IMC
Chamber of Commerce and Industry

IMC JOURNAL

VOLUME 114 | ISSUE 2 | SEPTEMBER - OCTOBER 2022

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Website: www.imcnet.org

Single Copy Price
₹ 50/-

Annual Subscription
(For 6 Issues)
₹ 200/- (India) | $ 30 (Abroad)

Design & Printing:
Finesse Graphics & Prints Pvt. Ltd.
Tel: +91-022-4036 4600
E-mail : info@finesse.co.in

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From the President's Desk

Mr. Anant Singhania

Greeting to all the IMC Members and stakeholders.

We present this very interesting issue on **"Crystal Grazing – Global Growth"** as India and the world hopes to come out of the shadow of *Covidnomics*. Our grateful thanks to all the contributors for sharing their thoughts on global growth for the benefit of our readers.

The impact of the pandemic has been far and wide and has impacted every aspect of how we do business. India has done exceedingly well to deal with the slowdown that had creeped in overnight with a slow starting but rapidly paced vaccination drive that led to restarting of trade and commerce. In a matter of months the economy fundamentally has rebounded back from a lack of demand to a lack of supply, from oversupply to shortages.

They say "all that glitters is not gold", hence even though the demand has been strong, this has been coupled with raging inflation and the uncertainty of the impact of the Ukraine – Russia Conflict. Rising oil prices, burgeoning commodity prices and sky rocketing freight rates have severely impacted the industry and the economy. However the Index of Industrial Production (IIP) numbers for the month of September 2022 show a clear bounce back to 3.09% on the back of a single month of 0.83% decline in the month of August 2022 after a series of positive numbers in the past 17 months or so. Perhaps the decline in August was due to a higher base in the previous year. The trends are positive and there is an uptake in the manufacturing activity, the exports have risen and the inflation numbers are coming under control. The strong growth in the infrastructure sector and capital goods area is an indication of an endorsement in the encouraging capex cycle. The next 3 months are supposed to record the highest number of weddings and consequently the much-needed consumer spending to further bolster the economy. Even the GST numbers at a moving average of Rs 1.5 Lac Crore/ month are commendable and clearly indicate signs of revival and growth.

India has recently become the fifth largest economy, overtaking UK in nominal GDP terms whereas in terms of GDP PPP we are already 3rd in the world ranked only after China and USA. At a little over 3 Tn $, India is poised to grow exponentially by tenfold in the next 25 years in terms of size to well over 30 Tn $ as India celebrates 75 years of Independence. The doubling of economy every 6 – 8 years will provide immense opportunities for growth in almost all the areas be it housing, agriculture, cement, steel, FMCG products, textiles, services, power etc. The whole world is keenly watching India's growth story and plotting on how to engage with India in every bit of a way.

PM Modi's vision for a new India, a clean India, a digital India; an

India of inclusive growth is getting materialised by path breaking initiatives be it the focus on renewable energy – India's target of net zero emissions by 2070 to financial inclusion of everyone is leading India on a trajectory unparalleled to any country in the world. India is confident of hosting the Presidency of the G20 starting 1st December 2022 from Indonesia. Just like we witnessed metamorphosis of New Delhi way back in 1982 during the time of the Asian Games, we are going to witness several changes across the length and breadth of India as India has scheduled over a hundred inter-ministerial meetings to discuss areas of opportunity and growth.

IMC is planning several initiatives focussed in engaging with the G20 countries along the lines of the G20 Summit. Earlier this month, IMC members met with the Gujarat Finance Minister, Shri Kanubhai Desai in Ahmedabad on the side-lines of a visit to GIFT City, Gandhinagar by a select number of members and signed a MOU for growth and collaboration with the Minister of Finance, Planning and Development of government of Uganda with Mr. Matia Kasaija. IMC celebrated the World Tourism Day at the hands of Shri Mangla Prabhat Lodha, Tourism and Skill Development Minister of Maharashtra who graced the Chamber with his presence and spoke on the topic of "Rethinking Tourism". The talk was very well received by all the participants. The regular biweekly programmes on Khariff crops, Price movements in Gold and Commodities, Inflation Outlook organised by the ERTF in partnership with MCX, BSE etc were very informative and productive.

The international visit and interactions of high-level delegation from Vietnam led by Mr. Tran Phuoc Son, Vice Chairman of Da Nang People's Committee displayed the perseverance of smaller provinces to engage with IMC members to increase the bilateral trade between our countries. Increase in direct flights between Indian cities and Vietnam cities is gaining popularity towards an increase in tourism and commerce. Meetings with Consul General of South Africa, Ms. Andrea Kuhn and Mr. Frank Geerkens, Hon Consul General of Belgium to Mumbai led to discussions on several areas of cooperation including inviting business delegations for the annual India Calling planned in early 2023.

The IMC Young Leaders Forum had their first successful event on "Faces of Climate Resilience" in collaboration with India Climate Collaborative (ICC), Bombay Natural History Society (BNHS) and Council on Energy, Environment and Water (CEEW) with a series of meaningful short films on the impact of climate resilience and showcased Amit – a homegrown Climate Champion who had used his common sense and perseverance for the greater good of his local community.

I also take the opportunity to wish each one of you and your families a very Happy and Prosperous New Year.

Crystal gazing global growth 2023

Mr. Akhilesh Tilotia
Public Policy, Strategist, Economist, Author
National Investment and Infrastructure Fund Limited (NIIFL)

The last few years have conclusively shown that real outcomes are a lot more interesting than what even the most egregious forecasts can imagine.

Almost no forecast saw the coming of a pandemic, insurrection in a large democracy, a war and its mobilization, or the possibilities of nuclear attacks. Export curbs, trade disputes, and embargo on technological transfers between the largest economies of the world are unprecedented in a world that owes a large share of the prosperity to open trade and capital flows. Over the last decade and a half, central banks lived a world where their expanding balance sheets and zero interest rates could stoke no inflation – and now they simply are unable to put the genie back in.

What good can any forecasting be in a world where real events will almost surely overtake the imagination of the forecaster or the constraints of the current institutions. Still, it is in the nature of human endeavours to build a semblance of a forecast – it is a path around which thoughts can coalesce and decisions committed to.

In 2023, it will be useful to keep reassessing the forecasts as events play out. On most dimensions, what we can forecast are questions: the sheer possibilities in the answers are so many that picking what exactly can play out will inevitably end in a surprise.

Many ponderable questions

Conventional war or nuclear? Will there be a nuclear war? Once you begin to put the possibility of a life-destroying catastrophe on the table, most other questions fade in the background. If there is a 'dirty bomb', will it be contained? Will it unleash responses from other powers? If so, how many nations get into the act and with what intensity? Will some nations find this as a tempting time to test out their own nuclear capabilities? What, once triggered, will stop this chain reaction? Too many imponderables here. One can only hope that this thread is not opened in 2023 – or ever!

Climate surprises? Nature dealt out a rough hand earlier in 2022. The Indian subcontinent saw an intense heat wave that choked its wheat output. This was followed by floods in Pakistan of epic proportions. Whether it was the ice storm in Texas a few years ago or the severe intensity droughts in Europe and China last year, climate created awkward forecasting challenges. How much of the climate havoc can be contained in a year even with the most spirited of the Net Zero movements remains to be seen. Will newer, bigger challenges come through this year? Or can humans figure out a way to harness the change? In the short run, it may be fair to assume that nature will play out its hand while humans find a way to mitigate or adapt to nature's impact.

Central bankers and debt: Even if humanity finds a breather from war and warming planet, economic conditions may come home to roost. To contain inflation, the textbook response has been to increase policy rates high enough to choke off growth. With low or no growth, the expectation is that eventually incomes would stall or fall, which could reduce demand, and hence the rapid rise in prices slows down. While this version of the narrative will possibly play out, one immediate corollary of the rising rates is the increasing cost of debt servicing. Post pandemic, many governments are laden with debt taken for safety-nets for their populations. As gross domestic products choke due to "planned recessions" and debt payment obligations rise, countries may be forced to make a choice on who to keep paying: its citizens or its creditors. Where a sustained rise in interest rates leaves many countries, especially if they must deal with the outcomes of war and warming planet, remains to be seen. Such economic contagions can create lost decades for countries.

Capital and trade disruptions? A constant over the last many decades of growth and spreading of prosperity was the increased flows of trade and capital. The last few years have seen the fracturing of the trade system (with tariffs and sanctions) and the flow of capital is now subject to geopolitical and national security concerns. In a world divided into blocs, such fracturing can create roadblocks for flow of goods and capital.

COVER STORY

What could go right?

Not all is gloom and doom as we peer into CY2023.

Supply chains are beginning to fall in place after the large disruptions due to Covid and conflicts. The worries about semiconductor capacity and high freight rates are subsiding. India offers a unique geopolitical, economic, and strategic proposition to the western countries now considering diversifying their supply chains to make them more resilient. The sudden, sharp sanctions against Russia have created the need to diversify or "friend shore" production.

Energy flows continue to be shaped by gas disruptions but over the next year, capacity is expected to come onstream (liquefication, regassification, ships, etc.) Renewable energy projects such solar, onshore wind, offshore wind, energy storage, etc. are getting a boost from the high costs of fossil fuels. A significant portion of the large profits that have accrued to the petro-states and fossil fuel companies in 2022 can end up in the green industry, as these countries and companies seek a sustainable Net Zero future. With significant capital backing the green transition, expect to see some interesting technological breakthroughs in areas like battery or carbon storage, among others.

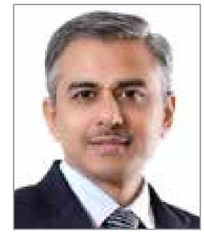
The current stance of central banks, especially the Fed of USA, suggests that they may be willing to live with a recession to slay inflation. There is a possibility, even as it grows smaller with every rate hike, that there is soft landing where inflation is contained (either due to the monetary policy moves or geopolitical negotiations on the war) and the growth does not significantly fall off. With nominal GDP rising due to inflation, the debt-to-GDP ratios will improve for countries; as interest rates moderate, the overall interest burden as a percentage of GDP also reduces. This could provide a boost to financial collaboration between the global North and South on mitigating climate change.

And yes, best of all, we may all survive 2023 without a nuclear, or climate, Armageddon!

(The author is with the National Investment and Infrastructure Fund Limited.)

(Views are personal.)

Crystal Gazing Global Growth



Mr. Atul Joshi
CEO and Chief Economist
Oyster Capital Management & Advisory

One of the key global developments in the last 30 years has been the shoertening cycles of economic crisis and the recurrence of crisis is on rise. The Global Financial Crisis of 2008 brought about the boldest monetary policy regime of negative interest rates coupled with quantitative easing. It was all benign despite very high debt levels as rates were near zero with ample liquidity. The world snoozed in a comfort zone until the rude awakening happened with Ukraine war. The Politics of Economics started with unforseen consequences.

Today the westeren world esp EU and US are bearing the maximum brunt of the sanctions in terms of high inflation, shortage of energy resources and slowing economy – something they themselves imposed. Several countries including China and India did not support the sanctions and very rightly so, citing national interests. Several other countries of Middle East and Africa also stayed loof from sanctions. Now the world is divided not only in West vs East but also North vs South. Several countrie are exploring bilateral local currency settlement mechanisms to avoid USD based trade and thereby sanctions. New trade routes are being explored. EU nations are trying to hoodwink the sanctions on one hand and simultaneousy back tracking green initiatives on the other hand. As if this is not enough, we have geopolitical tension among China and Taiwan, South vs North Korea, Greece vs Turkey both EU members, volatile middle east and political strom brewing in several Latam countries.

The global economy is facing four major challenges:

(i) Multi decade high inflation induced by sanctions

(ii) High sovereign and household debt levels

(iii) High interest rates and still rising

(iv) Extremely volatile geo-political situation

All of this has resulted in (i) reducing disposable income in the hands of individuals (ii) slowing down consumption (iii) industries becoming unviable and shutting down esp. in EU and therefore a lower level of GDP.

Lets examine what the world economic scenario can evolve over the next year or so.

Despite very high Per Capita Income, the EU and UK are seeing the need of giving freebies to individuals in the nature of energy coupons, direct cash transfers, tax rebates etc. With a slowing economy, stressed revenues and higher cost of interest servcing, this will further widen the fragile fiscal balance. EU/UK will have no choice but to continue with the freebies for a longer period, further enhance borrowing while struggling to resolve piling household debt. All of this will create a sustained pressure of recession on fragile economies of EU/UK. Rise of nationalistic right wing parties may drive a social unrest.

The US is seeig a hawkish Fed with rapid fire rounds of interest rate hikes. The economy is giving mixed signals of employment growth on one side and volatile GDP numbers on the other. The housing loans at nearly USD 12 trillion is 4 times the size of India's GDP and is at 20 year high while credit card balances have hit a 10 year high. The fear of delinquency has not surfaced yet but is a matter of conern with sustained period of high interest rates. Retail demand will eventually moderate having an adverse impact on GDP. A limited scope for US oil and gas industry to expand given very high cost does not augur well for industrial growth of the US. The fresh bout of sacking by IT giants may be a prelude to employment slowdown. The elevated interest rates and a stubborn inflation, may lead the consumption economy of US towards a hard landing with GDP dropping into negative by middle of next calendar year.

Both EU and US adopted negative interest rates to spur growth post GFC in 2008, and now apparently moving towards negative growth for controlling inflation. Investment in green energy, building domestic infrastructure and financing through innovative means will halt the downslide for EU,US and UK beyond 2023.

This will certainly have its consequences on global economy as well.

The three large economies of Asia viz China, Japan and India have different trajectories and different balance sheet strengths at this point in time. China has actualy reduced the rates to support faltering growth amid tight 'Zero Tolerance' policy for Covid with frequent lock downs. It is seeing a serious real estate defaults with consequential impact on financial system. Being an export driven economy, China – the factory of the world – will not remain immune to fall in global demand. However, it is the global repository cum stockist of multiple metals, extremely strong reserves position and comparatively low inflation regime. This should see China through this ordeal safe with GDP growth rates hovering around 4-5%.

India is experiencing relatively high inflation but has comparatively a better balanced fiscal position. Also it has lower debt compared to advanced economies. It is an inward looking self consuming economy with major commodity reliance on external world only for oil, gas, coal and edible oil. The financial system is strong, digitised and credit oriented. China plus policy of the West will boost manufacturing and cost advanatge will support growth of service industry in India. Once the base effect is taken out by March 2023, the GDP for 2023-24 is likely to be in the range of 4.5%. In todays scenario this will be one of the best among trillion dollar country club.

Middle East, Africa, Australia and Japan will all see different trajectories of growth with Australia and Japan suffering high probability of recession. Middle East economies with their strong oil reveneues and focus on 'cultural openness' are likely to see a stable growth. Africa and Latam with their political situations will see inflation driven crisis – both economically as well as socially.

The over-riding themes for next 15 months will be (i) the geo political developments (ii) sustained high price levels compared to pre-Ukraine crisis - irrespective of inflation number (iii) Bilateral local curency trade catching up (iv) Inter 'Asia-Middle East-Russia' trade and co-operation may see a new fillip with India, China and Saudi Arab at forefront and (v) Subsidies and pro-people people measures will become a necessity to avoid social unrest in EU/UK and US.

To summarise, we will see Asia with moderate inflation and moderate GDP growth. The EU, UK, US, Japan and Australia will endeavour to simply avoid a recession leave alone growth. The USD may see a re-evaluation of valuation concept leading to its devaluation.

It may be said that over the next 15 months, ***Politics of Economics*** will hurt the economies that used economic sanctions for geo-politics.

(Views are personal)

Crystal-gazing Global Growth 2023

Mr. G. Chandrashekhar
Economic Advisor, IMC

COVER STORY

The Backdrop:

Hit by three successive tidal waves of unimaginable ferocity, the world has undergone cataclysmic changes in the last five years. Mankind has hardly seen the kind of destruction wrought by tumultuous events in such quick succession. The world has undergone disruptive changes that are exerting far-reaching impact on human lives, governments and businesses.

The three waves the world witnessed:

1) Trade War between the US and China (2018-2019)

2) Novel Coronavirus Pandemic (2020 and 2021)

3) Russia-Ukraine war (2022)

Taken together, these three events - three successive tidal waves - have swamped the world and adversely affected global growth. The waves have shattered lives and shaken the confidence of people. Governments, administrators and policymakers are still struggling with various policy options to minimize the impact of successive waves of challenge to growth.

I. The First Wave: US-China Trade War (2018-2019):

The trade dispute that broke out between the world's largest economy USA and the world's second largest economy China soon transformed into a trade war with both sides imposing tariffs and retaliatory tariffs on a host of goods.

In a sense, no one wins a trade war; not even the bystanders. Some diversion of trade may temporarily benefit some countries though. Tariff reversals typically take years to unwind especially in a slow growth environment.

Global ramifications of trade war between two giant economies are significant. While the US-China trade conflict is a bilateral one, its ramifications are multilateral. Tariffs have allowed US importers and Asian exporters to gradually (and partially) adapt to the new trading environment even in sectors where diversion tends to be more difficult (viz intermediate and capital goods). Semiconductor trade is a case in point. To be sure, the aftereffects of this trade war are still lingering.

II. The Second Wave: Covid-19 Pandemic (2020-2021):

2020 was a 'special' year for mankind. The novel coronavirus (Covid-19) pandemic inflicted not just a global human health crisis but devastated the economic health of individuals and nations as never before. The 'cursed' year unfortunately spilled into the early parts of 2021 too.

National lockdowns, restrictions on movement of people, alarming dislocation of global shipping and transportation, and disruption to established supply chains all combined to hurt the global economy. To add insult to injury, adverse weather (La Nina induced dry conditions) damaged crops in South America.

With governments and central bankers initiating in a coordinated fashion a series of fiscal, monetary and administrative measures, life began to normalize in the second half of 2021. The devastation wrought by the double whammy (human health and financial health) is still being assessed for its medium to long term implications as well as economic, political and social ramifications.

Some threads are clear. Massive loss of valuable human lives, massive loss of jobs and incomes, sharp downturn in economic activities with varying sectoral impacts, disruption to global value chains, closure of businesses, stalled investments, contraction in trade and not the least, sharp de-growth of economies are clearly visible.

By the second half of 2021, following largescale vaccination worldwide, the general sense of gloom gradually gave way to cautious optimism. Most major economies provided massive fiscal and monetary stimulus. Liquidity was enhanced with a booster dose and interest rates slashed to near-zero, in some cases going into the negative territory.

As confidence picked up markets boomed and asset prices skyrocketed. It was clearly a liquidity-driven asset price boom. Shipping disruptions and weather related impacts proved headwinds though. There is likely to be divergence in the recovery and growth rates of various economies depending on political assessment, a slew of stimulus measures including fiscal and monetary support as well as infrastructure support and general resilience.

Whether the stimulus-induced optimism will sustain or wane over a period of time has been debated often. It is inevitable that the positive effects of the stimulus packages of various governments will begin to fade over time.

III. The Third Wave: Russia-Ukraine Conflict (2022):

By the turn of 2022, even as the world started to believe that the pandemic-inflicted devastation was behind us and that recovery in economic activities and global economic growth would register an uptick with the help of monetary and fiscal stimulus, came the Russia-Ukraine conflict. Unfortunately, it has dragged on for several months.

The conflict has polarized nations. Sanctions have been slapped on Russia. But Europe has been constrained to trade with Russia this year given the former's dependence on Russian supply of natural gas. The industrial metals market too is impacted. Production of energy intensive metals (aluminium, for example) has taken a hit. US sanctions on Iran are simply adding to the energy supply crunch.

Both Russia and Ukraine are important for the world commodity markets as suppliers of a host of primary and intermediate goods. Russia is a large exporter of crude oil, natural gas, pig-iron, palladium, nickel, enriched uranium and wheat. Also Russia has a large share in global export of coal, platinum and refined aluminum.

Ukraine is a key exporter of wheat, maize, barley, pig iron and the largest in sunflower oil. Russia and Belarus are important suppliers of fertilizers (nitrogen, potash).

