

## O HERALDO

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## The gold rush: A boon or a burden?

The recent surge in gold prices has sparked widespread debate and concern. On Wednesday, gold prices hit a record high, with 10 grams of 24-carat gold reaching an unprecedented Rs 88,000. While some see this as an investment opportunity, for many, especially the middle class, it has turned a dream into an unaffordable luxury. The timing is particularly significant, given the ongoing wedding season in India, where gold plays a central role in cultural traditions. But beyond personal affordability, a larger question looms: What does this meteoric rise in gold prices indicate about the state of the global and national economy?

The sharp increase in gold prices is not just a seasonal fluctuation. It is a reflection of multiple economic and geopolitical factors at play. One of the major contributors is the Reserve Bank of India's (RBI) growing gold reserves. In 2024 alone, the RBI purchased 72.6 tonnes of gold, increasing its total reserves to 876.18 tonnes, valued at \$66.2 billion. This marks the highest annual gold purchase since 2021 and the second highest since the RBI resumed buying gold in 2017.

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During a recent Parliament session, Congress MP Manish Tewari questioned whether India's rising gold purchases indicated a move away from the US dollar or an attempt to establish alternative international settlement mechanisms. Finance Minister Nirmala Sitharaman, however, clarified that India's increased gold reserves were not intended to challenge the dominance of the dollar but rather to diversify the RBI's asset portfolio. Gold, along with other foreign currencies, remains an essential part of

India's foreign exchange reserves.

Globally, central banks are also hoarding gold. By mid-2024, central banks worldwide had collectively acquired 1,037 tonnes of gold, and this number is steadily increasing. Countries are turning to gold as a safe haven amid growing geopolitical tensions, including conflicts in West Asia, the Israel-Hamas war, and the ongoing Russia-Ukraine crisis. Additionally, a weakening rupee against the US dollar has made gold imports more expensive, further fuelling the price surge.

Historically, gold has been seen as a hedge against inflation and currency depreciation. When stock markets become volatile and economic policies remain uncertain, investors turn to gold as a safeguard. The latest increase in gold prices can be linked to multiple economic factors like rising global tensions have made investors cautious, leading them to seek refuge in gold. Uncertain stock market conditions are pushing investors towards safer assets. A weaker rupee means higher gold import costs, making gold more expensive domestically. RBI and other global central banks are actively increasing their gold holdings.

The situation in the United States is also influencing gold prices. The Trump administration's tariffs on China, Mexico and Canada have led to inflationary pressures, prompting investors to shift towards gold. Additionally, the US dollar index recently crossed the 109-point mark, impacting commodity markets, including gold. Large bullion banks have responded by shifting gold reserves from Asian hubs like Dubai and Hong Kong to the US, capitalising on higher future premiums. These movements suggest that gold prices may continue their upward trend.

While investors may celebrate the rising value of gold, for the average Indian household, particularly the middle class, the scenario is grim. The wedding season, which typically witnesses a surge in gold purchases, is now facing a slowdown. Families are either postponing their gold purchases or reducing the quantity they buy due to soaring prices. This is directly affecting India's jewellery industry, which relies heavily on wedding-related demand.

Industry experts predict that gold demand may increase by up to 10% in the coming months, given the seasonal spike. However, this demand will largely be limited to affluent buyers. Many middle-class consumers are struggling to keep up, forcing them to either settle for lighter jewellery or explore alternative investment options. The increased gold prices also mean that jewellers may face a decline in overall sales, leading to reduced business turnover in an industry that contributes significantly to India's economy.

## comment



MARIAN PINHEIRO

## Education, the political discourse and the budget 2025

India is home to almost 19% of the world's children. More than one-third of the country's population, around 480 million, is below 18 years. They are the future of India. These children will determine how great and how prosperous India will be a decade from now.

There is much applause and praise by those in power and those who want to be in good books with those in power for the Finance Minister, for her 8th Union Budget, which has allocated Rs 78,572 crore for School Education and Literacy for the financial year 2025-26.

There is of course, a substantial increase in the budget allocation for higher education, from Rs 46,482.35 crore in 2024-25 to Rs 50,077.95 crore in 2025-26.

