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FM Nirmala Sitharaman announces Rs 1.7 lakh crore relief package for poor

The FM announced a slew of measures to ease the burden on the poor who will be hit hard by the lockdown.

Finance minister Nirmala Sitharaman has announced a slew of measures to deal with the economic distress caused due to the coronavirus pandemic and the subsequent lockdown announced to deal with the situation.

India announced an economic stimulus package worth 1.7 trillion rupees ($22.5 billion) on Thursday, designed to help millions of low-income households cope with a 21-day lockdown due to the coronavirus outbreak.

The package will be disbursed through food security measures for poor households and through direct cash transfers, said India's Finance Minister Nirmala Sitharaman.

Most of the country's 1.3 billion people have been told to stay indoors for three weeks starting Wednesday, as part of the government's efforts to slow down the coronavirus outbreak before India's health care system collapses from the strain. Essential services like grocery stores and gas stations would remain open.

What is an economic stimulus package?

1. Workers - like nurses, paramedics and sanitation staff - who are in the frontline of the war against the disease, will be provided medical insurance cover of Rs 50 lakh per person.

2. Under Garib Kalyan Anna Yojana, 80 crore ration card holders will get 5 kg of wheat/rice per person will be given for next three months in addition to the 5 kg which is already given; 1 kg of pulse per household.

3. As many as 20 crore women Jan Dhan account holders will get ex-gratia amount of Rs 500 per month for next three months to run their households.

4. Beneficiaries of Ujjwala LPG scheme will get free gas cylinders for the next three months. This is expected to benefit 8.3 crore BPL (below poverty line) families.

5. The daily wage under MNREGA has been increased to Rs 202 a day from Rs 182, benefiting 5 crore workers who stand to gain about Rs 2,000 in all.

6. The limit of collateral-free loans to 63 lakh women self-held groups has been doubled to Rs 20 lakh, thereby impacting 7 crore households.

7. Farmers, who get Rs 6,000 annually under PM-Kisan, will get first installment of Rs 2,000 in addition and it will be given immediately in the first week of April.

8. Ex-gratia Rs 1,000 (to be given in two instalment) to widow, poor widows, 'divyang' and senior citizens for the next three months.

9. Government to pay EPF contribution (both employer and employee) for next three month for those establishments which have up to a 100 employees and 90% employees earning less than Rs 15,000. Workers can withdraw up to 75% from the PF funds (non-refundable advance) or three months of wages (whichever is lower).

10. Welfare fund of Rs 31,000 crore for construction workers can be used by 3.5 crore registered workers.

11. District mineral fund can be utilised for mineral workers.

(Economic Times, 26/3/2020)

Coronavirus a pandemic: India shuts doors for outsiders, under self imposed quarantine
India on Wednesday suspended all tourist visas till April 15 in a bid to contain spread of coronavirus. India imposed stringent travel curbs to the country as the World Health Organization (WHO) declared the Covid-19 outbreak a pandemic with more than 118,000 confirmed cases and 4,291 deaths in 114 countries. India's count of infected people is 62 with no confirmed deaths so far from the disease.

The WHO had classified the coronavirus outbreak as a global public health emergency on January 30 and had been reluctant to call it a pandemic over concerns that it would create unnecessary panic.

Visas Valid for Those Already in India

Any foreign national who needs to travel to India urgently will have to contact the nearest Indian mission. This includes holders of medical visas. Apart from this and in continuation with earlier advisories, the health ministry said a 14-day quarantine was mandatory for all travellers, including Indian nationals, arriving from or having visited China, Italy, Iran, South Korea, France, Spain and Germany after February 15.

Incoming travellers, including Indian nationals, are advised to avoid non-essential travel and are informed that they can be quarantined for a minimum of 14 days on arrival. Indian nationals have also been advised to avoid all non-essential overseas travel, the health ministry said. On their return, they can be subjected to quarantine for a minimum of 14 days. International traffic through land borders will be restricted to designated check posts with robust screening facilities.

The decision followed a meeting by a group of ministers (GoM). This included health minister Harsh Vardhan, aviation minister Hardeep Puri and foreign minister S Jaishankar. A committee of secretaries chaired by the cabinet secretary had made detailed recommendations to the GoM.

