

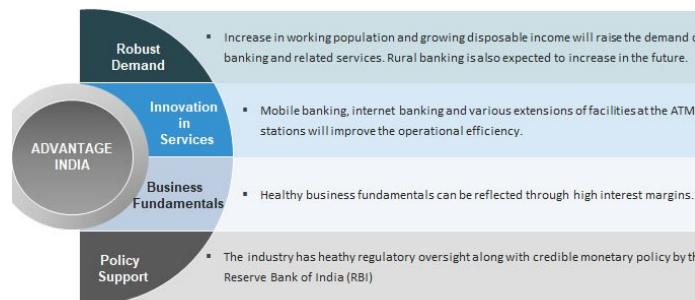
# Indian Industry & Economy

Volume 1, Issue 36

## Special points of interest:

- ◆ Unlocking potential of India's credit market is key to credit evolution over 2020 and beyond
- ◆ What ails India's pharmaceutical sector?
- ◆ The hits and misses of using Artificial intelligence for recruitment

## Banking Sector in India



has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry.

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the

world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry

[Click here](#) to read the complete summary.

## AI to become integral to every business in India by 2025: IDC

Artificial Intelligence will gain a firmer foothold in businesses across multiple sectors this year, according to a report by the International Data Corporation on the 'Top 10 Artificial Intelligence Predictions 2020 and Beyond for the Indian Market.'

The report stated that AI adoption is

on the rise, especially in terms of gaining valuable insights for business in the data-driven economy. Artificial Intelligence will be leveraged by businesses to streamline unorganised data to gain valuable insights.

"Indian organisations are looking at leveraging AI, driven by the need for automation to increase productivity," said an IDC

press statement quoting Rishu Sharma, Principal Analyst, Cloud and Artificial Intelligence at IDC India.

[Click here](#) to read the complete summary.

## Unlocking potential of India's credit market is key to credit evolution over 2020 and beyond



*The Indian consumer credit market continues to expand at a rate higher than most other major economies, but there are growing pains associated with that expansion.*

India's credit industry has gone through a rapid evolution over the last decade and has experienced a transformation of the consumer mind-set from a savings-focused and debt-averse country to a more consumption-focused, leveraged economy. Insights reveal the sheer scale of India's growing credit economy and the rising number of consumers with 22 mil-

lion Indian consumers applying for new credit opportunities each month.

Here are some emerging trends we are observing which will pave way for the next evolution of credit industry in India:

- Unsecured Lending paving growth with smaller Ticket Sizes
- Semi-Urban and Rural geographies to drive

the next phase of growth

- Fintech Lenders to benchmark the evolution of credit in 2020 and beyond
- Unlocking the potential of the untapped credit market

[Click here](#) to read the complete summary.

## Opinion: Guaranteeing healthcare, the Brazilian way

Its success in getting universal coverage has lessons for India

As Brazilian President Jair Bolsonaro visits New Delhi this Republic Day, one interesting field of cooperation to explore in the strategic partnership is healthcare. Achieving universal health coverage is a very complex task, especially for developing countries. Here, the example of Brazil, the only country where more than 100 mil-

lion inhabitants have a universal health system, is worth studying. It can also provide lessons for Ayushman Bharat, currently the world's largest and most ambitious government health programme.

Following the end of military rule, the Brazilian society decided to achieve universal cov-

erage by establishing a government-funded system. The Unified Health System (SUS), which guaranteed free health coverage that included pharmaceutical services, was written into the new Constitution in 1988.

[Click here](#) to read the complete summary.

## When is an economy in recession and what is stagflation?

The Indian economy is going through tough times with the advance estimates for the rate of growth for real gross domestic product (GDP) for 2019-20 being pegged at 5% compared to 6.9% in 2018-19. The GDP growth for the second quarter of 2019-20 came in at 4.5% as against 7.1% in the second quarter in 2018-19 and 5% in the first quarter of 2019-20. Inflation, on the other hand, showed an upward trend with the Consumer Price Index (CPI) rising 7.35% in December 2019 with November and October numbers coming in at 5.54% and 4.62%, respectively.

