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सत्यमेव जयते  
INDIAN TECHNICAL AND ECONOMIC COOPERATION PROGRAMME  
MINISTRY OF EXTERNAL AFFAIRS, GOVERNMENT OF INDIA



**ITEC**



MINISTRY OF  
FOREIGN AFFAIRS AND  
INTERNATIONAL COOPERATION

COOPERATIVE REPUBLIC OF GUYANA

# Financial Aspects in Journalism

**For Media Professionals from Guyana**

# Conference Hall, MCRHRDIT, Hyderabad  
18<sup>th</sup> November 2024 / 2.00 to 3.30 pm.

Contemporising Indian Prime Minister's  
visit to Guyana: 20<sup>th</sup> & 21<sup>st</sup> November 2024



**Dr. Kishore Nuthalapati**  
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India - Guyana

Guyana

## CFO LEDGER

Fresh takes, in-depth analysis and opinions from our esteemed panel of industry leaders



Kishore NK - Kishore NK, Director BEKEM Infra Projects Pvt. Ltd.

### Interest rate & Inflation challenges

Markets are prepared to see RBI rising its policy rates in its monetary policy committee meeting schedule between 6 th to 8 th June 2022. But the markets are eager about how much would the increase be.

### Search Funds: A new venture-entrepreneurship

Growth funding is critical to sustain and grow a business even after it breaks even and gains brand image. For most of the products, growth funding is difficult. Should a potential business perish for want of growth funding? Not necessarily. Innovations in entrepreneurship have a solution in the name of Search Funds. Search Funds bypass

10 days ago

### The Ascent & Assent of Cryptocurrencies

The launch of cryptocurrency exchange platform by TCS and association of other IT majors such as Infosys and Wipro with block chain technology increased attention towards block chain technology and also cryptocurrencies. It may be funny yet interesting that the Reserve Bank of Kailasa, the central bank of the new nation Kailasa

236 days ago

### Have masala bonds become less spicy?

Pecking order imbues fund mobilisation. Companies prefer exhausting their debt sources before examining equity funds. However, the debt equity limit imposed by



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Contribution of Dr. Kishore Nuthalapati in TV media with analysis on Economy & Financial Markets



