

G-20 needs to tackle global debt, says PM

'Progress on sustainable development goals seems to be slowing'

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Prime Minister Narendra Modi said on Friday unsustainable debt levels were threatening many nations across the world, and that the G-20 nations, along with multilateral institutions, needed to find solutions to the issue.

"The financial viability of many countries is threatened by unsustainable debt levels. Trust in international financial institutions has eroded. This is partly because they have been slow to reform themselves. It is now up to you -- the custodians of the leading economies

and monetary systems of the world to bring back stability, confidence, and growth to the global

economy. It is not an easy task," Modi said while virtually addressing the G-20 meeting of Finance Ministers and Central Bank Governors (FMCBG).

"Even as the world population has crossed 8 billion, progress on sustainable development goals seems to be slowing. We need to collectively work to strengthen multilateral development banks for meeting global challenges like climate change and high debt levels," Modi said.



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Narendra Modi, Prime Minister



Digital gender divide worsened in India in recent years: Report

The Indian market might be the second largest in terms of active mobile broadband subscriptions

after the African continent and the fastest growing in the world, but the digital divide between the genders is not only high, it is growing.

A report, titled *State of India's*

Digital Economy 2023, presented by ICRIER Prosus Centre for Internet and the Digital Economy (IPCIDE) on Friday points out that India has the lowest gender parity in access to mobile ownership among the G20 countries and this disparity has worsened in recent years. 4 ▶

Union Finance Minister Nirmala Sitharaman and Reserve Bank of India Governor Shaktikanta Das, who are co-chair at the FMCBG meeting, also gave their opening remarks. They too

flagged the global debt burden and Sitharaman sought views from the G-20 member nations on multilateral coordination for managing the problem.

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If this happens, it will worsen the trend of a slowdown in consumer demand as visible in the Q3FY23 results of listed consumer companies. The net sales growth of FMCG, consumer durables and automotive firms (excluding commercial vehicles and tractor makers) decelerated to 14.8 per cent YoY in Q3, down from 25.3 per cent YoY in Q2, according to an earnings analysis of *Business Standard*.

Maruti...

In the pre-pandemic year of FY20, the car maker saw an overall sales growth drop but rural sales still fared better than urban. (see chart). "We continue to maintain a positive view given the Maruti Suzuki unique moats and intrinsic strength like a broad-based product portfolio, dealership strength and a strong rural presence," said Dolat Analysis and Research Themes in a January report

Srivastava points out that, in the last 15 year's data, rural growth has always been higher than urban, with the exception of 2013. To add to this, car penetration in rural areas is very low and therefore, the growth is also better due to a base effect. The rate of income growth in rural areas is better due to increased agricultural output.

At times, there is some crossover between rural and urban sales. For example, a rich farmer living in an urban area may book his car through a Rural Dealer Sales Executive because he has an address in a rural area and farms there. Looking ahead, as Maruti Suzuki's focus on SUVs and EVs increases, the pattern of rural growth overtaking urban may change. Srivastava says that during this fiscal, there have been some months when urban sales growth has beaten rural sales growth.

PM...

Addressing the FMCBG meeting,

Modi said the global economy was still suffering from the after-effects of the pandemic and wide-ranging geopolitical tensions. Modi expressed hope that the participants would draw inspiration from the vibrancy of the Indian economy.

"Indian consumers and producers are optimistic and confident about the future. We hope that you will be able to transmit the same positive spirit to the global economy."

"I would urge that your discussions should focus on the most vulnerable citizens of the world. Only by creating an inclusive agenda will the global economic leadership win back the confidence of the world," he said. Modi urged the G-20 members to explore and harness the power of technology while developing standards to regulate its possible risk of destabilisation and misuse in digital finance. The Prime Minister noted India had created a highly secure, trusted, and efficient public digital infrastructure in its digital payments ecosystem over the past few years.

"Our digital payments ecosystem has been developed as a free public good. Examples like the UPI can be templates for many other countries too. We would be happy to share our experience with the world and the G20 can be a vehicle for this," he said.

Sitharaman told her counterparts that the G20 could transform lives across the globe by leveraging the complementary strengths of members while respecting country needs. It can be an incubator of new ideas and a forum to listen to the voices of the "Global South", she said.

Das, meanwhile, called upon G20 nations to resolutely address the challenges, like threats to financial stability and debt distress that confronted the global economy.

Das said although the outlook for the global economy had improved in recent months, and there was now greater optimism that the world might

avoid a deep recession and only experience slow growth or softer recession, there were uncertainties.

"Together we must resolutely address the challenges that confront us, including those that are of medium- to long-term nature such as threat to financial stability, debt distress, climate finance, fractures in global trade, and strains on global value chains. We must promote greater global economic cooperation and position the global economy on a trajectory of strong sustainable balanced and inclusive growth," Das said.

Sebi...

However, expenses such as those incurred while buying and selling securities by MF schemes and the 18 per cent GST on the fund management fee is outside the purview of the TER. Sebi is looking to bring all these costs within the TER.

The regulator has set upper limits on how much TER a scheme can levy. An active equity fund scheme can charge a maximum TER of 2.25 per cent of the AUM, while debt schemes can charge up to 2 per cent. Many schemes currently charge a TER that is below the maximum permitted by Sebi, market players said. If more heads such as GST are brought under the TER, it may prompt fund houses to increase the ratio wherever there is room available, they added.

Over the years, Sebi has endeavoured to lower the cost of investing for MF investors.

India...

Communiqué is a consensus document and needs the consent of every member of G-20.

Russian Finance Minister Anton Siluanov and central bank governor Elvira Nabiullina are not attending the Bengaluru meeting, and are represent-