The Russia-Ukraine war has spooked the world commodity markets. It has caused major disruption to supplies of energy, fertilizer, food and metals from the Black Sea region. Supply risks persist. Prices of several commodities propelled higher because of supply disruption, risk premium in market pricing and flow of speculative capital.

All of the above - covering supply disruption, accommodative monetary policy, low interest rate and revival of demand - has created a supply-demand mismatch in several key commodities. This has led to heightened levels of inflation in many countries including developed and emerging markets.

In recent months, governments and central bankers have begun to fight inflation (which in the US reached a 40-year high a few months ago) by unwinding the stimulus packages and with steady hike in interest rates.

Central bankers have faced the classic Growth v/s Inflation dilemma; and more often than not, they have voted for inflation control. Now, the risk of economies going into recession appears imminent. Europe is already at the threshold of recession while the US will face recessionary conditions sometime in 2023 it is widely believed.

Concerned over the interest rate hike by the US Federal Reserve and other central bankers and adverse impact it exerts on economic growth and emerging market currencies, the UN has warned that any further increase in policy rates may push the global economy towards recession.

On its part, China is slowing down towards multi-decade lows; but its growth will still be in the positive territory. India too will register a positive growth in 2022-23.

The Latest: H2 2022

Even as the Russia-Ukraine conflict continues, the world is beset with major economic issues including high inflation, high energy prices, sharply rising interest rates and unprecedented US Dollar strength. Central bankers and governments around the world are grappling with multi-decade high inflation.

The US Federal Reserve continues to hike interest rates in order to rein-in inflation. The US dollar has strengthened to a 20-year high. This in turn has adversely impacted emerging market currencies many of which have substantially weakened against the Dollar. The Indian Rupee is a case in point. A weaker currency makes imports more expensive.

Worse, economists are now talking about a looming recession in 2023. We don't as yet know whether the impending recession will be mild or severe. The timing is also unclear. Global growth is widely expected to slow in 2023 and beyond. Growth slowdown will have consequences for global demand, global trade and investment flows.

The current juncture calls for a coordinated approach among major economies; but the global policy context has become rather complex in the context of the Russia-Ukraine war and resultant Sanctions. Each government will do what it thinks is best for its country and for its people.

Fortunately, India is an island of calm amidst the stormy global waters. While conceding that we cannot remain insulated from global influences, it is necessary to chart our own home-grown policy responses that would broadly achieve four major objectives: Accelerate growth; Attract investment; Create more jobs; and Rein-in inflation.

We need to put in place strategies – fiscal, monetary and administrative – to achieve all of the aforesaid objectives. Our economic growth is largely consumption-driven. To boost consumption, we need policies to put more money in the pockets of people.

It is not going to be easy though. It will be like walking on a razor's edge. The upcoming Union Budget 2023-24 will be a pre-election Budget, the last of this government's current term. The Finance Minister has an historic opportunity to show the world how India is able to deftly navigate the turbulent waters and steer the ship to safe anchorage.

(G. Chandrashekhar, Economic Advisor, IMC Chamber of Commerce and Industry, is a policy commentator and commodities market specialist.)

(Views are personal)

Global growth – the weak links

Mr. Indranil Pan
Chief Economist
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COVER STORY

The world has struggled through the last few years. First it was the Covid crisis that led to large scale disruptions to the global production machinery. Even as the world was on the cusp of recovery from the Covid shock, the Russia-Ukraine war put to rest the chances of a fuller recovery by worsening an already tottering supply chain problem. Post 2008, central banks across the world have struggled to push inflation higher through various unorthodox monetary policy measures and had failed. While they were being lulled into believing that inflation would not budge higher, the world had been suddenly faced with the challenge of high inflation.

Thus, global central banks are now engaged with inflation containment as it continues to run much above the threshold levels even as financial conditions are tightened. With credibility at stake, most central banks have remained open to hiking their policy interest rates above the neutral zone (or to the restrictive zone) and allow for growth to slow significantly with the key objective of getting an upper hand on inflation and thus, restore stable domestic economic conditions. Inflation prints have therefore become a proxy for the Fed policy going forward and the last week's US CPI print surprising on the lower side could be taken as an indication that the Fed will slow its pace of tightening policy from the 75bps pace of the past four policy meetings. However, importantly, the Fed can't totally pause yet.

The US Fed was tested with similar conditions in the early 80's in the era of Paul Volcker as the chairperson of the Fed. He took over in August 1979 when inflation was at 11% and was still on the move up. Volcker first raised the policy rates, but this proved to be insufficient to control inflation. Growth in money supply was then restricted and finally limits were set on how much money banks could lend – essentially a "credit control" to curb demand. The Fed under Volcker underwent two recessions, of which the second one was in mid-1981 and this recession is chronicled as the worst since the Great Depression of 1929-1930. At this point in time, the Fed expects low growth and not a recession. Only time will tell if the US finally goes into a hard landing because of the Fed lifting rates to a restrictive zone and stays there for a relatively longer period.

Even beyond the near-term growth expectations, certain structural changes in the larger economies and geopolitical developments could have been working its way through to reduce the potential growth of the world. Indeed, the Fed has identified two reasons why potential growth is likely to be weaker in the US. But broadly this could be relevant across the western world. First is the ageing populations and lower immigrations to counter the same. The view on work has changed post-Covid and certain segments of the population are preferring to spend more time with their children than going to work. And higher asset prices are likely to have made it possible for the workers to take an early retirement. Logic says that the only way a stagnancy in the work force could be dealt with is by improving the productivity, but this would need investments. At this point it could be difficult to push for higher private investments as there exists a huge degree of uncertainty with respect to inflation, consumption demand and the extent of monetary policy tightening.

Can the governments use the fiscal path to push investments and growth? Unlikely! Covid has been a challenging time for most governments. With economic activities encountering a shut-down and therefore leading to job losses, governments had to take up the task of protecting the weakest segments of their population. The World Bank has estimated that almost 97 million people had been pushed into extreme poverty because of the pandemic. Thus, globally governments had to up their revenue expenditures to deal with healthcare costs, unemployment, food insecurity and to enable business to survive the cessation in most economic activities.

To do all this, governments needed to borrow larger amounts to spend. A debt crisis of sorts had been brewing for some times as central banks across the world had eased monetary policy to great depths after the 2008 financial shock. And the Covid shock worsened the debt position, which now faces the risks of a higher interest rate and thus sustainability of the same. A report of the IMF indicates that around 30 countries in the developing world have high levels of "debt distress", or in other words are experiencing great difficulties in servicing their debts. The high debt situation is also likely to hit the poor and the middle-income economies more than the rich economies. Importantly, a rising interest rate and faltering growth could lead to a worsening of the debt situation across the world. Studies tend to indicate that a public debt/ GDP of 70% or more tends to pull down economic growth. Most of the world is there and worse than the 70% threshold.

The unfortunate part is that the global downturns are becoming more synchronous than before. In the era of the GFC, China had exhibited strong growth numbers and the Emerging Market Economies (especially Asia) were on a better footing. China has its own problems and are right now attempting to stem the deceleration in the growth with policies that support the real estate segment. While EME managed to pull world economic growth in the aftermath of 2008, the situation is quite different today. All economies have taken the covid hit – a negative for domestic consumption. Government budgets are strained and with inflation remaining high, central banks are forced in tightening interest rates and thus slow down growth.

India is no island and theories of "decoupling" are a myth. Slowdown in the rest of the world means a weaker export performance but a relatively stable non-oil non-gold imports implies that domestic demand is not in a crumble. RBI is raising interest rate, and this will slow domestic demand. Importantly, India's fiscal strategy to fight Covid has been more conservative than that of the western world's direct income transfers to people who have lost their jobs. Along with a buoyancy in the tax revenues, this provides some scope to the Indian government to push for a countercyclical fiscal policy.

Indeed, the government has also been at the forefront of economic reforms process even during the Covid days. The thrust has been towards "Make in India" and the Productivity Linked Incentive (PLI) Scheme, that is likely to provide a boost to domestic manufacturing, create jobs and reduce reliance on imports. The new "National Logistics Policy" is expected to reduce the logistics costs and boost competitiveness of the domestic production sector. Government's push towards physical infrastructure through the affordable housing scheme, Gati Shakti and UDAAN schemes are also likely to provide a boost to growth. Having said, the government would need to fund for improving the healthcare infrastructure, education system etc. to provide the much-needed productivity boost to the economy.

(Views are personal)

Crystal Gazing : Global Growth in the Post COVID World

Mr. John Boitte Santos
Charge' d' Affaires, Philippine Embassy in New Delhi

The COVID-19 pandemic has significantly affected economies and societies and will continue to permanently reshape our world as it unfolds. However, as the threat of COVID-19 seems to be nearing its end, especially this year, there is more room to reflect on the gains and losses of the past three years or so, and therefore learn from the lessons of the past.

At the same time, it is important to take note that the world is going through volatility, uncertainty and unpredictability in the equity markets in particular and the global economy in general.

Rising inflation and surging energy prices are putting pressure on the central banks which are, in turn, aggressively tightening monetary policy at the expense of real, viable economic growth. There are several contradictions in macroeconomic indicators, and geopolitical development is further compounding the grave outlook put to the fore by economists.

There is, however, also very good reason to be optimistic. India's Gross Domestic Product (GDP), for instance, is at 3.5%, compared to 2.6% in 2014 and is quite likely to get to 4% in 2028 according to a report released by the State Bank of India (SBI) last September 2022. At the rate this is going, it is predicted that India will be the third or largest economy in FY 2029 and will already have surpassed the United Kingdom as the 5th largest economy as early as December 2021.

Economic reports have also made mention of the fact that Indian stocks in the current quarter have reached the second spot in the Morgan Stanley Capital International (MSCI) Emerging Markets Index, behind only China's.

The challenges arising out of the COVID-19 pandemic have also strengthened Philippine and India bilateral ties as both are engaged in extending cooperation to ensure the welfare of their citizens in each other's territory.

India's commitment to support the Philippines in its fight against the pandemic even as early as during the beginning of the pandemic in 2020 is a manifestation of its good neighborliness and realization of its Act East Policy. With these, India sees the Philippines as a vital partner in the Indo-Pacific Region. Under the new normal, online and virtual platforms have been cost-effective and pragmatic in sustaining high-level meetings which resulted to regular and fruitful exchanges.

The Philippines and India in particular have viewed the crisis as an opportunity for closer ties. India is an important trading partner and one of the centers of economic activity in the region and the Philippines is indeed a strategic partner in South East Asia for India's investments and expansion of its research and development, as well as IT industries given its growing strength in innovation.

Following are highlights of the Philippines and India's strides in bilateral relations in the past 3 years:

- The Philippines was keenly following the Indian government's vaccine rollout, one of the largest in the world, as a model for how it would ultimately address the pandemic. In particular, the Philippine Embassy noted how the Philippines can take inspiration from India's processes and logistics in its rollout, in particular the CO-WIN App that monitors the progress of the vaccine drive as well as the capacity building and training on how to effectively administer the vaccine.

- It is also well known that India has an established reputation as an important global supplier of high quality and low-cost vaccine. The Philippine Embassy was keenly working on making the necessary representations with Indian vaccine manufacturers to enable a sufficient supply of high quality and effective Indian produced vaccines against Covid-19 for the Philippines.
- In the Information Technology sector, the Philippines and India's collaboration in the BPO sector has grown exponentially in the last few years. Several Indian IT companies have already set up BPO operations in the Philippines and these include companies like WIPRO, TCS, L&T Infotech, Innodata, IL&FS Genpact, Infosys, HIGS (Hindujas), Tech Mahindra, etc. employing thousands of Filipinos.
- India is an important trading partner and one of the centers of economic activities in the region and the Philippines is the most strategic partner in South East Asia for India's investments and expansion of its research and development, and ICT industries given its growing strength in innovation, young and skilled population, competitive advantage in the English language, and current economic reforms.
- The Philippines targets to become the Regional Headquarters of the ASEAN in the areas of Pharmaceutical and Information Technology. The Philippines possesses several competitive advantages such as quality manpower and resources; strategic business location; liberalized and business-friendly economy; developing infrastructure for global growth; hospitable lifestyle; unlimited business opportunities, and various investment incentive programs.
- The establishment of direct flights between the Philippines and India was forecasted to significantly bring down the cost of travel. The absence of direct flights does not only mean longer travel time but is also costly and unattractive to travellers. However, the willingness of airlines to start air services, particularly direct flights, depends on the regularity of demand and sustainability of the route. The Philippine Embassy reports that the Philippines and India signed in September 2021 a new modernized Air Services Agreement, which aims to enhance air connectivity between the two countries.

In this trying time of international disruption caused by the COVID-19 pandemic, there is a need for closer dialogue and cooperation between the Philippines and India to adequately respond to the ramifications of COVID, and adjust to the so-called "new normal" in international trade.

The COVID-19 pandemic has been creating new paradigms, collaborative responses, and economic recovery plans for both the Philippines and India. It is hoped that moving forward, Philippine and India relations be more extensive, cooperative, and collaborative as we see the finish line in the fight against this international health crisis and embrace opportunities of mutual interest, especially in the economic sector.

While it is true that the world is going through volatility, uncertainty and unpredictability in the markets and global economy, there is indeed room for optimism, as long as we remain steadfast and vigilant. And as we look to the future, may we ever be more mindful about the lessons of the past.

(Views are Personal)

Ten defining changes to look for in 2023

Mr. Madan Sabnavis
Chief Economist, Bank of Baroda and author of 'Lockdown or economic destruction'

In the September 2022 credit policy, the Governor of RBI quite appropriately pointed out that the world has been subjected to three shocks which have an everlasting impact on the way in which economies operate. These are covid, Ukraine war and the act of monetary tightening by the Fed followed by other central banks.

These three developments have deep rooted effects on the way in which economic relations between countries are fostered and decisions taken as the globalized world has brought countries together to push them apart given the changing equations. We can see ten defining developments taking place in the next couple of years.

First is that growth will no longer be unidirectional and business cycles will dominate the path with shorter amplitudes. There was a phase of what was called Great Moderation where there was uninterrupted growth in most countries led by USA. This thought will be challenged as no country can take growth for granted. There has to be continuous guidance from the government and central banks to ensure that growth is fine-tuned while encountering several contradictions along the way.

Second, the China factor will take on a new colour. For almost three decades, China has been the driving force for the world economy with sustained double digit growth. This is not going to be the case now as the fissures in the model have come to the fore as it is realized that an investment based model funded by public funds is not tenable in the long run. Further the policy of zero covid will put spurs on the growth path and this will mean that the large demand which came from this country can no longer be taken for granted. Hence the commodity boom driven by the China factor will be less potent in the times to come. Also the policies of China have been self-serving for the political masters which will come in the way of faster growth.

Third, inflation will be largely driven by the business cycles and while prices have come down in 2022 post the Ukraine war, there will be uncertainty on oil. As has been seen, the focus on a greener economy will drive demand down, but incidents like the Ukraine war and the subsequent repercussions will make countries revert to conventional energy which in turn will increase demand. Hence OPEC will play a key role in driving the inflation trajectory across the world.

Fourth, central banks will have to do more fine tuning of policy rates as long phases on low interest or high interest rates will not become a habit. Post Lehman central banks in the west had loosened the purse strings which finally escalated in the inflation numbers post covid. The Fed, ECB, BOE and others have been increasing interest rates and will do so through the first half of 2023 after which there will be a pause. Once the world economy slips into a slowdown, monetary policy will become more accommodative and a reversal will be on the cards. However, reaching near zero rates will be one of the past, and an equilibrium rate will probably be something closer to 2-3% in case of the Fed.

Fifth, global trade will reflect the sentiment on growth and may once again falter and move slowly. Countries are more likely to work towards forging trade agreements between smaller groups which probably have similar aspirations to enhance trade flows. Therefore, WTO will be secondary in the broader picture.

Sixth, given that central banks will be more conservative in their approach to policy and the era of free money through quantitative easing is over after running for more than a decade, the overall flow of investments to the emerging markets will slow down. The QE programme added a gush of funds in the system which got diverted to the emerging markets which in turn led to high FPI and FDI flows thus spurring stock markets. In fact central banks had to counter these flows with measures to control growth in money supply. As central banks are unlikely to go back to zero interest rates, the markets in the developing countries have to operate on their merit. This will be something investors need to be aware of.

Seventh, the Russia-Ukraine war and the subsequent sanctions on the former has deeper ramifications for the payments systems. Russia has been taken off SWIFT payments which makes it tough for even non-aligned countries to deal with it. There is already talk of countries getting into bilateral agreements for trading in domestic currencies. While the exact contours are hard to draw given the major tilt of trade towards the developing world which is dominated by USA and EU, the current talks will crystallize in a form which will make countries less dependent on the dollar for settlement of payments.

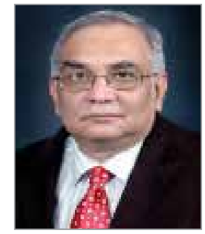
Eighth, the war in Ukraine has polarized the world politically for sure with the autocratic regimes clearly being on the watch list of democracies. This will extend further into the economic sphere with the latter keeping away from the former. In particular, China can see problems coming as countries seek to lower their investments here given that while what started with Ukraine can extended to Taiwan. While China and Russia with similar forms of governance are large players in the global economic space, changing political equations can leave a deep imprint here.

Ninth, fiscal policy will now have to get back on the road to discipline and prudence. The covid period saw countries doing everything through monetary and fiscal policy to keep their economies afloat. Now the time has come to review options and go back to convention. Therefore, tax cuts and cash transfers will be replaced with more cogent policies.

Last, given the changes that are taking place in the political space, and the slipping of several developed nations into a slowdown which can get elongated, the possibility of the world turning inward looking cannot be ruled out. This may not be probable but cannot be ruled out as countries seek to protect their economies. This can slowdown the growth of globalization which may not be good for the world economy. This too is a cyclical feature though in the past was defined by pure economic interests. When it is political, it could be deep rooted, and cannot be controlled. This will be the biggest challenge going forward.

Putting these possible trends together the impression gathered is that the global economy is bound for a rather significant transformation in the way in which economies deal with one another and get influenced. Political economy will dominate and the idea of a borderless world is not something which is likely to revive soon. However, such a transformation will also bring about certain innovation in manner in which trade is conducted and payments made, which can be looked as being positive fallouts.

(Views are personal)



Analytics of Global Growth

Dr. Manoranjan Sharma
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Infomerics Valuation and Rating Private Limited, Delhi

Perspective

The present era is an era of change and transformation, an era in which all elements are critically in change. This world is characterized by widespread turbulence and rapidity and volatility of events. This reminds me of an old Chinese proverb: *"May you live in interesting times"!*

There has been a confluence of Innovation, Big Data, Artificial Intelligence (AI), Machine Learning (ML), Deep Learning (DL), Robotics, Analytics, Internet & Entrepreneurship. The issues of volatility, uncertainty, complexity and ambiguity (VUCA), disruptive innovations and regulatory compliances have increasingly come to the fore. But in this cacophony of sound and fury, I sometimes wonder-as T.S. Eliot did about a century ago-

"Where is the wisdom we have lost in knowledge?

Where is the knowledge we have lost in information?"

Global Growth

The International Monetary Fund (IMF) on October 11, 2022 forecasted global growth to slow from 6 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023. This globally synchronized deceleration stems from a contraction of GDP in the USA in the first half of 2022, a Euro zone contraction in the second half of 2022, persistent real income squeeze on households and demand together with higher mortgage rates. The Chinese economy has been debilitated by the double whammy of rolling lockdowns post COVID-19 outbreaks and a rising property sector crisis. What makes matters worse is *"the lingering effect of three powerful forces: the Russian invasion of Ukraine, a cost-of-living crisis caused by persistent and broadening inflation pressures, and the slowdown in China"*, thereby raising the specter of a recession. The toxic mix of spiraling inflation, surging interest rates and the unfolding energy crisis substantiates the recessionary thesis. The magnitude and scale of recession would be a function of imminent changes to taxes, government spending, energy prices and global cues.