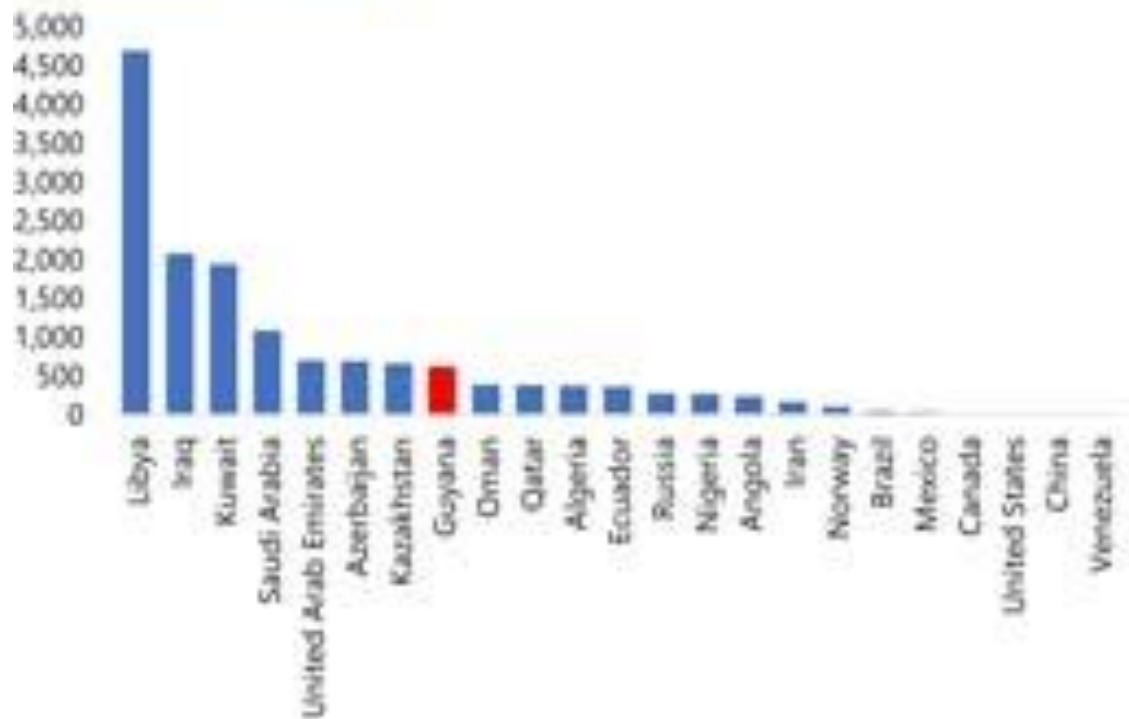
. with knowledge

# A quick snapshot of Guyana's economy

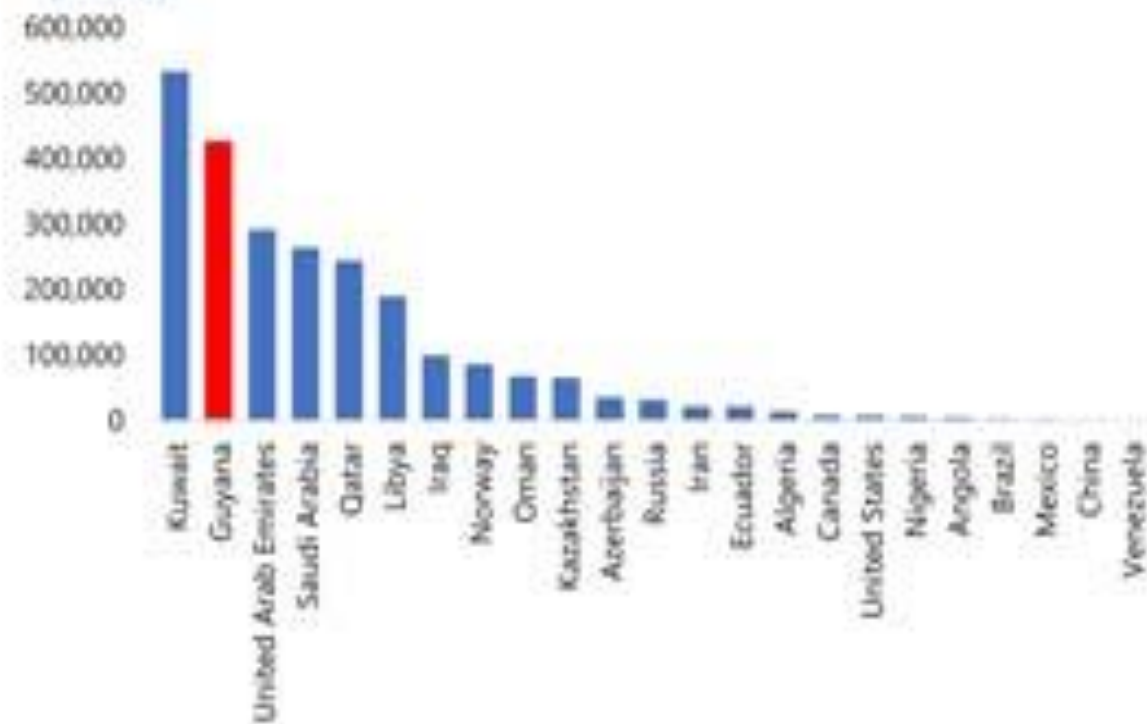
- Population of 8.2 lakhs
- GDP of about \$21 billion
- Per capita GDP of about \$21,500
- Inflation about 4.5%
- Unemployment of about 10%
- Current A/c Balance: \$4 bln surplus
- Public debt as a % of GDP: 25%
- Among lowest public debt countries
- About 40% lived under BPL
- Jobs in Agriculture, forestry, fishery
- Oil sector will provide more jobs
- Among lowest public debt countries
- About 40% lived under BPL
- GDP growth 50% in 2024
- GDP growth to cross 100% by 2028
- Non-Oil GDP growth is expected about 9% from 2024-2026

# Oil Reserves of Guyana

Present Value of Oil Reserves 1/  
(In percent of 2022 GDP)



Present Value of Oil Reserves per Capita 1/  
(In US\$)



# Oil Journey of Guyana

- 1. Early Observations (1750s):** The potential for oil was 1<sup>st</sup> noted by Dutch explorers who recorded petroliferous occurrences and discovered oil seeps.
- 2. First Significant Efforts (1916):** Three exploration wells were drilled in the Waini area. Efforts yielded some gas & pitch but did not lead to commercial production.
- 3. Offshore Exploration Begins (1958):** California Oil Company conducted seismic surveys, although they withdrew shortly thereafter without drilling any wells.
- 4. Tenneco's Drilling (1967):** Tenneco is the 1<sup>st</sup> company to drill offshore by spudding wells in 1967. This was a new phase in Guyana's oil exploration history.
- 5. Major Discoveries (2015):** After decades, ExxonMobil made groundbreaking discovery with Liza-1 well in May 2015, finding high-quality oil-bearing reservoirs.
- 6. Commercial Production Commences (2019):** Guyana officially became an oil-producing nation on 20-Dec-2019, with successful extraction of oil from the Liza.

