

# **ve**KLY NEWSWRAP

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# ECONOMY

**Shifting employment into construction, services, and manufacturing can boost India's GDP growth by 0.2-0.5%: IMF**

**Date: 11 July 2024**



The IMF suggests India could boost GDP growth by 0.2 to 0.5 percentage points by shifting employment towards construction, services, and manufacturing. To achieve this, India needs to create 143-324 million jobs by 2050, focusing on structural reforms to enhance productivity in agriculture and foster growth in services and construction. Despite challenges highlighted by Citigroup, including job creation lagging behind economic growth, Indian government data indicate positive trends in employment, supported by policies enhancing formal job opportunities and workforce integration.

**Source: The Mint**

# TRADE

**Russia sweetens crude oil deal with India**

**Date: 9 July 2024**

Russia is offering India reduced transaction fees on crude oil purchases, aiming to lower costs for Indian importers converting payments to roubles. State-owned Sberbank has begun negotiations to adjust fees based on transaction volumes. Previously charging a premium, Sberbank's flexibility could influence other Russian banks. Despite efforts by both nations' central banks to establish a rupee-rouble mechanism, challenges persist due to currency convertibility issues. The move seeks to bolster trade relations amid concerns over high transaction costs and currency fluctuations.



**Source: India News**

# AUTOMOTIVE

## Auto Industry Anticipates More EV Incentives

**Date: 12 July 2024**

India's top automakers anticipate Finance Minister Nirmala Sitharaman will announce increased electric vehicle (EV) incentives in the Union Budget 2024–25, including the rollout of the FAME-III subsidy scheme. The industry expects continued focus on capital expenditure and rural economy support. Meanwhile, the Federation of Automobile Dealers Associations seeks vehicle depreciation benefits for taxpayers and reduced corporate tax rates for LLPs, proprietary, and partnership firms, aiming to stimulate the automotive sector and broader economy.



**Source: NDTV**

# TECHNOLOGY

## India needs 1 million high-tech engineers as economy expands

**Date: 12 July 2024**



India's technology sector, valued at \$250 billion and employing 5.4 million people, needs over 1 million advanced tech engineers. Skill gaps are a major issue, with companies like TCS struggling to fill 80,000 jobs. The root cause lies in poor schooling and inadequate practical skills from colleges. Continuous upskilling is essential amid a rapidly changing digital landscape. Nasscom predicts the digital talent gap will widen to 29% by 2028, posing a threat to India's IT sector's competitiveness against global rivals.

**Source: The Economic Times**

# GREEN ENERGY

## Guidebook to lighting up India’s renewable energy ambitions for upcoming Union Budget 2024

**Date: 12 July 2024**

Budget 2024: India aims for 500 GW renewable energy by 2030, with Sitharaman's July 23 budget detailing measures under Modi 3.0. Ranking 4th globally, India seeks a 45% carbon intensity reduction by 2030. Key initiatives include transnational grid, FAME 3.0, 600k skilled workers, GST concessions, PPP solar projects, addressing copper costs, RBI financing draft, overseas training, poaching, and sustainability incentives.



**Source: The Economic Times**

# BANKING

## RBI's futures curbs spark rush for SGX

**Date: 10 July 2024**



The Reserve Bank of India's restriction on trading exchange-traded currency derivatives has unintentionally benefited the Singapore Exchange (SGX), causing a surge in rupee-dollar futures trading there. This restriction, effective from May 3, reduced volumes on India's National Stock Exchange (NSE), which previously held a 94% market share. The rule limits trading to those with underlying foreign currency exposure. Consequently, foreign institutional investors have shifted to SGX for hedging, especially as the Indian rupee recently depreciated to 83.6 against the US dollar.

**Source: The Mint**

# News from International Publications

## In Moscow, Modi, Putin embrace close ties

**Date: 9 July 2024**

Indian Prime Minister Narendra Modi, recently hosted by President Biden at a state dinner and praised for the significant U.S.-India relationship, has reminded the world of his close ties with Russian President Vladimir Putin. During his first visit to Russia since its 2022 invasion of Ukraine, Modi's embrace of Putin in Moscow signals India's intent to maintain strong relations with Russia despite U.S. efforts. The visit, coinciding with NATO meetings in Washington, has raised concerns in Washington and Kyiv.



