

# **ve**KLY NEWSWRAP

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# UNION BUDGET

## Budget 2024: Govt reduces mobile custom duty by 15% paving way for more affordable smartphones

**Date: 23 July 2024**

In her 2024 budget speech, Finance Minister Nirmala Sitharaman announced a significant tax reduction of up to 15% on mobile phones, PCBs, and chargers. This measure aims to make smartphones more affordable and boost domestic manufacturing. Sitharaman emphasized the maturity of the Indian mobile industry and the benefits for OEMs through reduced production costs. The government had previously supported mobile phone manufacturing by reducing import taxes on key components and extending a lower tax rate on lithium-ion batteries.



**Source: The Financial Express**

## Union Budget 2024: Sharp import duty cut to burnish gold and silver

**Date: 23 July 2024**



Finance Minister Nirmala Sitharaman announced a cut in gold and silver import duties from 15% to 6%. This move reduces gold's overall tax from 18.5% to 9%, curbing smuggling and boosting the domestic jewellery industry. Import duties on gold and silver dore were also reduced. This benefits gold refineries and jewellery companies, leading to lower gold prices and increased demand. Additionally, the diamond industry's demand for safe harbour rates was met, and the e-commerce business of diamond jewellery will benefit from the removal of the Equalisation Levy.

**Source: Business Standard**

## Union Budget 2024-25 | Key Highlights

**Date: 24 July 2024**

Finance Minister Nirmala Sitharaman proposed reducing basic customs duty on gold and silver to 6% and platinum to 6.4%. The standard deduction limit was increased to ₹75,000, allowing salaried individuals to save up to ₹17,500 in taxes. The government will review the Income Tax Act for simplification, introduce an SoP for TDS defaults, and rationalize compounding of offences. Additionally, two tax exemption regimes for charitable trusts will be merged into one. These measures were announced in the Union Budget 2024-25.



**Source: The Hindu**

## Future-proofing the Indian economy: Measures announced in budget expected to stabilise rural economies

**Date: 24 July 2024**



Finance Minister Nirmala Sitharaman presented seven consecutive Union budgets, focusing on rural demand, infrastructure development, manufacturing, and technology upgradation to boost sustainable growth in the Indian economy. The budget aims to seed resilience in agriculture, job creation, manufacturing, energy, sustainable HRD, innovation, infrastructure development, and tax reforms.

**Source: The Economic Times**

## Union Budget 2024: 7 key figures to gauge Indian economy's health under Sitharaman

**Date: 23 July 2024**

Finance Minister Nirmala Sitharaman presents the Union Budget 2024, her seventh consecutive budget, surpassing Morarji Desai's record. This budget, the first of Narendra Modi's third term, projects a fiscal deficit of 5.1%, down from 5.8%. Capital expenditure is planned at ₹11.1 lakh crore, with gross tax revenue estimated at ₹38.31 lakh crore. GST collection is projected at ₹10.68 lakh crore. Gross borrowing is budgeted at ₹14.13 lakh crore. Nominal GDP growth is estimated at 10.5%, with real GDP growth at 7.2%.



**Source: The Hindustan Times**

## ECONOMY

### Indian economy an outlier showing strong macroeconomic fundamentals amidst global challenges: RBI Dy Guv Rao

**Date: 25 July 2024**



RBI Deputy Governor M Rajeshwar Rao highlighted India's strong macroeconomic fundamentals amidst global challenges like public debt, geopolitical tensions, and cyber threats. India's real GDP growth in 2023-24 surged to its highest since 2016-17, driven by domestic factors, with inflation forecasted at 4.5% for 2024-25. The Indian banking sector showed significant improvement, with a capital adequacy ratio of 16.8%, GNPA at 2.8%, and strong profitability. Rao emphasized the need for vigilance against risks like unsecured retail loans and cyber threats.