# Oil economics in Guyana

- In 4 years, Guyana became globally 30<sup>th</sup> top oil producing nations
- Crude Oil is contributing to about 90% value of exports
- Oil prices are highly volatile. Managing currency reserves & Oil buffers is very challenging.
- Oil trade invites sanctions, enemies, new friends, and also great risks (already with Suriname and Venezuela)
- Oil and high GDP can increase corruption, may dilute good governance, (example: Venezuela)
- Dutch Disease concerns – crowding out non-oil sectors

# How to avoid Venezuela kind of situation?

- Diversification of the economy – develop non-oil sectors also
- Prudent Fiscal management – sustainable spending
- Maintain high governance – strengthen institutions
- Invest in human capital – education & training
- Social equity & inclusion: address inequality
- Continue political stability, but avoid authoritarianism
- Environmental sustainability – protect natural resources

# Financial Prudence for Resilience

- Establish trade relationships with more countries
- Establish currency fluctuation reserve
- Establish sovereign wealth fund like Norway
- Invest in long term infrastructure
- Prioritize capex investments



# **Economic & Financial Aspects in Journalism**

# Economic & Financial Journalism

- Economic and financial journalism tracks, analyses, & interprets the situation & changes in the economic state of the country
- Economic journalism has 3 timing changes with indicators, viz., leading, lagging, and coincident economic indicators.
- Economic & Financial news have equally important human element like social, political, or entertainment news.
- People get educated, involved, awakened, and benefitted with the economic and financial news.
- Many inapt economic decisions of the government are changed as the factual economic news is disseminated and absorbed.

# Economic & Financial Journalism: Challenges

- Economics and Finance are complex subjects, but touch several simple things of life, living standard, investments, and development.
- Speed and volatility create pressure on financial journalism.
- Data accuracy and interpretation involve huge difficulties.
- Economic & Financial journalism needs much greater research than other journalism branches.
- Political and ideological bias is alleged in economic news.
- Public interest has high quotient in economic & financial journalism than in other branches of journalism
- You need not be an expert in Economic and Financial Journalism. You can construct the story by citing the views and analysis of experts whom you have to interview for your news and story.

# Economic news for economic benefit

- Financial news expires fast. Hence **timely reporting** is the key
- Financial & Economic News is **complex**, and needs explanation
- People may not track how experts make their financial decisions.
- People **listen to news** and form opinions to make financial decisions.
- **Uncertain signal** – limit to gossips but not news or story.
- **Almost certain** signals- make news & not story. Include expert views.
- **Exact signals** – make a story.
- We need to present both sides to give a fair opportunity to the readers to form their own opinion
- Any analysis on any company or sector should be made logically and with supporting data.

# Ideals in Economic Journalism

- Economic journalism needs **bit of explanation** of technical / complex terms. It is our responsibility. Ex: GDP; Bips, T-bills, etc.
- Discuss Economic History also, wherever relevant & set the platform.
- News should contain a bit of background and a bit of comparison.
- For instance, economy news shall compare Global average or largest country and/or comparable economies. Also for sectors & companies.
- **Hint potential future course** of action with a balance explaining briefly the reasons and the probabilities of the stated occurrences
- Include diverse expert views. People judge the news based on the content of the news, trustworthiness of the media, and of the experts.
- Carry out corrigendum, news updates, and do not shy from clarifying / reversing / elaborating in the subsequent news.

# Essentials for Media Professionals

- You have to be an informant
- You have to be an investigator
- You have to be an editor
- You have to be an analyst
- You ought to have financial literacy

# Challenges – inherent and explicit

- Financial journalists are also watch dogs
- Collecting right info from right sources at right time
- Passing on info in a timely manner to the readers
- What are the sources of financial news
- Automated journalism is a threat

# **Case Study on Financial Journalism in Guyana**



# **Case Study / Exercise:**

## **info to story, photo, video & presentation**

- A. From the available writeup, separate what can be treated as news
- B. From the given information, prepare brief print news report
- C. Think of the news from the information and explain what kind of photo/s will be used for the print news report.
- D. Think of the news from the information and explain content and engagement strategy in your proposed video news report.
- E. Post video / print news report, whom do you intend to interview and present follow-on news (print or video)

**Thank You**