**Source: The Washington Post**

## India's ReNew warns green transition is hampered by cut-price renewables valuations

**Date: 9 July 2024**



Sumant Sinha, CEO of ReNew Energy Global, claims public markets undervalue clean energy companies, hindering the green transition. He may move the Nasdaq-listed firm due to high interest rates and potential Trump presidency, which have led to clean energy sell-offs. Buyout groups like Brookfield and KKR see opportunities, negotiating purchases of Neoen and Encavis. Clean energy stock valuations have dropped, influenced by rising interest rates. Sinha emphasizes the need for investment despite current market challenges.

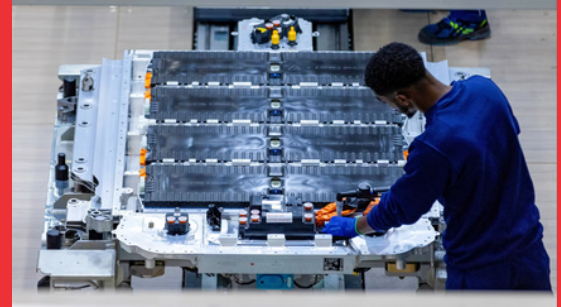
**Source: Financial Times**

# News from International Publications

## Europe's battery industry hit by EV slowdown and Chinese competition

**Date: 9 July 2024**

Europe's emerging battery industry faces a major setback due to the global slowdown in electric car sales, causing companies to cancel or delay projects intended to power over 2 million EVs annually. Slow consumer adoption and competition from Chinese manufacturers have reduced investment plans for about 158 gigawatt hours of production in 2023. Andy Leyland of SC Insights attributes this to a lack of long-term planning by European governments and carmakers, potentially allowing China to dominate the industry.



**Source: Financial Times**

## Biden fails to put lid on agitation over fitness for presidential race

**Date: 8 July 2024**



President Joe Biden's poor performance in the June 27 debate with Donald Trump has intensified concerns about his age, prompting calls from Democrats for him to drop out of the 2024 race. His awkward ABC News interview and declining poll numbers have fueled a party revolt. Despite support from prominent Democrats, many lawmakers and donors are seeking alternative candidates like Kamala Harris, Gretchen Whitmer, Josh Shapiro, or Gavin Newsom. Biden's campaign is holding on, but internal and external pressures for him to withdraw are mounting.

**Source: Financial Times**

# News from International Publications

## Starmer hits the road to 'reset' relations

**Date: 8 July 2024**

UK Prime Minister Sir Keir Starmer began a tour of Scotland, Wales, and Northern Ireland to reset relations between Westminster and the UK's nations. Following Labour's landslide victory with 411 seats, Starmer aims to deliver change, starting in Scotland. He plans discussions on the Grangemouth refinery closure and the establishment of GB Energy. Starmer will visit Belfast and Cardiff to address regional job losses. He also appointed Jacqui Smith and Douglas Alexander to ministerial roles, emphasizing cooperation and respect.



**Source: Financial Times**

## Modi visits Moscow in hedge against China

**Date: 10 July 2024**



Indian Prime Minister Narendra Modi's visit to Russia, his first since re-election, aims to strengthen ties with Vladimir Putin amid Russia's growing alignment with China. Modi's two-day trip is viewed as crucial for maintaining India's strategic and economic interests, given Russia's significant role as India's largest arms supplier and a major source of cheap oil. With trade between the nations reaching over \$65 billion, India seeks to balance its relations, avoid antagonizing Russia, and counter China's influence.

**Source: Financial Times**

# News from International Publications

## French leftist parties jostle for power in hunt for leader of next government

Date: 9 July 2024

France's leftist parties vie for leadership following their electoral win, blocking Marine Le Pen's far-right ambitions. The Nouveau Front Populaire, comprising Socialists, Greens, communists, and La France Insoumise, secured the most seats but lacks a majority. They aim to form a coalition government, despite internal jostling over the prime ministerial candidate. Former ECB chief Jean-Claude Trichet criticized their spending plans, calling them catastrophic. President Macron faces challenges in forming a stable government amid economic concerns and political divisions.



Source: Financial Times