The real and worrisome concerns triggered by the triad of Russia's invasion of Ukraine, the cost-of-living crisis and China's economic slowdown make for an economically, geopolitically and ecologically "*volatile*" period. The grim situation in Europe is reminiscent of *"the sick man of Europe"*.

Ms. Gita Gopinath, the IMF's first Deputy Managing Director stressed that geo-economic fragmentation and protectionism was undermining economic growth, with some 30 countries restricting trade in food, energy, and other commodities since Russia's invasion of Ukraine. All these factors, which deplete resilience of the real economy, strongly suggest that things could get worse before they get any better.

Unsustainably High Inflation across the Development Spectrum

In an Address on November 10, 2022, Ms. Kristalina Georgieva, MD, IMF, succinctly summed up the greatly disconcerting situation as follows: "inflation is at multi-decade highs with rising food and energy prices, persistent supply chain disruptions and mounting debt vulnerabilities".

With Russia now delivering less than 20 per cent of 2021 levels, the price of natural gas rose over four-folds and food prices marked by an inflationary spiral. Hence, global inflation could peak in late 2022, increasing from 4.7 per cent in 2021 to 8.8 per cent; remaining *"elevated for longer than previously expected."*

Eurozone's inflation rose *inter-alia* because of higher energy and food prices to 10.7 per cent year-on-year in October 2022 from 9.9 per cent in September exacerbating pressure on the ECB to persist with rate hikes despite a diminishing global outlook.

The IMF maintains that global inflation is likely to decrease to 6.5 per cent in 2023 and to 4.1 per cent by 2024 because of tightening monetary policy by almost all central banks to check inflation and the *"powerful appreciation"* of the U.S. dollar against other currencies.

The IMF's *Global Financial Stability Report* also stressed a deteriorating economic outlook. *"The global environment is fragile with storm clouds on the horizon"* because of the cumulative effects of China's debilitating *"zero-Covid policy"* and the disarray in the property market. For emerging markets and developing economies, the shocks of 2022 will *"re-open economic wounds that were only partially healed following the pandemic"*.

Pathway to the Future

Cognizable policy dilemmas involved in the testing financial stability environment bring to the fore the distinct possibility of further shocks triggering *"market illiquidity, disorderly sell-offs, or distress"*. This unenviable situation would exacerbate poverty and deprivation and accentuate inequalities in distribution of income and wealth.

The IMF also highlighted that the risk of monetary, fiscal or financial policy "*miscalibration*" had *"risen sharply,"* while the world economy *"remains historically fragile"* and financial markets are *"showing signs of stress"*.

"The cumulative tightening of monetary policy" suggests a continued higher upward bias on interest rates though at a slower rate. While *"front-loaded and aggressive monetary tightening"* is needed, a *"large"* downturn is not *"inevitable"* because of tight labor markets in the U.S. and U.K. In the ultimate analysis, fiscal policy should work in tandem with monetary policy to contain inflation within manageable proportion in the overarching context of rising interest rates, sliding growth and volatile environment.

Heightened geopolitical tensions- Russia-Ukraine war, volatile prices of oil and gold; overleveraged non-financial sectors, viz., exchange rate volatility; elevated debt levels among governments, businesses and households; losses of jobs and incomes hamper global rebound and raise worrisome concerns of mounting global debt, risks to financial stability and resilient financial system.

Going forward, the pursuit of reduced inflation and a prudent fiscal policy requires successfully straddling conflicting policy choices and adroitly manage trade-offs. The lurking fear of stagflation necessitates robust growth, stronger macroeconomic frameworks, reduced financial vulnerabilities, and provision of safety nets to vulnerable groups to alleviate the impact of rising food and fuel prices without aggravating inflationary pressures and swerving away from the well-defined course of monetary policy.

Indian Landscape

In the evolving global order, which is certain to be characterized by a clear re-set, India is likely to surge ahead because of its rising size and scale making it the third-largest economy by 2027, with its GDP more than doubling from the current \$3.4 trillion now to \$8.5 trillion over the next decade, an accent on investment, exports and employment, GST, corporate tax cuts, production-linked incentives (PLIs) and progressively rising formal economy. India's market capitalization will surge from \$3.4 trillion to \$11trillion by 2032, the third largest globally because of compelling domestic and global factors, viz., a paradigm shift from redistribution to investment and job creation. Tailwinds include the rolling out of the goods and services tax (GST), corporate tax cuts, ascendant middle class and production-linked schemes (PLIs) to incentivize investment, catalyzing employment into the formal sector and enhancing productivity growth, thereby creating a virtuous cycle of sustained growth.

(Views are personal)

COVER STORY

What Lies Ahead? Future Economy through Crystal Ball

Mr. Sanjay Mehta
Deputy Director General, IMC

Economies and capital markets are in turmoil. Inflation is at record high. Global shares are down 25% in dollar term. US Fed has raised interest rates five times so far in calendar year 22. But inflation still remain in heigher level then desire. Europe is facing double whammy of inflation and energy crisis. Soaring price of food and energy is causing serious problem for people. Many face situation where they will have to choose between eating or heating as winter is closing in. As global inflation remain stubborn, monetary authorities around the world are in dilemma about how much could they raise interest rates without risking pushing economies into recession. Geopolitical tensions and conflicts are compounding already prevailing grave situation.

As trends in world economy give no clue as to where it is, or will be, heading, Crystal gazing is only what economists and governments around the world can do at the moment.

According to KPMG India 2022 CEO Outlook survey, overwhelming number of CEOs globally and in India have already crystal gazed global economic outlook into recession in the next 12 months. They have all the logical reasons pointing towards that.

When I look through crystal guessing ball myself, I clearly see the other side a new normal emerging. Sooner the nations acknowledge and accept this new normal, better for their economies.

But as we first look back to find roots of today's economic rot, we find that for years since the financial crisis of 2007-09, the central banks in America and Europe kept lowering interest rates uninterrupted all the way to near zero and in some European countries and in Japan to negative interest rates. This left no room for monetary policy to boost economy when pandemic struck out of blue. The fiscal stimulus was only option left. The result was unprecedented stimulus by way of massive quantitative easing and doling out cash in US, UK and elsewhere in Europe. What was envisaged as instrument to revive economy was actually acting as temporary props to hold economy aloft. As pandemic started receding, people started spending money they received as gratis. In addition, instead of changing gear from stimulus to restraints, the governments continued with loose fiscal policy. The result of which we see today with bewilderment as global inflation surged to above 9%. The Russia-Ukraine conflict fuelled inflation further with food and energy prices surging upwards. The panic alarms were set as most of the central banks started raising interest rate multiple times in 2022 to tame the inflation. Inflation targeting is seen by them as solitary challenge. But so as to avert effect of economic slowdown due to tightening of monetary policy, governments are forced to continue with loose fiscal policies of tax cuts and subsidies. This has made fight against inflation difficult. From near zero, the interest rates are moving in opposite direction, again uninterrupted.

How much can central banks hike the interest rates?

Here is the new normal sets in. The governments and central banks will have to come to terms with higher threshold for inflation before monetary measures must kick in.

As I move my gaze from global to Indian economy, I clearly see hope.

And again as we look back, we find answer in the Government of India's immediate response to pandemic

induced slowdown. It was a well-calibrated response with a bouquet of safety-nets to cushion the impact on vulnerable sections of society as well as the business sector at the same time. The government realised early both must be provided support to sustain. Alongside a significant increase in capital expenditure on infrastructure to build back medium-term demand as well as aggressively implemented supply-side measures prepared the economy for a sustained long-term expansion.

Realising that support system was needed for India's MSMEs, which contribute to 30% of GDP and employ more than 100 million workers, the government quickly rolled out plethora of support schemes to tide over Covid-19 woes.

To promote manufacturing in India with view to insulate itself from future global supply chain disruption and make India self- reliant as well the manufacturing hub for Indian global companies, the government launched Productivity Linked Incentives (PLI) scheme. PLI offers financial incentives to boost manufacturing and attract large-scale investments. It is output oriented and gives out incentives based on performance and not promises. So, if a manufacturer makes, say, USD1 million of incremental sales of goods under PLI, he can get USD50,000 as cash-back. Similarly, there are sector-specific clusters being developed.

There are several problems remain to be ironed out in those schemes and initiatives. But the government is working on to address them. Like to provide the world-class infrastructure for manufacturing, the government recently launched National Logistics Policy with objective to make Indian goods more competitive while also promoting economic growth and expanding job possibilities.

Due to such calibrated and long-term measures by Indian government in last three years, despite inflation around 7.4, the economy is expected to grow around 6%. It has remained a 'bright spot on the dark horizon', according to IMF.

Turning back to present and future, I remain optimistic as I see lot of factors to be optimistic about.

- Large domestic market is the biggest positive. With per capital rising and poverty rate falling, this will work in our advantage if the world slips into recession as feared.
- Much of the outcome of PLI will start trickling in from early 2023 as companies shift gears from processing stage to executing the projects. PLI has already created around 450,000 jobs and the government expects that eventually 6 million additional jobs will be created. However, tedious paperwork and approval process will have to be addressed. Also currently manufacturing depends on getting components from outside. The next PLI should focus on components and sub-assemblies and aim to reduce the imports to make manufacturing globally more competitive.
- India has been aggressively pursuing FTAs. We have recently concluded with UAE and Australia. We are in talks with UK and we hope to have one with EU next year. This will boost manufacturing-led exports.
- Over the last few years, we have had record foreign direct investment including in 2021 which witnessed the highest ever FDI of USD 82 billion. This demonstrates international investors confidence in India growth story.
- India is an island of stability, amid the on-going geopolitical disturbances.
- Continuing Structural reforms, macroeconomic stability, predictable policy, business friendly ecosystem, reliable broadband penetration across the country, robust digital infrastructure a democratic, rule-based, open and investment friendly economy.
- According to a survey, Indian business leaders have put in place resilient mechanism to prepare them to withstand any looming global recession.

With such strong and robust economy in place, I see India unlikely to face recession. However, RBI also must acknowledge the new normal and not worry much about inflation. Continuing with the stance of hiking rates will be detrimental to otherwise resilient Indian economy.

(Views are Personal)

The Brave New World (From Aldous Huxley's dystopian novel of 1932)

Dr. Soumya Kanti Ghosh
Group Chief Economic Advisor
State Bank of India

As the year'22 prepares to fade into the oblivion amidst upheavals and periods of great tumult, the slippage to worst aggravated post the long war in Ukraine, it now seems almost certain that the fate of global growth and globalisation would have many a Damocles sword hanging through 2023, and the world may not return in the shape and contour we knew of during boisterous, heydays of pre-pandemic. Geo-political equations and equilibriums are getting pencilled with edgy sovereigns more eager to fork and forage partnerships through 'friend-shoring' and customised, mutually beneficial trade arrangements that can withstand the litmus tests during periods of extreme rigour.

Pandemic was hard for nations across geographies, with efforts to save lives and livelihoods forcing policy makers and regulators to launch unprecedented efforts of colossal magnitude, from fiscal to welfare to market related soothing measures. The results, while fulfilling the key objective, also ballooned the balance sheets/ stretched indebtedness levels as a corollary. The unbundling was supposed to be in phases, in gradual and calibrated mode over the next few years so as not to derail the nascent green shoots.

The dwindling waves of infection, from its peaks of Omicron variant led onslaught, also saw the emergence of twin critical issues; surging debt levels of sovereigns, some reaching a tipping point as private debt surpassed those from multilateral agencies and rising costs of livelihoods, primarily a collateral impact of easy and abundant liquidity filling the streets. Demand aggression drove prices up ahead the hill.

As the unexpected Russian aggression in Ukraine became another Black Swan event in quick succession, the major engines of economy met a 'moment of truth' with energy and commodity prices barrelling upwards, distorting the carefully laid plans of economies through steep price rise, supply lines disruptions proving to be new Achilles' heels. The pass through of imported inflation aggravated the already precarious ecosystem.

As IMF put in its latest World Economic Outlook, the worst is yet to come, and for many people 2023 will feel like a recession. With global growth forecast slashed to 2.7% in 2023 (3.2% during 2022) which may further be revised downwards as Europe braces for a harsher winter, growth seems eponymous with the recently elusive Globalisation, at least for now, as countries take a detour in search of better, and lasting avenues. The only solace remains select silver linings, ranging from the strong job markets in US to resilience of sovereigns from the EM pack, India to Indonesia to Brazil who have managed to walk the chequered path with fortitude and forbearance.

The USA, at the epicentre of global economy, has been skirting recession technically for some time, thanks largely to a resilient

job market that has shielded the precipitation, in real earnest, from Fed's accelerated rate tightening. While the employment statistics are no doubt holding up an otherwise fragile and edgy money/equities market till now, outlook of both consumer and business sentiments seem to wither, shedding the thin veils of optimism hitherto flaunted. Interestingly, the latest US GDP growth was well anchored by energy supply, chiefly to an ill-fated EU which never looked for energy security, beyond the Russian supply. As things turn grim in the largest economy, the reverberations will sure gain currency across the latitude globally. Investors are piling money into cash at the fastest pace at the start of a quarter since the onset of pandemic, recent EPFR data shows, as elevated volatility and fresh questions over the U.S. rate outlook trigger a renewed safe-haven dash.

EU (along with the British sovereign) appear to be headed into denser woods, with plethora of issues ranging from economic (energy and food security primary) to non-economic (climate, aging population, immigration and changing political contours mainly) cornering the limelight. With the long war entering ninth month, the coming days could unleash a truly frigid winter in economic terms too for the old continent as policy makers struggle to wriggle out of the multiple logjams unleashed by the war. As the ECB warned, while hiking the policy rates recently that Inflation, already far too high, will stay above the target for an extended period, countering the risk of a persistent upward shift in inflation expectations through rate hikes only tilts the equilibrium to structurally slowed

down growth. The knee jerk reaction of livid markets to near catastrophic British 'mini budget' last month just exposed how jittery the markets are to governments' resorting to populist measures, even on the pretext of providing much needed breathing space to the withered electorate classes. Changing political landscape across EU nations, with the rise of over-protective, yet somewhat myopic power centres would only exaggerate the inevitable avalanche, with free movement of ideas, capital and people facing roadblocks which hardly bodes well for an area whose GDP growth has averaged 1.7 percent from 1996 until mid-2022.

The last major impediment to global growth comes from the mainland China whose relentless push of zero-covid strategy across major manufacturing hubs, set further against a fading global demand pitches the risk of material slowdown of the once dubbed factory to the world as also annihilating the supply chain algorithms, from chips to commodities, impacting the global behemoths. As the light in China flickers, and its banking system is put through a litmus test against soaring delinquencies, western partners find trust capital eroding fast, raising questions about the latitude of their trade relations.

The trying times should however give rise to a better world order once the dust settles, we believe, with more efforts directed towards securing equity and sustainability as also climatic goals, with select nations from EM pack taking pole position, building on the prowess that comes from demographic dividends, country specific stack, digital platforms and formalisation, roaming global diasporas, constant innovations and ideations with disruptions at its core, manufacturing and export competitiveness that give them an edge. New trade arrangements (dedicated FTAs), redistribution of supply chains, playing out of Industry 4.0, investments in clean mobility and green energy while offering stable policy roadmap that attracts sizeable investment needs should propel select nations to the fore, that are geared to build things that last and offer services that stand out in the crowd.

That could, again, be just around the corner as history has proven often!

(Views are personal)

India shines bright in a chaotic world

Dr. Tirthankar Patnaik, PhD
Chief Economist
National Stock Exchange of India Limited (NSE)

After two years of the pandemic, hope of a recovery and normalisation in the wake of it was the dominant theme in the beginning of 2022. The Russia-Ukraine war in February upended such idea, with much of the global economy having to fend off inflationary pressures not just from expansive fiscal and monetary policies during the pandemic, but also from the ensuing shortage of commodities ranging from crude to agriculture. As inflation in developed countries rages at multi-decade highs and central banks raise rates commensurately, we are likely to witness severe recessionary conditions in many parts of the world. The recent global growth downgrades coupled with the intimation of downside risks by multilateral agencies like IMF and OECD is a testament to a worsening outlook. An important factor attributable to the slowing global growth momentum is the generalized tightening of monetary policy, driven by the greater-than-expected overshoot of inflation targets. Stringent lockdowns associated with China's zero covid policy have also impacted the Chinese, second largest in the world and the force behind growth in Asia, the most populated region. In a world best by great power competition, we see the Indian economy gradually making a mark by its growing prominence across shores. In an uncertain global macroeconomic environment that is marred by escalating unprecedented geopolitical tensions, it is certain that Indian economy stands apart.

From an external vulnerability perspective, the Indian economy not only enjoys a significantly better position when compared to 2013 (Taper Tantrum) and 2018 (Four consecutive hikes by Fed) but is also relatively better placed amongst its peers in terms of external liabilities (Current account balance and External debt) and the ability to finance them (adequate forex reserves). Public, household, and corporate debt is primarily rupee-denominated, limiting the sensitivity to external shocks and contagion pressures. India's external debt (%GDP) and short-term debt (%GDP) stand at 20% and 4% for FY22, and the public debt is 83% GDP, nearly 97% of which is rupee denominated with the near entirety of its debt funded by its households.

An unconducive global economic environment, thanks to stubborn inflationary pressures, worsening Russia-Ukraine war, and aggressive monetary tightening, has softened India's growth outlook as well. This is reflected in the latest projections of multilateral agencies like the International Monetary Fund (IMF), World Bank and Organisation of Economic Development Cooperation (OECD). While the IMF and OECD estimate India's real GDP growth for FY23 at ale making round 6.8%-6.9%, the World Bank has painted a relatively sombre picture by projecting a growth of 6.5%. In this context, the external situation has also turned incrementally stressful, with current account deficit (CAD) in Q1 widening to near decadal-high level and INR hitting fresh lows against the dollar. Additionally, its spillover effects through trade and financial market linkages on other growth levers cannot be ruled out. Meanwhile, inflation jumped back to 7%+ level, leading to build-up of expectations of continued rate hikes—190 bps of which has been already delivered since May 2022.

While escalating global headwinds do pose some challenge to India's growth in the near term, but it also gives ample opportunities for us to ascend while making a mark. Amidst the imminent global slowdown, ammunition-built overtime in the form of relatively better external position, healthier balance sheets of banks and corporates and persistent efforts by the Centre to push forward a fiscal impulse through capital expenditure and targeted distribution places the near- and medium-term economic growth outlook of India in a relatively better position than the rest. In the medium term, policy measures adopted on digitization, manufacturing and renewables are likely to cater to a population with a per capita income over US$2000, with incremental consumption likely to be discretionary, making the Indian economy an attractive long-term investment destination. The US-China trade war, followed by the COVID-19 pandemic and more recently the China slowdown, have led to more and more countries considering a 'China-plus-one' supply-chain diversification strategy. Multinational corporations are looking at countries with stable governments and strong economic fundamentals, such as India, Vietnam, Indonesia, Malaysia, Thailand, Philippines, and Bangladesh. With its competitive advantage in several industries such as textiles, specialty chemicals and pharmaceuticals, conducive business environment and incentivizing government policies such as the PLI and tax cuts, India is ideally placed to leverage this opportunity.

We remain optimistic about India's growth story and believe that it is not only on course to become US$ 5 trillion economy by 2026 but also holds the ability to grow into a US$20 trillion economy by 2040 owing to favourable demographics. India has a median age of 29 years which is significantly better the economies like United States, United Kingdom, Japan, Germany, and China where median age is 39, 41, 49, 48 and 38 years respectively. Such a young cohort in the population allows technology assimilation at an unprecedented scale that further paves way for higher consumption-led growth, allowing a necessitated shift in spending from non-discretionary to discretionary. Alongside we also remain wary of key risks like deeper than expected recession, sharp surge in commodity prices, substantial Rupee appreciation against non-USD currencies and financial market volatility hold the ability to postpone the orderly growth momentum.

(Views are personal)

Don't Indian TV news business and Bollywood have the same problem?

