

veKLY NEWSWRAP

May 13, 2023 / 28



ECONOMY

CPI inflation eases sharply to 4.7% in April

Date: 13 May 2023



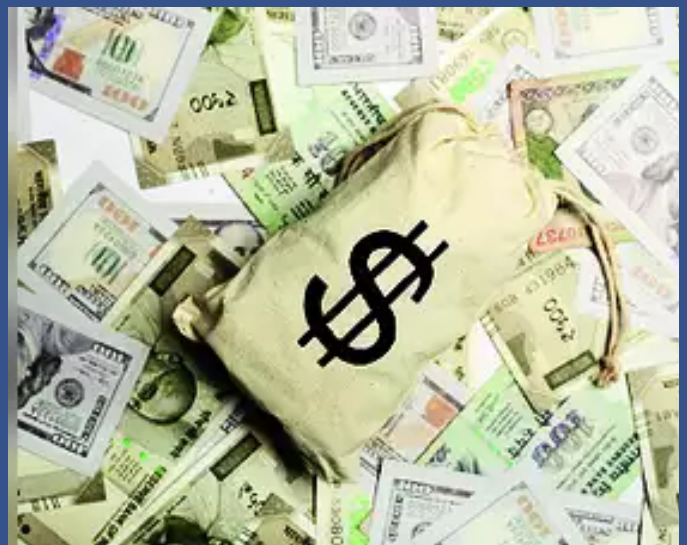
India's consumer price index (CPI) inflation eases sharply to 4.7% in April 2023, coming under the RBI's upper tolerance limit of 6% for the first time in 14 months. This also signals further rate hike pauses or rate cuts from RBI's front with inflation below its upper target. This is compared to 5.66% in March 2023. A year ago, in April month, CPI stood at 7.79%. The consumer food price index (CFPI) comes at 3.84% in April 2023 versus 8.31% in the same month a year ago.

Source: Mint

Forex reserves rises to 11-month high of \$595.98 billion

Date: 12 May 2023

India's foreign exchange reserves saw a rise of \$7.196 billion to \$595.98 billion as on May 5, 2023, data from the Reserve Bank of India showed. India's forex reserves reached a 10-month-high of \$588.8 billion in the week through April 28, recovering from a drop to \$524.5 billion last October, when the rupee hit a record low against the U.S. dollar. Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves. Overall FCA rose by \$6.536 billion to \$526.021 billion.



Source: The Economic Times

TRADE

India-UK FTA round 9 concludes with 'detailed' policy discussions

Date: 10 May 2023



The ninth round of India-UK free trade agreement (FTA) negotiations concluded with detailed discussions across a range of policy areas, the UK government said. A joint outcome statement issued by the Department for Business and Trade (DBT) revealed that talks took place between April 24 and 28 in a hybrid format, with some Indian officials travelling to London and others attending virtually. There is no date set for the 10th round of negotiations, which is likely to be hosted by New Delhi, also in a hybrid format.

Source: The Economic Times

ENERGY

Green energy share increases by 12.4% in 10 years

Date: 11 May 2023

India has increased the green share of green energy — renewables and hydropower — in the country's total installed power capacity by 12.4% in the last ten years, ending FY23. According to a report by the Council on Energy, Environment and Water's Centre for Energy Finance (CEEW-CEF), the share of green energy in India's total installed power capacity of 416 gigawatts (GW) in FY23 has risen to 41.4% or 172.1 GW from just 29% (70 GW) in FY14.



Source: The Hindu BusinessLine

ENVIRONMENT

India set to announce compliance details of carbon trading market

Date: 12 May 2023



India is on track to reach net zero by 2070 and set to launch a robust and credible domestic carbon market next month, experts say high-integrity carbon credits can attract more investment in India into technology and nature-based climate solutions. India, China, Brazil and some other developing countries have been strongly advocating for continuation of carbon credits, which allow companies to compensate for their greenhouse gas emissions, under the 2015 Paris Agreement -- an ambitious global action plan to fight climate change.

Source: The Times of India

GST

GST e-invoicing must for businesses with turnover of Rs 5 crore

Date: 11 May 2023

Businesses with a turnover of Rs 5 crore and above are obligated to generate e-invoicing for business-to-business (B2B) transactions with effect from August 1. Presently, e-invoice is compulsory for companies with a turnover of Rs 10 crore or above. The Ministry of Finance late on Wednesday notified a new mandate lowering the threshold for e-invoicing. The move is aimed at digitising higher volumes of transactions, greater transparency in sales reporting, minimising errors and mismatches, automating data entry work, and improving compliance.



