Daily News Monitor: 17 June 2020

1. AIIB approves additional $750 million loan to strengthen India's Covid response
Source: The Hindu Business Line (Link)

The Asian Infrastructure Investment Bank (AIIB) approved an additional $750 million loan to strengthen India's Covid-19 response, according to a release on 17 June. Co-financed by the Asian Development Bank (ADB), the loan will go towards bolstering economic aid for businesses, including for the informal sector, expanding social safety nets for the needy, and strengthening the country's health care systems, the release said. The latest support came after the AIIB approved a $500 million package co-financed by the World Bank under its COVID-19 Crisis Recovery Facility (CRF) to India on May 8, bringing total support to the country from the infrastructure bank to $1.25 billion under the CRF.

2. Supreme Court hears interest waiver case today; banks largely safe as court rules out complete waiver
Source: Financial Express (Link)

A Supreme Court bench will on 17 June, once again, gather to hear the case relating to interest waiver during the moratorium period. Although the apex court in its previous hearing ruled out a complete interest waiver on term loans during the moratorium period, the bench seeks to know whether interest will be charged on accrued interest during the said period. Analysts say this comes as huge relief for the banking sector that could have faced significant operating losses if the interest waiver was granted on term-loans during the moratorium period. According to a report, banks stood to lose as much as 111% of their operating profits for the fiscal year if interest waiver would have been granted.

3. Rubber upskilling gets back to business, riding glove, catheter demand
Source: Financial Express (Link)

Spiralling demand in rubber gloves and catheters has sent Rubber Skill Development Council (RSDC) to resume its countrywide upskilling sessions for industry and plantation workers from next month. Less Covid-battered states like Odisha, Uttar Pradesh, Bihar and North Eastern states have also been eager to have its return-migrants, upskilled and back to their wage-earning days, at the fastest. "Multi-skilling and upskilling sessions will get going, across the country, from July," Vinod Simon, chairman, RSDC told FE. "Union ministry of skill development has sent the new SoPs to suit the social distancing protocol. New modules will be a mix of e-learning and field-classes," he said. RSDC is a skill council stringed together by National Skill Development Corporation (NSDC) and rubber industry outfits.

4. Unlock 1.0: DLF offers rent waivers to mall tenants
Source: Business Standard (Link)

In a first, luxury mall developer DLF has offered its mall tenants, or rental partners, like Reliance Retail, Pantaloons and Big Bazaar, a rent waiver programme, which proposes among other options a 100% off on the minimum guarantee (MG) lease rent. Under the new proposal, DLF Shopping Malls is offering rental partners a 100% waiver on MG rent for the entire lockdown period till June 15. Post this, a 75% off on MG rent is offered till June 30, sources said. DLF has also proposed a 50%, 24% and 10% waiver on MG rent for July-September 2020, October-December 2020 and January-March 2021, respectively, they added.

5. Bridge To India lowers India's solar, wind power capacity addition outlook over 2020-2024
Source: Financial Express (Link)

Clean energy consultancy Bridge To India has lowered India's solar and wind power capacity addition estimate over 2020-2024 citing weak economic outlook and further slowdown in power demand. It said the domestic energy sector has been hit by multiple demand and supply shocks, sharp reduction in power demand, delays in construction activity, and deferred payments across the value chain. "Consequent to weakening economic outlook and further slowdown in power demand, we have revised our base case solar and wind power capacity addition estimate over 2020-2024 to 35 GW and 12 GW, down from our previous estimate of 43 gigawatts (GW) and 15 GW respectively," it said.

6. India to remain most resilient in South Asia, continue to attract FDI even in Covid-19 crisis: UNCTAD
Source: The Economic Times (Link)

The United Nations Conference on Trade and Development (UNCTAD) has said that India's economy could prove the most resilient in South Asia and its large market will continue to attract market-seeking investments to the country even as it expects a dramatic fall in global foreign direct investment (FDI). However, inflows may shrink sharply. As per UNCTAD, India jumped to ninth spot in 2019 on the list of global top FDI recipients from the twelfth spot in 2018. Due to the Covid-19 crisis, global FDI flows are forecast to nosedive by upto 40% in 2020, from their 2019 value of $1.54 trillion, bringing FDI below $1 trillion for the first time since 2005. FDI is projected to decrease by a further 5-10% in 2021 and a recovery is likely in 2022 amid a highly uncertain outlook.

7. India ranked 43rd on IMD's World Competitiveness Index; Singapore on top
Source: The Economic Times (Link)

India continues to remain ranked 43rd on an annual World Competitiveness Index compiled by Institute for Management Development (IMD) with some traditional weaknesses like poor infrastructure and insufficient education investment keeping its ranking low, the international business school said on 16 June. Singapore has retained its top position on the 63-nation list. Denmark has moved up to the second position (from 8th last year), Switzerland has gained one place to rank 3rd, the Netherlands has retained its 4th place and Hong Kong has slipped to the fifth place (from 2nd in 2019). The US has moved down to 10th place (from 3rd last year), while China has also slipped from 14th to 20th place. Among the BRICS nations, India is ranked second after China, followed by Russia (50th), Brazil (56th) and South Africa (59th).

8. HCQ's emergency use revocation by US may not hit India's exports
Source: Business Standard (Link)

Even as the US government revoked emergency use of hydroxychloroquine (HCQ) for treating coronavirus (Covid-19) patients, smaller players in India do not see much impact on export of the drug. This is because while the emergency authorisation for treating Covid was a recent move, the drug has been used since years for rheumatoid arthritis (RA) and autoimmune lupus. “Revocation of the emergency use approval means that the drug can be reused in future when approved after a clinical study. However, the decades-old drug is used in RA and lupus which still continues. Use of HCQ for treating Covid has been a recent phenomena, although it did create a huge buzz around the drug. However, the impact on exports will be minimal for the industry, especially in Gujarat,” said Viranchi Shah, senior national vice-president of the Indian Drug Manufacturers’ Association (IDMA). A senior government official said the share of HCQ in India’s overall pharma exports is miniscule. So, it does not impact exports as such.