Dr. Annurag Batra
Founder, exchange4media Group and Editor-in-Chief of BW Businessworld

POINT OF VIEW

The first 12 months of Covid pandemic in 2020 created a winner in news channels and a loser in cinema halls, and by that extension Hindi/Bollywood cinema.

In the first one year of Covid, people were glued on to news channels to get information about the deadly virus, understand what is happening around them and also to get updates and solutions. The Covid was a huge event that got audiences glued to TV news to know what is in store for them next. To the credit of news channels, they rose to the occasion, with the reporters, the cameramen, and the TV newsroom professionals working overtime to make sure they shared news real-time and in public interest.

On the contrary, cinema halls, because of the restrictions, were shut down, and OTT became the mainstay of entertainment. These platforms offered a plethora of new & interesting content and made the viewers accustomed to watching in the safe confines at their home.

As the face-to-face/physical economy came back, thanks to the vaccination drive by the Indian government and Covid subsiding, the experiential economy came back roaring. Weddings, hotels, restaurants, airlines, malls, parties, schools, offices all came back with a vengeance, but the cinema halls in North India did not seem to confirm to this trend as quickly. Even after the Covid restriction were lifted from cinema halls in North India, not many were walking into theatres then. However, in contrast, the South Indian cinema continued to thrive, giving one hit after the other. The South Indian blockbusters soon became bigger and bigger, thanks to their record collection at box office. This drew in record footfalls at theatres as movie lovers thronged cinemas to watch these films. RRR, PS1, Pushpa were big hits by any past standards and the biggest hits of Bollywood weren't even close.

It made me, and many like me, think what was going on and what are the reasons behind the differential performance of Bollywood vis a vis south cinema. Being a cinema aficionado, I love to watch movies in a cinema hall. In-fact, in the middle of February 2021, when the corona wave subsided and restrictions were relaxed for a while, I went to a multiplex in South Delhi to watch a movie and saw only six more viewers along with me in the hall. It left me thinking, and I have been thinking about it for the last six months.

I, like many people in my industry, wondered what was happening, and why? I have been thinking what happened to the charm of Bollywood?

Meanwhile, parallelly, news channels continued to do well and their revenues continued to be steady. In fact, the revenues grew in the first 21 months of Covid. However, post-April this year, the viewership of some leading news channels dropped, and I did write a piece asking some basic questions on TV ratings mechanism, which btw still remain unanswered. I still believe that there is a lot that needs to be done to improve ratings and make it tamper-proof. However, what has been worrying me more is the fact that news channel/TV viewership, as per ratings research, is not growing. Now, we have to investigate what are the factors responsible for this. I watch news two-three hours a day. I can live without cinema, however not without TV news. I have been like this since 1991, watching Doordarshan, then CNN, and in the last 20 years, all the leading news channels. It's my job too to watch news and I do take it seriously, but more importantly, I enjoy tuning into news TV.

Let's look at the historical context, Indian TV news business has been dependent on four Cs which are Crime, Cricket, Cinema, and say in last six years, Cacophony… I mean the TV debates in studios.

So, what has changed about news TV that is not helping it grow its audiences?

Is there an issue with the way audience measurement is organised?

Possible. Does the system favour entertainment channels? I don't know. I don't think so. However, I am only asking legitimate questions. In fact, four years back, possibly the most celebrated Indian media leader, who has turned into an entrepreneur partnering with India's biggest business owner and the world's leading media owner, complained about the falling universe of entertainment content on Indian TV and asked some hard-hitting and serious questions. This media leader was amongst the few handful who were founding members of the viewership rating mechanism and served on all media industry bodies and wielded a clout and credibility.

The question is why did a celebrated media leader question the viewership decline with some straightforward basic questions even when it came to entertainment TV content? Why was he not satisfied? Were his questions addressed? The only thing you may want to factor in is that he is now a shareholder in a leading sports broadcaster who is also a shareholder in the entertainment platform. The point is that those questions should be, and are, raised by all news TV owners, CEOs and editors too as they are basic questions. Why is the news TV viewership shrinking?

If for a moment we take the TV news viewership data and its universe on face value, we have to ask what are the reasons for news TV viewership universe to not grow? If the stagnation or the shrink is indeed true, rather than blaming everyone else and the business media that reports it honestly, the news TV promoters and CEOs and editors have to introspect. They will find the answers, and if they ask the right questions, hopefully the solutions. However, in my view, the reasons that the TV news audience is not growing and the reason that Bollywood is not being able to pull audiences in the cinemas, is same, and here they are:

Sticking to old formulas of doing content, not bringing in freshness, not reinventing and not investing in content that is deep. The re-invention needs to happen for both Bollywood and news TV, fast and at a scale.

New challengers are chipping at the existing players. New talent and ideas have to be given more credence and experiments with content and boldness of content has to be showcased, and if it works, expanded on. WION is a great example of this and there are multiple reasons why WION eventually did well, but digital traction and differentiated content are two main reasons.

We need younger leaders both in news TV domain in all functions, especially editorial and in Bollywood.

Both have to stop taking shortcuts. Let me explain this. In news TV, some news TV broadcasters are tom-tomming they being number one inspite of the fact that most of their ratings come from the investments they do in landing pages and not content or marketing. How convenient! In Bollywood, the shortcuts are big stars, big directors and the safe scripts.

Audiences, both in news TV and Bollywood, have tasted new blood. Viewers are consuming video content online from news startups that are not linear but only digital and bold and honest. The same goes for Bollywood; newer directors are experimenting with bold themes and scripts and taking up taboo issues which are real and appeal to audiences.

Scale has to be multiple times larger than now, and the content and delivery have to be scaled up. In news TV, Indian news broadcasters have to learn from my favourite news TV channel CNN; how they invest in their people, how they cover an event, nurture the anchors and brands and are not dependent on one face for pulling audiences. South cinema can inspire Bollywood by its sheer scale, quality of production, investments and marketing blitzkrieg.

While the audience measurement system needs to be fixed and made more honest, leading broadcasters can shun the landing pages to get real and be honest about their actual viewership. You can only improve what you can measure. If you take out full page adverts when the landing pages give you viewership, who are you kidding? Is sense of false achievement and you are lulling and you are telling your teams and the ecosystem that this is ok and whoever can outspend on landing pages can fool their promoters, internal colleagues and the advertisers. Na na, that's fool hardy. Get real guys.

The only people who benefit from this are those who want to game the news TV ecosystem. Don't fall prey to them.

Truth must prevail and it will prevail.

Dr Annurag Batra has been writing on media for two-plus decades and is the Founder of exchange4media and the Editor-in-Chief of BW Businessworld.

(Views are personal)

POINT OF VIEW

Should India have two time zones?

Mr. Sanjay Mehta
Deputy Director General, IMC

POINT OF VIEW

The debate on different time zones for India has been going on few years now.

North Indian states have been demanding different time zone citing difficulties in maintaining work and school schedules.

India extends from 68°7'E to 97°25'E, with the spread of 29° representing almost two hours from the geographic perspective. This has led to the argument that early sunrise in the easternmost parts — the Northeast — causes the loss of many daylight hours by the time offices or educational institutions open, and that early sunset, for its part, leads to higher consumption of electricity.

Having two time zones would thus result in saving if 2.7 billion units of electricity annually according to research by National Institute of Advanced Studies.

In March 2019, replying to a question in Parliament, the government had said that no decision has been taken on demand for different time zones. The government cited complexities involved according to a report of the committee appointed by government in 2002.

Recently, India's national timekeeper which maintains Indian Standard Time, the Council of Scientific and Industrial Research's National Physical Laboratory (CSIR-NPL) proposed two time zones in a research paper published.

However, in January 2020. Dr Harsh Vardhan, then Minster of Science & Technology, Health and Family Welfare and Earth Sciences said in Parliament that there is a long standing demand but it was not possible to have different time zone for eastern states or dual time zones because of strategic reasons as per High Level Committee appointed to examine the issue.

There is understandable apprehension in granting separate time zone for North East given the history of self-determination movements. This could be seen as the first step towards conceding autonomy.

It is also argued that India had three time zones earlier before independence. The country was following three major time zones-Bombay, Calcutta and Madras Time. India had no official time zone till 1906. There were three presidencies: Bombay, Calcutta, Madras, and three local times for the three cities, depending on where they fell on the longitude.

Since the government is not keen to have two time zones, some north Indian states have introduced early opening of schools and offices to take advantage of day light. Tea estates in Assam has introduced "ChaiBaggan" time, an informal adjustment which is two hours earlier than IST. The work in tea garden starts at 7 a.m.

Benefits argued for two time zones

Internal body clock is affected by environmental cues, like sunlight and temperature, and determines whether one feels wide-awake and energized or tired. It tells our body when to sleep, rise and eat. Different time zone for North East will lead to greater efficiency, productivity as time is set to align with sunrise and sunset.

Advancing time will lead to energy saving which will significantly cut down India's carbon footprint boosting India's resolve to fight climate change.

Apart from economic benefit, it will lead to social benefits as quality of life will improve quality of sleep leading to better health. Biomedical research has consistently pointed to the physical and psychological benefits of aligning circadian rhythms to the sun's rising and setting.

All these could lead to greater socioeconomic development index for North Eastern States which would make insurgency redundant.

Problems argued for having two time zones

Railway signals are not fully automated and many routes have single tracks. Trains may meet with major accidents owing to human errors. Just one such accident would wipe out any benefits resulting from different time zones in the country.

Need to further study how having two time zones would result in huge energy saving as argued, since the number of office and school hours would remain same irrespective of when they start.

With a time difference of one hour in the mornings and in the evenings, there would be nearly 25% less overlap between office timings in the two zones. This could be important for banks, offices, industries and multinational companies which need to be constantly interconnected. This will be further detrimental to productivity and to the interests of the eastern region.

With thrust of government on improving infrastructure and policies of various North Eastern states for promoting industrial investment, the socioeconomic index would anyway improve without having two time zones.

Alternative Suggestions

Permanent shift of IST to one hour will be better than two time zones or DST i.e. 6:30+ UTC to 90 degree east.

Daylight Saving Time can also be used from April to September.

Conclusion

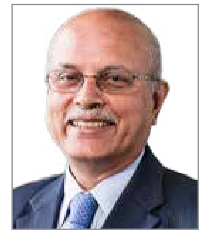
Implementation of these recommendations must be supported by the ability of the government to gather data and track changes in economic activity pattern of the nation.

Factors like impact of sunrise and sunset timings on biological activities of people; synchronizing sunrise and sunset timings with office hours should be carefully studied.

To consult all stakeholders and arrive at a decision.

(Views are personal)

Evolutionary Governance – Segway to ESG



Mr. Shailesh Haribhakti
Chartered Accountant & Chairman, Shailesh Haribhakti & Associates

Mr. Shivam Mehta
Business Development Manager, Shailesh Haribhakti & Associates

POINT OF VIEW

The world has seen a momentous change in the 21st century from consumerism and entrepreneurialism to a pandemic led focus on ESG: Environmental Stewardship, Social Responsibility and Purposeful Governance.

For far too long have we ignored the cries of our planet-our only home! There is no Plan B. We have an unique opportunity to quickly take action, or nature will take its own course. In just 240 years we have released more carbon than we did in all history before that. The planet has limited capacity to warm more than 1.5* C. We will breach that danger mark in 5-6 years if dramatic action is not initiated. Biodiversity loss is frightening and we must rectify the damage we have done to our planet.

Evolving nuances of governance

History showcases that governance has always been complex and nonlinear. It requires constant adaptation to the times but are we really where we need to be? Understanding change has become one of the most prominent challenges for contemporary governance. Governance policies must be set on the basis of understanding comprehensive global ESG issues.

Evolutionary Governance Theory (EGT) is a framework for analyzing and explaining governance and its evolution. Let's take a look into the past to see how governance has evolved over time, from living in clans to an age of cloud governance, here we are today on verge of another transition. Today governance policies around the world have a lot of focus on sustainability but is that enough or have organistaions around the world found a way to exploit the system again? Let's take an example of large organisations such as H&M and Decathlon that used this as an opportunity to greenwash society into purchasing their products.

Hijmans van den Bergh, member of the board Netherlands Authority for Consumers and Markets (ACM), said: "Consumers that wish to make sustainable choices must be able to have confidence in the veracity of the claims that businesses make on their products or websites". The active participation of all the stakeholders in the process of development in a society is an indispensable condition for good governance.

Moving Schedule IV closer to ESG:

Schedule IV of the Indian Companies Act, acts as a guide to professional conduct for independent directors. the evolutionary nature of governance requires society to incorporate a sustainability lens in the process. ESG can be integrated into the code in the following way:

- ESG audits and due diligence: Independent directors shall implement processes to enable ESG audits and due diligence which will help improve processes such as production which have environmental and social implications
- Balancing all stakeholders expectations - Shareholders make investment decisions based quarterly profits of companies. While this is critical, it must be effectively balanced with long-term expectations of communities, environment, and regulators.
- Making ESG a board-level responsibility - The board must strive to be responsible stewards of shareholders, environment and society at large. Each board member must in their own capacity contribute to the ESG agenda.
- Appointment of board level ESG Champion - Each board must have an ESG champion that understands the science behind ESG. This person should be lead the company on its ESG journey towards net zero

- ESG-based board evaluation - Directors of the board need to be judged based on their ability to initiate and contribute to ESG initiatives, while causing significant improvements in CSR measures
- ESG KPI's in executive compensation - Most large organisations are shifting a portion of executive pay based on sustainability activities to help adopt ESG initiatives in the organization

A shift from shareholder primacy to stakeholder capitalism

The Business Roundtable announced a declaration where 181 companies signed a new statement on the purpose of a corporation, which is to ensure that the companies are run sustainably for the benefit of all stakeholders involved. "CEOs work to generate profits and return value to shareholders, but the best-run companies do more. They put the customer first and invest in their employees and communities. In the end, it's the most promising way to build long-term value," said Tricia Griffith, President and CEO of Progressive Corporation.

Companies must realise that the success of our system depends on long-term inclusive growth. Working ethically with suppliers to protecting shareholders who invest money that help companies innovate and grow, each stakeholder involved is essential in the long-term success of a company

As a society, we need to move past red tapism and actually focus on acting rather than reacting to the destruction caused by human society. A great example of evolutionary governance is the Patagonia success story in which the organization's vision was recognized for upholding a dynamic mix of policies that have put sustainability at the very core of its successful business model. Designing durable yarns from recycled fabrics shows its commitment to protecting the environment. Not only are they ethically sourcing raw materials from relevant sources but also helping small businesses such as small farms by sourcing from them. The Body Shop founder and former CEO Anita Roddick beautifully captured the power of little acts of impact when she said, "If you think you're too small to have an impact, try going to bed with a mosquito."

Breaking the resistance to change

Governance needs to be flexible as per the requirements of the situation; it needs to be able to account for the change in technology, which is one of the driving factors for the evolution of governance. The resistance to change must be broken by incorporating governance policies that take into account present-day global crises. The ability to adapt to various situations will lead to superior strategic decisions and increased profitability.

The evolution of governance is critical in bringing out the best from all stakeholders. On the social front, employees can only be expected to perform at optimum levels when they are in a hospitable workspace environment. They need to have a sense of security and be fairly remunerated to give their best. For these reasons, we have seen a shift in governance on the social front. With consumers becoming prosumers and being more actively involved in the production process we see companies shifting their approach towards a sustainable one on all levels. Governance must be more than just a fiduciary responsibility toward shareholders it needs to be able to ensure the sustainability of the firm.

The path of any corporate is dependent on its governance policies set by the board, brands such as Uniqlo or Nike focus on high-quality products that have good longevity. Other brands such as H&M or Zara are considered fast fashion brands while yet other brands such as Patagonia are considered sustainable clothing brands. All of these companies are profitable and based on completely different governance policies set by the board. Governance needs to evolve based on all stakeholders involved and this evolution and innovation in governance will be able to achieve sustainable profitability

Boards should recognize that we no longer need to source cheap raw materials that destroy the environment, have labour laws in place that make the lives of employees a living hell or be ambiguous in our decision-making process and conceal information from the public to be profitable. As Albert Einstein once said, "Problems cannot be solved at the same level of awareness that created them". Just as humans evolve we need our governance policies to evolve. "We cannot be mere consumers of good governace, we must be participants; we must be cocreators."

- Rohini Nilekani

(Views are personal)

September 2, 2022

Shri Nitin Gupta
Chairman
Central Board of Direct Taxes
Room No. 150, North Block
New Delhi – 110 001

Respected Sir,

Sub: Representation for deferment of clause 44 of tax audit – Form 3CD

We extend warm greetings from IMC Chamber of Commerce and Industry (IMC).

As per provisions of section 44AB of the Income Tax Act, 1961 ('the Act') read with rule 6G of the Income Tax Rules, 1961 ('the Rules'), the taxpayers who are engaged in business or profession having turnover above threshold limit need to furnish the Tax Audit Report along with the prescribed particulars in Form 3CD duly audited by chartered accountant.

<u>Vide Notification no. GSR 666(E) dated 20th July 2018 the Form 3CD was amended and inter alia clause 44 was added. However, the implementation of this clause was deferred 4 times in the past.</u>

The information sought under clause 44 is like Table 14 of the GST annual return (Form GSTR 9C). However, under GSTR an option is given to the assessee not to fill this table since inception of GST. Thus, the taxpayers are not preparing such detailed and bulky information for the purpose of GST compliances.

To meet the tax audit requirement, now the taxpayers will be required to spend extra time, efforts, and cost which are not of consequence as complete data of GST paid on all supplies are captured in GST system.

Requirement of clause 44 of the Form 3CD is opposite to the mandate of the Citizens Charter and 'ease of doing businesses'.

Accordingly, we humbly request that reporting under clause 44 of the Tax Audit Report in Form 3CD be kept in abeyance and made effective for the tax audit report for financial year 2023-24 (AY 2024-25) and onwards. The Tax Auditors should not be required to furnish details under clause 44 for the Tax Audit Report for the period up to financial year 2022-23 (AY 23-24).

Our detailed representation is appended below.

We hope you will positively consider and address our request.

With regards,

Anant Singhania
President, IMC

Scan QR Code for the attachment

September 26, 2022

GST Policy Wing
Central Board of Indirect Taxes & Customs
Department of Revenue,
Ministry of Finance, North Block
New Delhi – 110 001.

Dear Sir,

We extend warm greetings from IMC Chamber of Commerce and Industry (IMC).

The Chamber conveys its grateful appreciation for the opportunity to provide its comments and suggestions to the changes proposed in the return in Form GSTR-3B.

The Chamber's expert committee on Indirect Taxes, which comprises of members of the Industry and Trade as well as professionals in the field of Indirect tax, has examined and deliberated on the changes to the return Form GSTR-3B proposed in the concept paper and has identified key areas for consideration. The observations and suggestions of the Chambers are provided in the attached document.

The Chamber has observed that attempts to validate returns at the backend (by the GST Portal) based on partial or truncated data is resulting in repetitive enquiries, notices and proceedings. The proposed changes to the GSTR-3B alongwith the recommendations made by the Chamber will provide additional details to the GST authorities for analysis and validation of the liabilities reported.

However, this data requirement will entail preparation of detailed reports and workings by the taxpayers before the returns are filed, which is not possible within the time of 6 days presently available (after generation of GSTR-2B on 14th of every month). Therefore, in order to enable complete filing of the new / proposed GSTR-3B return, the Chamber recommends that the due date for filing the returns in Form 3B be extended to the 25th of the subsequent month.

This extension will provide much needed relief to the taxpayers to file proper and complete returns.

We hope you will positively consider and address our request.

With regards,

Anant Singhania
President, IMC

Scan QR Code for the attachment

IMC
Chamber of Commerce and Industry

September 30, 2022

Mr. Vivek Johri
Chairman
Central Board of Indirect Taxes & Customs
North Block, New Delhi 110001

Dear Mr. Vivek Johri,

Sub: Difficulties faced over the past 6 months by trade under Faceless Assessment

We would like to place on record, our sincere appreciation of the Customs department service to the EXIM Industry, despite the pandemic and lack of appropriate infrastructure.

