

# **ve**KLY NEWSWRAP

August 24, 2024 / 94



# ECONOMY

**India could be \$55 trillion economy by 2047 with 8% growth: IMF official**

**Date: 20 August 2024**



Krishnamurthy V Subramanian, IMF Executive Director, stated that India's economy could reach \$55 trillion by 2047 if it achieves an 8% average annual growth with 5% inflation. He highlighted India's potential, driven by demographic advantages, digital infrastructure, and a strong entrepreneurial ecosystem. Subramanian emphasized the need for formalization to boost productivity and noted that manufacturing growth is crucial to escape the middle-income trap. He also advocated for a sunset clause on industrial subsidies.

**Source: Business Standard**

# TRADE

**US top trading partner, China trade deficit highest in Jan-Jun 2024: GTRI**

**Date: 23 August 2024**

In the first half of 2024, the US became India's top trading partner, while India recorded a \$41.6 billion trade deficit with China, according to GTRI. India's merchandise exports grew by 5.41% to \$230.51 billion, with significant increases to the US, UAE, and China. Imports from China rose to \$50.1 billion. Key export growth sectors included iron ore, pharmaceuticals, and smartphones. India's total foreign trade, including merchandise and services, reached a record \$849 billion, up 5.8% from 2023.



**Source: Business Standard**

# STEEL

## India launches anti-dumping probe into steel imports from Vietnam

**Date: 16 August 2024**



India has initiated an anti-dumping investigation on hot-rolled flat steel imports from Vietnam, excluding stainless steel. The probe, led by the Directorate General of Trade Remedies (DGTR), was requested by the Indian Steel Association on behalf of JSW Steel and ArcelorMittal Nippon Steel. The investigation addresses concerns over dumped prices causing material injury to the domestic industry. Vietnam, a top steel exporter to India, has seen its exports to India triple, contributing to rising imports of 3.55 million tonnes in FY24.

**Source: The Hindu Business Line**

## Steel sector's tech investment likely to hit \$2.7 bn by 2030

**Date: 22 August 2024**

A FICCI-Deloitte report projects that investments in process and digital technologies across India's steel value chain will grow from \$1-1.2 billion in 2024 to \$2.3-2.7 billion by 2030. These investments aim to enhance technological capabilities, driving progress toward a more efficient and sustainable mining and steel industry. The report emphasizes the role of digital tools in improving energy efficiency, emission monitoring, and worker safety, while also highlighting the challenges of integrating new technologies with existing systems.



**Source: Business Standard**

# CEMENT

**Indian cement makers to invest Rs 1.25 lakh cr in 2 years to meet growing demand**

**Date: 22 August 2024**



The Indian cement industry plans a capex of ₹1.25 lakh crore for FY25 to FY27, adding 130 million tonnes of cement grinding capacity, driven by strong demand and market share goals, according to a CRISIL report. Despite the increased investment, manufacturers' credit profiles remain stable due to low capex intensity and strong balance sheets. Cement demand is projected to grow at a 7% CAGR through FY29. Major players like UltraTech, Adani Group, and others are leading the expansion, consolidating market share.

**Source: The Economic Times**

# TELECOM

**Telecom minister Jyotiraditya Scindia promises pro-industry process in meet with gear cos**

**Date: 22 August 2024**

Telecom Minister Jyotiraditya Scindia assured full government support to telecom equipment manufacturers to resolve their issues promptly. In a stakeholders advisory committee (SAC) meeting, discussions focused on boosting indigenous manufacturing, easing business processes, and addressing previous concerns. The SAC expressed confidence in achieving ambitious growth targets, emphasizing job creation and skill development in the telecom sector. Industry members committed to collaborating with the government, while equipment makers will share international best practices to foster sector growth.



**Source: The Economic Times**

# HEALTHCARE

## Adoption of artificial intelligence in Indian health care on the rise

**Date: 18 August 2024**



A Nasscom and Kantar survey reveals that while 80% of pharma and life sciences companies in India have adopted AI on a small scale, only 10% have fully integrated it into functional processes. AI's potential benefits include reducing drug discovery costs, speeding up market entry, and enhancing clinical success, along with improving patient care. However, challenges like a lack of specialized talent, budget constraints, and data complexities hinder broader AI adoption. Expanding AI requires stronger infrastructure, skills, planning, and regulatory frameworks.

