

veKLY NEWSWRAP

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ECONOMY

Will India overtake China to become world's economic heavyweight by 2028?

Date: 9 April 2024



Analysts suggest India, under PM Narendra Modi, could become a global growth powerhouse, driven by a strong stock market and rising international interest. Prioritizing investments in infrastructure, workforce development, and manufacturing could help India potentially surpass China economically. With a large and young population of 1.43 billion, India is attracting major international manufacturing players away from southern China. However, India's \$3.5 trillion economy still lags far behind China's \$17.8 trillion due to challenges like inadequate infrastructure, education disparities, bureaucratic hurdles, and a shortage of skilled labor may take considerable time and effort for India to catch up with China.

Source: Mint

Eight Indian states will cross the \$1-trillion mark by FY47

Date: 8 April 2024

India Ratings and Research (Ind-Ra) highlighted in its report that eight states in India are expected to have economies surpassing \$1 trillion as the nation progresses toward developed status by FY47. The agency estimates that Maharashtra, Karnataka, and Gujarat will likely be the first to achieve this milestone by FY39. Maharashtra is anticipated to lead the way, followed closely by Karnataka, Gujarat, and Tamil Nadu. On the other hand, Uttar Pradesh is projected to attain the target by FY42.



Source: The Economic Times

TRADE

Global trade to pickup in 2024 but 'downward risks' remain: WTO

Date: 11 April 2024



The World Trade Organization (WTO) predicts a gradual recovery in global goods trade this year after a contraction in 2023. According to its latest forecast, world merchandise trade volume is expected to increase by 2.6% in 2024 and 3.3% in 2025. However, the forecast warns that geopolitical tensions and economic policy uncertainty could pose significant "downside risks." In its report "Global Trade Outlook and Statistics," WTO economists anticipate a decrease in inflationary pressures in 2024, which should facilitate real income growth, especially in advanced economies.

Source: Fortune India

STEEL

India plans to raise steel production capacity three-fold by 2047

Date: 4 April 2024

India aims to triple its domestic steel production capacity to 500 million tonnes per annum by 2047 while decreasing emission intensity to 2.25 tonnes of CO2 per tonne of crude steel production by fiscal year 2029, with further reductions envisioned by 2047. These objectives exceed the goals set forth in India's Nationally Determined Contributions (NDCs) for the steel sector. The availability of domestic iron ore is expected to increase from 226 million tonnes to 318 million tonnes by 2047.



Source: The Economic Times

HEALTHCARE

No pricks: Oral TB drug for under 5 gets nod

Date: 12 April 2024



Young children combating drug-resistant tuberculosis (TB) have encountered a formidable obstacle: the painful injectable drugs in their treatment protocols. These medications, known for their harsh side effects, compounded the already challenging ordeal for infants and children. However, with the approval of Delamanid for children under 5 in India in March, doctors foresee a substantial improvement in pediatric TB treatment. In a significant update to its treatment guidelines in March, the Central TB Division announced an extension in the usage of Delamanid for younger pediatric patients.

Source: The Times of India

AUTOMOTIVE

Indian auto industry poised to grow amidst mix of optimism and challenges: FADA

Date: 10 April 2024

In FY24, the Indian auto industry experienced modest growth in both passenger vehicles and two-wheeler segments, concluding in March this year. As the industry steps into the new financial year FY25, the Federation of Automobile Dealers Associations (FADA), the apex national body of the automobile retail industry, anticipates further growth amid a blend of optimism and challenges. In an official statement, FADA highlighted the anticipation surrounding new product launches, especially electric vehicles, setting a forward-looking tone for the long term.



Source: Hindustan Times

TELECOM

Telecom Tariff hike imminent; expect 15- 17 pc rise post election: Analyst report

Date: 11 April 2024

An analyst report predicts a 15-17% tariff increase in the telecom industry post-general elections, labelling it as "imminent", with Airtel being the primary beneficiary. The last hike, approximately 20%, occurred in December 2021. This anticipated hike will be driven by several factors: tariff hike contributing Rs 55, 2G to 4G customer upgrades contributing Rs 10, and customer shifts to higher data plans (both 4G and 5G) and postpaid services yielding Rs 14 gain.