We have always worked in conjunction with the Custom departments in all 3 Zones in Mumbai, in order to ensure the success of Faceless Assessment by CBIC and to achieve the goal of faster clearance in a compliant manner, which would also result in lower handling and lower transaction cost.

Its more than 2 years since Faceless Assessment was introduced.

Faceless Assessment has been of immense benefit in ensuring that the Ports of India are not congested and handle larger volumes, though port handling capacity has not been augmented as desired. However, for ensuring this, timely assessments would require greater amount of accountability. It is experienced that in spite of escalating the matter to PAG Commissioners even at PAG Commissioner Levels or through TSK counter, and at the various CCFC & PTFC meetings, the delay in assessment of bill of entry still persists.

Considering the feedback received from our members and member Associations, we take the liberty of listing some of the difficulties and seek your kind intervention:-

1. Delay in assessment

As per goal specified in National Trade facilitation Action plan, 2020-23, the overall cargo release time, is proposed to be reduced in below manner:

- For Imports: Within 48 hours for Sea shipments and within 24 hours in case of Air shipments.
- For Exports: Within 24 hours for Sea Shipments and 12 hours in case of Air Shipments

Further, as per 'Customs ONE' plan, the government is aiming 1-hour clearance of goods at all ports, as a part of India@2047.

Thus, to achieve this goal, suitable mechanism be implemented whereby in cases where clearance of documents is not done within 12 hrs for Air Shipments and 24 hrs for Sea Shipments; a nodal officer must be appointed to ensure the documents are assessed and made ready for payment of Customs Duty. This would curtail any delay in clearance of imported goods.

2. Unwanted high number of queries

We would like to bring to your kind attention that over the past 6 months, number of queries have gone up considerably. On numerous occasions officers tend to raise 3 queries on bill of entry which is leading to piecemeal approach towards resolution. It also observed that at times the same query is being repeated 3 times, and even the Commissioners of Customs at the various Zones are unable to assist. Further, it is also experienced that after request sent to push bill of entry back to PAG, another query is being raised by PAG Officers.

This modus operandi, defeats the very purpose of Faceless assessment and all the benefits of RMS process.

It is suggested that quality and quantity of queries may be monitored and concerned officers be made accountable. It is also requested, that CBIC circular no.14/2021, be amended to ensure that officer raises 1 comprehensive query instead of separate queries. Further, in case of importation of same goods repeatedly from the same supplier under different consignments, the queries should not be repeated by PAG officers.

3. Examination orders

There are considerable difficulties faced by trade and industry due to wrong examination order being given by FAG officers.

i. 100% Examination orders are being given very frequently and in certain occasions Examination Orders are also directing to check mis-declaration and concealment.

ii. There are several occasions for example in the RMS facilitated bill of entries where no examination is prescribed, the RMS targets prescribed for detailed examination to be carried out. This nullifies the RMS facilitation.

   a. 100% examination to be prescribed only in certain cases such as second-hand re-import or where there is some intelligence alert by any agencies.

   b. The NCDC (erstwhile RMD) should not give general alert without specific intelligence. Even for consignment imported regular and reputed importers also such alerts are received to check mis-declaration and concealment.

   c. Alert from NCDC should be revived on urgent basis to avoid such harassment to the trade

iii. Examination Orders where officers are prescribing 100% examination order in wrong manner may kindly be rectified at DC level in PAG.

4. Recall and Re-assessment of Bill of entries in case of incorrect assessment

We request that there are many instances wherein during assessment at FAG, the FAG Officer deny the benefit exemption notification or enhancement of assessable value without raising query.

We request that such unilateral action by the FAG officer need to be rectified at PAG location on the same day itself in order to avoid the demurrage and detention charges.

5. Denial of CTH and Speaking order not being issued

Assessing Officers are directing importers to appear for personal hearings without issue of Show Cause Notice and in case of request to issue SCNs, the consignments are delayed. Therefore, clear instruction may be issued/reiterated that AO must issue SCN, unless it is specifically waived in writing by importer.

Further, on various occasion due to change in assessment carried out by FAG Officers speaking order are seldom issued. For any queries, for example valuation, classification, denial of examination notification etc., speaking order should be issued on immediately to observe the principles of natural justice in terms of Section 17 of Customs Act 1962.

It has been repeatedly assured that Speaking order wherever required should be issued on immediate basis, within 15 days. Sadly, the same is never adhered, thereby denying the principles of natural justice that could be followed.

We fully support the endeavour of Ministry of Finance to achieve the goal of US$ 5 trillion economy, however with the above difficulties, the time that would be taken to achieve the above goal would be much longer.

May we request, if your goodself could convene a meeting with all stake holders in Mumbai and we would be pleased to host the meeting at our Chambers, which has been graced by your presence years ago.

With regards,

Anant Singhania

Anant Singhania
President, IMC

September 27, 2022

Shri. Hardeep Singh Puri
Hon'ble Union Minister of Petroleum & Natural Gas and
Union Minister of Housing & Urban Affairs
Nirman Bhawan
New Delhi

Respected Minister, Shri. Puri ji,

Greetings from IMC Chamber of Commerce and Industry (IMC).

We would like to thank you for your time to meet team from IMC in Mumbai on September 15. It is indeed creditable that the Government of India is spearheading so many initiatives on multiple fronts.

As suggested by you during the meeting, please find below the highlights of discussion during the meeting:

Biofuels

In the field of biofuels, the Government policy on ethanol meets the triple needs of

1. Farmer income security
2. India's energy security.
3. Combating climate change.

The recent 2G ethanol facility dedicated to the nation by the Honourable Prime Minister creates a new feedstock for the conversion of agri biomass that the country has in abundance into fuel.

The sugar mills have bagasse in abundance, and feedstock procurement is not an issue. In the off-season, when the ethanol facilities are not fully operational, a bolt-on model can be implemented to convert the surplus bagasse also into ethanol. The Government should explore this possibility.

India is rich in the sun and the soil. The sugar mills can become distributed energy hubs of the future. We are surplus in electricity, produce biofuels, will be producing Bio-CNG and are exploring the making of Green Hydrogen.

With the introduction of Flex Fuel cars and the notification of E100 as a fuel, these distributed energy hubs will be able to supply electricity, ethanol, and Bio-CNG to meet the growing energy needs of the country.

RERA Amendment

Recommendation - An Amendment is deemed to entitle RERA authorities for issuing the directions to the state planning authorities for guaranteeing (held responsible) the development and completion of the real estate projects. Today, different criteria are being followed by the RERA authorities and consumer courts. The dispute resolution between the promoter and homebuyers (consumer) should only be restricted to the RERA forum. This amendment will help to eliminate the prevailing confusion and direct all courses of action in alignment with the RERA Forum.

Extension of PMAY scheme

Industry recommends to extend the PMAY scheme till 2024 which will continue to benefit first time homebuyers.

We will be happy to come, meet you to present more details. We once again thank you for the opportunity provided to us to present our views.

With warm regards,

Anant Singhania
President, IMC

October 10, 2022

Shri. S. P. Baghel
Hon'ble Union Minister of State for Law and Justice
Ministry of Law and Justice
Shastri Bhawan, A-Wing, Dr. Rajendra Prasad Road
New Delhi – 110001

Respected Minister Shri. Baghel ji,

It was an honour meeting you on 15th September, 2022 at the 12th Bhartiya Chatra Sansad organized by MIT World Peace University, Pune. I was happy to hear your motivational speech on the duties of young leaders.

IMC

IMC was founded on September 7, 1907 in the wake of the Swadeshi Movement, the Chamber exclusively served the interests of Indian business community and also took part in several key political movements pre-independence. In recognition of the Chamber's contribution to the nation building, Mahatma Gandhi accepted honorary membership in 1931, the only Chamber which has this distinction. After independence, IMC has played a significant role in consolidating Indian business interests and making the Indian economy self-reliant. At its 100th year, a postal stamp was issued by the government of India recognizing the services of the Chamber.

Headquartered in Mumbai, the Chamber has since evolved into an industry body that represents the voice of over 400,000 businesses and industry establishments across India from diverse sectors of industry with its membership base of over 5000 members and over 150 trade associations affiliated to it. The Chamber's core function is to provide policy inputs and to promote interests of industry and economic growth of the country.

IIAC

Realizing the acute need for Institutional Arbitration with fixed cost and time bound schedule of proceedings as well as need for other means of dispute resolution mechanisms for early settlement, IMC embarked upon establishing a comprehensive International Alternative Dispute Resolution (ADR) Centre. "IMC International ADR Centre" (IIAC) is a dedicated ADR institution with the objectives of promoting Alternative Dispute Resolution mechanism and conduct, administer, manage and monitor arbitration, conciliation and mediation proceedings, in time bound and cost-effective manner. IIAC is an independent arm of the IMC Chamber of Commerce and Industry (IMC) and an independent company registered under Section 8 of the Companies Act, 2013. IIAC offers state of the art infrastructure, technology and amenities, such as video conferencing, soundproof rooms, recording of witness evidence, internet, catering, storage of documents, administrative support and secretarial assistance etc.

As desired by you, we are enclosing our suggestions on the proposed Mediation Bill and details about the IIAC consultation with the Parliamentary Standing Committee during their recent visit to Mumbai on 25th April 2022.

Sir, we shall be grateful to you to accept our invitation to address IMC members at your convenience in the near future.

Assuring you and your Ministry of our fullest cooperation,

With warm regards,

Anant Singhania
President, IMC

Encl: 1. Suggestions on Mediation Bill

2. Consultation Minutes with Parliamentary Standing Committee

Scan QR Code for the attachment

October 17, 2022

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Finance
Ministry of Finance
Room No. 134, North Block
New Delhi 110 001

Respected Smt. Nirmala Sitharamanji,

Sub: Pre-Budget Memorandum – 2023-24

IMC Chamber of Commerce and Industry ('IMC') has been always supportive for all the initiatives taken by the present government for revival and boosting the economy which was affected due to Covid pandemic. IMC places on record its sincere appreciation of the efforts made and steps taken by the government in managing the economy in the difficult times.

With a view to further boost the economy and help the businesses to revive their businesses which suffered in the pandemic times, IMC has enclosed a detailed representation containing suggestions on the direct-tax measures which needs to be considered during the ongoing Budgetary exercise being undertaken by the Government (Our Detailed Representation attached as Annexure 1).

We would like to make the following broad points as a preface to our detailed recommendations:

1. **Stability of tax laws and simplification of tax rate structure:** Whilst the recent changes in tax rates are greatly appreciated by business, multiple rates for corporates, non-corporates and individuals have made the rate structure extremely complex. IMC has always recommended (and now more so for quicker revival in view of economic slow-down) that there is need to have stable tax laws and with a assurance that no frequent changes should be made for reasonable period of time. In any case, there should not be retrospective/ retroactive amendments and there should be sufficient time given for all stakeholders to understand the amendments/ changes.

   We are also of the view that there is need to give further relief in the tax rates which are as high 42.? for the individuals for them to give sufficient investible funds for putting in industry and businesses.

2. **Ease of doing business:** IMC supports Government's initiatives towards enhancing significantly Ease of Doing Business with a view to attract foreign investments. In this regard, we bring to your notice that:

   It has been the experience of the trade and industry that the plethora of compliance requirements and penal consequences for smallest of breaches for non-compliance hits sentiments and businesses. The complexities involved in Tax Deduction and Collection at Source provisions as well as difficulties in obtaining Tax Credit (Central Processing Centre ('CPC'), without any redressal mechanism has made the taxpayers run from pillar to post to get the same corrected. It is necessary to reduce compliance burden on the taxpayers so as to allow them to concentrate on reviving of business than spending time on regulatory compliances. **To that end, we suggest an out-of-box win-win solution after deliberations with select taxpayers:**

   An option be provided, initially to the large corporates, and later slowly extending to other Taxpayers, of opting out of TDS and TCS compliances, if they agree to pay Advance Tax on a monthly basis. This one step will help the eligible taxpayers of doing away with almost 50 TDS and TCS rates (with the latest ones having broad applicability) and attendant compliances and penal measures. Government revenue will at the same time not suffer on account of these taxpayers making Advance Tax payment on a monthly basis. This will also resolve issue of high refund payouts as advance tax payments would be in line with business growth as estimated by taxpayer and on income.

   Thus, we sincerely believe, it would be a game-changer initiative resulting in a great push to Ease of Doing Business for all stakeholders.

3. Our detailed recommendations enclosed herewith for specific amendments have been bucketed into 5 segments:

   A) **Category I – Simplification and Rationalization of tax rates and tax collection mechanisms;**

   B) **Category II: Key issues which merit top priority attention and corrective action;**

   C) **Category III: Key issues facilitating Ease of Doing Business which require immediate attention;**

   D) **Category IV: Rationalisation of provisions relating to Capital Gains Taxation; and**

   E) **Category V: Rationalization of provisions for facilitating a taxpayer friendly regime and reducing litigation.**

We have made these suggestions keeping in mind the present government's motto of 'ease of doing business', 'reducing litigation', 'tax friendly atmosphere', 'non-adversarial regime' and 'simplification of tax laws', which would enable to reboot the economy by building greater investors' confidence.

We request you to kindly consider our recommendations.

With regards,

Anant Singhania
President, IMC

Scan QR Code for the attachment

October 31, 2022

Mr. S K Mohanty
Whole-Time Member, SEBI
SEBI Bhavan No. 1
Plot No.C4-A, 'G' Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051.

Respected Mr. Mohanty,

Sub: Recommendations relating to Schemes of Arrangement

We extend warm greetings from IMC Chamber of Commerce and Industry.

We are enclosing herewith our recommendations relating to the Schemes of Arrangement per Master Circular dated 23.11.2021, for your kind consideration.

The recommendations are intended to provide greater clarity and facilitate the process of schemes of arrangement, without any detriment to public shareholders.

We trust our recommendations would be considered favourably.

We would be happy to meet with you should you need clarifications regarding our submission.

With regards,

Anant Singhania
President, IMC

Scan QR Code for the attachment

October 31, 2022

Ms. Madhabi Puri Buch
Chairperson
Securities and Exchange Board of India (SEBI)
SEBI Bhavan BKC
Plot No.C4-A, 'G' Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400051.

Respected Madam,

Subject: Suggestions for Correct Risk Weight assignment by SEBI for benefit of MSME (Exporters).

We extend warm greetings from the IMC Chamber of Commerce and Industry.

We have enclosed herewith a few suggestions with a request to SEBI to approach the rating agencies to understand how credit enhancement available through ECGC coverage on banking facilities is being reflected or should be reflected in the ratings assigned to the Borrowers.

We also take this opportunity to inform you that the attached suggestions were discussed with the Ministry of Finance, Government of India and the Reserve Bank of India.

We would be happy to clarify and explain the rationale in detail with you in person if desired and trust our suggestions would be considered favourably.

With kind regards,

Anant Singhania
President, IMC

Scan QR Code for the attachment

Talk on Opportunities in GIFT City IFSC for Capital Market Participants

5th September, 2022

IMC Chamber of Commerce and Industry's Alternate Funding (PE + Capital) Committee, organised a talk on "Opportunities in GIFT City for Capital Market Participants".

Mr. Anant Singhania, President, IMC, welcomed the participants. **Mr Dushyant Dave**, Co-Chairman, Alternate Funding (PE + Capital) committee introduced the speaker **Mr. Dipesh Shah**, Executive Director (Development), IFSC. **Mr. Pradip Shah**, Chairman, Alternate Funding (PE + Capital) committee mentioned that **Mr. Dipesh Shah** has played a major role in the formation of IFSC.

*IMC President, **Mr. Anant Singhania** felicitating **Mr. Dipesh Shah**, Exe.Dir, IFSC. Others in pic (L to R) **Mr. Samir Somaiya**, VP, IMC, **Mr. Pradip Shah**, Chairman, IMC Alternate Funding (PE + Capital) Committee, **Mr. Ajit Mangrulkar**, DG, IMC and **Mr. Dushyant Dave**, Co-Chairman, IMC Alternate Funding (PE + Capital) Committee.*

The International Financial Service Centre (IFSC) is a multi-service SEZ in Gift city. IFSC is India's first offshore financial Center. Currently, there are more than 125 licensed financial entities in IFSC. The key institutions permitted to set up an IFSC unit are the Banking sector, Insurance sector, and Capital Markets

Mr. Dipesh Shah in his opening remarks mentioned that started in 2013 IFSC in GIFT City is at the top amongst 15 centres globally based on the latest Global Financial Centres Index, London Report (March 2022). IFSCA has been established as a unified financial regulator by the Government of India under the IFSCA Act, 2019. The Authority is mandated to develop and regulate Financial Institutions, Financial Services and Financial Products in the International Financial Services Centre (IFSC) in India. To develop and regulate IFSC's in India, IFSCA has been vested with powers of four sectoral regulators namely-RBI, SEBI, IRDAI & PFRDA.

The Business activities of IFSC ranges from Banks, Capital Markets, Insurance, Asset Management, Aircraft leasing and financing hub, India International Bullion Exchange, Creating a world class Fintech Hub, Other Financial Institutions and other emerging activities. It has a competitive tax regime wherein 100% tax exemption is given for 10 years out of 15 years. There is no CTT, STT, GST, Stamp duty or capital gain tax on Business. It has an employee strength of 5000 plus, 228 Billion Dollars cumulative banking Transactions, 352 Billion Dollars Cumulative Derivative Transactions till July 2022. IFSCA issued Ancillary Services Framework 2021 to develop Professional Services ecosystem in GIFT IFSC. Ancillary services include Legal Service, Asset Managers, Auditing & Accounting Firms, Management Consultancy Service, Trusteeship Services, Secretarial Services, etc

Mr. Shah mentioned that a delegation of IMC may visit the GIFT City and get in depth understanding of the GIFT City. The talk was followed by floor participation in which the clarifications provided by the speaker were quite lucid and proved helpful to the participants.

Mr. Samir Somaiya, Vice-President, IMC, gave the well-deserved vote of thanks.

Seminar on Kharif Crop Prospects and Impact

12th September, 2022

Mr. Madan Sabnavis
Chief Economist, Bank of Baroda

Ms. Rajni Panicker Lamba
VP, Philip Capital (India) Pvt Ltd.

Mr. G. Chandrashekhar
Economic Advisor, IMC

IMC Chamber of Commerce and Industry in association with NCDEX IPFT organized an Online Seminar on Kharif Crop Prospects and Impact Monday September 12, 2022.

Mr. Aashish Barwale in his opening remarks stated that, Developments in the farm sector impact many sectors of the economy that have linkages - locally, regionally, nationally and internationally. Also, agricultural output and prices have a bearing on rural incomes as well as food inflation.

A panel of experts Mr. G. Chandrashekhar, Economic Advisor, IMC and Director IMC ERTF, Mr. Madan Sabnavis, Chief Economist, Bank of Baroda; Ms. Rajni Panicker Lamba, VP, Philip Capital (India) Pvt Ltd; closely examined the progress of southwest monsoon, planted area and crop status. They forecasted the harvest size of major Kharif crops - covering rice, pulses, coarse cereals, oilseeds, cotton and sugarcane

Expert speakers analysed the Kharif 2022-23 production targets and were of the view that harvests would be good due to satisfactory monsoon, but how much of that will translate into actual rise in farmer income remains to be seen. WPI will stay soft but retail prices might spike because of inefficiency of supply chain.

Looking at lower area coverage and lack of precipitation in key growing states in eastern India (UP,

Bihar, Gangetic West Bengal, Jharkhand) rice production is expected to decline from last year's 111.8 million tonnes to 100-102 million tonnes in the current season. Indeed, the government has already taken note of the decline and has recently imposed restriction in the form of export duty on non-Basmati rice export.

Pulses harvest too will fall slightly below last Kharif's 8.4 million tons, but substantially below the current season's target of 10.5 million tons. Import of pulses to the extent of 3.0 million tonnes would be inevitable, experts noted.

As compared with the production target of 370 lakh bales, cotton production would be in the range of 335-345 lakh bales, noting the slight increase from last year's weather affected production of 312 lakh bales. Despite slightly higher production, cotton availability is expected to be tight for the user industry because of an anticipated increase in demand.

