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# India's G20 Presidency: A beacon of global economic cooperation

As India assumes the G20 presidency, it leverages its influence, setting the stage for global economic collaboration

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The global projections cautioned recession for growth projections on the back of geopolitical tensions, inflation and rising interest rates. Nevertheless, India's adeptness in managing such challenges positions it as a promising global player, bolstered by its current G20 presidency.

India's hosting of the G20 presidency signifies its burgeoning soft power, underscoring its growing influence and reputation worldwide. Simultaneously, this presidency serves India's interest on multiple fronts. Firstly, it is poised to elevate India's standing and cultivate new relationships while fortifying trade partnerships with member nations. Additionally, it is set to attract more foreign investments.

The G20 plays a pivotal role in ensuring future global economic growth and prosperity, representing approximately 85 per cent of the global GDP, 75 per cent of global trade, and two-thirds of the world's population. According to the latest IMF projections, emerging markets and developing economies are expected to contribute around 80 per cent of global growth, with India accounting for over 15 per cent of this growth.

Presiding over this multilateral forum is an opportunity for India as it can showcase its strength and achievements for attracting investment and deepen its trade relation with these large economies, the experts added.

Having said that, there are some definite ways in which India's economy can be boosted through the G20 process. Let's take a look at what are the sectoral expectations from the G20 summit.

### **Fast-track process for free trade**

Fast-tracking negotiations for free trade agreement, ease of doing business, development of modern infrastructure, skilled manpower, large population with growing income are some of the positives which help India to enhance trade realisations with these member countries.

Trade experts suggested the government to fast-track ongoing negotiations for free trade agreement (FTA) with countries like the UK and EU as it would help India in better market access to these countries as well as facilitate investment.

However, they also asked not to use trade platforms to achieve climate aspirations as that could harm progress in both trade and climate discussions.

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The largest trade block of G20, the EU, will set in motion the carbon border adjustment mechanism from October 1 this year, making exports expensive from countries like India.

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“In the first eight months of 2023, the EU introduced five regulations on climate change and trade. The G20 nations should not ignore this elephant in the room and discuss before individual countries rush to the WTO (World Trade Organisation (WTO)). This may soon unravel world trade,” think tank Global Trade Research Initiative (GTRI) Co-Founder Ajay Srivastava said.

# G20 Summit

## India on Global Stage

### What is G20?

A premier forum for international economic co-operation, accounting for over **85%** of global GDP

G20 has **43 members**, including 19 countries and the EU (27-member group)

### India in G20 in numbers

India is hosting **18th** G20 Summit  
in New Delhi

**9th** rank in total trade (**USD 1,662 billion**) in goods and services in 2022

**64%** Merchandise export in 2022

**52.4%** Merchandise import in 2022



## Benefits for SMEs

Mumbai-based exporter and Chairman of Technocraft Industries Sharad Kumar Saraf said India's trade with G20 countries will grow at an accelerated rate because of the comfort and confidence created in the members due to the multiple events organised by India in different cities.

"This helped in showcasing the country as a whole. The G20 Presidency has thrown up many opportunities in diverse sectors for India. It is now for India to grab this opportunity. India should consider converting G20 in an economic block, a shade lower than free trade, maybe, reduced custom duties among the group members, Saraf said.

G20 is betting big on climate actions. India inc expects talks on the same to resolve climate change and its impact on the businesses.



"There is a need to address climate action which is a major threat to SMEs, and the G20 can do so by prioritising and promoting green technologies and sustainable business practices," commented Shailendra Singh Rao, Founder, Creduce.