**Source: Business Standard**

# RENEWABLE ENERGY

## India signs first-ever green ammonia export agreement with Japan

**Date: 21 August 2024**

India's green energy sector marked a milestone with the signing of its first-ever agreement to export Green Ammonia to Japan. Led by Sembcorp Industries, this partnership involves Sojitz Corporation, Kyushu Electric Power Co., and NYK Line, establishing a supply chain from India to Japan. The deal highlights India's growing role in the global green energy landscape and aligns with its broader strategy to scale up green hydrogen and ammonia production. Minister Pralhad Joshi emphasized the significance of this collaboration for future green energy projects.



**Source: The Economic Times**

# CRYPTOCURRENCY

## India prepares to regulate cryptocurrency as govt seeks public input

**Date: 22 August 2024**



India is preparing to regulate cryptocurrency, with a government panel led by the Secretary of the Department of Economic Affairs (DEA) working on a consultation paper set to release between September and October. This paper will seek input from stakeholders, including industry experts, companies, and the public, to guide the regulation of cryptocurrencies in the country. The initiative is part of the government's broader efforts to develop well-informed and effective rules for managing digital currencies in India.

**Source: Business Today**

# News from International Publications

## Canada Rail Dispute Poses Risk to Trade

**Date: 22 August 2024**

A potential rail labor dispute in Canada threatens to disrupt major industries, including chemical manufacturing and agriculture, by halting cross-border trade and supply chains. Both Canadian Pacific Kansas City and Canadian National Railway plan to lock out employees, risking economic losses like \$36 million per day for grain exports. The stoppage could deplete essential chemical supplies like chlorine, impact U.S. chemical imports, and disrupt passenger rail services. Businesses and government urge a resolution to avoid widespread economic damage.



**Source: The Wall Street Journal**

## Harris Gets Support Of Investors Focused On Climate

**Date: 22 August 2024**



Founders and venture capitalists are forming "Climate for Kamala" to support Vice President Kamala Harris's presidential campaign, seeking to extend current climate initiatives like the Inflation Reduction Act, which has benefited climate-tech startups. With many startups struggling amid high-interest rates and political uncertainty, they aim for continued government support. The group has secured \$2.5 million for a New York fundraiser during Climate Week NYC and expects to raise \$5 million. Climate tech investment has risen but faces challenges, with recent funding drops.

**Source: The Wall Street Journal**

# News from International Publications

## Biden prepares to pass the baton

**Date: 19 August 2024**

Influential far-right figures are turning against Donald Trump, criticizing his campaign and threatening internal conflict. Nick Fuentes and Laura Loomer have publicly criticized Trump's strategy, while Candace Owens has also voiced disapproval. This internal discord could impact party unity. Concurrently, President Joe Biden is expected to give a significant speech at the Democratic convention, reflecting on his presidency and supporting Vice President Kamala Harris as his successor. Biden's address will highlight his achievements and emphasize the importance of defeating Trump in the upcoming election.



**Source: The Washington Post**

## Fed's Daly backs gradual rate cuts as 'confidence' grows inflation is tamed

**Date: 19 August 2024**



Mary Daly of the San Francisco Fed advocates for a gradual approach to lowering borrowing costs, citing recent economic data as evidence that inflation is under control. Despite concerns about a potential economic slowdown, Daly sees no urgent need for rapid rate cuts. The Federal Reserve, meeting this week in Jackson Hole, will scrutinize Fed Chair Jay Powell's plans for managing inflation and avoiding an economic downturn. Markets anticipate a rate cut next month, with expectations for further reductions by the end of 2024.

**Source: Financial Times**



# News from International Publications

## Democrats defend Harris as economic plans come under fire

**Date: 19 August 2024**

Vice President Kamala Harris outlined her economic plan in North Carolina, proposing measures like banning price gouging and new tax relief. Despite a six-point lead over Donald Trump in a recent poll, Harris lags behind Trump on economic trust, with critics questioning the effectiveness of her policies. Economists and allies have criticized her proposals, with some calling them populist or counterproductive. Trump has denounced her plan as "communist price control," while internal GOP criticism targets Trump for failing to focus on economic issues.



**Source: Financial Times**

## U.S. Companies Shift From China to Avoid Tariffs

**Date: 21 August 2024**



Newell Brands has shifted production from China to its own U.S. and Mexican plants and other countries like Vietnam and Thailand, due to increasing tariffs and protectionist trade policies. Both Trump and Biden have maintained or expanded tariffs on Chinese goods, impacting global sourcing decisions. Trump proposes even higher tariffs, while Harris is expected to continue Biden's policies. This uncertainty is causing companies, like Tesla, to delay major decisions, such as new plant locations, due to potential tariff impacts.

**Source: Wall Street Journal**