While carrying out this kind of political exercise, one should not forget the realities of the Nation and the needs and aspirations of the people of India. By favouring a few and thereby allocating funds to some selected institutions does not fulfil the national obligation, nor does it auger in progress or prosperity to the Nation, but a mere euphemism. The minimum that the much-applauded National Education Policy 2020 recommends is an allotment of at least 6% of the budget for education. The 2025 budget did not reach even half that expectation and stopped at mere 2.7% of the Budget.

**The Union Budget 2025 presented in February increased allocations for the education sector only marginally and is unlikely to realise the ambitious goals set out in the New Education Policy 2020**



Incremental increases in education spending will not address key challenges.

The Union Budget 2025 presented in February increased allocations for the education sector only marginally and is unlikely to realise the ambitious goals set out in the New Education Policy 2020. The allocation of Rs 1.28 lakh crore out of a total outlay of Rs 50.65 lakh crore is 6.65% higher than the previous year. But it is merely 2.54% total budget (0.4% of the gross domestic product, as per current estimates).

The New Education Policy

seeks to fundamentally restructure India's education system. Yet, as per the Ministry of Education's budget estimates, public spending on education (by both State and Centre) has been stagnant at 4.2%-4.6% of the gross domestic product since 2019.

The Reserve Bank of India estimates that spending on education is even lower, at 2.7% of GDP. This is well below the benchmark of 6% recommended decades ago by the Kothari Commission on Education in 1966.

Is this not a case of deception of the 'vote less and the voice less', when they (below 18 years of age) constitute nearly 33% percent of the country's population.

Of all the allocation in various sectors, education is what determines the future of a nation. Education has not just a ripple effect like industry, but progress will be in geometrical progression as has been witnessed. An educated person is a guarantee for an educated family, thereby having educated children and in the process, the economic progress of the individual, the family and of the community and of course the future will definitely improve creating a better India. An India of more resources including human resources and more and more opportunities for economic prosperity. The New Education Policy aims to achieve universal access to education from preschool to the secondary level by 2030.

Compare this, less than 3% of Budget allotment to education to the allotment for defence which is a whopping Rs 1939001 crore that is 38.28% of the budget. More defence expenditure will only cause increased expenditure for maintenance, repair and replacement of machinery and not growth, and never prosperity. Besides, no country in the world has prevented war or border aggression by piling up arms, though politicians want it that way, because purchase of arms internationally is a thriving business and kickbacks are huge and often hidden from public scrutiny. It's common knowledge wars and border skirmishes are created to camouflage internal struggles, unrest and governance failures or to hype up political propaganda. No doubt those who are protecting the country deserve better life, better social security and a better future but so do

the farmers, and the industrial labour. But stockpiling weapons in the present-day context has only the limited utility value of appeasing the seller Nation's political leaders or one's own ego and self-praise. Inability to broker peaceful co-existence is a leadership failure and so is the absence of a healthy vision for the country's young and future citizens.

The political masters, through their discourses and public promises often promise a better future for the Nation, they miss out on the essential element of providing quality education to every Indian child, but they do selectively restrict quality education to the selected or favoured few.

It is often said, that to collect more tax, the tax base has to be widened or broadened, if so there is also need to widen and broad base the budget expenditures to benefit everyone especially the children, who are hoping for a better quality education and a better quality of life for themselves and their families. A broad and long drawn plan is what is expected of a true national leadership.

Luckily, Education, by the 42nd Amendment to the Constitution in 1976 was shifted to the Concurrent List, therefore the States have an equal, if not more compelling responsibility to ensure better quality of education to every child living within the State, which is only possible if proper and adequate funds are allotted and sufficient number of competent and qualified teachers are appointed at every stage. Closing down Government run schools or handing over such schools to private entrepreneurs are escapist strategies and will result in degeneration of quality of education.

Goa is ideally situated to create excellence in the quality of education. Total number of children in schools in Goa, who are below 18 years of age, is about 3 lakh only. Suitable fund allotment to provide infrastructure as well as adequate number of teachers for the education of these children is neither a herculean nor an arduous task. Failure of the government to do so will only expose that the purpose and intention of the ruling elite is not for Goa's future.