Source: Business Standard

PHARMACEUTICAL

Prices of drugs going off patent to be slashed to 50%

Date: 13 May 2023



The prices of drugs that are going off patent will be reduced straight to 50%, the National Pharmaceutical Pricing Authority or NPPA has notified. The move, according to the regulatory body has been taken to curb profiteering by pharmaceutical manufacturing companies. The notification released by the NPPA says that a new price will be fixed after taking into account the market data after a year. With this move, the manufacturing companies will not be able to fix the prices of medicines on their own.

Source: Times Now

INTERNATIONAL

Imran Khan Gets Bail After Pak Supreme Court Called Arrest "Illegal"

Date: 12 May 2023

Pakistan former prime minister Imran Khan was granted two weeks of bail by Islamabad High Court on Friday in a corruption case, a day after the Supreme Court called his arrest "invalid and unlawful". The Islamabad High Court upheld Khan's arrest but a three-member Supreme Court bench on Thursday had declared his detention "illegal" and ordered his immediate release. The Friday hearing was delayed for nearly two hours due to security reasons



Source: NDTV

News from International Publications

China Finally Has a Rival as the World’s Factory Floor

Date: 10 May 2023



Western companies are desperately looking for a backup to China as the world’s factory floor, a strategy widely termed “China plus one.” India is making a concerted push to be the plus one. Only India has a labor force and an internal market comparable in size to China’s; India’s population may be the world’s largest, according to the United Nations. Western governments see democratic India as a natural partner, and the Indian government has pushed to make the business environment more friendly than in the past.

Source: The Wall Street Journal

German recession fears resurface as factory output falls

Date: 09 May 2023

A sharper than expected fall in German industrial production has prompted economists to warn that Europe’s largest economy is likely to slide into a recession after factory orders, retail sales and exports also suffered significant declines. Recent data suggests business and consumer activity is being hit by high inflation, rising borrowing costs and slowing trade. German industrial production fell 3.4% in March compared with the previous month, the biggest drop for 12 months, according to the federal statistical office.



Source: Financial Times

News from International Publications

Malaysia to lift export ban on renewable energy

Date: 11 May 2023



Malaysia will lift a ban on exports of renewable energy, as part of efforts to develop its clean-power industry and boost generation from non-fossil fuel sources, its economic affairs minister said. The South-east Asian country, which currently generates just over 1% of its electricity annually from renewable sources, banned its exports in October 2021 in the hopes of developing the local industry. Malaysia has pledged to cut its greenhouse gas emissions dramatically by 2030 and reach net-zero emissions by 2050.

Source: The Business Times

Biden Will Host India’s Prime Minister for State Dinner

Date: 11 May 2023

US President Biden will welcome India’s prime minister to the White House for a state visit and lavish dinner next month, offering a highly valued diplomatic perk to a critical economic ally but also to a leader who has demonstrated authoritarian tendencies. Prime Minister Narendra Modi will meet with Biden on June 22, according to a White House statement. It will be the president’s third state dinner, after hosting the leaders of France and South Korea.



Source: The New York Times

News from International Publications

India opens first overseas jewellery exposition centre in Dubai

Date: 09 May 2023



The Gem & Jewellery Export Promotion Council, an apex body of India's jewellery industry, on Tuesday opened the first-of-its-kind India Jewellery Exposition Centre, a 365-day exhibition platform, in Dubai. The launch of the permanent showcase for Indian jewellery and gems marked the first year of the landmark Comprehensive Economic Partnership Agreement signed by the UAE and India.

Source: Khaleej Times

China's imports shrink in April, exports grow at slower pace

Date: 10 May 2023

China's imports contracted sharply in April, while exports grew at a slower pace, reinforcing signs of feeble domestic demand despite the lifting of Covid-19 curbs and heaping pressure on an economy already struggling in the face of cooling global growth. Inbound shipments to the world's second-largest economy fell by 7.9% year on year, while exports grew by 8.5% in the same period after an unexpected surge of 14.8% in March, customs data showed.



Source: The Business Times