

veKLY NEWSWRAP

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ECONOMY

India to become \$5 trillion economy, third-largest by 2027

Date: 21 September 2023



India will be a USD 5 trillion economy and the third largest in the world by market exchange rates by 2027, aided by the demographic advantage and pace of financial sector development, Reserve Bank Deputy Governor Michael D Patra has said. Delivering a speech at the 16th SEACEN-BIS High-Level Seminar hosted by the National Bank of Cambodia on Monday, Patra said it is widely believed that during the next two decades -- if not for longer -- the centre of gravity of the global economy will shift eastward to Asia.

Source: Business Standard

INTERNATIONAL

India suspends visa services in Canada

Date: 22 September 2023

In a sharp escalation of the diplomatic row between the two countries after Canadian Prime Minister Justin Trudeau alleged a potential Indian government link in the killing of a Khalistan separatist, New Delhi hardened its position by suspending Indian visa services in Canada and asked Ottawa to reduce its diplomatic presence in India. The Ministry of External Affairs described Canada as a “safe haven” for “terrorists, extremists and organised crime” — its sharpest choice of words for a Western country in recent years, a language usually reserved for Pakistan and Afghanistan.



Source: The Indian Express

TRADE

43% of India's exports to EU to be hit by green regulations

Date: 22 September 2023



India's exports to the European Union (EU), worth \$37 billion, could be impacted due to the trade bloc's proposed Carbon Border Adjustment Mechanism (CBAM) and other green initiatives, a Delhi-based think tank's report has said. The impact would translate into 43% of India's exports to the EU, which is among India's key export markets after the United States (US). The Centre for Energy, Environment and Water's report noted several categories in India's foreign trade at risk due to the EU regulations.

Source: Business Standard

TELECOM

TRAI recommends cut in entry fees for telcos to spur growth

Date: 20 September 2023

TRAI has recommended to the government that the entry fees for telecom companies across various license authorisations should be reduced and bank guarantees that they have to provide should be merged in order to spur growth and make it easier to do business in the telecom sector. "It is expected that reductions in entry fee will lead to the entry of new service providers in the market, increase investment and enhance competition in telecom sector," Trai said in its recommendations. The Authority has also recommended no entry fee at the time of renewal of license.



Source: ET Brand Equity

STEEL

Green hydrogen is key to decarbonising India's steel industry

Date: 21 September 2023



Green hydrogen could be the solution to the steel industry's decarbonisation challenge, according to a report by Deloitte-FICCI titled "India Steel 2023 Amrit Kaal journey: Facilitating the Indian growth story." The report states that the steel sector emissions contribute 12% of the total CO2 in the country, with every tonne of steel produced in India emitting 2.55 tonne of CO2 against a global average of 1.85 tonne. The government has identified green hydrogen-based Direct Reduction Iron (DRI) as the most effective alternative to traditional steelmaking methods.

Source: ET Energy World

CRYPTOCURRENCY

India likely to keep door shut on crypto for two years

Date: 22 September 2023

A shift by India to a less onerous crypto tax regime maybe two years away, according to one of the nation's key digital-asset exchanges. "I don't think we'll see any immediate reduction in TDS since there have been no formal discussions between the industry and lawmakers specifically around it," said Nischal Shetty, chief executive officer of the WazirX exchange, in an interview. Indian officials last year imposed a 1% levy on crypto transactions, causing trading volumes at exchanges to crash as market makers and high-frequency investors pulled back due to higher costs.



Source: Business Standard

News from International Publications

Car industry reels from Sunak’s pivot on green policy

Date: 21 September 2023



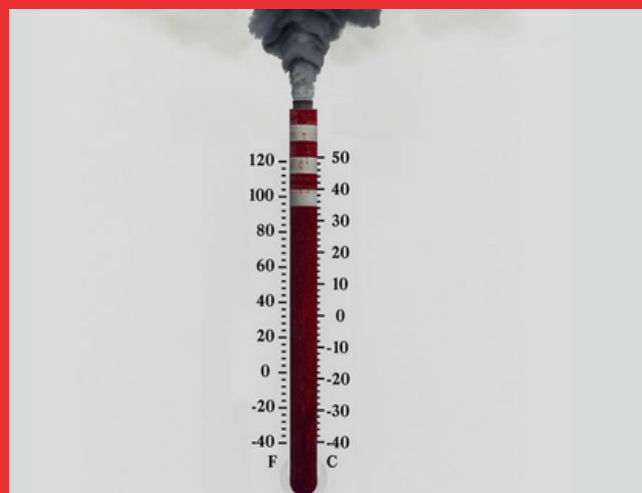
Rishi Sunak’s decision to delay a ban on the sale of new petrol and diesel cars by five years to 2035 has prompted a backlash from the UK automotive industry, which warned it would undermine investment certainty. The prime minister’s sudden shift in green policy yesterday will be digested in automotive boardrooms worldwide and cast a shadow over their plans to boost electric vehicle sales in the country this decade. Leading car brands have pledged to go fully electric this decade and had made manufacturing decisions with the original 2030 ban in mind.

Source: Financial Times

Emissions disclosure rules coming to corporate America

Date: 22 September 2023

Many big U.S. companies have been fighting in Washington to block rules requiring them to disclose their greenhouse-gas emissions. They picked the wrong fight. California and the European Union are both poised to approve rules that require companies that do business there to disclose their emissions. The rules would apply to private as well as public companies and also require businesses to calculate and disclose emissions from their suppliers and customers, which goes beyond what was expected out of Washington.



Source: The Wall Street Journal

News from International Publications

End of an era as Murdoch hands reins of media empire to elder son

Date: 22 September 2023



Rupert Murdoch is stepping down as chair of Fox and News Corp, marking the end of an era for the powerful media billionaire. Lachlan Murdoch, his elder son, will become sole chair of News Corp and continue as executive chair and chief executive of Fox from mid-November. The Australian-born mogul, 92, has over the past seven decades transformed an Adelaide newspaper he inherited from his father into a global media empire, which is feared and courted by politicians across the English-speaking world.

Source: Financial Times

U.K. drop in Inflation eases rate pressures

Date: 21 September 2023

The U.K.'s annual rate of inflation fell for a third straight month in August, surprising economists and increasing the likelihood that the Bank of England may soon pause a series of increases in its key interest rate. The U.K.'s statistics agency said consumer prices in August were 6.7% higher than a year earlier, down from the 6.8% rate of inflation recorded in July. Economists had expected to see a slight pickup in inflation driven by recent rises in oil prices.



Source: The Wall Street Journal

News from International Publications

Oil price passes \$95 a barrel amid fears of supply shortfall

Date: 20 September 2023



Oil prices climbed above \$95 a barrel for the first time in 2023, as supply cuts by Saudi Arabia and Russia fuelled concerns of a shortfall that could harm the global economy. Brent crude, the international benchmark, rose as high as \$95.33 a barrel and appears on course to challenge \$100 a barrel this month, with the rally in prices since June now approaching 30%. The Saudi and Russian decision to cut supplies despite rising prices has raised tensions with developed economies.

Source: Financial Times

Global debt pile hits record high of \$307tn

Date: 20 September 2023

The world economy's debt pile hit a fresh high in the first half of this year while borrowing as a share of the gross domestic product is rising again after nearly two years of declines, according to the Institute of International Finance. Total debt — spanning sovereigns, corporates and households — rose by \$10tn to about \$307tn in the six months to June, the IIF said in its global debt monitor report. The previous peak for global debt was in early 2022 before central banks began aggressively raising interest rates.



Source: Financial Times