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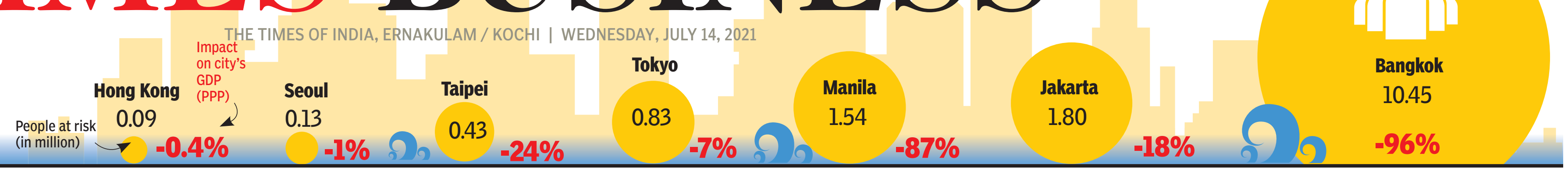
Climate Change, Rising Sea Levels Threaten Asian Cities

More than 15 million people could be affected by rising sea levels in seven regional cities by 2030, according to a report by Greenpeace East Asia. The rise of sea levels by 2030 was calculated in line with the planet warming by 3-4 degrees Celsius by 2100

Source: Statista



China's June exports grow faster than expectations

Global Vaccinations, Easing Of Lockdowns Lift Demand

MAY SLOW DOWN IN 2ND HALF

Beijing: China's exports grew much faster than expected in June, as solid global demand led by easing lockdown measures and vaccination drives worldwide eclipsed virus outbreaks and port delays. But overall trade growth in the world's second-biggest economy may slow in the second half of 2021, a customs official warned on Tuesday, partly reflecting the Covid-19 pandemic uncertainties as the Delta virus variant wreaks havoc in some countries.

Overall imports also beat expectations, though the pace of gains eased from May, with the values boosted by high raw material prices, customs data showed. Thanks to Beijing's efforts in largely containing the pandemic earlier than its trading partners, the world's biggest exporter has managed a solid economic revival from the coronavirus-induced slump in the first few months of 2020. Exports in dollar terms rose 32.2% in June from a year earlier, compared with 27.9% growth in May. The analysts had forecasted a 23.1% increase.

"Exports surprised on the upside in June, shrugging off the impact of the temporary Shenzhen port closure and other supply chain bottlenecks," said Louis Kuijs, head of Asia economics at Oxford Economics. "The headline dollar numbers suggest that in real, sequential terms shipments held up in June, after having moderated earlier on from the record levels of end-2020." China's trade performance has seen some pressure in recent months, mainly due to a global semiconductor shortage, logistics bottlenecks, and higher raw material and freight costs.

All the same, the global easings in Covid-19 lockdown measures and vaccination drives appeared to underpin a strong uptick in worldwide demand for Chinese goods. Germany, for example, which was at first sluggish in its vaccination drive, said this month it had caught up with the US in terms of the proportion of the population having had one shot of Covid-19 vaccine. Close to half of Americans are now fully vaccinated, while elsewhere in Europe the rate has also increased recently.

China's strong shipment numbers last month underlined some solid factory surveys overseas. A measure of US factory activity climbed to a record high in June, while Eurozone business growth accelerated at its fastest pace in 15 years. The data also showed imports increased 36.7% year-on-year last month, beating a 30% forecast but slowing from a 51.1% gain in May, which was the highest growth rate in a decade.

China's crude oil imports in the first half fell 3% in their first contraction for the period since 2013, as an import quota shortage and rising global prices curbed buying, but imports of soybeans, natural gas and iron ore rose. Asian stock markets, partly buffeted over recent weeks by concerns over the spreading Delta virus variant and easing growth rates in China, extended their gains after the trade data and were headed for the best session in more than two weeks.

China's yuan also rose to a near one-week high against the dollar as the data tempered worries over softening GDP growth. On Friday, the People's Bank of China said it would cut the amount of cash that banks must hold as reserves to support the economy, especially as smaller firms were unable to pass on rising raw material costs.

China's customs administration spokesperson Li Kuiwen said imported inflation risks were manageable, but cautioned that the country's overall trade still faces uncertainties due to the global pandemic. Li, speaking at a news conference in Beijing earlier in the day, said trade growth may slow in the second half of 2021, mainly reflecting the statistical impact of the high growth rate.

"But overall we think China's foreign trade in the second half still has hopes of achieving relatively fast growth," he said. China posted a trade surplus of $51.5 billion for last month, compared with the forecast for a $44.2 billion surplus and the $45.5 billion surplus in May.

Asia's economic powerhouse has contained a sporadic coronavirus outbreak in one of its major export hubs in southern Guangdong province last month. However, exporters are grappling with higher raw material and freight costs and logistics bottlenecks. Prices for commodities such as coal, steel, iron ore and copper have surged this year, fuelled by easing pandemic lockdowns in many countries and ample global liquidity. REUTERS

People cut spends on health, grocery as fuel prices bite: SBI

Mumbai: The surge in fuel prices is making people spend less on non-discretionary items like grocery, health and utilities, economists at the country's largest lender SBI said on Tuesday.

