

Economics

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1) Reliance Jio to hire about 7, 000 employees this year

Mumbai: Reliance Industries' telecom arm will increase its staff strength by nearly three-fold this year to 10, 000 as it gears up to launch fourth generation (4G) services. Company Chairman Mukesh Ambani, however, did not give any timeframe for the launch of services and said he would give more details only in next AGM about the product and the launch. " Hopefully, next year same time I will be able to give more information about the product and the launch," RIL Chairman and Managing Director Mukesh Ambani said while addressing company shareholders. The company has so far invested about Rs 18, 000 crore in the telecom business, mostly for acquiring spectrum.

" From less than 700 professionals a year back... the Reliance Jio team has grown rapidly to a national footprint of over 3, 000 professionals today. And we estimate that over the next year we will grow the team further to a national strength of nearly 10, 000 professionals," Ambani said. Reliance Jio Infocomm, the telecom arm of RIL, has also finalised the key vendor and supplier partnerships that are required for the initial launch of our services, he added.

" Together with our partners, we have charted an ambitious plan for the next 12 months, and we at Reliance Jio foresee making rapid progress over this period towards launching our services across India," Ambani said. Stressing on his optimism about the digital services market, Ambani said, " Let me assure sceptics that my continued optimism is based on the significant strides that we at Reliance have taken in the past year - towards engineering and testing a world-class broadband network and developing a suite of

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compelling and synergistic digital services." In the coming years, Reliance Jio's next-generation digital infrastructure and services platform will catalyse a transformation and embrace almost every facet of India's economic growth and social progress, Ambani added.

" Our vision for India is that broadband and digital services will no longer be a luxury item - a scarce commodity - to be rationed amongst the privileged few," he said. He said Reliance Jio will build scale based on technological superiority and affordability and provide an unparalleled range of services that do not exist today. Reliance Jio, formerly Infotel Broadband, holds pan-India wireless broadband spectrum which it acquired through auction in 2010. RIL later acquired Infotel Broadband and renamed it as Reliance Jio Infocomm. Reliance Jio has already signed a multi-million dollar deal with Anil Ambani's Reliance Communications, where the younger brother will share fibre-optic network to help rolling out 4G services.

2) Bank of England's Paul Tucker defends tougher bank rules

HELSINKI: A Bank of England policymaker defended new rules to make banks more resilient to financial crises, saying on Thursday they would help shore up economic growth although restoring confidence in the system would take time. " More resilient banking systems will enhance the capacity of monetary policy to underpin growth in an economic downturn," Bank of England Deputy Governor Paul Tucker said in a speech to be delivered in Finland. " It will be a while before confidence in the system is restored, and never again should confidence be so blind."

British banks have complained that new rules for higher capital levels and other post-crisis reforms may crimp their ability to lend, hurting economic growth. Tucker challenged that argument, saying raising more capital could reduce the funding costs of banks. He also said rules to govern finance could not be set in stone. " That is why the new macroprudential authorities, such as the Bank of England's FPC (Financial Policy Committee), will be able temporarily to adjust capital requirements when circumstances warrant," he said in the speech.

3)Jobless claims fall again

Claims for unemployment benefits fell more than expected last week, pointing to further modest improvement in the job market. About 334, 000 people filed for their first week of jobless benefits last week, 12, 000 fewer than a week earlier, the Department of Labor said. It was the lowest level since early May, and slightly better than the 345, 000 claims economists had expected. Initial claims are a choppy indicator from week to week but have largely been hovering around levels last seen in early 2008. That data coincides with other reports showing that layoffs are back to pre-recession levels. Hiring for new jobs, however, remains sluggish.

The government's latest jobs report showed employers added 175, 000 jobs in May, falling in line with average job growth over the last three years. Nearly 12 million people remain unemployed, but only a fraction of them are collecting benefits. The latest initial claims report shows 2. 97 million people filed for their second week or more of unemployment benefits in the week ending June 1, the most recent data available. That was up by 2, 000 from the prior week.

4) Why a weaker peso will be good for PH economy

MANILA, Philippines (UPDATE) - An analyst said a weaker peso will be good for the Philippine economy. The Philippine peso has lost over 4% so far this year, failing to sustain gains in the first quarter. In an interview with ANC, BDO Unibank chief market strategist Jonathan Ravelas said a weaker peso will boost the income of dollar earners, especially exports, whose lackluster performance dragged Philippine growth in the first quarter. He added because OFW dependents here will get more pesos from dollar remittances, they will likely spend more, boosting the economy. " A weaker peso is in our best interest.

First, this will allow competitiveness. Second, we know that our economy is driven by consumer spending and the OFW continues to be main contributor. A weaker peso gives them more purchasing power to buy houses and eventually spend in the economy. Your call centers are the ones taking the office space, which is supporting your real estate and construction sectors," he said. However, the trade-off would be more costly imports, like oil. Like most Asian currencies, the Philippine peso has been falling, as fund managers flee from Asian stock and currency markets, because of expectations the US Federal Reserve would soon scale back its stimulus.