Oilseeds are unlikely to fare well with Kharif production estimated at 21.5-22.5 million tons, below last year's 23.9 million tonnes and far less than the target of 26.9 million tonnes.

Management of price risk is a key component of farm marketing strategy. Exchange is getting representations from stakeholders, including FPOs and traders, to resume the futures trading. There is need to lift the suspension of some of the agri commodities in derivatives market.

Overall, the harvest size of major crops is set to be smaller than last year's, except cotton. Weather risk in September and beyond cannot be wished away. All these will have implication for the availability, prices and export/import trade in key crops. It is time for policymakers to take note of this advance guidance and take appropriate measures.

Protecting MSMEs / SMEs from Price Volatility

20th September, 2022

IMC & TBIA officials along with esteemed guests speakers at the event.

To educate SMEs and MSMEs in Navi Mumbai about dynamics of the market and protecting them from price volatility, IMC Chamber of Commerce and Industry in association with Thane Belapur Industries Association organised an awareness program on the theme Protecting SMEs / MSMEs from Price Volatility' in Navi Mumbai on September 20, 2022

Mr. Jayant Khadilkar, Chairman, Navi Mumbai Expert Committee, IMC in his opening remarks stated that, SMEs and MSMEs are an integral part of the country's economic structure. Maharashtra State is in the forefront of industrial development; and a large number of SMEs are located here. Turbulent markets, financial meltdowns, and unpredictable geopolitics are beyond the control of small business owners. So, it is critical to support the growth and development of the MSME sector.

The key speakers for the event were Mr. Debojyoti Dey, AVP- Commodities, Multi Commodity Exchange of India; Mr. Shrikant Kuwalekar, Journalist and Commodity Market Expert and Mr. G. Chandrashekhar, Economic Advisor, IMC and Director IMC ERTF

Expert speakers explained the macroeconomic fundamentals of India and argued that the country's future economic growth will be substantially driven by commodity markets covering energy products, various metals and agricultural goods.

As the Indian market integrates with the global market through trade route and investment route, Indian SMEs / MSMEs are subject to global influences in addition to domestic commodity supply-demand fundamentals. Price swings not only hurt business prospects but also hurt profits. There is a simple yet effective strategy to protect from wild price swings that can inflict losses.

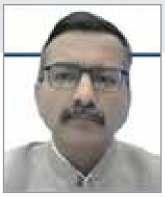
MSMEs/ SMEs with exposure to commodities need a scientific time-tested tool called hedging for commodity price risk management. As it plays a key role in protecting the assets and resources of an organisation, ensuring that risks are reduced to an acceptable, reasonable and manageable level.

Commodity derivatives exchanges provide a neutral platform for the value chain participants to hedge their price risk through the derivatives route. SEBI is the market regulator for commodity derivatives. Functions of a derivative exchange as also trading and settlement systems were highlighted. Commodity derivatives also offered opportunities for investment, it was mentioned.

IMC
Chamber of Commerce and Industry

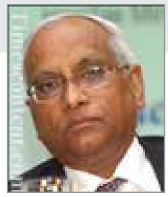
Panel Discussion on Inflation Outlook covering 3 Cs – Crude, Currency and Crops

22nd September, 2022

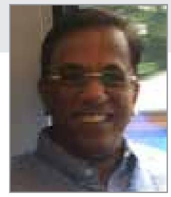


Mr. Anant Singhania
President, IMC

Mr. Madan Sabnavis
Chief Economist, Bank of Baroda



Mr. Ramnath Pradeep
Ex CMD, Corp bank



Mr. Sundaresan Raghunath
Former President, Trafigura India

Mr. Rohit Jethra
Sr. Exe VP, Global Markets, Kotak Mahindra Bank

Mr. G. Chandrashekhar
Economic Advisor, IMC

Economic Policy and Government Representation Committee of IMC Chamber of Commerce and Industry organized a panel discussion where experts focused on key drivers of inflation namely Crude, Currency and Crops. How is inflation likely to pan out? What should be the focus of RBI's next Credit Policy announcement due by early October? These and related issues of the Indian Economy were discussed in depth by a Panel of Experts.

Mr. Anant Singhania, President IMC in his welcome address stated that Inflation, especially food inflation, hurts the poor the hardest. Importantly, inflation raises concerns among policymakers and encourages the central bank of the country to pursue a tighter monetary policy.

Mr. Singhania also shared that international crude oil prices have a strong bearing on our economic performance as our import dependence is nearly 80%. Massive import dependence on crude oil makes our economy vulnerable to international price volatility. Further, President also stated that Domestic agricultural output and prices too have a direct bearing on inflation, especially food inflation. Currency or more specifically, the exchange rate has the potential to skewer price trends. A weaker rupee makes imports expensive. He expressed that MSME get impacted mostly by these 3 Cs.

Mr. Ramnath Pradeep, Ex CMD Corp bank and program Moderator, while thanking, the President extended warm welcome to the distinguish panellist for the deliberations / discussions on inflation outlook covering 3 Cs. He also said that the global economy is going through an extremely uncertain period amidst the simultaneous interplay of various headwinds-a lingering Ukraine-Russia war and enduring COVID; the sharp rise in energy and other commodity prices; strains in global supply chains; and worsening food security. In several economies, inflation is ruling at levels not seen by the recent generations. Inflation is running well above targets for a prolonged period and threatening to unhinge inflation expectations. Central banks world over has begun delivering bigger and quicker policy rate hikes to restore price stability.

He thereafter introduced the key Speakers/Panellist **Mr. G Chandrashekhar**, Economic Advisor, IMC, Director, IMC ERTF, **Mr. Sundaresan Raghunath**, Former President - Oil Division, Trafigura India, **Mr. Rohit Jethra**, Senior Executive Vice President, Global Markets, Kotak Mahindra Bank and **Mr. Madan Sabnavis**, Chief Economist, Bank of Baroda.

Mr. G Chandrashekhar opined that south west monsoon is the critical driver of farm output for kharif season crops such as paddy, pulses, coarse grains, oilseeds, cotton etc. which has impact on rural income. Mr. Chandrashekhar shared that according to the 2022 IMD forecast the rainfall was expected to be Normal, however data shows that there has been temporal and spatial distribution. He shared that 7/36 Met subdivisions are having deficient rains and Kharif 2022-23 crop production target and estimate. He also shared the global impact factors, such as Economic Growth, Geopolitics, Monetary Policy, Currency, Weather and Funds effect on the agricultural commodities. Crop driven Inflation outlook are supply disruption, tightening crop availability, La Nina 3rd year in a row, demand risk due to recession fears, Dollar strength has adverse effect on Rupee weakness. There is likely hood of shortfall of production in the certain crops. Govt should take proactive action for import of certain food grain times avoid payment Doller outgo.

Mr. Sundaresan Raghunath shared that the country has been import dependent for crude oil for the last 25 years and India's domestic crude production has been on a consistent decline as 80% of our crude requirement is met by import. He also shared that the inflation is highly speculative because of the derivative and the paper trade. He suggested that the government should bring down taxes on Jet fuel. And other fuel to reduce impact on food price and other commodities and supported for revenue generation activities. He expects the crude at the present level in next 2-6 month.

Mr. Rohit Jethra shared that Indian Rupee (INR) has been subjected to bouts of downward pressure, it has emerged among the better performing currencies. He shared that factors responsible for currency depletion are the Fed made an interest rate hike of 0.75% to reduce persistently high inflation in US and the prolonged Russia-Ukraine conflict and disruptions in supplies, especially for energy and food commodities are a major source of uncertainty for price trends' He said that RBI has been intervening at appropriate level to cool down the market but there is limit of $ reserve to be used He further said that rupees is performing better as compared with other countries.

Mr. Madan Sabnavis shared that from a policy perspective, there should be clear import policy, and the government should try and recon the imports before the crises occur. Also rice policy should be addressed by the Ministry of Agriculture, as shortage of rice could spike the prices or shortage of supply that could occur due to the free food Programme. He also alarmed about the possibility of fuel inflation coming up very high.

India's inflation is substantially "Imported Inflation". A weakening rupee is adding to the cost of imported commodities. There is an expectation that energy prices will find some downward correction in this second half of the year provided the Russia Ukraine conflicts end. This will to some extent moderate inflation expectations. Meanwhile the RBI will have no choice but to hike Interest rates steeply beginning June 2022, in order to contain the negative fallout of rising prices.

Mr. Pradeep while acknowledging the in-depth discussions on the inflation and suggestion made by Panellists, IMC may like to prepare a suggestive note to RBI and Govt with further input in consultation with each panellist on the subject

NETWORKING SERIES

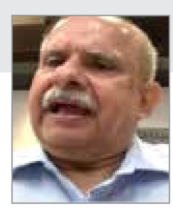
Session 2
Arbitration Knowledge & Study Circle on Costs in arbitrations under Arbitration & Conciliation Act 1996

24th September, 2022

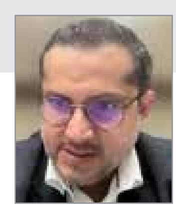
IMC's Arbitration Committee initiated a new series of online sessions / webinars under **'Arbitration Knowledge & Study Circle'** for persons interested in or practicing in the field of arbitration, with the purpose of introducing different aspects of arbitration, sharing and disseminating knowledge, skills and practical experiences through expert speakers from all over the world, with particular emphasis on domestic arbitrations. As also, to create a better and wider awareness about the law and practice of arbitration.

The **Second Online Session / Webinar** of this series on the topic **"Costs in arbitrations under Arbitration & Conciliation Act 1996"**.

Mr. C. Rashmikant, Senior Solicitor and Advocate and Mr. Rohan Dakshini, Solicitor and Advocate both Founder Partners of Rashmikant and Partners addressed the participants on various aspects relating to costs in arbitral proceedings, including several practical aspects, recent developments in law governing costs, arbitrator's fees, awarding of costs, common misconceptions and issues from perspective of parties, practitioners appearing in arbitral proceeding and arbitrators.



Mr. C. Rashmikant
Senior Solicitor and Advocate



Mr. Rohan Dakshini
Solicitor and Advocate

The Speakers dealt extensively with provisions of sections 31 and 31A relating to costs under the Act. The aim of the webinar was to apprise the participants on various aspects of costs and awarding of costs in arbitration proceedings.

Mr. Rashmikant and Mr. Rohan expressed that the future would be in arbitrations being conducted as institutional arbitrations under aegis of institutions such as IIAC and others. Mr. Rashmikant also expressed a view that IIAC's (IMC International Arbitration Centre) arbitration rules were very exhaustive and well formulated.

IMC President Mr. Anant Singhania gave the Welcome Address, the Committee Chair of the Arbitration Committee Mr. Gautam T. Mehta gave the Opening Remarks. The Introduction of speakers was done by Dr. Ms. Mohana Raje, a member of Arbitration Committee.

Study Visit of Law Students from Anjuman-I-Islam's Barrister A. R. Antulay College of Law

28th September, 2022

The Chamber conducted a study visit for Law Students from Anjuman – I - Islam's Barrister A. R. Antulay College of Law.

Around 40 Student from the said Law College visited IMC & IIAC on Wednesday, 28th September 2022 as a part of their Academic Curriculum and Practical Training. They were accompanied by their Principal Dr. (Adv.) Falaknaz Danish Shaikh and three Professors Ms. Lyra Fernandes, Ms. Arwa Sarkar and Ms. Raani Ghai.

The purpose of the study visit was to provide students with information and insights on the vision, purpose, functions, process and working system of the ADR process, along with the activities that the Chamber does, and facilities provided therein for ADR Mechanism.

The Professors and students were welcomed by Mr. Anant Singhania, President – IMC and later addressed by Mr. Sanjay Mehta, Dy. Director General – IMC and Ms. Sheetal Kalro, Dy. Director General – IMC.

*(L to R) **Mr. Gautam Mehta**, Chairman, IMC's Arbitration Committee, **Mr. Prathamesh Popat**, Chairman, IMC's Mediation, Conciliation & Facilitation Committee and **Ms. Bhakti Popat**, Member, IMC's Mediation, Conciliation & Facilitation Committee.*

IIAC Secretariat briefed the students about the administrative process being handled and followed by them while dealing with Institutional Arbitration, Mediation and Conciliation matters and taken them on the tour of IMC International ADR Centre (IIAC) to show ADR rooms and facilities & amenities being provided therein for the Arbitrators, Mediators, Advocates and parties.

Thereafter the students had a session and were guided on the ADR subject by eminent experts **Mr. Gautam T. Mehta**, Counsel & Arbitrator, Director – IMC International ADR Centre and Chairman of IMC's Arbitration Committee, **Mr. Prathamesh D. Popat**, Advocate, Accredited Mediator & Senior Mediation Trainer, Empaneled Neutral at IMC International ADR Centre and Chairman of IMC's Mediation, Conciliation & Facilitation Committee and **Ms. Bhakti Popat**, Advocate, Solicitor

IMC officials along with Students of Anjuman-I-Islam's Barrister A R Antulay College of Law

& Certified Mediator, An Empaneled Neutral at IMC International ADR Centre and Member of IMC's Mediation, Conciliation & Facilitation Committee. Post the session the floor was open for a Q & A Session where the experts resolved their doubts and queries.

During their visit students were also informed about the IMC Young Leaders' Forum - YLF, a budding cradle for nurturing young talents and F. E. Dinshaw Commercial and Financial Reference Library. They were shown the exclusive collection of books kept in the library on different sectors of commercial fields and educations.

All students were very much delighted with information they have received and thanked IMC, IIAC, all experts and IIAC Secretariat for their guidance and the knowledge they shared with them.

The program ended with gratitude and exchange of mementos between two institutions i.e. the College and IIAC, IMC. As a token of respect and gratitude, Principal Dr. (Adv.) Falaknaz Danish Shaikh felicitated Mr. Anant Singhania, President – IMC and the President – IMC felicitated the Principal and three other professors of the college.

High-Level Business Delegation from Vietnam

28th September, 2022

On September 28, a delegation from Da Nang City authority in Vietnam led by Mr. Tran Phuoc Son, Vice Chairman of Da Nang People's Committee interacted with office bearers and members of Indo Vietnamese Chamber of Commerce and Industry (IVCCI) in Mumbai at IMC Chamber of Commerce and Industry. While welcoming the delegation, both Mr. Ajoykaant Ruia, President, IVCCI and Mr. Anant Singhania, President, IMC stressed the need for strengthening bilateral economic relations between Vietnam and India for sustained growth of both economies which are amongst the fastest growing economies despite set back due to pandemic.

The delegation included officials from departments of industry and trade, information and communication, foreign affairs and tourism. The Consul General of Vietnam in Mumbai Mr. Hoang Tung was also present.

The delegation made presentation about the opportunities Da Nang offer including dedicated industry clusters with host of modern amenities and incentives as well as administration's support system for making it easy for businesses to establish operations.

With pristine beaches, fantastic street food, famous Hai Van Pass, marble mountains and collection of luxury resorts and budget accommodations, Da Nang City in Vietnam has become one of the most sought-after touristic destination for leisure and wedding. The Da Nang City has also emerged as an attractive investment destination for domestic and international investors and serves as a gateway to the Central Region, which is rapidly industrializing.

__(L to R) Ms. Luong Thuy Vy__, Executive - Promotion Division, Danang Centre for Tourism Promotion, __Mr. Samir Somaiya__, VP, IMC, __Mr. Doan Ngoc Hung Anh__, Member of Da Nang Party's Standing Committee, Head of Party's Communications Commission, __Mr. Tran Phuoc Son__, Vice Chairman of Da Nang People's Committee, __Mr. Anant Singhania__, President, IMC, __Mr. Ajoykaant Ruia__, President, IVCCI, __Mr. Hoang Tung__, Consul General, Consulate General of the Socialist Republic of Vietnam in Mumbai, __Mr. Sanjay Mehta__, DDG, IMC and Executive Secretary, IVCCI, __Ms. Sheetal Kalro__, DDG, IMC, __Mr. Nguyen Quang Thanh__, Director of Da Nang Department of Information and Communication and __Mr. Farhat Jamal__, Chairman, Travel, Tourism and Hospitality Committee, IMC

The highlight of the evening was the announcement of direct flight being introduced in the month of October by Vietjet between Mumbai and Da Nang.

IVCCI, only bilateral Chamber with Vietnam, has played the role of the catalyst for enhancing the flow of trade and investment between two countries to since its inception in 1990 which stand currently at more than 14 billion USD.

Interaction on 'Rethinking Tourism' on Occasion of World Tourism Day

28th September, 2022

IMC's Travel, Tourism and Hospitality Committee organized an **Interaction on 'Rethinking Tourism'** on **Wednesday, September 28, 2022** at IMC. The interaction was organised with a focus on what policies and actions can reimagine and revitalize the sector, Sustainable, Community Tourism and new opportunities for Indian MSMEs and how rethinking the tourism model will improve the tourist's experience, better managing the impacts of tourism, and in what way encouraging positive spillover effects on the wider economy.

(L to R) ***Mr. Carl Vaz****, President, SKAL International India, Chairman & CEO, Charson Advisory Services Pvt. Ltd.,* ***Mr. Samir Somaiya****, Vice President, IMC,* ***Shri Mangal Prabhat Lodha****, Hon'ble Minister of Tourism, Government of Maharashtra,* ***Mr. Anant Singhania****, President, IMC,* ***Mr. Farhat Jamal****, Chairman - Travel, Tourism and Hospitality Committee, IMC,* ***Mr. Sanjay Mehta****, DDG, IMC and* ***Ms. Sheetal Kalro****, DDG, IMC.*

The interaction was addressed by Chief Guest **Shri Mangal Prabhat Lodha**, Hon'ble Minister of Tourism, Government of Maharashtra along with Guest Speakers **Mr. Gurbaxish Singh Kohli**, Vice President, The Federation of Hotel & Restaurant Associations of India (FHRAI), **Mr. Carl Vaz**, President, SKAL International India & Chairman & CEO, Charson Advisory Services Pvt. Ltd., **Mr. Vivek Braganza**, Assistant Vice President, Shangri-La Group and **Mr. Ajay Prakash**, President, Travel Agents Federation of India.

Mr. Anant Singhania, President, IMC in his welcome address emphasized that before the outbreak of the Covid-19 pandemic, tourism was one of the most important sectors in the world economy contributing to nearly 10 percent of global GDP and providing employment to over 320 million people worldwide. Further, the global tourism body highlighted that the sector could create 58 million jobs in 2022, to reach more than 330 million, just 1 per cent below pre-pandemic levels and up by 21.5 per cent of 2020 levels if — the vaccine and booster rollout continue at pace this year, and international travel restrictions are eased around the world throughout the year.

However, on a positive note Mr. Singhania concluded that by 2028, Indian tourism and hospitality industry is expected to earn 50.9 billion dollar as compared with 28.9 billion dollar in 2018.

A recorded video message of UN Secretary General, **Mr. Zurab Pololikashvili** highlighting the power of **'Rethink Tourism'** was shared with the audience.

Speaking at the event, **Mr. Farhat Jamal,** Chairman, IMC Travel Tourism and Hospitality Committee addressed that, India holds the advantage as a medical tourism destination, right now medical tourism business is sizing about 5 billion dollars, in 5 years it is expected to witness a 21% CAGR over next five years. He also gave a walkthrough of the committee's activities for the year, where they will be organizing an event on Hospitality education, as the Industry is combatting skilled labour shortage & visible drop in intakes at various hospitality management schools. There is dire need for more skilled and trained people in this sector. Further, he also shared his thoughts on planning the signature Heritage Walk in Feb next year, an event promoting the Port Tourism at Mumbai port and Sports Tourism event to support this fast growing sector.

While addressing the audience, Chief Guest **Shri Mangal Prabhat Lodha**, Hon'ble Minister of Tourism, Government of Maharashtra said that 'Government can't perform the job of businessman or traders this is not our job, our duty is to give proper infrastructure to tourism that is proper roads, basic facilities, telecommunication, remaining else is the responsibility of Industry personnel's.