The government should look at cutting taxes on oil, which is keeping the prices of petrol and diesel elevated, a note authored by group chief economic adviser Soumya Kanti Ghosh said.

Petrol prices breached the Rs 100 per litre mark across the country, while diesel is also closing in on the three-figure mark per litre. As per estimates, over Rs 40 per litre goes as taxes and excise to governments at the Centre and states. The taxes were increased when the global crude prices had dropped but have not been rolled back even as crude prices have rebounded.

"As consumers are spending more on fuel, it is crowding out expenses on health. Our analysis of SBI card spends indicates that spend on non-discretionary health expenditure has been substantially reduced to accommodate increased expenditure on fuel," Ghosh said.

"In fact such spending has more than crowded out the spending on other non-discretionary items, like grocery and utility services to such an extent that the demand for such products has significantly declined," he added.

Ghosh warned that the high spending on fuel also has an impact on inflation, which has breached the upper end of the RBI's comfort band for the second month running for June, saying a 10 per cent increase in prices leads to a 0.50 per cent jump in headline consumer price inflation.

The note said there is a need for an "urgent cut in oil through tax rationalization", failing which consumer spending on non-discretionary items will continue getting distorted and crowd out discretionary expenses. Meanwhile, Ghosh also wondered if the CSO data showing the headline inflation to be at 6.30 per cent for May, at a time of local lockdowns in many parts of the country, was a "data aberration".

Most items in food and non-food have registered a degrowth in June, when compared with May, and core inflation for May has also undergone a large downward revision, he said in support of the doubts expressed on data aberration.

Sensex, Nifty rebound in line with Asian peers

Mumbai: Equity benchmark sensex logged its best session in over six weeks on Tuesday on account of hectic buying mainly in financial stocks as investors cheered steady economic data and favourable global cues.

At the closing bell, the BSE sensex was 397.04 points or 0.8% higher at 52,769.73 – breaking its three-session losing treak. This was also the best single-day gains for the benchmark since May 31.

Likewise, the broader NSE Nifty surged 119.75 points or 0.8% to settle at 15,812.35.

On the sensex chart, ICICI Bank was the top gainer, surging 2.8%, followed by HDFC, Axis Bank, Sun Pharma, NTPC and M&M.

On the other hand, HCL Tech, Dr Reddy's, Maruti and Tech Mahindra were among the laggards.

Of the sensex constituents, 21 shares closed with gains and 9 logged losses. AGENCIES

Paytm Payments Bank to enable int'l remittances

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Mumbai: Paytm Payments Bank (PPB) plans to expand into facilitating cross-border as well as domestic remittances. The bank's CEO said that the new umbrella entity (NUE), proposed by PPB and other investors, will change the pace of digital payments in the country, if approved.

Speaking to **TOI**, the bank's MD & CEO **Satish Kumar Gupta** said that it has become the largest enabler of digital transactions in India at 970 million in March 2021. It has also become the largest digital-only bank with 64 million bank accounts and deposits of over Rs 3,200 crore, he said.

According to Gupta, PPB's digital transactions were diversified across many platforms including UPI, digital wallet, FASTag, and peer-to-peer transfers. As a result, the bank was not worried about the National Payments Corporation of India's decision to cap market share in UPI transactions.

"We also have the lowest technical decline rate at 0.1% among all UPI remitter banks and 0.04% among all UPI beneficiary banks," he said.

He added that the bank has been reporting a profit from the year 2018-19. This would enable PPB to seek conversion into a small finance bank (SFB). Although the RBI had said it will relax its rules to allow payments banks to convert into SFBs after three profitable years, it has yet to notify the relaxed norms. Paytm is seeking to convert itself into an SFB that will enable it to extend loans.

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>
> **Satish Kumar Gupta** | MD & CEO, PAYTM PAYMENTS BANK

The RBI's decision to increase the end-of-day balance limits for payments banks to Rs 2 lakh will benefit small merchants who use PPB's cash management services, he said. Gupta said that PPB has managed to grow transactions in number and value by nearly 25% despite taking a severe hit during the first three months of FY21 due to the Covid lockdown.

"For the coming year, we have received approval for facilitating inward remittance from foreign countries. In addition to this, we are also growing our domestic remittance business," said Gupta.

Another new line of activity where the bank is seeking approval as an investor is the setting up of an NUE. While he said he could not share the details, Gupta said that the proposed entity, if permitted to operate, could change the pace of digital payments in India.

PPB has also taken over the Bharat Bill Payment Operating Unit business from its parent One97 in line with the RBI directive, which will add to its numbers during the current fiscal year.