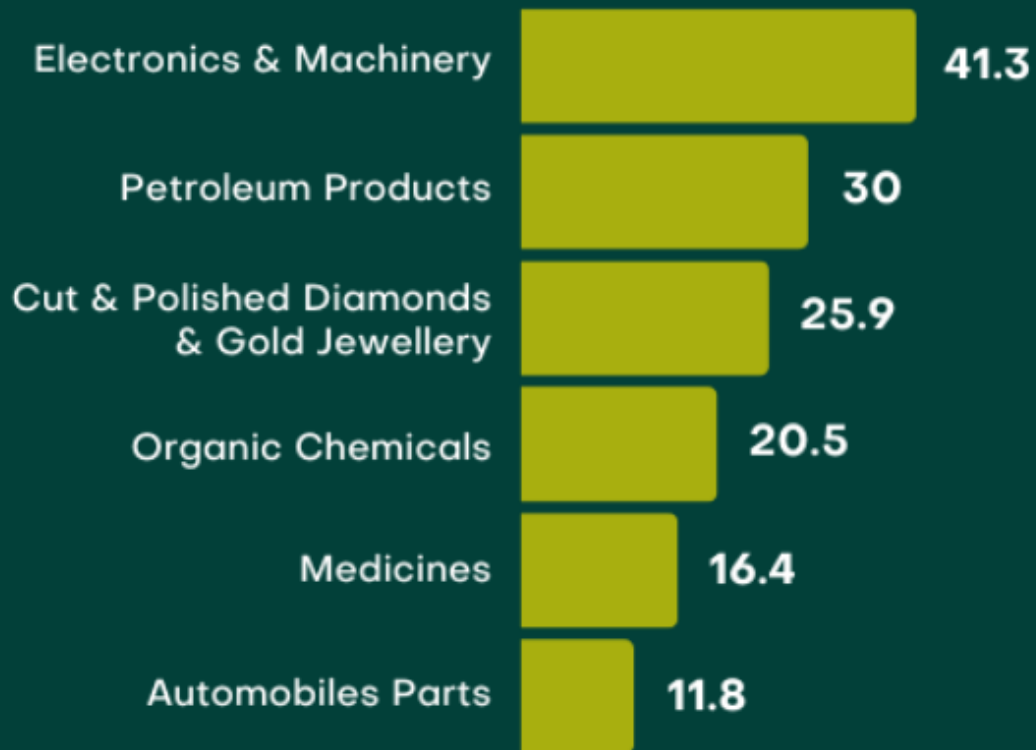
Prime among these initiatives is the establishment of a Green Entrepreneurship Fund that could provide financial support to SMEs that are developing or adopting green technologies.

"Further there is an urgent need to establish a Climate Technology Transfer Hub to facilitate the transfer of green technologies from large companies to SMEs,"

"Empowering the worker force could happen with the help of the Climate Skills Training Program that can boost to provide training to SMEs on green technologies and sustainable business practices. Lastly, we can also expect the G20 to seek the removal of trade barriers for green goods and services." He said.

## Sector wise, India's Top Export to G20 Members in 2022

(in USD billion)



## Talks on financial inclusion

G20 India Presidency is committed to advancing financial inclusion globally and to bring to fore the voice of emerging economies to the G20 discourse. Access to affordable and easy finance links to resilience, economic growth and greater financial inclusion. Under its G20 Presidency in 2023, the key digital financial inclusion policy objectives that India can focus on can be leveraging large recurrent payments and providing consumer protection. However, India has already put initiatives in place to improve financial inclusion.

Industry stakeholders from finance sector, Anuj Arora, Co-founder & COO SahiBandhu believe that the upcoming G20 Summit holds immense promise for global economic stability and prosperity.



“Our expectations are rooted in the conviction that this gathering of world leaders can foster collaboration and innovation to address pressing challenges in priority areas i.e. inclusive economic growth, sustainable development, and financial resilience.”

“By fostering an environment conducive to financial inclusion and responsible lending practices, the G20 Summit can pave the way for a brighter and more equitable economic future for all, especially for SME, Banking, Aggregator space, NBFCs, etc. SahiBandhu, as a leading gold loan aggregator, expects insightful dialogue & policy formation to strengthen financial inclusion, digital literacy, and extend last mile connectivity in India.” He said.

## To boost export IT services

Shardul S Shroff, Executive Chairman, Shardul Amarchand Mangaldas & Co, said that India should find a common ground with G20 countries to emerge as a global norm setter for the digital economy and use that global stature to boost IT and IT-enabled services exports.

India should position itself as the global norm-setter for various aspects of the digital economy, such as data protection, international contracting, digital assets, and international taxation, as it would help expand India's footprint in the global services export market, shroff said.

## **Agri sector expects talks on various facets**

The Agritech Industry views the G20 Summit as a platform to drive change & innovation for global agriculture.

Harshal Sonawane, Head of Sustainability, nurture.farm, expect the summit to spotlight critical challenges of the agri-ecosystem, like sustainability, farmer resilience, access to capital, and market linkages.

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“Furthermore, G20 platforms can play a pivotal role in fostering international cooperation and bringing in inclusive & impactful change by focusing on global challenges such as climate change, food security and food safety. World leaders can build partnerships, commit resources, set goals & lay down policy frameworks to transform agriculture, the way we cultivate and consume to build brighter futures together,” he said.

Adding in his comments, Sandeep Sabharwal, Founder & CEO, Sohan Lal Commodity Management (SLCM) feels that the G20 Agriculture Ministerial Meeting serves as a significant forum for discussions and resolution of issues pertaining to the agricultural sector pertaining to the member countries.

“It will be essential for promoting international collaboration in support of sustainable agriculture. Member nations can cooperate to create an agricultural sector that is more resilient and inclusive by addressing issues linked to food security, sustainability, innovation, rural development, environment protection and trade. The conference acts as a springboard for global cooperation, information exchange, and policy coordination, ultimately benefiting farmers, customers, and the environment as a whole.” He said.



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