The latest measures only refer to those traveling to the country, said an official. “The circular is only applicable for those coming into India. For those already in India, the existing visas are valid and normal rules for extension apply.”

The visa curbs will have an impact on flights to India, airline executives said, but it was too early to quantify.

(Economic Times, 12/3/2020)

IMF chief Kristalina Georgieva: We have entered recession

"It is clear that we have entered a recession" that will be worse than in 2009, says IMF chief.
The world is in the face of a devastating impact due to the coronavirus pandemic and has clearly entered a recession, the International Monetary Fund said on Friday, but projected a recovery next year.

"We have reassessed the prospects for growth for 2020 and 2021. It is now clear that we have entered a recession as bad or worse than in 2009. We do project recovery in 2021," IMF Managing Director Kristalina Georgieva told reporters at a news conference.

Georgieva was addressing the press after a meeting of governing body of the IMF, the International Monetary and Financial Committee. Representing 189 members, the body met virtually to discuss the unprecedented challenge posed to the world by COVID-19.

The key to recovery in 2021, she said, is only if the international community succeeds in containing the virus everywhere and prevent liquidity problems from becoming a solvency issue.

"The US is in recession, as is the rest of the advanced economies of the world. And in a big chunk of developed and emerging markets in developing economies. How severe? We are working now on our projections for 2020,” Georgieva said in response to a question.

The new projections are expected in the next few weeks.

Stressing that while containment is the main reason for the economy to stand still and get into a recession, she said containment is very necessary to come out of this period and step in to recovery. "Until the virus is not contained, it would be very difficult to go to the lives we love."

"A key concern about a long-lasting impact of the sudden stop of the world economy is the risk of a wave of bankruptcies and layoffs that not only can undermine the recovery. But can erode the fabric of our societies," the IMF chief said.

To avoid this from happening, many countries have taken far-reaching measures to address the health crisis and to cushion its impact on the economy, both on the monetary and on the fiscal side, she said.

The IMF chief said 81 emergency financing requests, including 50 from lower-income countries, have been received. She said current estimate for the overall financial needs of emerging markets is 2.5 trillion dollars.

"We believe this is on the lower end. We do know that their own reserves and domestic resources will not be sufficient," she added.

The G-20, a day earlier, reported fiscal measures totalling some 5 trillion dollars or over 6 per cent of the global GDP.

Responding to another question, Georgieva said the IMF is projecting recession for 2020.

"We do expect it to be quite deep and we are very much urging countries to step up containment measures aggressively so we can shorten the duration of this period of time when the economy is in standstill," she said.

"And also to apply well-targeted measures, primarily focusing on the health system to absorb that enormous stress that comes from coronavirus. And on people, businesses and the financial system, I am very pleased to say that when we went through countries' responses, that sense of targeted fiscal measures is there and are also very impressive to see the size of these measures," she added.

"Countries are doing all they can on the fiscal and on the monetary front. We have heard from our members' very impressive decisions taken over the last days," the IMF chief said.

"We also want to caution that as we are responding now, we want to make the recession as possibly short and not too deep. We also want to think about what is going to follow the recovery and make sure that we are putting forward measures that can be supportive in this regard," she said.

(Press Trust of India, 27/3/2020)

Trade impact of Coronavirus epidemic for India estimated at 348 million dollars: UN report
Estimates published by United Nations Conference on Trade and Development (UNCTAD) Wednesday said that the slowdown of manufacturing in China due to the coronavirus (COVID-19) outbreak is disrupting world trade and could result in a 50 billion dollar decrease in exports across global value chains.

UNITED NATIONS: The trade impact of the coronavirus epidemic for India is estimated to be about 348 million dollars and the country figures among the top 15 economies most affected as slowdown of manufacturing in China disrupts world trade, according to a UN report.

Estimates published by United Nations Conference on Trade and Development (UNCTAD) Wednesday said that the slowdown of manufacturing in China due to the coronavirus (COVID-19) outbreak is disrupting world trade and could result in a 50 billion dollar decrease in exports across global value chains.