*(The writer is a professor of law & an education consultant.)*

## people's edit

## COMMUNAL HARMONY, THE GANDHIAN WAY

IBONIO D'SOUZA

The Gandhian approach to religion and communal harmony is inclusive and comprehensive. This approach gives space to everyone. It cares for everyone and no one is considered superior or inferior. It sees everything in its totality. It looks at the root cause of a problem and gives a non-violent solution to it. Its basis is that the individual, society and nature are related to each other and can't be separated from one another.

Gandhiji is recognised as a world citizen. His concept of communal harmony is not confined to India alone. It is an integral part of harmony of all creation.

Gandhiji wanted Hindus and Muslims to co-exist in harmony. In all his movements and programmes he gave a prominent place to communal harmony. Gandhiji laid great stress on sincerity and advised Hindus and Muslims to be concerned with the voice of their inner self and develop strength from within. Both must be strong and at the same time humble. Gandhiji advised the people of different communities to examine their own shortcomings to avoid communal strife and live together united like sisters and brothers.

He studied the major religions of the world and came to the following conclusions:

All religions are divinely inspired.  
All religions are true but not infallible.  
All religions have a common purpose. One who understands his own religion will also understand other religions.  
All religions teach love, non-violence, righteousness and service to humanity.  
All religions teach us to see God in all creations.

No religion can claim to be superior to other religions.

Gandhiji believed that every person is at liberty to follow his religion. To him religion is simply an ethical framework for the conduct of daily life.

Tolerance, mutual trust and dialogue are fundamental to communal harmony. The spirit of harmony can come only from within each section of the society.

Gandhiji had a strong faith in the underlying unity of Indian culture. He believed in its assimilative character. Hindus, Muslims, Sikhs, Christians, Parsis and Jews should be Indian first and Indian last. Religion is a personal affair of each individual. It must not be mixed up with politics or national affairs.

Gandhiji dedicated his whole life to five causes viz. Hindu-Muslim unity, justice, peace, non-violence and harmony. May he serve as our guide in all our actions, individual and national!

Pandit Nehru too held a similar view on communal harmony, when he wrote: "From the distant past all communities in India have lived in harmony with each other. That has been the best of India's culture. Long ago, the Buddha taught us this lesson. From the days of Ashoka, 2,300 years ago, this aspect of our thought has been declared and practiced. In our day, Mahatma Gandhi laid stress on it and, indeed, lost his life because he laid great stress on communal good and harmony. We have, therefore, a precious heritage to keep up and we cannot allow ourselves to act contrary to it."

## Is Goa an ideal place for motorsport?

John Abraham, actor and owner of Goa Aces team, is keen to set-up a motorsport academy if either the government or a local person provides the necessary land (O Herald edition dated February 10).

There is no mention if the land has to be gratis or would be purchased at the market rate. He thanked the Meghalaya government that had provided him 15 acres of land to set-up a football academy. Compared to football, motorsport is one of the extreme sports which is expensive and requires more land.

Given the limited available space, one is not sure if Goa is an ideal place for motorsport. People are opposed to giving land for educational institutions, good luck to the actor for his attempt to get a piece of Goa for a motorsport academy.

His second idea of conducting the Goa Street Race could be considered by the authorities. The races could be held along the streets and lanes of the still-in-the-making "Smart City Panjim" and other towns in Goa. The races would bring to limelight the mettle of the drivers and the metals (if any have been used) of the roads.

It would also help test the endurance of the drivers and the roads. Drivers of mining trucks could be banned as they would be sure shot winners due to their expertise in diving at high speeds along the rough and

narrow village roads.

**Sridhar D'Yer, Caranzalem**

## Bhatlem gas leak: Catastrophe averted

The gas pipeline that was allegedly damaged due to Smart City works at Bhatlem on Sunday reportedly led to an estimated loss of over Rs 20 lakh for the gas service provider apart from disrupting gas supply to 4,000 houses as well as commercial establishments for several hours.

