

Commodities

India has potential to become price setter in commodity market: Minister

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Noting that India has potential to become price setter in the commodity markets, Union Minister Anurag Thakur on Saturday pitched for a secure mechanism for commodity trading.

Building a strong commodity market will also help in job creation, Union Minister of State for Finance and Corporate Affairs Anurag Singh Thakur said. The minister was speaking at 7th International Convention on 'Building Indian Commodity Market for Job Creation and Sustainable Development Goals' held here.

“Building commodity markets for sustainable job creation. It is important to recognise that there is a need to have a safe and secure mechanism for commodities trading to all the stakeholders. “It is high time that we become price setters than price takers. Recently India has been the first country to launch diamond derivatives being the largest polisher of cut diamonds. This reflects on the potential that the Indian commodity markets have,” Thakur said.

Since 2015, he said, the Sebi has been regulating the market and has taken it forward well. The NDA government has ensured that all hurdles are done away with and has ensured a common ground for commodities and equities, he said, adding the accessibility of the markets has been enhanced because of this.

For efficient price discovery and price risk hedging, hedgers, farmers and producers of the India must participate in commodities markets, Commodity Participants Association of India (CPAI), which organised the event, said in the statement. It also said that India’s economic performance is very closely associated with developments in the commodity sector and the linkages between commodity markets, economic growth and development are both strong and complex.

“Prime Minister’s vision of doubling farmers’ income by 2022 is also towards the SDGs and to realise this vision, there is a need for the entire industry to come together and work on this change. “In this direction, it’s been our constant endeavour to encourage and educate hedgers, farmers and producers to

participate in commodities markets for efficient price discovery and price risk hedging,” CPAI President and founder and MD of SKI Group Narinder Wadhwa said.

Three of the Sustainable Development Goals (SDGs) - achieving food and energy security, adding value to commodities, and improving the management of natural resources by increasing resource efficiency and renewable energy use are particularly associated with the challenges of commodity-dependent developing countries, CPAI said. The linkages between commodity markets, economic growth and development are both strong and complex, it added.

CPAI is an all India association of all the national commodity exchanges and comprising commodities participants of recognized Commodity Exchanges like MCX, NCDEX, NSE, BSE, ICEX, MSEI and other commodity market participants in the value chain operating across the country.

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