The most affected sectors include precision instruments, machinery, automotive and communication equipment.

Among the most affected economies are the European Union (USD 15.6 billion), the United States (USD 5.8 billion), Japan (USD 5.2 billion), South Korea (USD 3.8 billion), Taiwan Province of China (USD 2.6 billion) and Vietnam (USD 2.3 billion).

India is among the 15 most affected economies due to the coronavirus epidemic and slow down in production in China, with a trade impact of 348 million dollars.

The trade impact for India is less as compared to other economies such as EU, the US, Japan and South Korea. Trade impact for Indonesia is 312 million dollars.

For India, the trade impact is estimated to be the most for the chemicals sector at 129 million dollars, textiles and apparel at 64 million dollars, automotive sector at 34 million dollars, electrical machinery at 12 million dollars, leather products at 13 million dollars, metals and metal products at 27 million dollars and wood products and furniture at 15 million dollars.

“Besides its worrying effects on human life, the novel strain of coronavirus (COVID-19) has the potential to significantly slowdown not only the Chinese economy but also the global economy. China has become the central manufacturing hub of many global business operations. Any disruption of China's output is expected to have repercussions elsewhere through regional and global value chains,” UNCTAD said.

Over the last month, China has seen a dramatic reduction in its manufacturing Purchasing Manager's Index (PMI) to 37.5, its lowest reading since 2004.

This drop implies a 2 per cent reduction in output on an annual basis. This has come as a direct consequence of the spread of corona virus (COVID-19).

“The 2 per cent contraction in China's output has ripple effects through the global economy and thus far has caused an estimated drop of about USD 50 billion across countries,"UNCTAD said.

"The most affected sectors include precision instruments, machinery, automotive and communication equipment,” it added.

UNCTAD said because China has become the central manufacturing hub of many global business operations, a slowdown in Chinese production has repercussions for any given country depending on how reliant its industries are on Chinese suppliers.

“In addition to grave threats to human life, the coronavirus outbreak carries serious risks for the global economy,” UNCTAD Secretary-General Mukhisa Kituyi said.

“Any slowdown in manufacturing in one part of the world will have a ripple effect in economic activity across the globe because of regional and global value chains,” he said.

Pamela Coke-Hamilton, who heads UNCTAD's Division on International Trade and Commodities, said for developing economies that are reliant on selling raw materials, the effects could be felt “very, very intensely.”

“Assuming that it is not mitigated in the short-term, it's likely that the overall impact on the global economy is going to be significant in terms of a negative downturn,” she said.

The estimated global effects of COVID-19 are subject to change depending on the containment of the virus and or changes in the sources of supply.

Meanwhile, the extent of the damage to the global economy caused by novel coronavirus COVID-19 moved further into focus as UN economists announced a likely USD 50 billion drop in worldwide manufacturing exports in February alone.

Highlighting the ongoing uncertainty surrounding the economic impact of the epidemic, in which there have been more than 90,000 confirmed cases in more than 70 countries (the majority in China) and over 3,000 deaths, Coke-Hamilton said that US measures “in terms of visitor arrivals, cancelling various meetings” were having a “knock-on effect” in terms of demand.

“So right now, we're not clear on where it will go – a lot will depend on what happens with COVID-19; if they are able to come up with a vaccine then hallelujah, hopefully it will end very quickly, but if not, the impact can be severe,” she said.

(Press Trust of India, 5/3/2020)

Only India, China will survive coronavirus, rest of the entire world economy will go into recession: UN
With two-thirds of the world's population living in developing countries facing unprecedented economic damage from the COVID-19 crisis, the UN is calling for a USD 2.5 trillion rescue package for these nations.

The world economy will go into recession this year with a predicted loss of trillions of dollars of global income due to the coronavirus pandemic, spelling serious trouble for developing countries with the likely exception of India and China, according to a latest UN trade report.

With two-thirds of the world’s population living in developing countries facing unprecedented economic damage from the COVID-19 crisis, the UN is calling for a USD 2.5 trillion rescue package for these nations.