It may be recalled that recently the residents of low-lying areas in Bhatlem and nearby places faced tremendous losses after the main water pipeline burst, leaving their homes flooded and destroying home appliances and other household articles.

It is learnt that the emergency response team rushed to the spot and stopped the gas leakage and repaired the pipeline. Be that as it may, it must be said that a fire incident at the spot could have ended in a catastrophe. The gas in the pipeline could have caught fire and in the process the fire could have entered the houses where the gas is supplied through the pipeline. This could have resulted in danger to life and property. It was by providence that there was no fire incident at the point of the leakage.

It may be recalled that in August 2011, Vasco was hit by a

major fire at Varunapuri, Man-  
gor, due to a suspected naphtha  
leak. More than 200 persons  
were evacuated from residential  
quarters close to the fire site.  
Five persons were injured, one  
of them seriously, when they  
were hit by sparks from the fire.  
It would be prudent for the Goa  
State Disaster Management Au-  
thority to be in readiness 24x7  
to face any eventuality while the  
Smart City work is in progress.

**Adelmo Fernandes, Vasco**

## PM's confessional remark

The two percent difference in the vote count between the Bharatiya Janata Party (BJP) and the Aam Aadmi Party (AAP) that helped the saffron party come to power in Delhi for the first time in Free India should be an eye opener to the opposition parties.

It is reported that if the AAP had aligned with the Congress in the elections, the combine would have made the saffron party bite dust in 26 more constituencies.

The shocking defeat of the AAP and its tall leaders like Kejriwal and Sisodia in Delhi elections has sent a clear message to all the alliance partners of the INDIA bloc that if they all unite together sinking their ego and work in tandem, it would not be difficult for them to unseat their common enemy the BJP from power, not

only at the Centre, but also in other States.

Each opposition party should be ready for sacrifices by extending whole hearted support to parties that are strong in their respective States by not fielding their candidates in the elections.

Further, one is really upset that Prime Minister Modi, while addressing the leaders and party workers has gone on record to say that he will now transform Delhi into a modern city! What a blatant admission that he did not show any interest in the development of Delhi, all along because it was not a BJP-ruled State!

As the Prime Minister of the country, is he not expected to do his best for the development and welfare of all the people of the country, in an impartial manner?

With his confessional statement, Modi has made it clear that, purposely, his dispensation at the Centre did not cooperate with the AAP government in Delhi as often alleged by them during the past 11 years with him as the Prime Minister of the country.

This is more so, when Delhi is a Union Territory administered by the Lt Governor appointed by them. That the Lt Governor had also been a real thorn in the flesh of the duly elected AAP government and put spokes in all their proposals for the development of Delhi, is also a case in point.

**Tharcuis S Fernando, Chennai**

## Productivity is vital for nation's progress

Productivity, in simple terms, is nothing but doing as much work as possible in a particular time frame though the word assumes greater significance when applied to different sectors of a nation's governance including economy and industry. It is an amalgamation of creativity, efficiency and innovation.

"Productivity culture" is the key for a country's overall development especially in the field of economics. Time, energy and attention are the three pillars on which productivity rests. National Productivity Council (NPC) was established in India on February 12, 1958, under the Commerce Ministry, to boost productivity in the economy through a multi-pronged approach.

Research and training are the NPC's primary objectives. Purposeful themes on the National Productivity Day on February 12, has added sheen to the broad goal of NPC. "From ideas to impact: Protecting intellectual property for competitive start-ups" is the theme for 2025 that underscores the significance of safeguarding innovation for new businesses to thrive.

What a common man can do is to do his best in every work he undertakes so that the nation can navigate the path towards economic glory with little time to waste.

**Ganapathi Bhat, Akola**

## letterstotheeditor

For letters to the editor contact us at editor@herald-goa.com.

All letters must contain correct postal address and telephone number. Letters are liable to be edited for brevity.



## Twitter World

Pope Francis@Pontifex

I ask you to be vigilant against the temptation to cultivate a warlike spirit. Be vigilant lest you be poisoned by propaganda that instills hatred, divides the world into friends to be defended and foes to be fought.