He also urged the Industry leaders to come forward with suggestions on what the government should do, where it is lagging in rendering the support to the Industry and how the State can attract tourists as there is a lot of scope for tourism. The Hon'ble Minister shared that due to the current scenario in China and Sri Lanka, the International Tourists are opting for India as preferred destination for vacation, and this will open new avenues for the Indian Tourism Industry and job creations. He also highlighted that the crowning ceremony of Chhatrapati Shivaji Maharaj is completing 350 years and on that occasion the government is conducting a big function in Sindhudurg Fort and has requested the Industry leaders for their support and assistance towards making the function a grand success.

During the interaction, speakers shared their thoughts with the Hon'ble Minister, **Mr. Gurbaxish Singh Kohli**, Vice President, The Federation of Hotel & Restaurant Associations of India (FHRAI) suggested to have a healthy competition between the States of India. He also emphasized on giving incentives for the domestic travelers so as to boost tourism and economic development. Mr. Kohli shared a study report highlighting that even if one tourist stays in Mumbai even one day after his scheduled stay, then the city's revenue will be increased by 108 crores in a year.

Mr. Ajay Prakash, President, Travel Agents Federation of India shared that there are very few facilities for ladies specially toilets and other facilities in Mumbai and on highways and there is need to meet the basic needs. He also emphasized on organising activity based tourism. He shared the eco-friendly by putting seeds in name badges at the recent TAFI conference.

Mr. Vivek Braganza, Assistant Vice President, Shangri-La Group shared about millet cookies, which were made by the locals from the State of Andhra Pradesh which were produced in environment friendly methods. Similarly support and encouragement should be given to local communities in Maharashtra and elsewhere to support production of creative & eco friendly items that can be used in the tourism industry.

Mr. Carl Vaz, President, SKAL International India highlighted problems faced by the youth in the Hospitality Industry with regard to pay/ salaries which is resulting in the downfall of the labour force. Also the Industry has a gap between students enrolling for studies in this Industry and employment turnout ratio.

Mr. Kamlesh Barot, Committee Member, IMC Travel Tourism and Hospitality Committee requested the Hon'ble Minister to re-establish the joint tourism promotion council to address the issues faced by the Travel, Tourism and Hospitality Industry. He also made a request to have a single window clearance system in the tourism department to ensure expeditious implementation of tourism projects. Mr Barot to submit the Singapore model to the Minister's office at the earliest.

NETWORKING SERIES

Meeting with Ambassador, of Paraguay to India

7th October, 2022

IMC Chamber of Commerce and Industry, Shipping & Logistic Committee, organised an interactive meeting with H.E. Mr. Fleming Raul Duarte Ramos, Ambassador, Embassy of Paraguay in New Delhi, India during his visit to Mumbai to promote Paraguay and explore India's potential for business opportunities and investments, collaborations by providing assistance to members to get relevant information on prospective countries to associate with.

The meeting was held on Friday, October 07, 2022 at IMC where H.E. Mr. Fleming Raul Duarte Ramos, made a presentation enlightening the house, regarding the areas of collaboration and assistance that can be provided between our countries, to develop potential business opportunities in our mutual interest.

*(L to R) **Ms. Vanita Ghuge**, Assistant Director, IMC, **Ms. Sheetal Kalro**, Deputy Director General, IMC, **Mr. Sanjay Mehta**, Deputy Director General, IMC, **Mr. Samir Somaiya**, Vice President, IMC, **H.E. Mr. Fleming Raul Duarte Ramos**, Ambassador, Embassy of Paraguay in New Delhi, India, **Mr. Anant Singhania**, President, IMC, **Mr. Mark S. Fernandes**, Chairman, IMC Shipping & Logistics Committee, **Mr. Sorab P. Engineer**, Committee Member, IMC Shipping & Logistics Committee, **Mr. Nehal Desai**, Committee Member, IMC International Business Committee and **Mr. Anup Misal**, Assistant Director, IMC.*

IMC President, **Mr. Anant Singhania** welcomed the guest at the meeting and delivered the welcome address. During his remarks he gave an overview on India-Paraguay relations. Mr. Singhania opined about the main export items of Paraguay to India are waste and scrap of iron, steel, aluminum, copper and lead, soybean crude oil, hides & skins of bovine and essential oils. Whereas, main export items from India to Paraguay include iron and steel, plastics, fungicides, insecticides, tobacco and auto parts.

The President also updated the Ambassador on the various activities and initiatives taken by IMC to develop bilateral relations between India and Paraguay. Mr. Singhania informed about the annual flagship Conference of IMC India Calling and invited the Embassy's participation and support in the same to its next edition which is scheduled in the year 2023.

During the meeting **H.E. Mr. Fleming Raul Duarte Ramos** gave a detailed presentation on Paraguay – Land of opportunities. During the presentation, he highlighted on the country's profile, main economic indicators, variation of Paraguayan GDP, GDP composition, export composition, Foreign Direct Investment (FDI) evolution, Foreign Direct Investment (FDI) composition, country risk rating, Paraguay as leader in favorable business climate, Tax scheme, Tax reform and labor regime.

Further, addressing the meeting, the Ambassador informed that Paraguay is one of the largest producers and exporters of renewable energy in the world. Electric power is currently the second export product in the country. He also informed about the key facts for investment in Paraguay are greater projected economic growth in Latin America between 2020 and 2024, Lowest indirect tax rate in the region, Lowest corporate tax rate in the region, Lowest energy costs in the region, Economic resilience to external factors, Growing economic diversification, Macroeconomic discipline, Low public debit, The National Government's structural reforms are underway and Youngest population in the region.

The Ambassador also briefed about Paraguay as a Mercosur State Party to Mercosur has access to a market of more than 260 million in habitants, high levels of production and export capacity, post-pandemic economic motors and sustainable business opportunities in Paraguay.

Mr. Mark S. Fernandes, Chairman, Shipping & Logistics Committee requested the Ambassador to address on Paraguay being the 100% energy friendly country and how exchange of technology and knowledge transfer will benefit India. He also informed the Ambassador that India is the second largest exporter of water buffalo meat.

Mr. Fernandes, dwelled on the possibility of their existing barge operations and as they are the largest manufactures of barges, the same would be a great opportunity, since India is also promoting the use of rivers and interlinking all the states to ensure lower logistic cost, besides it being a more environmentally friendly mode of Transport. Mr. Anant Singhania, President also voiced the Govt. of India, push for the inland waterways.

The meeting concluded with a Vote of thanks by Mr. Samir Somaiya, Vice President, IMC Chamber of Commerce and Industry.

NETWORKING SERIES

Business Delegation to GIFT-City IFSC

11th October, 2022

The IMC Chamber of Commerce and Industry took a 20 member Business delegation comprising of Chartered Accountants, Financial Consultants, MSME's and education institutions to GIFT-City IFSC to get the first-hand experience, guided tour and interaction with top management of India's first IFSC – International Financial Service Centre through curated program.

IFSC (International Financial Service Centre) at GIFT-City (Gujarat International Finance Tec-City) is India first international financial services hub supported by both the Government of India and Government of Gujarat. It is the most ideal service sector platform for banking, capital market, insurance, Fin Tech, corporate offices and R&D facilities.

*IMC officials with **Hon'ble Shri Kanubhai Desai**, Finance Minister and Minister of Energy, Gujarat*

The visit started with an interaction with Shri Kanubhai Desai, Finance Minister and Minister of Energy at his office. He welcomed the delegation and informed that GIFT City IFSC provides various opportunities for business and also gave insight on the development of Gujarat. Mr. Milind Torawane, Secretary (Economic Affairs) answered all the queries of the delegates.

The meeting was followed by the meeting with Mr. Injeti Srinivasan, Chairman, IFSCA who mentioned that in the current scenario connecting India with Global opportunities is very important and IFSC is one such platform which will make India strong.

After this, the delegation was taken for a tour of the GIFT City which included state-of-the-art Solid Waste management, District Cooling System and Utility Tunnel.

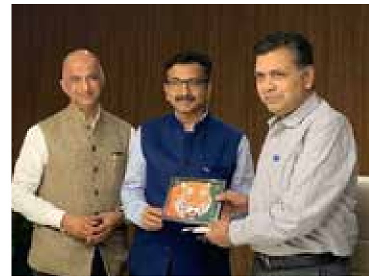
After lunch, visit to the NSE International Exchange was organized followed by meeting with the GIFT City officials including Mr. Sandeep Shah, Head, GIFT City.

The delegation then headed towards the visit to India International Bullion Exchange which is a channel for bullion trading at the international level and will put India on the global map.

Finally the delegation visited India International Exchange IFSC Ltd.

A subsidiary of BSE Ltd. which offers 22 hours trading in a range of financial market products. It has also introduced the Global securities market platform which is a pioneering concept in India.

(L to R) *IMC President,* ***Mr. Anant Singhania, Hon'ble Shri Kanubhai Desai****, Finance Minister and Minister of Energy, Gujarat and* **Mr. Samir Somaiya**, *VP, IMC*



(L to R) Mr. Samir Somaiya*, VP, IMC,* ***Mr. Anant Singhania****, President, IMC and* ***Mr. Injeti Srinivasan****, Chairman, IFSCA*

Seminar on Strategies for MSMEs to Improve Competitiveness through Export

12th October, 2022

IMC's Navi Mumbai Expert Committee organised a seminar on Strategies for MSMEs to Improve Competitiveness through Export at Hotel Ramada, Navi Mumbai.

IMC officials along with the IMC Navi Mumbai Expert Committee members and Guest Speakers of the event.

Mr. Jayant Khadilkar, Chairman, Navi Mumbai Expert Committee of IMC in his welcome address said that Global Trade operating under the principles of comparative advantage plays a significant role in driving rapid economic growth of nations. Particularly for a developing country such as ours, exports remain an important engine of economic growth. He also said that the Government has undertaken several initiatives to promote export from India and exporters should be aware of such initiatives. He added that the IMC's Navi Mumbai Expert Committee will be organising such events in future also which will help exporters, importers, MSMEs in Navi Mumbai and nearby regions. Mr. R K Jain, Member, Navi Mumbai Expert Committee, IMC briefed about various initiatives of IMC.

The speakers for the event were Mr. G Chandrashekhar, Economic Advisor, IMC and Director, IMC ERTF, Mr. Varun Chulate, Senior Assistant Director, Engineering Export Promotion Council, Mr. Sandeep Gupta, Senior Vice President, Yes Bank Limited. The esteemed speakers addressed the exporters regarding the strategies that exporters can adopt in today's market situation to improve their competitiveness in the global market. The event also focused on various schemes of the Government to promote exports from India.

According to the speakers, Exporters should find new markets for existing product lines, especially developing countries around the world. Few major big companies like Siemens, Philip, Caterpillar, Volvo, Airbus etc., do not import from India, exporters should target such companies. Exporters should focus on Innovation as India spends less than 1% of its GDP in R & D as compared to 5% by countries like Korea and Taiwan. Exporters should be aware of trade agreements that India has with other countries. Exporters should form an export desk in their organization which will dedicatedly study the specific focus products in different countries. Experts also mentioned that the world is looking for products that are novel, niche, organic, sustainably produced, competitively priced. Also, there is huge demand of aromatic and medicinal products, agriculture and commodity exporters should focus on it. Exporters can protect profit margin by hedging as price volatility may hurt their profit.

The session was followed by a question and answer session with participants who included Exporters, Importers, MSMEs, representatives of Industry Associations & Financial Institutions in Navi Mumbai. The seminar was supported by Yes Bank.

Film Screening and Dialogue: Faces of Climate Resilience

14th October, 2022

IMC's Young Leaders Forum (YLF) in association with India Climate Collaborative (ICC), organised **Film Screening & Dialogue: Faces of Climate Resilience** on Friday, October 14, 2022 at IMC. This event was supported by Council on Energy, Environment and Water (CEEW) and Bombay Natural History Society (BNHS).

*(**L to R**) **Ms. Sheetal Kalro**, DDG, IMC, **Ms. Shloka Nath**, Chairperson IMC YLF, Acting CEO, India Climate Collaborative (ICC), **Ms. Dulari** and **Mr. Amit**, Yuva India, **Mr. Bittu Sahgal**, Editor, Sanctuary Asia, & Founder, Sanctuary, Nature Foundation, **Mr. Anant Singhania**, President, IMC, **Ms. Tejashree Joshi**, Head - Environment & Sustainability, Godrej & Boyce Mfg. Co. Ltd., **Mr. Rajat Gupta**, Senior Partner, McKinsey and Co., **Mr. Milan George Jacob**, Communication Specialist, Council on Energy Environment and Water (CEEW)*

In his welcome remarks, Mr. Anant Singhania, President, IMC, mentioned that 'as a fast growing economy, India is fully conscious of its responsibility towards advancing Sustainable Development Goals adopted by the UN. Most of India's current policy is designed to meet one or more of the 17 goals set by the UN.'

The documentary series 'Faces of Climate Resilience' showcased how the communities who are already bearing the impact of climate change, are developing their own local adaptations to function through climate risks. The film screening was followed by an interaction with a climate champions and a dialogue by Mr. Amit and Ms. Dulari from Yuva India and Mr. Milan George Jacob, Communication Specialist, Council on Energy Environment and Water (CEEW).

The Panel discussion on RACE TO RESILIENCE' - How India Inc Can Take Lead in Building Climate Resilience, focused on how we can build climate resilience into businesses and societies, and integrate nature into our development narrative. The key speakers were Ms. Tejashree Joshi, Head- Environment & Sustainability, Godrej & Boyce Mfg. Co. Ltd. Mr. Bittu Sahgal, Editor, Sanctuary Asia, & Founder, Sanctuary Nature Foundation and Mr. Rajat Gupta, Senior Partner, McKinsey and Co. The panel discussion was moderated by Ms. Shloka Nath, Chairperson, IMC YLF and Acting CEO, ICC.

Meeting with Consul General of Belgium

18th October, 2022

IMC Chamber of Commerce and Industry, Shipping & Logistic Committee organised an interactive meeting with Mr. Frank Geerkens, Consul General, Consulate General of Belgium in Mumbai to promote Belgium and explore India's potential for business opportunities and investments, collaborations by providing assistance to members to get relevant information on prospective countries to associate with.

(L to R) Mr. Dinesh Joshi*, Chairman, IMC International Business Committee,* ***Mr. Samir Somaiya****, Vice President, IMC,* ***Mr. Frank Greekens****, Consul General, Consulate General of Belgium in Mumbai,* ***Mr. Mark S. Fernandes****, Chairman, IMC Shipping & Logistics Committee and* ***Ms. Sunita Ramnathkar****, Co-Chair, IMC Shipping & Logistics Committee.*

IMC Vice President, Mr. Samir Somaiya welcomed the guest and members from the Shipping & Logistics Committee and International Business Committee at the meeting and delivered the welcome address. During his remarks he gave an overview on India - Belgium relations. Mr. Somaiya opined that Belgium was among the first European countries to establish diplomatic relations with independent India in September 1947. The close bilateral relationship is based on shared commonalities and commitment to the rule of law, federalism and pluralism. He also stated that major export items to Belgium are Precious metals & stones, chemicals, and Base metals. Whereas, key import items from Belgium are Precious metals & stones, chemicals, and Machinery & Equipment's.

Mr. Mark S. Fernandes, Chairman, Shipping & Logistics Committee shared a brief about the Consul General and his association with India. He also gave a brief background about the close relationship IMC has with the Port of Antwerp Bruges and of the visit to Belgium at the invitation of HRH Prince Philippe & Princess Mathilde, who is now HRH. King Philippe & Queen Mathilde. The Close Bond with the Port of Antwerp Bruges, enable for the first time in history the Original artworks of their world renowned artist Sir, Peter Paul Rubens to leave the shores of Europe and be brought to India to be displayed for 6 months at the Museum in Mumbai.

Mr. Frank Geerkens enlightened the house, regarding the areas of collaboration and assistance that can be provided between our countries, to develop potential business opportunities in our mutual interest.

During the meeting Consul General Mr. Frank Geerkens shared that his first visit to India was 25 years ago and today India has undergone a socioeconomic transformation.

Following thoughts were shared during the meeting:

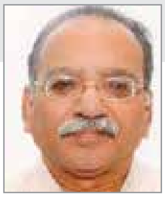
1. Request was made about India and The European Union (EU) to have Free Trade Agreement (FTA). The Zero duty excise duty will boost the export Industry.
2. The Consul General shared that Belgian companies are already feeling the impact of the war in Ukraine. Rising energy prices and EU sanctions against Russia have triggered a lot of uncertainty.
3. Travellers intended to travel to Europe are facing visa issues, obtaining appointment slots and extended processing time were addressed to the Consul General.
4. Need to promote tourist destination in Belgium to attract tourism.
5. The need to have a Cruise Terminal in the Port of Antwerp Bruges

Mr. Dinesh Joshi, Chairman, IMC International Business Committee informed about the annual flagship Conference of IMC India Calling and invited the Consulates' participation and support in the same to its next edition which is scheduled in the year 2023.

The meeting concluded with a Vote of thanks by Ms. Sunita Ramnathkar, Co-Chair, and IMC Shipping & Logistics Committee.

Seminar on Sustainable Development Goals: Value Chain for Fruits & Vegetables

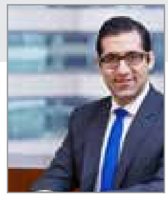
18th October, 2022



Dr. Sudhir Goel
Co Chairman, IMC's Agriculture & Food Processing Com.and Former Addl., Chief Secretary, Agriculture & Marketing, GoM

Mr. Vilas Vishnu Shinde
CMD, Sahyadri, Farmers Producer Company Limited

Mr. Eric Van Buuren
United Fruits, Netherlands,



Mr. Ameya Dhupelia
Head of International & New Business, Food and Inns Ltd,

Mr. Rupinder Singh
Head - Contract, Manufacturing & Sourcing, Del Monte, India

Mr. Aashish Barwale
Chairman, IMC's Agriculture & Food Processing Com. and Director, Mahyco

Mr. Aashay Doshi
Co-Chairman, IMC's Agriculture & Food Processing Com. & Director, Bloomfield Agro Products

IMC's Agriculture and Food Processing Committee organised a seminar on **Sustainable Value Chain Development for Fruits & Vegetables,** with a particular focus on food processing, exports, and local markets.

Mr. Aashish Barwale, Chairman, Agriculture and Food Processing, IMC and Director, Mahyco, in his welcome speech mentioned that supply chain efficiency can be boosted with infusion of appropriate technology. A well-established link, in India's fruits and vegetable supply chain, will ensure proper availability of produce throughout India at a competitive price and time.

Panel discussion on **Food Processing: India and Global Perspective** was moderated by Dr. Sudhir Goel, Co Chairman, Agriculture and Food Processing Committee, IMC and Former Additional Chief Secretary, Agriculture and Marketing, Government of Maharashtra. He talked about the challenges and opportunities in the food processing industry. The panelists Mr. Ameya Dhupelia - Head of International and New Business, Food and Inns ltd; Mr. Rupinder Singh: Head - Contract Manufacturing & Sourcing, Del Monte India provided meaningful insights for the need of backward integration, traceability, sustainability, and input management for crop development. The key takeaway was *'you need to move backwards to move forward'*, highlighting the need for food processing companies to be involved with farmers right from inputs to output to ensure quality, standardization, and price realization for the output.

Mr. Aashay Doshi, Co-Chairman, Agriculture and Food Processing, IMC and Director, Bloomfield Agro Products moderated Session on Case Study: Indian Grape Industry: Exports and Local Markets Mr. Eric Van Buuren, United Fruits, Netherlands Mr. Vilas Vishnu Shinde, Chairman and Managing Director, Sahyadri Farmers Producer Company Limited represented that the grape industry across the value chain: from grower / exporters to importers. India produces 30 Lakh ton of grapes, exports 2.5L tons, and Netherlands is the biggest importer with ~35% of imports. The key takeaways from the Indian grower side was to focus on diversifying supply to global markets, developing a strong local market in metro cities in India, developing newer varieties of grapes to be globally competitive, and to focus on input management for quality crop development. On the importer side, key takeaways were to work with Indian exporters to manage volumes, to develop stronger relations with super markets to ensure fair prices, and to continue providing timely market guidance to exporters.