According to the new analysis from United Nations Conference on Trade and Development (UNCTAD), the UN trade and development body titled ‘The COVID-19 Shock to Developing Countries: Towards a ‘whatever it takes’ programme for the two-thirds of the world’s population being left behind’, commodity-rich exporting countries will face a USD 2 trillion to USD 3 trillion drop in investments from overseas in the next two years.

The UNCTAD said that in recent days, advanced economies and China have put together massive government packages which, according to the Group of 20 leading economies (G20), will extend a USD 5 trillion lifeline to their economies.

“This represents an unprecedented response to an unprecedented crisis, which will attenuate the extent of the shock physically, economically and psychologically,” it said. It added that while the full details of these stimulus packages are yet to be unpacked, an initial assessment by the UNCTAD estimates that they will translate to a USD 1 trillion to USD 2 trillion injection of demand into the major G20 economies and a two percentage point turnaround in global output.

“Even so, the world economy will go into recession this year with a predicted loss of global income in trillions of dollars. This will spell serious trouble for developing countries, with the likely exception of China and the possible exception of India,” the UNCTAD said. The report, however, did not give a detailed explanation as to why and how India and China will be the exceptions as the world faces a recession and loss in global income that will impact developing countries.

Further, given the deteriorating global conditions, fiscal and foreign exchange constraints are bound to tighten further over the course of the year. The UNCTAD estimates a USD 2 trillion to USD 3 trillion financing gap facing developing countries over the next two years. In the face of a looming financial tsunami this year, the UNCTAD proposes a four-pronged strategy that could begin to translate expressions of international solidarity into concrete action.

This includes a USD 1 trillion liquidity injection for those being left behind through reallocating existing special drawing rights at the International Monetary Fund; a debt jubilee for distressed economies under which another one trillion dollars of debts owed by developing countries should be cancelled this year and a 500 billion dollars Marshall Plan for a health recovery funded from some of the missing official development assistance (ODA) long promised but not delivered by development partners. The speed at which the economic shockwaves from the pandemic has hit developing countries is dramatic, even in comparison to the 2008 global financial crisis, the UNCTAD said.

“The economic fallout from the shock is ongoing and increasingly difficult to predict, but there are clear indications that things will get much worse for developing economies before they get better,” UNCTAD Secretary-General Mukhisa Kituyi said. The report shows that in two months since the virus began spreading beyond China, developing countries have taken an enormous hit in terms of capital outflows, growing bond spreads, currency depreciations and lost export earnings, including from falling commodity prices and declining tourist revenues.

Lacking the monetary, fiscal and administrative capacity to respond to this crisis, the consequences of a combined health pandemic and a global recession will be catastrophic for many developing countries and halt their progress towards the Sustainable Development Goals. Even as advanced economies are discovering the challenges of dealing with a growing informal workforce, this remains the norm for developing countries, amplifying their difficulties in responding to the crisis.

“Advanced economies have promised to do ‘whatever it takes’ to stop their firms and households from taking a heavy loss of income,” said Richard Kozul-Wright, UNCTAD’s director of globalisation and development strategies. He added: “But if G20 leaders are to stick to their commitment of ‘a global response in the spirit of solidarity’, there must be commensurate action for the six billion people living outside the core G20 economies”. According to reports, the death toll from the coronavirus pandemic has soared past 35,000 while the number of confirmed cases topped 750,000 globally.

(PTI 31/3/2020)

India can fill up export market space vacated by China due to coronavirus: Assocham
"Barring a few segments, a large number of engineering exports from India can fill up the market vacated by China; so is the case with products like leather and leather goods," Assocham Secretary General Deepak Sood said. He said India can also tap the opportunities in segments like agriculture and carpets.

With the Chinese economy getting impacted due to the coronavirus outbreak, India can push its exports in the global markets to fill up the space vacated by the neighbouring country, industry body Assocham said on Sunday. It said Indian exporters of electronics, pharmaceuticals, speciality chemicals and automobile segments depend on China for raw material and are facing supply constraints, but there are several areas where there are increased opportunities for domestic traders.

"Barring a few segments, a large number of engineering exports from India can fill up the market vacated by China; so is the case with products like leather and leather goods," Assocham Secretary General Deepak Sood said.

