

Global economic growth prospects look weak as recovery remains slow, says FM

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Finance Minister Nirmala Sitharaman on Monday said that in the medium term, global economic growth prospects have weakened further as the recovery has been slow and uneven.

Addressing a webinar on 'Strong Sustainable Balanced and Inclusive Growth' here, she said, "Since the pandemic, the global economy has been grappling with multiple crises, adversely affecting global growth. While the recovery is underway, it remains slow and uneven. The current pace of global growth remains quite weak, well below the 3.8 per cent average in the two decades before the pandemic and looking ahead over the medium term, growth prospects have weakened further."

Policy coordination, both global as well as domestic, is critical to ensure that growth comes back on track and



remains strong, sustainable, balanced and inclusive, she added. To this effect, she

added that the G20 New Delhi Leaders' Declaration (NDLD) underscores the urgency of

implementing well-calibrated macroeconomic and structural policies to bolster equi-

table growth and enhance macroeconomic and financial stability.

"Under our Presidency, the G20 placed close attention to integrating MSMEs into international trade. MSMEs account for 90 per cent of businesses, 60 to 70 per cent of employment and 50 per cent of GDP worldwide. They play a key role in sustaining livelihoods, in particular, among the working poor, women, youth, and groups in vulnerable situations," Sitharaman added further.

However, MSMEs, particularly in developing nations, often struggle with limited access to information, hindering their international trade involvement.

To help address this challenge, the NDLD welcomed the Jaipur Call for Action which aims at promoting the MSME sector as well as bridging information gaps for MSMEs to help them expand their business and trade.

"Digital Public Infrastructure (DPI) and the manner in which it has revolutionised the financial inclusion landscape

has been lauded globally. India has been at the forefront of this revolution, and India's own growth story has gained significant momentum through DPI. They also play a crucial part in G2P payments, ensuring targeted, transparent payments and promoting the inclusion of vulnerable groups such as women, students, and the elderly," the finance minister said.

Drawing inspiration from India's successful implementation of the India Stack, the G20 policy recommendations for advancing financial inclusion through DPI were endorsed in the NDLD, she added. "As I reflect on the last one year, I believe we have delivered a G20 Presidency that has provided clear policy directions for addressing the needs of the majority of the global population whose voices are often unheard in global multilateral forums. However, we still have work left to do," Sitharaman concluded.