

New Vietnamese low-cost airline to soon connect Da Nang with five Indian cities

Vietjet, the privately-owned low-cost airline of the south-east Asian country, will connect New Delhi, Mumbai, Hyderabad, Ahmedabad and Bengaluru with Da Nang



Vietnam will connect its coastal city Da Nang with five Indian cities by air shortly, said Tran Phuoc Son, vice-chairman of Da Nang People's Committee, Vietnam.

Vietjet, the privately-owned low-cost airline of the south-east Asian country, will connect New Delhi, Mumbai, Hyderabad, Ahmedabad and Bengaluru with Da Nang, Son said.

He was speaking at an interactive meeting on 'Trade Opportunities between India and Vietnam' organized by MVIRDC World Trade Center in Mumbai.

Leading a high-level business delegation from Vietnam to promote tourism and business ties, Son sought participation from Indian companies to collaborate and develop a high-tech park and information technology (IT) park in Da Nang, which reported 7.23 per cent growth in GDP in the first six month of the current calendar year.

The city of Da Nang, which has attracted 905 foreign direct investment projects amounting to \$4 billion, signed memorandums of understanding for nine projects with private firms, including a large Indian company, Son said. He also invited Indian companies to invest in Vietnamese seaports and airports, and companies in sectors of tourism, manufacturing, IT and digital economy, and fisheries.

According to Son, the high-tech park already has state-of-the-art infrastructure in logistics, incubation and telecom, but sought investment in six priority sectors, viz. micro-electronics, IT, automation and precision technology, new energy, nano technology and petrochemicals.

He also informed those gathered about the 341-hectare IT park, adjacent to the high-tech park which has been operational since 2019. Son said the IT park had so far received six investments, of which one was from an overseas investor and the remaining from local investors.

“Many Indian companies have invested in Vietnam, directly and indirectly through other countries such as Singapore, although official investment data might not reflect such indirect investment,” Dr Vijay Kalantri, chairman of MVIRDC WTC Mumbai, said.

Home > Economy > Experts fear rate hike may dampen consumption, express optimism over resilient economy

Economy

Experts fear rate hike may dampen consumption, express optimism over resilient economy

ANI 30 September, 2022 05:15 pm IST



RBI Governor Shaktikanti Das

New Delhi [India], September 30 (ANI): After the Reserve Bank of India (RBI) hiked repo rate on Friday, it brings into focus how the hike was in line with the tightening policies across the economies as expected by experts.

With another RBI rate hike looming large in the next Monetary Policy Committee (MPC) meet, it is expected to dampen consumption in the medium term, reducing GDP growth prospects and impacting mortgages, with rates returning to pre-Covid levels from the rise in funding cost. While other experts expressed optimism over the resilience by the Indian economy, considering the turbulent global environment and concerns from the slowdown.

“We expect liquidity to tighten in future if RBI continues to intervene in the forex market to support rupee, which may continue to face depreciation pressure as the interest rate differential between USA and India, which was as high as 4% in March 2022, has declined to 2.9% today (Friday),” said Vijay Kalantri, chairman, MVIRDC World Trade Center, Mumbai. MVIRDC World Trade Center is an international trade promotion organisation.

He added the hike in policy interest rate in India was expected to dampen consumption in the medium term and hence reducing GDP growth prospects to below 7% in FY23. However, he said he expects bank credit growth to remain strong led by production-linked incentive (PLI) schemes and increase in capacity utilisation by industry.

Santosh Meena, head of research, Swastika Investmart, said: “The key highlights were the resilience shown by the Indian economy considering the turbulent global environment and concerns emanating from global growth slowdown & hawkish stances of various central banks,” and added that inflation was witnessing a downward trajectory, nonetheless, the reduction in GDP growth forecasts was one of the let-downs in the overall commentary.

Showing optimism, Parth Nyati, founder, Tradingo, said: "It is important to note that despite the global headwinds, the governor's view on the Indian economy is constructive. However, to ensure that the current recovery sustains, the government needs to increase spending. Key concerns mentioned in the commentary were global & geopolitical uncertainties..."

Elara Capital Economist Garima Kapoor said: "Going forward, the domestic monetary policy may continue to be driven by the global monetary tightening cycle with aggressive stance of Federal Reserve reducing our degrees of freedom." Elara Capital is a brokerage and research firm.

Explaining how it would impact the real estate sector, Shishir Baijal, chairman and managing director, Knight Frank India, said: "Tight liquidity conditions along with the repo rate hike would lead to a significant rise in the cost of funding, impacting home loan rates as well. Going by the current trends we expect about 50% of this will be passed onto the home loan borrowers. A rise in home loan rates will further impact affordability across the markets."

He added that as per Knight Frank affordability index would deteriorate by another 2% and this might slowdown the home-buying decision for a short to medium term.

Amarendra Sahu, founder & CEO, NestAway Technologies, said: "With this hike, the rates have gone up by 190 bps cumulatively this calendar year alone. The hike in rates will push up the rates for homebuyers, further affecting housing affordability.

He said the trend of the workforce returning to the workplace and the rise in economic activities would likely to keep rates elevated for longer than expected.

KV Srinivasan, executive director & CEO, Profectus Capital, said: "While most countries are also facing falling growth rates, India has remained an exception with GDP growth projected at 7%. While cost of capex is likely to increase, I don't believe this will impede the capex cycle as Indian industry especially MSMEs (micro, small and medium enterprises) has the capacity to absorb this." (ANI)