**Source: The Hindu BusinessLine**

# TRADE

## India's duty cut stops concessionary silver, platinum imports from UAE

**Date: 25 July 2024**

India's reduction of import duties on gold and silver from 15% to 6% has halted silver and platinum imports from the UAE under the CEPA, as the lower regular duty makes CEPA imports unfeasible. Previously, dealers imported silver at an 8% duty under CEPA, benefiting the UAE. Now, shipments have stopped, stranding six tons of silver and two tons of platinum alloy. Importers face losses due to falling global prices and must either export or sell at a discount.



**Source: Business Standard**

# GREEN ENERGY

## Budget proposals for critical minerals, energy transition to push net-zero goals: Energy players

**Date: 26 July 2024**



In her Budget speech, Finance Minister Nirmala Sitharaman announced measures for infrastructure, manufacturing, healthcare, education, startups, and green energy. Key highlights include initiatives for critical minerals and green transition to achieve net-zero goals, AUSC technology for thermal power, pumped hydro storage, and the abolishment of angel tax. The extension of the PLI scheme and a fund for solar infrastructure will boost solar PV manufacturing. Measures for energy efficiency and smart meters aim to support renewable energy targets and reduce carbon footprints.

**Source: The Economic Times**

## AUTOMOBILE

### Indian Auto Component Industry Clocks Rs. 6.14 Lakh Crore In Turnover; Grows 9.8% In FY'24

Date: 25 July 2024

The turnover of India's automotive component industry reached Rs. 6.14 lakh crore (USD 74.1 billion) in FY 2023-24, growing by 9.8%. Growth was driven by steady vehicle production, a robust aftermarket, and exports, which grew by 5.5% to USD 21.2 billion. Imports grew by 3% to USD 20.9 billion, resulting in a trade surplus of USD 300 million. The aftermarket grew 10% to Rs. 93,886 crore. Increased value-added component consumption and localization contributed to this growth.



Source: BW Auto World

## MSME'S

### MSME credit to ride Budget push, offset unsecured stress.

Date: 26 July 2024



To enhance credit flow to MSMEs, the government is urging banks to offer collateral-free term loans and additional support during financial stress. The FY25 budget includes a new credit guarantee scheme to help MSMEs in manufacturing secure loans for machinery and equipment without needing collateral or a third-party guarantee.

Source: The Economic Times

# HEALTHCARE

## FM Sitharaman focuses on custom duties for cancer patients, medical devices

Date: 23 July 2024

The Union Health Ministry's budget for 2024-2025 is Rs 90,658.63 crore, a 12.59% increase from the previous year. Despite high expectations for healthcare sector announcements, key proposals were limited to exempting basic customs duty on three major cancer medicines, X-ray tube components, and digital detectors. Growth in India's healthcare sector is driven by an aging population, rising lifestyle diseases, public-private partnerships, digital technology adoption, investor interest, and increased FDI, according to a Niti Aayog report.



Source: Financial Express

# RBI

## RBI's proposed liquidity norms expected to raise demand for bonds

Date: 26 July 2024



The Reserve Bank of India's draft guidelines to enhance liquidity resilience in banks, due to increased digital banking, will likely boost demand for government bonds by 2025. The guidelines propose a 5% reduction in stability for retail deposits accessed via internet and mobile banking, requiring banks to hold more high-quality liquid assets (HQLA). This will increase short-term outflow requirements, leading banks to accumulate more government bonds to meet liquidity coverage ratios (LCRs), especially private banks.

Source: Business Standard

# CYBERSECURITY

**Indian cybersecurity startups poised for strong growth amid rising global spend: Accel's Prayank Swaroop**

**Date: 25 July 2024**

India's cybersecurity market has grown at a 25% CAGR since 2019, surpassing USD 6 billion in 2023, and is expected to expand further with global spending reaching USD 200 billion this year, according to Prayank Swaroop of Accel. Speaking at the Accel Cybersecurity Summit 2024 in Bengaluru, Swaroop emphasized that Indian cybersecurity startups are set for steady growth due to increased domestic spending and have the potential to make a global impact amid rising global cybersecurity expenditure.