Does the combination of slowdown in the rate of growth of the economy and higher inflation mean that the economy is in recession or going through a period of stagflation? Let us understand the terms better.

[Click here](#) to read the complete summary.

## Hiring trends for 2020 in the Indian hospitality sector

With a constantly evolving middle class, rising levels of disposable income, increased interest in India as a tourist destination and efficient governmental support, the travel and tourism sector in India is witnessing consistent growth. As travellers – both international and domestic have an increased appetite for exploration, it bodes well for the hospitality industry too. According to data published by India Brand Equity Foundation (IBEF), the industry is expected to create 13.45 million jobs across sub-segments

such as restaurants (10.49 million jobs), hotels (2.3 million jobs) and travel agents/tour operators (0.66 million). Industry experts have also predicted that the Travel and Tourism sector in the country is expected to reach upwards of \$50 Bn by 2020.

[Click here](#) to read the complete summary.

## Consumer packaged goods sector may grow at up to 10% this year

Market researcher Nielsen India on Tuesday maintained its annual growth outlook for India's fast-moving consumer goods (FMCG) sector, which is reeling under a demand slump in both rural and urban markets, to 9-10% for 2020. In 2019, the sector grew 9.7% by value, due to weak quarterly growth rates in

rural India.

"Full year 2020—we expect it to be stable and similar as compared to 2019—it will not dip further, that's where we expect full year to land," Nitya Bhalla, lead, data science, Nielsen South Asia, told reporters. "We are

starting to see early signs of stability with the slowdown being arrested."

[Click here](#) to read the complete summary

## What ails India's pharmaceutical sector?

It has been a rough end to 2019 for India's pharmaceutical industry. While like the rest of India Inc, companies in this sector have been bogged down by economic malaise, there are some sector-specific issues that concern my fellow CEOs.

For the last few months, their businesses have been buffeted by

an over 50% increase in the cost of raw material imported from China, leaving businesses hobbled by shrinking margins and questions of long-term viability. This distress caused them to appeal to the National Pharmaceutical Pricing Authority (NPPA) for price increases. The regulator used the rarely invoked Para 19 of the Drugs (Prices Control) Order to

enact these rates providing some relief.

Unlike mature markets such as the US, where drug prices are market-controlled, here, the government and regulators play a pivotal role in the entire process.

[Click here](#) to read the complete summary.

- LRC Memberships:

Dr. Sandeep Bhavsar, HoD

Email: [sandeep.bhavsar@welingkar.org](mailto:sandeep.bhavsar@welingkar.org)

Linked In: <https://www.linkedin.com/in/sandeepbhavsar/>

#### WeSchool Library

Primary Business Address:  
Prin. L. N. Welingkar Institute of  
Management Development &  
Research (AUTONOMOUS)  
L Napoo Road | Matunga (CR) |  
Mumbai- 400 019.

**Alumni Membership (annual) - Rs. 3500/-**

**(Fee Rs. 1500 and Deposit Rs. 2000)**

**Corporate Membership (annual) - Rs. 25000/-**

**(Fee Rs. 20000/- and Deposit Rs. 5000/-)**

#### Important Link:

Library OPAC : <http://libcatwelmum-koha.informindia.co.in/>

#### Alumni Network

**Click here** to provide your valuable feedback to LRC

**Chat Online**

## The hits and misses of using Artificial intelligence for recruitment

Artificial intelligence (AI) has been occupying some of the best minds of this century, but the hype around it is just as massive. AI is entering everyday lives and products, and many of us find ourselves in positions, where we need to evaluate the genuineness of claims to using AI. If we can't separate the hype from the truth, we'd end up spending money on fake products and services.

Over the years that I have spent with startups, I've come across both genuine and fake AI products. I'll start with the ones that truly solved problems using AI.



***Using AI to predict human and social behaviour will always be flawed because humans aren't all that predictable.***

[Click here](#) to read the complete summary.