He said India can also tap the opportunities in segments like agriculture and carpets.

"We also need to scale up several of our sectors to compete effectively with China even when the Chinese exporters are able to normalise their global supply chain," Sood said.

He also said while the health emergency of the Coronavirus epidemic is a matter of grave concern for the entire world, it is incumbent on larger economies like India to fill up the gaps in the global market and there is a need to approach the issue with a clear strategy.

According to the latest PMI (Purchasing Managers' Index) data, China's factory output level in February has plummeted to the lowest in about two decades, and the consequences are bound to be felt in the global market, Assocham said.

"While India's merchandise exports have contracted by 1.93 per cent between April-January period of the current fiscal, the coming few months can provide our exporters greater market access in the absence of usually aggressive and competitive Chinese suppliers," it added.

(Economic Times, 1/3/2020)

India stands to gain most from supply-chain disruptions, FDI pipeline doubles to $175 billion: UBS
The report said that high number of respondents looking to diversify continues, suggesting a manufacturing shift from China is more structural and longer term in nature.

India is expected to be a big beneficiary of the ongoing trade battle between US and China. Evidence of this trend is already visible from foreign direct investment (FDI) pipeline doubling to $175 billion from last year's $87 billion. Given the rise in protectionism and tariff barriers, corporations are looking at shifting supply chains . UBS, the world's largest wealth manager, in its US CFO survey found that 76% of the respondents have either shifted their supply chain or are planning to shift in response to protectionist policies such as trade tariffs and India continues to be among the top destinations in Asia for manufacturing shift.

The report also said that high number of respondents looking to diversify continues, suggesting a manufacturing shift from China is more structural and longer term in nature.

While FDI in India has increased in the last one year, there has been interest from global companies to set up manufacturing facilities for not only electronics but also heavy manufacturing as well. India's current FDI pipeline has doubled and key focus sectors include construction, electronics, infrastructure, textiles, food processing, pharma among others. Even while analyzing the earnings transcripts of 44 global companies there has been increased references to 'India' and 'trade war' and spot nuances in language signify a potential relocation of manufacturing to India.

According to UBS, meetings with policymakers, UBS Evidence Lab results, trade data analysis, and newsflow, all point to early evidence of a pickup in manufacturing exports (including import substitution).

"Exports is one of the keys in our '4 Keys framework' from which we expect an earnings cycle inflection. We expect a 15% earnings CAGR in Nifty over FY21-23, compared with 6% over the past five years. Our Nifty target for end-December 2021 is 14,700," said UBS in its report. However it also stated that, it is too early to call whether India will have major success, but the next three years should be better than the past five years. Also, exports are highly correlated with earnings and GDP growth.

Post the corporate rate tax and recent Budget incentives for exports have been ignored by investors, believes UBS. In the recent past, government has taken steps like easing customs duties, liquidity for exporters and higher credit availability to boost manufacturing and exports.

"Local corporate commentary also suggests some pickup in mentions beyond the chemicals sector, including in contract manufacturing companies and consumer appliance companies," said UBS.

(Financial Express, 29/2/2020)

Coronavirus: Commission issues guidelines to protect critical European assets and technology in current crisis

The European Commission today issued guidelines to ensure a strong EU-wide approach to foreign investment screening in a time of public health crisis and related economic vulnerability. The aim is to preserve EU companies and critical assets, notably in areas such as health, medical research,

biotechnology and infrastructures that are essential for our security and public order, without undermining the EU's general openness to foreign investment.

President of the European Commission Ursula von der Leyen said: "If we want Europe to emerge from this crisis as strong as we entered it, then we must take precautionary measures now. As in any crisis, when our industrial and corporate assets can be under stress, we need to protect our security and economic sovereignty. We have the tools to deal with this situation under European and national law and I want to urge Member States to make full use of them. The EU is and will remain an open market for foreign direct investment. But this openness is not unconditional."

