

Global Financial Outlook and India's Position

Business Standard Smart Business event held on 26th February, 2014, in association with All India Association of Industries and World Trade Centre, Mumbai.

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From left to right: Jairaj Purandare, Chairman, JMP Advisors Pvt. Ltd., Vijay Kalantri, Chairman & MD, Dighi Port Limited, D R Dogra, Managing Director & CEO, Credit Analysis &

Research Ltd. (CARE), Shankar Jadhav, Head – Strategy, Bombay Stock Exchange Ltd., at Business Standard Smart Business event held on 26th February, 2014, in association with All India Association of Industries and World Trade Centre, Mumbai.

“The global economy, showing signs of revival, is estimated to grow at 3.7%. The emerging markets need to be guarded against capital flight towards the developed economies triggered by arrest on monetary easing”, said Mr. D. R. Dogra, Managing Director & CEO, Credit Analysis & Research Ltd.

Enumerating on the far reaching impact of withdrawal of foreign investments from emerging markets, Mr. Dogra said that private enterprises will lack access to easy credit facilities. The crowding out of capital formation is expected to drag down growth prospects for emerging economies.

Dr. Dogra noted that it is crucial that the emerging economies tap tradeable opportunities to earn valuable foreign exchange and aid economic growth.

Mr. Shankar Jadhav, Head – Strategy, Bombay Stock Exchange Ltd., said that the Government and SEBI should encourage investments in equity and debt markets. A slash on Security Transaction Tax may make investments in equity markets a viable option.

Further he added that in the era of domestic meltdown, an impetus to the SME sector will prove favourable.

Thus, BSE intends to promote the SME sector and has thereby conceptualized the SME Trade Exchange.

Mr. Purandare said that the last few months have demonstrated the preparedness of the Indian Government and the RBI in dealing with capital flight. The fluctuating Indian rupee has been stable in comparison to other emerging market currencies.

Elaborating further on the recent macroeconomic projections for India, Mr. Purandare noted that the Interim Budget has met the fiscal deficit targets. However, the hopes of tax revenues registering 18% growth in the coming financial year may fall short of expectations.

Mr. Vijay Kalantri, Vice-Chairman, MVIRDC World Trade Centre and All India Association of Industries, said that the economic activity has demonstrated gradual recovery in the US and the European markets.

Mr. Y. R. Warerkar, Executive Director, MVIRDC World Trade Centre proposed the vote of thanks.