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ECONOMY

India to remain fastest-growing major economy in FY24

Date: 24 January 2024



India is poised to remain the fastest-growing major economy in the world in FY24, according to a poll of economists conducted by news agency Reuters. The economists polled by the news agency also suggested that inflation may not surge again. It may be noted that the Indian economy has performed better than expected in the first two quarters of the ongoing financial year, backed by strong spending by the government as it prepares for the all-important Lok Sabha polls later this year.

Source: India Today

TRADE

India's goods & services exports marginally up in 2023

Date: 21 January 2024

The country's exports of goods and services rose marginally by 0.4% to USD 765.6 billion in 2023 despite global economic uncertainties, according to the commerce ministry data. Sectors which helped keep India's exports afloat include electronics, pharmaceuticals, cotton yarn, fabrics and made-ups; ceramic products, meat, dairy and poultry products, fruits and vegetables and information technology. Goods exports in the last calendar year, however, contracted by 4.71% to USD 431.9 billion while services exports are estimated to have risen by 7.88% to USD 333.8 billion, the data showed.



Source: The Economic Times

ENERGY

India needs ₹4.75tn investment to boost renewable energy integration

Date: 26 January 2024



India requires a substantial investment of ₹4.75 trillion by 2027 for developing its transmission infrastructure, including lines, substations, and reactive compensation, as per a draft plan floated by the Central Electricity Authority (CEA). This projection aligns with the Centre's initiative to boost the national transmission system, facilitating integration of renewable energy capacities. The CEA has sought stakeholders' comments and recommendations on its draft National Electricity Plan (Volume II) for transmission by 26 March.

Source: Mint

STEEL

Steel mills want mandatory usage of India-made steel offerings in power projects

Date: 27 January 2024

India's steel majors are seeking the mandatory inclusion of Made-in-India offerings, especially those that are "melted and poured in the country", for solar and wind power projects set up here. This would include projects used for transmission and distribution too. In a letter across different ministries, the Indian Steel Association -- which represents 65% of domestic crude steel including AM/NS India, JSW, Tata Steel, JSP and PSUs like SAIL and RINL -- argues for the use of steel which is "melted and poured" in India.



Source: The Hindu Business Line

PHARMACEUTICAL

Indian firms corner more of growing pharma market as MNCs go niche

Date: 25 January 2024



Patent expiries, new brand launches, and better geographical penetration have helped Indian pharma companies report better growth rates and a higher share of the domestic market in the last five years. Multinational companies (MNCs), on the other hand, are focussing on niche therapies, going for licensing deals with Indian firms to get a wider reach, and bringing in more innovative global products.

Source: Business Standard

RBI

RBI to infuse ₹2.50 lakh cr liquidity via VRR

Date: 25 January 2024

The Reserve Bank of India (RBI) received bids aggregating ₹3.08-lakh crore for allotment of funds from banks against the notified amount of ₹2.50-lakh crore at the 15-day variable rate repo (VRR) auction in the backdrop of tight liquidity in the banking system. The banking system's overall liquidity deficit rose to ₹3,46,367 crore on January 24 against ₹3,33,961 crore on January 23 and ₹1,28,794 crore as on January 1. The central bank allotted liquidity aggregating ₹2,50,010 crore to the bidders (banks) at a weighted average rate of 6.73%.



Source: The Hindu Business Line

News from International Publications

US economy grows 3.3% and inflation slows as Biden looks for election boost

Date: 26 January 2024



The US economy grew at a 3.3% annualised rate during the final quarter of last year, capping a strong 2023 that defied recession fears but left President Joe Biden struggling to claim credit. The figures add to evidence that the US economy has shown remarkable resilience in the face of the Federal Reserve's long campaign of high interest rates, paving the way for possible rate cuts in the coming months.

Source: Financial Times

Trump 2.0 More Tariffs, Less Tax Cuts

Date: 25 January 2024



Many voters are prepared to give Donald Trump, the presumptive Republican nominee for president, a second term for one simple reason: They think he managed the economy better than President Biden has. But the economic agenda Trump would bring to a second term will be very different from the first. Then, as now, Trump's strongest economic conviction is in protectionism. In his first term, though, that was overshadowed by a sweeping tax overhaul Republican allies muscled through Congress.

Source: The Wall Street Journal

News from International Publications

NYC is 1st major city to designate social media a public health hazard

Date: 26 January 2024



New York City designated social media a public health hazard for its effect on youth mental health, becoming the first major city in the United States to take such a step, mayor Eric Adams (D) said in an address. "Companies like TikTok, YouTube, and Facebook are fueling a mental health crisis by designing their platforms with addictive and dangerous features", Adams said in the annual State of the City address.

Source: The Washington Post

China Moves to Boost Bank Lending in Broad Effort to Prop Up Growth

Date: 25 January 2024

China's central bank announced new steps to boost bank lending to households and businesses, an early move in what is expected to be a broad but restrained campaign by authorities to prop up growth this year after a lackluster 2023. It comes on the heels of signs of gathering government support for China's swooning stock market, with investors detecting a rash of share buying by pension funds, insurers and other state-linked firms.



Source: The Wall Street Journal

News from International Publications

A Nationwide Shutdown Tests Milei's Tough Medicine for Argentina

Date: 25 January 2024



It has been six weeks since President Javier Milei took office in Argentina, and since then, gas prices have doubled, inflation has soared and the value of the national currency has plummeted. Such turmoil, he had warned, should be expected. Fixing decades of economic problems would first require more pain, he said. Yet on Wednesday, many Argentines took to the streets to show they have already had enough.

Source: The New York Times

The Middle East Crisis Is Starting to Weigh on the Economy

Date: 25 January 2024

Europe's economy is beginning to feel the pain from supply-chain disruptions caused by the crisis in the Middle East. Data released on Wednesday showed businesses had to wait longer for parts to arrive in January after attacks by Yemen-based Houthi rebels on cargo ships in the Red Sea disrupted freight routes from Asia.



Source: The Wall Street Journal