Commissioner for Trade Phil Hogan said: "We are facing an unprecedented public health crisis with deep consequences for the European economy. In the EU, we are and wish to remain open to foreign investment. In the current circumstances, we need to temper this openness with appropriate controls. We need to know who invests and for what purpose. The EU and its Member States have the right legal tools for that. Today's guidelines call upon Member States to use these tools to the fullest extent and will bring additional clarity on how to use our investment screening framework to prevent a sell-off of strategic EU assets in the current crisis."

Under existing EU rules, Member States are empowered to screen foreign direct investments (FDI) from non-EU countries on grounds of security or public order. Protection of public health is recognised as an overriding reason in the general interest. As a result, Member States can impose mitigating measures (such as supply commitments to meet national and EU vital needs) or prevent a foreign investor from acquiring or taking control over a company. National FDI screening mechanisms are currently in place in 14 Member States. With the EU foreign investment screening regulation in force since last year, the EU is well equipped to coordinate control of foreign acquisitions done at the Member States' level.

Issuing its guidelines, the Commission calls upon Member States that already have an existing screening mechanism in place to make full use of tools available to them under EU and national law to prevent capital flows from non-EU countries that could undermine Europe's security or public order.

The Commission also calls on the remaining Member States to set up a fully-fledged screening mechanism and in the meantime to consider all options, in compliance with EU law and international obligations, to address potential cases where the acquisition or control by a foreign investor of a particular business, infrastructure or technology would create a risk to security or public order in the EU.

The Commission also encourages cooperation between Member States, as it comes to FDI screening cases where foreign investment could have an effect on the EU single market. Foreign acquisitions taking place now already fall under the EU FDI screening regulation, and could be reviewed under the cooperation mechanism established by the regulation, which will be fully operational as from October 2020.

On capital movements, the guidelines also recall under which specific circumstances free movement of capital, notably from third countries, linked to acquisitions of stakes may be restricted.

The Commission will also continue to follow closely developments on the ground and stands ready to discuss and ensure coordination on any foreign investment case with a larger European impact.

Protection of the EU strategic assets will also be the subject of discussions between President von der Leyen and EU leaders in tomorrow's European Council videoconference.

Background: The EU FDI Screening Regulation was adopted in March 2019. It puts in place for the first time an EU-level mechanism to coordinate the screening of foreign investments likely to affect the security and public order of the Union and its Member States. This mechanism is based on an obligation to exchange information between Member States and the Commission, as well as on the possibility for the Commission and Member States to issue opinions and comments on specific transactions. The application of this mechanism will start on 11 October 2020. The Commission and Member States are already cooperating with a view to adapt national screening mechanisms and ensure a full and swift implementation of the Regulation at EU and national levels.

(European Commission)

India's super rich population to grow 73% over 5 years: Report

Despite rising geopolitical tensions, slow growth forecasts and uncertainty remaining the norm in 2019, 51% of the Ultra-wealthy Indians experienced an increase in their fortune.

The number of Ultra high-net-worth individuals (UHNWIs) in India is estimated to grow by a whopping 73% in the next five years, almost doubling the count to 10,354 from 5,986 in 2019, according to Knight Frank's Wealth Report 2020.

Despite the current slowdown in the economy, global economic experts see strong long-term economic growth. The growth in India's ultra-wealthy is expected to be on the back of the growth prediction of the economy with GDP touted to reach the 7% mark by 2022.

Knight Frank expects Asia to be the world's second largest wealth hub outperforming Europe, with a five-year growth forecast of 44% by 2024. However, even after a steep rise, it will reach only half the size of North America's UHNWI population, which is predicted to increase by 22% over the same period.

Ultra high-net-worth individuals are defined as having a net worth of at least US$30 million in investable assets net of liabilities.

"India's economic advantage is its large and growing consumer base, which helps in general wealth creation. As India enters the 30th year of its liberal economic and trade policy since 1991, the country has also become an important market for global products and services. It appeared at some point in time that India was skipping the 'manufacturing generation' of economic growth moving straight to services, we now see the country rising in favour as a manufacturing destination for global corporations. As a result of a well - rounded growth in the future, private wealth is expected to rise in proportion to the economic growth," said Shishir Baijal, CMD, Knight Frank India.