S&P keeps India's rating at lowest investment grade for 14th straight yr

New Delhi: S&P Global Ratings on Tuesday kept India's sovereign rating unchanged at the lowest investment grade of 'BBB-' for the 14th year in a row, and said the government's ability to execute additional economic reforms that spur investment and create jobs will be crucial for recovery from the current economic slowdown.

S&P projected a 9.5% GDP growth in the current fiscal year that began in April and a 7.8% expansion in the following year. The GDP which shrank from $2.87 trillion in 2019-20 to $2.66 trillion in the following year, is projected to expand to $3.96 trillion in 2024-25.

Prime Minister Narendra Modi in 2019 envisioned making India a $5 trillion economy and a global economic powerhouse by 2024-25. Forecasting economic recovery to gain pace through the second half of 2021-22 fiscal, S&P kept the rating outlook at stable.

"The government's ability to deliver and execute additional economic reforms, especially those that spur investment and job creation, will be important for India's ability to recover from the economic slowdown."

"Existing vulnerabilities, including a relatively weak financial sector, rigid labor markets, and sluggish private investment, could hamper the economic recovery if not meaningfully addressed," S&P said in a statement. S&P Global Ratings affirms its 'BBB-' long-term and 'A-3' short-term unsolicited foreign and local currency sovereign ratings on India. The outlook on the long-term rating is stable, it said.

"We expect real GDP growth to rebound to 9.5% in fiscal 2022 on continued normalisation of activity and progressively higher vaccination rates. The pace of India's ambitious Covid-19 vaccination campaign will be crucial to the mitigation of adverse outcomes from future pandemic waves," S&P said. AGENCIES

Daisy Chittilapilly president of Cisco India, Saarc ops

New Delhi: Tech major Cisco on Tuesday said it has elevated Daisy Chittilapilly as the president of its India and SAARC operations. Chittilapilly succeeds Sameer Garde, who recently announced his decision to join the social sector after four years at Cisco. She will take on her new role from August 1.

With over 25 years of experience in the technology industry, including 17 years of leadership experience at Cisco, Chittilapilly has a proven track record of transforming operations and cultures to drive growth at scale, a statement said.

"As President of the India and SAARC theatre, she will be responsible for strategy and sales, operations, and investments to drive long-term growth in the region. Daisy will start her new role from August 1, 2021, which also marks the beginning of Cisco's new financial year," it added.

Chittilapilly most recently held the position of Managing Director for Cisco's Digital Transformation Office, where she worked with customers to capture and scale opportunities emerging in the digital world. In addition, as the leader of Software and Services Sales, she worked with partners to accelerate Cisco's transition towards software and subscription-based offerings.

Before joining Cisco, she worked with Wipro across multiple sales management roles. She also serves as co-chair on the Ficci National Committee for Artificial Intelligence and Digital Transformation and is an advisory board member of the non-profit 'Dragonflies Everywhere'.

> **Chittilapilly succeeds Sameer Garde, who recently announced his decision to join the social sector after four years at Cisco. She will take on her new role from August 1**

Chittilapilly's appointment comes at a time when Cisco is looking at India and SAARC as an engine of innovation and growth, Cisco Asia Pacific, Japan and Greater China President Dave West said.

"With businesses across the region looking to capture the economic rebound, her wealth of experience and knowledge in digitally enabling organisations' go-to-market strategies around software and services will help propel Cisco, our customers, and partners to the forefront of the digital economy," he added.

Commenting on her new role, Chittilapilly said in today's digital and cloud-first world, Cisco's leadership across networking, cybersecurity, and collaboration, put the company at the forefront of helping business with their digital transformation and unlocking a new era of growth.

"I am excited about the possibilities we can shape for India's people and businesses, and I look forward to working closely with our customers, partners, communities, and the government to bring these possibilities to life," she added. AGENCIES

CORPORATE PLUS

KIMSHEALTH launches digital initiatives

General education minister V Sivankutty launches patient mobile app and tele ICU of KIMSHEALTH

Kochi: Multispecialty hospital KIMSHEALTH has launched three digital initiatives for patient benefit. These include the KIMSHEALTH Mobile Application, Tele ICU and an Artificial Intelligence (AI) tool, all of which are aimed at ensuring maximum efficiency, cost saving, patient safety and privacy, a hospital release said.

General education minister V Sivankutty, who launched the patient mobile app and Tele ICU, said KIMSHEALTH had succeeded in bringing the latest technologies for the benefit of common people and making healthcare accessible from home.

National Health Mission state director Rathan U Kelker, who launched the AI tool through videoconferencing, said the healthcare facilities based on effective modern technologies will be hugely beneficial for people.

KAIRALI TMT EYES 4L TONNES A YEAR BY 2025

Kochi: Steel bar brand Kairali TMT is set to expand its production capacity to four lakh tonnes per year by 2025. "The present capacity is nearly two lakh tonnes per year and it will be doubled within four years," Kairali TMT executive director Humayoon Kalliyath said. The steel industry is getting back to normalcy after the Covid-19 pandemic and it hopes to earn more business in the coming months, a company release said.