Source: The Economic Times

News from International Publications

Economy adds 303,000 jobs in March, led by service-related industries

Date: 6 April 2024



Employment surged in March with a notable increase in jobs, yet wage growth remained modest. This reinforces economists' confidence that the U.S. can sustain job growth without triggering inflationary pressures. According to the Labor Department's report on Friday, U.S. employers added 303,000 jobs in March, surpassing economists' expectations of 200,000. The unemployment rate dipped to 3.8%, down from February's 3.9%, aligning with forecasts. However, average hourly earnings saw a modest rise of 4.1% from a year ago, marking the smallest increase since June 2021.

Source: The Wall Street Journal

China faces deflation concerns

Date: 11 April 2024

China experienced a notable decline in inflation, sparking renewed worries about deflation amidst its economic recovery driven by a resurgence in manufacturing, which is also escalating trade tensions internationally. Official data released on Thursday revealed that consumer prices only increased by 0.1% in March compared to the previous year, a lower-than-anticipated figure. This underscores persistent challenges in China's economy stemming from a prolonged property market slowdown and cautious consumer expenditure.



Source: The Wall Street Journal

News from International Publications

Economic data stir doubts about fed rate cuts

Date: 8 April 2024



Following the latest robust jobs report which underscored the economy's ongoing vigor, an increasing number of traders are speculating that the Federal Reserve might only reduce the benchmark federal-funds rate once or twice this year. This contrasts with officials' previous median forecast of three quarter-point cuts. Some traders are even beginning to consider the possibility that the central bank will maintain rates at their current levels. This shift in expectations presents a challenge to the stock market rally, which was predicated on the belief that the economy would decelerate sufficiently for the Fed to lower borrowing costs from levels above 5%, without entering a recession.

Source: The Wall Street Journal

IMF flags risk of cyberattacks for banks, other finance firms

Date: 10 April 2024

In its semiannual financial risks report, the International Monetary Fund (IMF) examined cybersecurity for the first time, acknowledging the potential harm posed by cyberattacks targeting the financial sector. According to Felix Suntheim, deputy division chief in the IMF's monetary and capital markets department, the financial repercussions of cyberattacks on banks and other institutions have escalated in recent years. Moreover, Suntheim emphasized that even small-scale hacks can lead to significant consequences.



Source: The Wall Street Journal

News from International Publications

Political tension stronger economies drive oil prices

Date: 8 April 2024



As oil prices surged above \$90 per barrel last week for the first time since October, traders are now pondering how much further this rally can extend. Brent crude, the global benchmark, surpassed \$91 per barrel, marking an 18% increase for the year. Meanwhile, the U.S. benchmark West Texas Intermediate has shown even stronger performance, rising by 21%. The recent upward movements, following a month of relatively stagnant prices, have been partly fueled by concerns about escalating tensions in the Middle East. This includes apprehensions about potential ramifications of an Iranian response to a suspected Israeli attack on its consulate in Damascus.

Source: The Financial Times

Looming rise in students spurs call for skills reform

Date: 8 April 2024

Educational experts are cautioning that the next generation needs to prioritize investment in skills training to accommodate a projected increase of 150,000 additional students seeking higher education by 2030 in England. In a forthcoming report by the Association of Colleges, which advocates for technical colleges, it will be argued that the surge in demand resulting from a temporary rise in school-leavers should serve as a catalyst for expanding educational opportunities, particularly for those not pursuing traditional degrees.



Source: The Financial Times

News from International Publications

Rich world food price inflation falls to lowest level since before Ukraine war

Date: 8 April 2024



Food inflation in wealthy nations has reached its lowest point since before Russia's full-scale invasion of Ukraine, providing relief to millions of households affected by the two-year surge. According to OECD data, the year-on-year change in consumer food prices across 38 industrialized countries fell to 5.3% in February. This marks the lowest rate since October 2021, down from 6.2% in the preceding month and significantly below the peak of 16.2% recorded in November 2022.

Source: The Financial Times