

veKLY NEWSWRAP

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ECONOMY

Political stability, decisiveness key for Indian economy's growth

Date: 06 October 2023



Finance Minister Nirmala Sitharaman said only political stability, policy consistency and decisiveness will guarantee the upward movement of India's economy. She also said the inclusion of India's sovereign bonds in JPMorgan's emerging market index could bring in \$23 billion in foreign capital flows. JPMorgan's India bond inclusion will start on June 28, 2024, and extend over 10 months with 1% increments on its index weighting, as India is expected to reach the maximum weighting of 10%.

Source: The Indian Express

GST

GST council cuts taxes on millet-based products

Date: 03 October 2023

The Goods and Services Tax (GST) Council lowered the tax rates on certain millet-based products, tweaked the age-related norms for members of the much-awaited GST Appellate Tribunals, and ceded the taxation rights on extra-neutral alcohol to the States, while lifting the haze on several long-hanging issues. The Council also signalled that there would be no back-pedaling on the 28% levy to be imposed on bets made in online gaming, casinos and horse racing from October 1, despite 13 States not having passed the enabling laws yet.



Source: The Hindu

TRADE

Indian steel imports surge, exceed exports by 0.34 million tonnes

Date: 07 October 2023



India turned net importer of steel in July-September period (Q2) of FY24, first time in three-odd years, with nearly 1.50 million tonnes (mt) of finished offerings coming in during the period. This is up 8% on a year-on-year basis. Steel imports were higher than exports by 0.34 mt (exports were 1.16 mt). In the year ago period (Q2FY23), exports (1.41 mt) outdid imports (1.38 mt) by a slender 0.03 mt. According to a report by the Steel Ministry, outbound shipments (exports) slid down by over 73 per cent Y-o-Y to just 0.16 mt, while imports, despite a 24% drop, remained at 0.38 mt.

Source: The Hindu

Indian EV exports surge, Europe and Nepal leading the demand

Date: 03 October 2023

India's electric vehicle (EV) export market grew by 246.3% in the first seven months of 2023, underscored by strong demand from Nepal and a surging interest from European nations. With exports soaring from Rs 7,988.62 lakhs in 2022 to a staggering Rs 21,391.40 lakhs in 2023, Nepal accounts for a significant chunk of the growth. Europe has emerged as a robust market for Indian EVs. France marked its presence with an exponential growth to Rs 2,367.27 lakhs in 2023. Germany too, surged to Rs 343.28 lakhs in 2023.



Source: ET Energyworld

ENERGY

Renewables created nearly 1 million jobs in India in 2022

Date: 05 October 2023



India recorded an estimated 9,88,000 renewable energy jobs in 2022, according to a recent report of the International Renewable Energy Agency (IRENA). As per the report, hydropower emerged as the top employer with 466,000 jobs, according to the data. Solar photovoltaic (PV) followed closely, engaging 2,82,000 individuals in both on-grid and off-grid systems. India's solar capacity witnessed a remarkable increase, with 13.5 GW of solar PV added in 2022, surpassing the previous year's 10.3 GW.

Source: The Economic Times

RBI

To curb inflation, RBI plans bond sales to suck liquidity

Date: 06 October 2023

The Reserve Bank of India's monetary policy committee (MPC) held key policy rates steady for the fourth straight time and committed to keeping liquidity tight, signalling a hawkish policy stance. Bond market investors reacted with concern, driving the 10-year benchmark bond yield to a six-month high of 7.3412% after RBI governor Shaktikanta Das announced that RBI could consider open market sales of bonds to manage liquidity. The bonds were trading at 7.2197% before the announcement.



Source: Mint

News from International Publications

Quantum dot' scientists win Nobel Prize for chemistry

Date: 05 October 2023



Three scientists have won the Nobel Prize in chemistry for their development of “quantum dots”, tiny nanoparticles with many applications in electronics ranging from display screens to medical technology. Mounqi Bawendi from Massachusetts Institute of Technology, Louis Brus of New York’s Columbia University and Alexei Ekimov of Nanocrystals Technology, a small US tech company, share the SKr11mn (\$1mn) prize. Quantum dots are semiconductor materials a few nanometres (millionths of a millimetre) wide whose properties, particularly their colour, are influenced by their extremely small size.

Source: Financial Times

Dubai jewellers get boost from Indian weddings

Date: 03 October 2023

Weddings, especially big fat Indian ones, are driving massive demand for gold and jewellery in the UAE. Jewellers in Dubai said the drop in gold prices, which have come down to nearly 7-month lows recently, as well as recovery in seasonal demand are helping boost demand for jewellery in Dubai by around 20-30% in September as compared to the previous month. The UAE (especially Dubai) has been emerging as a major wedding destination, as tourism authorities are promoting the emirate as a dream wedding destination.



Source: Khaleej Times

News from International Publications

US fails to pledge money for climate fund

Date: 06 October 2023



The US has failed to pledge money to the world's biggest multilateral climate fund at its second fundraising conference, highlighting wealthy governments' struggle to support poorer nations suffering from the impact of global warming. The UN's Green Climate Fund, the largest fund dedicated to tackling climate change in developing countries, pulled in a total of \$9.3bn from 25 countries by the close of its one-day pledging conference held in Bonn, Germany.

Source: Financial Times

U.S. alleges firms in China are tied to fentanyl trade

Date: 04 October 2023

U.S. officials announced a raft of indictments and sanctions against China-based companies and their employees related to the trafficking of chemicals used to manufacture large quantities of illicit fentanyl, the most deadly illegal drug the U.S. has ever experienced. The legal moves are part of a Biden administration push to stop the flow of the painkiller into the U.S. Chinese companies produce chemicals, known as precursors, that are shipped to Mexican cartels, which use them to produce fentanyl and smuggle it into the U.S.



Source: The Wall Street Journal

News from International Publications

Canada urges India to halt expulsion

Date: 04 October 2023



Canada sought to dial down tensions with India in the wake of a diplomatic upheaval, calling on the government of Indian Prime Minister Narendra Modi to refrain from further expulsions of Canadian diplomats. Prime Minister Justin Trudeau told reporters that “we are not looking to escalate,” after ties between the two nations were roiled by Canada’s assertion last month that India played a role in the killing of a Sikh on Canadian soil—an accusation the Indian government has called absurd.

Source: The Wall Street Journal

China jitters turn private equity investors to south and southeast Asia

Date: 06 October 2023

Investors disappointed by China’s slow recovery and lack of new growth drivers are turning to India and southeast Asia for deals — even as experts warn that they face a steep learning curve and potentially limited choice of exit routes in many of these markets. India and Indonesia have become two of the most popular destinations for private equity investors, who are under pressure as high interest rates drive up funding costs and as backers, such as family offices and university endowments, become increasingly nervous about investing in China.



Source: Financial Times