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Inflation challenge will stay in '23: HUL

Price Rise Is Unprecedented, But Long-Term Prospects For FMCG Positive: Chief Paranjpe

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Mumbai: Inflationary challenges are going to continue through the remaining of the year at least, but the medium- and long-term prospects of the fast-moving consumer goods (FMCG) sector are “unarguably positive”, Hindustan Unilever (HUL) chairman Nitin Paranjpe told **TOI** in an exclusive interview.

Paranjpe, who took over as chairman of HUL on March 31 this year, said commodity challenges in the global context are likely to continue. When asked if the beginning of the cool-off in certain commodity prices has provided any temporary relief, he said ‘cool-off’ is probably overstating it.

“I would be overly courageous if I have to predict what is going to happen in 2023. I think we’ve all been proven wrong as we’ve tried to predict many things. So, I think the only thing that we can do at this stage is to structurally embed our ability to remain agile and respond to these changes coming in because the world is simply more volatile and more uncertain than before... I don’t think anyone has seen the levels of inflation that we are seeing at this moment,” said Paranjpe.

A way to deal with it, he added, is to stay with one’s principles, stay focused on consumer, retain agility, while making sure it protects its business model. “You run the business for the long term. So, there will be challenges in the short term, which we ha-

ve to deal with. But we have to deal with it in a way that it protects integrity of what we’re here to do because we were here 100 years ago, we want to be here for the next 100 years and such periods will come,” said Paranjpe, who is also the chief transformation officer and chief

‘Serving India, today and tomorrow’, Paranjpe said we live in a world of paradoxes. Quoting an Oxfam report, he said a quarter of a billion people will be pushed into poverty this year, even as the world’s 10 richest individuals more than double their fortunes since March 2020.

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Nitin Paranjpe |
CHAIRMAN, HUL



people officer of Unilever.

“The reason this company has grown to the level of Rs 50,000 crore is because it has constantly adapted and changed to the changing requirements of the consumer and the expectations and the requirements in the country,” said Paranjpe.

Responding to shareholders’ queries at the company’s 89th AGM, which was held on Thursday, Paranjpe said India has witnessed 14 consecutive months of double-digit wholesale price inflation. And, he added, while FMCG markets have generally been strong for a long period, they have started seeing the effect of the same with market growth rates moderating and the sector’s volume growth becoming negative in the short term.

In his AGM speech titled

“The paradox exists in India as well. According to the World Inequality Report, India is among the most unequal countries in the world with the top 10% owning 63.4% of the country’s total wealth while the bottom 50% owning only 5.9%. Despite being one of the top three producers of food crops, according to the latest Global Food Policy Report, India runs the risk of having nearly 74 million of its people hungry, even by 2030. Notwithstanding the many challenges, the India growth journey, which began prior to the pandemic, continues to be strong,” said Paranjpe.

A fiscal stimulus through a special economic package equivalent to 10% of the country’s GDP, said Paranjpe, has spelt out India’s growth ambitions loud and clear.