economic and commercial aspects are spattered to incandescence. Though some better prospects of these companies are camouflaged, the financial determinants rejuvenate the entire scenario and thereby would flagellate the summit of the Indian Information Industries.

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(Cont. from page 6)

big-ticket actions. Reserve Bank of India (RBI) with appropriate blessings of the ministry of finance can take the following actions:

Action 1: Cut the cash reserve ratio (CRR), and cut it deep. Yes, the RBI has finally cut CRR by 150 basis points-up from a very timid initial move of 50 bps. And it deserves kudos for this action. However, it isn't enough to infuse the liquidity needed to re-inject some degree of comfort in the system. Consider this. Even up to April 13, 2007, the CRR was 6%. There is absolutely no reason why the CRR cannot be brought down in another 150 bps cut to 6%. It-will show the RBI's commitment to making decisive moves-and to tell the players that it can intervene big when the situation so demands.

Action 2: Cut the Repo and Reverse Repo rate by 200 basis points to 7%. Do so in one fell swoop, instead of bits and bobs of 50 bps per time. Again, this will demonstrate proactive flexibility and the ability to make serious interventions - something that the RBI needs to do.

Action 3: Rapidly set up a sovereign fund with a corpus of at least$25 billion to support the equity of well-run Indian listed companies and mutual funds. The Life Insurance Corporation or the State Bank of India can administer the fund, with trustees and the investment committee being represented by major public sector financial institutions. As the FIIs sell, this fund can buy.

Given the current price-earning ratios, and the otherwise good prospects of the better run Group A and Group B1 corporates, most of these investments will earn solid profits in a year or two. This was done just a few years ago to save the Unit Trust of India under Jaswant Singh in the North Block. The investments had fetched returns in spades. The upside of this action is obvious at the current P/E ratios. The downside is equally obvious. If nothing is done, soon enough, we will see the FIIs and corporates rapidly accelerate the process of unwinding their exposure in liquid and money market funds. Many already have. If this becomes a wave, there will be massive redemption problems leading to a further liquidity crisis - something we can ill afford today.

Action 4: This is related to Action 3. The RBI should allow money market mutual funds to access the Repo window. The researcher foresees significant redemption pressures over the next few weeks as investors, FIIs and domestics alike move to cash and fixed deposits. The RBI needs to relieve this pressure by allowing money market mutual funds to access money at repo rates.

CONCLUSION

From this study, it may be concluded that India will still end up with 7.5% real GDP growth in 2008-09 ,the best performance in today's world after China. We need to keep this growth going, which needs liquidity. Nothing saps animal spirits more than banks not willing to lend at any price. So, we need to understand that these measures are like injecting adrenaline in a time when extreme steps are needed to get an otherwise healthy patient from keeling over.

For global financial crises, the banking sector will have the least impact as high interest rates, increased demand for rupee loans and reduced statutory reserves will lead to improved NIM while, on the other hand, other income from cross-border business flows and distribution of investment products will take a hit. Banks with capabilities to generate low cost CASA and zero cost float funds will gain the most as revenues from financial intermediation will drive the banks' profitability.

Given the dependence on foreign funds and off-shore consumer demand for the India growth story, India cannot wish away from the negative impact of the present global financial crisis but should quickly focus on alternative remedial measures to limit damage and look inwards to sustain growth.

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