Given the increasing costs of freight and inflation, grape growers have also requested government support for import duty reduction/ elimination in the EU by way of FTAs and diplomatic agreements. India pays 8% duty on grapes arriving in Netherlands whereas Chile and South Africa have waivers. Additionally, shipping lines have expanded their profits by increasing the freight rates by ~200% from 2019 to 2022, thereby deeply affecting the unit economics of Indian grape exporters. Sustainability of this model needs cooperation from all parties in the value chain, with government support.

Interactive Meeting with Minister of Finance, Planning and Economic Development of Uganda

19th October, 2022

IMC International Business Committee organised meeting with Hon'ble Mr. Matia Kasaija, Minister of Finance, Planning and Economic Development of Uganda during his visit to Mumbai.

On this occasion, IMC signed a MoU with the Ministry of Finance, Planning and Economic Development, Government of Uganda. The MOU was signed by Mr. Samir Somaiya, Vice President, IMC Chamber of Commerce and Industry and Hon'ble Matia Kasaija, Minister of Finance, Planning and Economic Development of Uganda with the witness and presence of Mr. Madhusudan Agrawal, Honorary Consul of Uganda in Mumbai. The objective of the MoU is to promote bilateral economic relations between India and Uganda and

The MoU signing ceremony was followed by an interactive meeting with Hon'ble Matia Kasaija, Minister of Finance, Planning and Economic Development of Uganda and the members of the Chamber. The objective of the meeting was to discuss the areas of collaboration and assistance that can be provided to each other to develop potential business opportunities.

IMC Vice President, Mr. Samir Somaiya welcomed the guest at the meeting and delivered the welcome address. During his remarks he gave an overview on India-Uganda relations. While updating the Hon'ble Minister on IMC Indo-Africa desk and its objective, Mr. Somaiya expressed IMC's interest to work closely with the Ugandan Government to develop trade and economic relations between India and Africa.

(L to R) ***Mr. Dinesh Joshi****, Chairman of IMC International Business Committee,* ***Hon'ble Matia Kasaija****, Minister of Finance, Planning and Economic Development of Uganda,* ***Mr. Samir Somaiya****, Vice President, IMC Chamber of Commerce and Industry,* ***Mr. Madhusudan Agrawal****, Honorary Consul of Uganda in Mumbai,* ***Mr. Vinod Saraogi****, Honorary Consul of Uganda in Chennai during the MOU signing ceremony at IMC.*

During the meeting Hon'ble Matia Kasaija, Minister of Finance, Planning and Economic Development of Uganda delivered the Special Address and gave members an overview on India and East Africa relations. He highlighted sectors like minerals, oil, copper, mining, gold as sector of interest for doing business in Uganda. Uganda is an open economy and our country offers free land and tax incentives to investors, said Hon'ble Minister. While addressing the meeting, Minister said Uganda is the heart of Africa and we invite businesses from India to come to Uganda to enhance their global presence.

Also while thanking IMC for hosting the meeting, Hon'ble Minister invited IMC to lead a delegation to Uganda to participate in the Afro-Indian Investment Summit 2022 being organised on 17th - 18th November, 2022. Hon'ble Minister assured his support to IMC and its members interested in doing business with Uganda.

Further, addressing the meeting Chairman of IMC International Business Committee, Mr. Dinesh Joshi briefed the Minister on IMC's international trade area and informed about the annual flagship event India Calling Conference and invited the Hon'ble Minister to participate in the upcoming Conference scheduled in April 2022 with a delegation from Uganda as he highlighted that regular exchange of visits will play an important role in strengthening bilateral relations between the two countries.

Also present on the occasion Mr. Madhusudan Agrawal, Honorary Consul of Uganda in Mumbai and Mr. Vinod Saraogi, Honorary Consul of Uganda in Chennai briefed the members on the annual trade and investment convention scheduled in Uganda in November where high-level government engagements and participation of businesses from Uganda and neighbouring countries is expected and extended invitation to IMCs members with the support to facilitate smooth participation.

The Hon'ble Minister then interacted with the participating members and addressed their requests during the meeting.

*Interactive Meeting with **Hon'ble Matia Kasaija**, Minister of Finance, Planning and Economic Development of Uganda.*

Revolutionising E-Commerce in India : ONDC Framework

19th October, 2022

IMC's Digital Technology Committee organized an online session on **Revolutionising E-Commerce in India : ONDC Framework.**

In line with the overall focus of IMC on MSMEs, this session was aimed at helping MSMEs in understanding the new revolutionary buzzword in ecommerce which is ONDC. **ONDC (Open Network for Digital Commerce)** is a government of India initiative that creates a framework that enables buyers and sellers to engage in a very seamless and transparent matter, allowing interoperability between different platforms, at the same time ensuring that a buyer (or seller) has full ownership of one's own data. This is one of its kind initiative in the world, which will revolutionise the e-commerce in India and provide a level playing field to small and medium players.

The UPI payment system, which was launched a few years ago, has revolutionised digital payments in India. What UPI has done to digital payments, ONDC promises to do this to e-commerce. E commerce in the country is mainly controlled by a limited number of very large Indian and global players. And one of their biggest asset is consumer data, which they guard very carefully and mine for their benefit.

The session speaker Mr. Shireesh Joshi, Chief Business Officer, Open Network for Digital Commerce (ONDC) emphasized on the need for ONDC and the working of the same in detail with a self-explanatory presentation. It was a highly interactive session with all the queries from users were completely handled and all doubts clarified.

Previously Mr. Joshi held roles with Procter & Gamble, PepsiCo, Airtel and Godrej, where he managed multiple brands, geographies and market positions simultaneously and worked on businesses across India, China and South Asia, working with various cultures and languages and has over 30 years of experience delivering successful results with organisations and teams of varying capability and scale.

Mr. Shireesh Joshi
Chief Business Officer,
Open Network for Digital Commerce (ONDC)

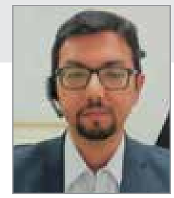
Mr. Hareesh Tibrewala, Chairman, IMC Digital Technology Committee welcomed Mr. Joshi and initiated the session impressing the importance of ONDC and the relevance of the same in the ecommerce sector.

Webinar on 'Navigating Turbulence in the Economy & Equity Markets'

20th October, 2022

Dr. R. Ramakrishnan
Chairman, Industry & Trade Committee, IMC

Mr. Sanjay Mookim
Strategist, Head of India Equity Research, J.P. Morgan India Private Limited



Mr. Santanu Sengupta
Chief India Economist, Goldman Sachs, Mumbai

Mr. Venkat Thiagarajan
Director, SYFX Treasury Foundation

IMC's Industry and Trade Committee in association with SYFX Treasury Foundation organized a webinar on **'Navigating Turbulence in the Economy & Equity Markets'.**

Ms. Sheetal Kalro, Deputy Director General, IMC, in her welcome address said that the global economy is experiencing a number of turbulent challenges. The Indian economy that was already vulnerable to inflation from supply chain disruptions, came under more pressure when Russian aggression in Ukraine added sharply to rising commodity prices. She added that markets rarely give us clear skies, and there are always threats to watch for on the horizon, but the right preparation, context, and support can help us navigate anything that may lie ahead. Dr. R. Ramakrishnan, Chairman, Industry and Trade Committee, IMC in his introductory remarks said that these are unprecedented times as the world has never ever dealt with Global recession and an economic war simultaneously. The Financial markets are sensing disaster coming their way but they just don't know the scale and quantum of the blow out and the likely trigger. He added that stability feels like an optimistic assumption in the current times of uncertainty and volatility. Hence it is important to have a broader understanding of the macro factors for navigating through these turbulent times.

Mr Venkat Thiagarajan, Director, SYFX Treasury Foundation moderated the discussion. The esteemed speakers were Mr. Sanjay Mookim, Strategist, Head of India Equity Research, J.P. Morgan India Private Limited and Mr. Santanu Sengupta, Chief India Economist, Goldman Sachs, Mumbai. According to the experts, India will get affected by the economic and geopolitical situation in the world & it will affect the equity market. Considering the after covid effect and geopolitical tension, Central Banks won't have any choice to continue to tighten liquidity and continue to keep rates higher. The experts also of opinion that if a country is not doing a fair amount of export, it won't be able to shift its labour from agriculture to manufacturing which is generally essential for Industrialization in any emerging economy like India. The experts also said that Indian corporates have de-leveraged during Covid 19 pandemic. Major Banks have the best capital position since the global financial crisis. They also mentioned that as per their study, the Indian rupee typically depreciates vs the USD when faced with a balance of payment deficit. India's domestic growth is quite higher compared to the rest of the world so we are able to defend the external environment till now.

The session was followed by a question and answer session with participants, who included business owners, bankers, exporters, industry representatives, and representatives from Industry Associations, among others.

NETWORKING SERIES

Awareness Programme

Price Risk Management through BSE Gold Mini Options in Goods Contract

14th September, 2022

BSE Turmeric Futures: A Perfect Tool to Hedge Volatile Prices

28th September, 2022

The IMC Chamber of Commerce and Industry, in collaboration with the BSE, organized Investor Awareness Programs for Commodity Derivative Contracts. The focus was to educate the investors about the dynamics of the commodities market so that buying/ selling/ trading decisions are well informed, scientific and cost-effective.

Awareness program on September 14 2022 aimed to provide participants with information about how they can use Gold Futures Contracts to manage price risk and does Options Contract in Gold offers an excellent investment opportunity for investors? The key speakers for the session were Mr. G. Chandrashekhar, Economic Advisor, IMC and Director, IMC-ERTF and Ms. Gunjan Singh, Product Manager, BSE. The Special address was delivered by Mr. Amit Modak, Director- CEO, P.N. Gadgil & Sons. Experts mentioned gold should be an integral part of everyone's investment strategy as it's an excellent portfolio-diversifier.

Commodity markets are volatile, therefore it's necessary to manage the price risks through hedging which is an insurance against adverse price movement. The event held on September 28, 2022 highlighted the benefits of participating in the Turmeric Futures contract. The key speakers were Mr. G. Chandrashekhar, Economic Advisor, IMC and Director, IMC-ERTF and Mr. Deepak Chaudhary, Manager, Business development and Marketing, BSE ltd. The

The seminar was highly interactive, and the trainers' advice and experiences would help participants make informed investing decisions.

Ms. Gunjan Singh
Products & Business Development, BSE

Mr. Amit Modak
Director- CEO, P.N. Gadgil & Sons.

Mr. G. Chandrashekhar
Economic Advisor, IMC and Director, IMC-ERTF

Mr. Deepak Chaudhary
Manager, Business Development & Marketing, BSE Ltd.

Commodity Derivatives: Asset Class on BSE Platform

11th October, 2022

As a part of SEBI- supported World Investor Week, IMC Chamber of Commerce and Industry in association with BSE organised an **Awareness Program on Commodity Derivatives: Asset Class on BSE Platform**

The key speaker for the session were Mr. G Chandrashekhar, Economic Advisor IMC and Director IMC ERTF and Ms. Shraddha Khandelwal, Deputy Manager, Business Development and Marketing, BSE Ltd. They gave a brief idea on how Commodities have evolved as an asset class with the development of commodity futures indices and subsequently, investment options that benchmark against these indices. Adding broad commodity can help diversify a portfolio of stocks and bonds, potentially lowering the risk of an overall portfolio and boosting returns.

The focus of the program was to educate physical market participants, investors and others about the dynamics of the Commodity market so that buying, selling and trading decisions are well informed, scientific and cost-effective.

The seminar was interactive and trainers shared their insights and experiences to help participants make educated investment decisions.

Mr. G. Chandrashekhar
Economic Advisor, IMC and Director, IMC-ERTF

Ms. Shraddha Khandelwal
Deputy Manager, Business Development and Marketing, BSE Ltd.

Investor Awareness Programme on Role of Commodities as an Asset Class in an Inflationary Environment

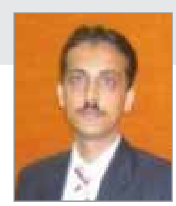
13th October, 2022

As a part of SEBI- supported World Investor Week, IMC Chamber of Commerce and Industry in association with MCX organised an awareness programme on Role of Commodities as an Asset class in an inflationary environment on Thursday, October 13, 2022.

The key speakers for the event Mr. Madan Sabnavis, Chief Economist, Bank of Baroda; Mr. Nazir Ahmed Moulvi, Sr Manager, Financial Institutional Marketing, MCX and Mr. G Chandrashekhar, Economic Advisor, IMC Chamber and Director, IMC-ERTF highlighted that investment in Commodities must be considered during an inflationary environment. Such investment has a potential to bring good returns for the investor. It is important for the investor to have an 'EXIT' strategy in place so that he benefits from price movements. Also, in an inflationary environment it is necessary to be fully aware of drivers of the market including liquidity, interest rates, demand side and supply side issues. The investor should have an idea to have policy response to inflation and its effect on the commodities market

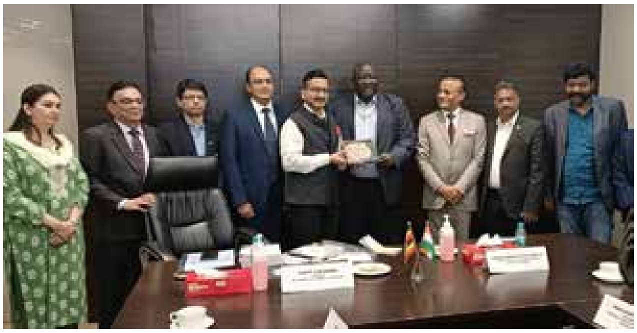
Speakers also mentioned that to benefit from future growth trends, close study of commodity markets is necessary. Therefore, it is crucial for investors to acquire product knowledge and market knowledge in order to be successful and achieve financial independence. Given the volatile nature of various markets, it is critical for investors to diversify their investment portfolio. Investors must include commodity derivatives too in their portfolio as part of risk mitigation.

Mr. Madan Sabnavis
Chief Economist, Bank of Baroda



Mr. Nazir Ahmed Moulvi
Sr Manager, Financial Institutional Marketing, MCX

Courtesy Call



*IMC President, **Mr. Anant Singhania** with **Mr. Henry Oryem Okello**, Minister of State for Foreign Affairs of the Republic of Uganda along with the IMC officials - September 7, 2022*

*Meeting with **Ms. Margaret Kyogire**, Acting High Commissioner of the Republic of Uganda in New Delhi at IMC – September 7, 2022*

*IMC President, **Mr. Anant Singhania** with **H. E. Zakia Wardak**, Consul General of Afganistan in Mumbai – September 14, 2022*

***Mr. Samir Somaiya**, Vice President, IMC and IMC Past President, **Dr. Niranjan Hiranandani** met with **Shri Hardeep Singh Puri**, Hon'ble Union Minister for Housing & Urban Affairs & Petroleum & Natural Gas – September 17, 2022*

IMC joined hands with Indian Coast Guard and Ministry of Earth Sciences to celebrate International Coastal Cleanup Day at Girgaum Chowpatty beach – September 17, 2022

*Revered **Prof. Dr. Vishwanath D. Karad** – Founder & Chief Patron, MAEER's MIT, Pune & President, MIT World Peace University blessing **Mr. Anant Singhania**, IMC President with a photo of Lord Saraswati – September 18, 2022*

*IMC President, **Mr. Anant Singhania** with **Prof. S. P. Singh Baghel** - Hon'ble Minister of State for Law and Justice, Govt. of India – September 18, 2022*

*IMC President, **Mr. Anant Singhania** with **Shri Bhagat Singh Koshyari**, Hon'ble Governor of Maharashtra speaking about importance of ecology at Raj Bhavan. Standing behind (left) is **Padma Bhushan Shri Anil Prakash Joshi** – October 3, 2022*

*IMC President, **Mr. Anant Singhania** with **H E Mr. Fleming Raul Duarte Ramos**, Embassy of Paraguay in India – October 7, 2022*

*Meeting with **Ms Andrea Kuhn**, Consul General of South Africa, Mumbai accompanied by **Mr Dean Hoff**, Consul : Economic from the Consulate General of South Africa, Mumbai – October 14, 2022*

IMC's contribution to the Maharashtra Startup Week culminating with a prize distribution at Raj Bhavan IMC was on the jury of selection for both the Maharashtra Innovation Awards as well as the Maharashtra Startup Yatra – October 16, 2022

*IMC President, **Mr. Anant Singhania** addressing at the 12th Bhartiya Student Parliament at MIT World Peace University, Pune – September 2022*

*Team IMC Legal Eagles attended IMC Ladies' Wing event presided by **Hon'ble Justice K R Shriram** of Mumbai High Court – September 20, 2022*

Holistic Fitness through Tai Chi with Mr. Christopher Fernandes

13th September, 2022

Mr. Christopher Fernandes – well known martial arts exponent and founder of Sevangee through this session emphasized on the various health benefits Tai Chi can provide, as well as tips on how to get started with this excellent form of exercise suitable for all ages. He shared some very basic breathing exercises, which develop better posture and grounding.

Mr. Christopher Fernandes

Members learning Tai Chi Exercises

'Pearls of Wisdom' - Property Rights of Women

20th September, 2022

Hon'ble Justice K R Shriram and Mr. Vikram Trivedi addressed on the several facts about the property rights for women in India and how to safeguard the same. They explained how women have legal rights in cases of property of their parents, spouses and children and how the law changes according to religions.

The event concluded with an interactive question and answer session.

Eminent guest speakers ***Hon'ble Justice Mr. K R Shriram*** *and* ***Mr. Vikram Trivedi*** *with the Legal Committee Members*

Special Screening of the Film - Babli Bouncer

26th September, 2022

The IMC Ladies Wing hosted a special screening of the film Babli Bouncer at Films Division Auditorium Peddar Road Mumbai.

Director Madhur Bhandarkar and lead actor Tamannaah Bhatia were present at the screening with notable members of the IMC Ladies' Wing and other dignitaries. The screening was conceptualized and beautifully curated by Ms. Aarti Surendranath.

The film explored the various facets of the profession, which is usually dominated by men. The objective of the screening was to salute the essence of woman power. The movie echoed the struggle, spirit and success of womanhood.

(L to R) ***Ms. Roma Singhania****, President, IMC Ladies' Wing,* ***Ms. Aarti Surendranath****, Event Curator,* ***Mr. Madhur Bhandarkar,*** *Renowned Film Director,* ***Ms. Anu Chadha****, Co-Chairperson, Cinema and More Committee,* ***Ms. Tamannaah Bhatia****, Renowned Film Actor,* ***Ms. Rajyalakshmi Rao****, Chairperson, Cinema and More Committee*

Mr. Madhur Bhandarkar *and* ***Ms. Tamannaah Bhatia***

Garba Celebration

7th October, 2022

The Garba Celebration was a truly joyous affair. The event began with the DJ who immediately set the crowd moving with the infectious rhythms of famous garba songs.

The highlight of the event was the Garba performance by the enthusiastic committee members. A number of prizes were also handed out to members to recognise their efforts as best dressed and best dancers.

Members having good time at the Garba Celebration

With energetic garba songs, colourful attires, sumptuous chaat and golas the evening was an affair to cherish.

Go Green

12th October, 2022

A visit to an urban hydroponic farm - Satviki farms was organised for the members.

Members had a fun-filled evening learning about how hydroponic vegetables are grown and its benefits from Ms. Priyanka Jain – Nutritionist and Co-Founder of Satviki Farms. The farm visit was followed by a demo on healthy salads by Chef Mr Harsh Shodhan and high tea at Bougain Villea restaurant.

Members on a guided tour of Satviki Farms

*Health and Holistic Committee Members with **Ms. Priyanka Jain** and **Chef Mr Harsh Shodhan***

LADIES' WING