

Daily Economic News Summary 6 March 2020

1. Trade impact of Coronavirus for India estimated at \$348 mn: UN report

Source: Business Standard ([Link](#))

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) 4 March 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 (\$15.6 billion), the United States (\$5.8 billion), Japan (\$5.2 billion), South Korea (\$3.8 billion), Taiwan Province of China (\$2.6 billion) and Vietnam (\$2.3 billion).

2. Jewar airport gets international recognition

Source: Livemint ([Link](#))

In a major achievement for Uttar Pradesh's Yogi Adityanath government, the first phase of Jewar airport has been included in the world's 100 strategic global infrastructure projects for the year 2020. Uttar Pradesh (India) and Yugoslavia have been chosen in the field of aviation all over the world. It has been recognised in the CG LA Infrastructure list. The success story of Jewar Airport will be presented by the Uttar Pradesh government at the 13th Global Infrastructure Leadership Forum, to be held in New York City, US on March 25-27. The Forum has sent an invitation to the government of Uttar Pradesh. UP has to give its presentation in two sessions.

3. Sitharaman to move Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019 in Lok Sabha

Source: Livemint ([Link](#))

Union Finance Minister Nirmala Sitharaman on 6 March will move the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019 for consideration and passing in Lok Sabha. In December last year, the Union Cabinet had approved a proposal to promulgate an ordinance to

amend the Insolvency and Bankruptcy Code (IBC) 2016. The amendments will remove certain ambiguities in the IBC 2016 and ensure smooth implementation of the code, an official statement said. The move is aimed at easing the insolvency resolution process and promoting the ease of doing business. Aimed at streamlining of the insolvency resolution process, the amendments seek to protect last-mile funding and boost investment in financially-distressed sectors. The amendments are aimed at providing more protection to bidders participating in the recovery proceedings and in turn boosting investor confidence in the country's financial system.

4. India Inc in preventive mode: Issues travel advisories, cautions against infection

Source: The Hindu, Business Line ([Link](#))

Concerned over the spread of coronavirus (Covid-19), India Inc has sprung into action to protect and educate employees. Many companies have issued advisories and are encouraging employees to work from home. Several companies have suspended foreign travel, while some banks and insurance companies have asked senior executives to refrain even from domestic travel. Advisories for precaution against the infection such as not to shake hands, use of hand sanitisers and drinking adequate water between intervals, have been issued.

5. RBI to seek review of Supreme Court order on cryptocurrency

Source: The Economic Times ([Link](#))

The Reserve Bank of India (RBI) is planning to file a review petition in the Supreme Court against the quashing of a central bank circular aimed at curbing cryptocurrencies, said people with knowledge of the matter. The central bank is concerned that the apex court's decision on Wednesday could pave the way for trading in virtual currencies and put the banking system at risk. Several cryptocurrency platforms that had shifted base to Singapore and elsewhere after the RBI circular that was issued on April 6, 2018, are now looking to move back to India. This may also mean that banks will allow customers to link bank accounts to cryptocurrency platforms, facilitating trading.

6. Yes Bank crisis: SBI Board approves exploring investment opportunities; netbanking facilities hit

Source: Scroll ([Link](#))

The board of the State Bank of India has given an in-principle approval to the lender to explore opportunities to invest in Yes Bank, PTI reported. The decision was taken at a meeting on 5

March, the bank said. The announcement came hours after the Reserve Bank of India imposed a moratorium on the cash-strapped Yes Bank, and restricted withdrawals at Rs 50,000 for each account. The board of the bank was also superseded with immediate effect, and former State Bank of India Chief Financial Officer Prashant Kumar was appointed administrator for Yes Bank. Reports have said that the government has asked the State Bank of India and Life Insurance Corporation to collectively pick up 49% stake in Yes Bank. The government is allegedly considering a bailout because it fears that the collapse of Yes Bank will have a domino effect on the banking sector

7. De-link Census 2021 from NPR, 190 economists and social scientists tell Centre

Source: Scroll ([Link](#))

As many as 190 economists and social scientists from across the world have called for the de-linking of India's National Population Register and the National Register of Citizens. The collective expressed deep concern over what it called the "major implications for the Indian statistical system" as the Centre attempted to collate data for the 2021 Census of India with that for the proposed NPR. The Centre has linked the exercise of updating the population register to the census, due in 2021. The NPR has been described as "the first step towards the creation of NRC". On December 24 last year, the Cabinet approved funds of Rs 3,900 crore to update the population register. The NRC is a proposed nationwide exercise to identify undocumented migrants.

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

Source: The Hindu, Business Line ([Link](#))

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.