**Source: The Economic Times**



# News from International Publications

## UK in need of higher growth to avert budget cuts or tax rises, says IMF

**Date: 22 July 2024**

The IMF warns the UK economy needs to grow at 2.6% annually from 2025-26 to 2028-29 to avoid a fiscal deficit without raising taxes or cutting spending. Current projections show 0.9% growth for 2024-25 and up to 2% in later years, falling short of IMF's targets. Chancellor Rachel Reeves faces difficult budget choices despite Labour's commitment to growth and avoiding tax hikes on four specific taxes. Reforms in planning, skills, and healthcare are deemed essential for long-term growth.



**Source: Financial Times**

## Biden pulls out of White House race and endorses Harris as his successor

**Date: 22 July 2024**



President Joe Biden has abandoned his re-election bid amid overwhelming pressure from Democrats, endorsing Vice President Kamala Harris as his successor. In a social media letter, Biden stated it was in the best interest of the party and country for him to stand down, focusing on his presidential duties for the remainder of his term. His decision, following concerns over his mental acuity and a poor debate performance against Trump, injects new uncertainty into the upcoming election and global US policy.

**Source: Financial Times**

# News from International Publications

## Modi's coalition allies demand budget payback

**Date: 23 July 2024**

Narendra Modi faces an early test in his third term as India's prime minister, preparing a budget that must balance coalition partners' demands with his economic vision. Despite the BJP's re-election in June, they lost their parliamentary majority, now depending on the Telugu Desam Party and Janata Dal (United). Both parties are demanding significant funding for state projects. Modi's ability to adapt to coalition politics while continuing reforms will be crucial, amid popular anger over rural hardship and high joblessness.



**Source: Financial Times**

## China Economy Plan Leaves Much Unsaid

**Date: 23 July 2024**



Chinese leader Xi Jinping and top Communist Party officials outlined a plan to revive the economy, signaling intentions to boost growth but lacking detailed solutions for key issues like hidden local-government debt and the prolonged property crisis. Despite expectations, the plan did not provide specific reforms for these problems. Economists are concerned about the long-term prospects, noting vague promises to increase local government resources and overhaul the property sector. The People's Bank of China made small rate cuts to support growth, but market response was muted.

**Source: Wall Street Journal**

# News from International Publications

## Harris position on key issues unclear after years of supporting Biden agenda

**Date: 24 July 2024**

Kamala Harris is the frontrunner for the Democratic presidential nomination, though her stance on key policies remains partly unclear. A former California prosecutor and U.S. senator, she has focused on supporting Biden’s agenda as vice-president. She diverged from Biden on foreign policy, notably calling for a Gaza ceasefire. Economically, she champions Biden’s anti-inflation measures and the care economy. On abortion, she advocates for reproductive rights. Her law and order stance has shifted left over time, and her immigration role faced criticism due to early stumbles.



**Source: Financial Times**

## Britain and Germany sign defence pact

**Date: 25 July 2024**



Britain and Germany signed a major defense cooperation agreement to reintegrate the UK's defense industry into European supply chains post-Brexit. In Berlin, UK defense secretary John Healey criticized previous strained relations with European allies and emphasized European security as a priority. German defense minister Boris Pistorius highlighted the need for joint development and production of long-range precision weapons. However, historical difficulties persist, with France wary of Germany joining the UK-led air combat project, potentially disrupting their current defense pact.

**Source: Financial Times**

# News from International Publications

## Struggling German economy drags down Eurozone growth

**Date: 25 July 2024**

The Eurozone economy has sharply slowed, with a business survey revealing weak growth in services and significant declines in manufacturing, especially in Germany. The composite purchasing managers' index fell to 50.1, just above the growth-contraction threshold. The results, weaker than forecasts, raise concerns about a potential slowdown in second-quarter growth. The divergence between the manufacturing and services sectors persists, with declining orders and low business confidence. Analysts suggest the European Central Bank may cut rates in September, though inflation concerns remain.



**Source: Financial Times**