A rise in trade deficit due to higher crude oil prices widened India's current account deficit (CAD) for 2017-18, Reserve Bank of India's (RBI) data showed. (Image: Reuters)

With rising global protectionism and surging crude oil prices, India's economy stands a big risk of current account deficit (CAD) getting inflated further. India needs to urgently work towards capping the deficit under 3 percent, said veteran banker Uday Kotak. "As world heads for protectionism we need to watch current account deficit. Will cross 2.75% this year if oil is 70/75$. Must get out of this trap. Let's make domestic India competitive and world facing. 3% deficit should be our red line.Mindset change is key," Uday Kotak said in a tweet.

A rise in trade deficit due to higher crude oil prices widened India's current account deficit (CAD) for 2017-18, Reserve Bank of India's (RBI) data showed on Wednesday. According to the RBI data, the CAD for last fiscal widened to 1.9 per cent of the GDP (Gross Domestic Product) from 0.6 per cent in 2016-17. The current account is the net difference between inflows and outflows of foreign currencies.

**Kotak on banking**

Meanwhile, a few days back, in an annual message to Kotak Mahindra Bank, Uday Kotak had said that for a sound future, Indian banking needs a "harmonious functioning" between government and regulators, he said. Kotak's annual remuneration for the year saw a 11.03 per cent increase to Rs 3.18 crore, including basic salary, allowances, provident fund and annual incentives, the bank said, adding that the same has been approved by RBI.

He added that the country needs to grow at 9 percent per annum for the next 20 years if it were to match China's current per capita income and it is pertinent for the wheels of finance to move seamlessly and speedily.