Out of the top 20 fastest growing countries presented in the report, six are located in Asia--led by India (73% growth), five are in Europe--led by Sweden (47% growth) – and three are in Africa, led by Egypt

(66% growth). The Wealth Sizing Model built by Knight Frank shows that within Asia itself, India is projected to lead the growth in UHNWIs, followed by Vietnam (64% growth), China (58% growth) and Indonesia (57% growth).

Equity investments, irrespective of global headwinds, remained the most attractive asset class for Indian ultra-high-net-worth individuals (UHNWIs) ahead of property investments.

"Despite uncertainty in 2020 around the impact of COVID-19, interest for assets remains high with significant capital chasing limited stock. While some private investors may delay their decisions due to the current climate, we expect secure assets that offer quality income streams to be in increasing demand," said Neil Brookes, Head of Capital Markets, Asia Pacific, Knight Frank.

In 2019, for Indian UHNWIs, equities remained the most preferred asset class in the portfolio with 29% allocation, followed by 21% allocation for bonds and 20% into property investments. On the contrary, Asian UHNWIs preferred property investments with 28% asset allocation, followed by 21% in equities which is closely followed by 19% allocation in bonds.

Around 83% of Indian UHNWIs are planning to increase or maintain their allocations in equities, followed by bonds (77%) and ahead of property (51%).

(Economic Times, 6/3/2020)

UK becomes co-chair of India-led global climate initiative

The UK was today confirmed as the first co-chair of the Governing Council on the India-led global Coalition for Disaster Resilient Infrastructure.

The Coalition was established by Indian Prime Minister Narendra Modi and is a voluntary international grouping, linking governments, UN agencies, banks, private sector groups, and academia to develop the resilience of infrastructure systems to climate and disaster risks.

The Governing Council is the highest policy-making body of the Coalition for Disaster Resilient Infrastructure (CDRI). It is co-chaired by India and a representative of another national government nominated by rotation every two years.

The UK was represented at the first council meeting by UK Secretary of State for Business, Energy and Industrial Strategy, Alok Sharma. Due to the Coronavirus pandemic, the minister participated remotely over video link from the UK. The minister, who is President of the 2020 UN Climate Change Conference (COP26), also held a meeting with Pramod Kumar Mishra, the Indian Prime Minister's Principal Secretary, over videoconference.

Secretary of State for Business and Energy and COP26 President Alok Sharma said:I was pleased to be able to join the inaugural meeting and confirm the UK as the first co-chair of the CDRI. Delivering action on climate change remains a priority for the UK and I am sure that the UK-India partnership on climate action will help see progress on reducing emissions and help make India's infrastructure fit for the future.

Jan Thompson, Acting High Commissioner to India, said: The UK is already working closely with India as a joint force for good on climate change. We believe the India-led CDRI will bring about a transformation in how infrastructure is designed, constructed, operated and maintained. This year is a crucial year for our climate, and I am confident that UK-India leadership on climate action can deliver substantial progress towards reducing emissions and helping to build resilience globally.

The UK will provide technical advice and expertise to help set up and build the Secretariat and advance the objectives of the Coalition. The initial focus will be on disaster and climate risk analysis and governance of infrastructure.

In 2019, the UK became the first major economy to legislate to become a net zero emissions economy by 2050. Other landmark policies include a commitment to make all new cars and vans sold electric by 2040; and a doubling of our investment to tackle climate change and species loss (new pledge £11.6bn between 2021/22 to 2025/26).

The UK will host COP26 in Glasgow in November 2020.

UK-India working together:

On adaptation, we are working together through the Mahatama Gandhi National Rural Employment Act to build flood defences and river structures to encourage aquifer replenishment and together with India's Ministry of Earth Sciences, we are gathering land, sea and atmospheric data to help deliver a decisive step forward in monsoon forecasting.

On electric mobility, a joint venture between UK's EO Charging and India's Yahhvi Enterprises will deliver charging infrastructure for electric vehicles cross India.

On finance, our governments committed £240 million of anchor capital in the Green Growth Equity Fund – its first investment going to Ayana Renewable Power, which is developing 800MW of solar generation capacity.

(Press and Communications, British High Commission in India, 20/3/2020))
