

FM: India's G20 presidency gave clear policy direction

'Need to maintain momentum on G20 guidance; global growth slow'

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Union Finance Minister Nirmala Sitharaman said on Monday that India's G20 presidency had provided a clear policy direction to address the needs of the majority of the global population whose voices were often unheard in multilateral forums.

She also said the global economy had been grappling with multiple crises, adversely affecting worldwide growth since the pandemic, and while recovery was underway, it remained slow and uneven. The minister said the current pace of global growth remained well below the average of 3.8 per cent in the two decades before the pandemic, and looking ahead over the medium term, growth prospects had weakened further.

The minister was speaking at the seminar on "Strong, Sustainable, Balanced and Inclusive Growth", organised by the Ministries of Finance and Labour, and the Commerce Department.

She said even though by the end of this month India's role as G20 president came to an end, the momentum must be maintained on the policy guidance in the New Delhi Leaders' Declaration.

"Not only should we engage with



Union Finance Minister Nirmala Sitharaman at a seminar on 'Strong, Sustainable, Balanced and Inclusive Growth' organised under the aegis of G20 India Presidency, in New Delhi on Monday

PHOTO: PTI

"WE SHOULD ALSO EXPLORE HOW BEST WE CAN INTEGRATE THESE (G20) OUTCOMES WITH INDIA'S DOMESTIC POLICYMAKING PROCESS"

Nirmala Sitharaman, Union finance minister

G20 partners to take forward the outcomes, we should also explore how best we can integrate these outcomes with India's domestic policy-making process so that we can lead by example," she said.

The virtual meeting of the G20 leaders to take stock of the progress made after the New Delhi Leaders Declaration will be held on November 22, Chief Economic Advisor V Anantha Nageswaran said.

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Sudhir Kapadia, national tax leader, EY India. “The current mop-up should provide some cushioning to government spending, which might be impacted by the likely extension in the Pradhan Mantri Garib Kalyan Anna Yojana.”

Excise duty, meanwhile, remains a bit of a concern if the present trend continues, said sources. Though it is too early to draw conclusions, meeting the excise estimate could be challenging. After the introduction of the GST, excise duty is mostly levied on petroleum and tobacco. On the other hand, achieving the Customs target for the financial year should not be too difficult.

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This would be the last meeting under India’s G20 presidency. In her inaugural address, the

minister said policy coordination, global and domestic, was critical to ensure that growth came back on track and remained strong, sustainable, balanced, and inclusive.

“The New Delhi Leaders’ Declaration underscores the urgency of implementing well-calibrated macroeconomic and structural policies to bolster equitable growth and enhance macroeconomic and financial stability,” she said. Referring to the Union Budget 2023, when she mentioned medium, small, and micro enterprises (MSMEs) as the growth engine of the Indian economy, Sitharaman said: “India can definitely lead the way in ensuring that the actions set out in the Jaipur Call for Action continue to be taken forward through the G20 and the World Trade Organization so that the full potential of MSMEs can be fully exploited.”