

# **ve**KLY NEWSWRAP

August 31, 2024 / 95



## ECONOMY

### Moody's Ratings upgrades India's GDP growth forecast to 7.2% in 2024 and 6.6% in 2025

Date: 29 August 2024



Moody's upgraded India's economic growth forecast to 7.2% for 2024 and 6.6% for 2025, citing strong broad-based growth, particularly in private consumption, industrial, and services sectors. The Indian economy grew 7.8% year-over-year in Q1 2024, driven by strong domestic demand and investment. Moody's noted that India's growth could sustain at 6%-7% annually, supported by easing inflation and robust labor force potential, though success depends on effective employment and skill development policies.

Source: The Mint

## TRADE

### Turmoil in Bangladesh and its impact on India-Bangladesh trade ties

Date: 27 August 2024

The ongoing socio-political turmoil in Bangladesh is expected to negatively impact its economic activities and bilateral trade with India. Bangladesh has become a key export destination for India, with significant trade growth in recent years. The crisis may reduce demand for Indian exports, particularly in labor-intensive sectors like textiles, cotton, and agriculture. While this could improve India's global competitiveness in some areas, such as garments, India's capacity to replace Bangladesh in global markets is limited.

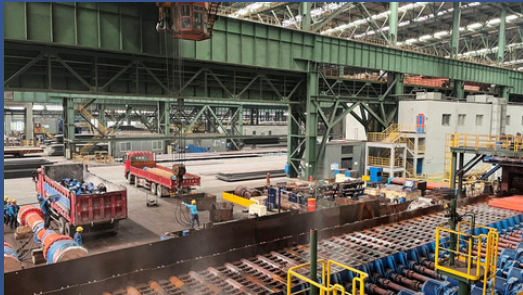


Source: The Economic Times

# STEEL

## China dominates steel imports into India amid growing trade deficit and falling exports

**Date: 29 August 2024**



India's steel imports, particularly from China, surged by 32% year-on-year during April-July, leading to a trade deficit of ₹11,592 crore, up 30% from FY24. China accounted for 30% of India's steel imports, with shipments rising 42% year-on-year. In contrast, steel exports from India fell 41%, with significant declines in key markets like the EU, UK, Nepal, and UAE. Global steel prices continued to decline, further pressuring India's domestic market and exports.

**Source: The Hindu Business Line**

# CEMENT

## Indian cement industry to implement gradual price hikes amid demand slowdown

**Date: 27 August 2024**

Cement prices in India are expected to increase gradually, with hikes of ₹5 to ₹10 per bag already initiated and further increases of ₹10-₹15 per bag anticipated by mid-September. This follows a slowdown in construction and weak demand, with price hikes attempted earlier in the year but reversed due to poor market acceptance. Prices have been under pressure, declining for nine consecutive months. The industry is consolidating, with the top five players holding 54% market share, aiming to restore pricing discipline.



**Source: The Hindu Business Line**

# PHARMACEUTICAL

**Indian pharmaceutical industry expected to reach \$55 billion by 2030**

**Date: 29 August 2024**



The Indian pharmaceutical industry is set to grow significantly, reaching ₹4.6 lakh crore (\$55 billion) by 2030, driven by regulatory measures, technological advancements, and key segments like patented drugs, branded generics, and trade generics. Enhanced distribution networks and innovations like IoT, RFID, and track-and-trace systems will improve supply chain efficiency. The Revised Schedule M, UCPMP, and GDP will raise quality and ethical standards, ensuring broader access to affordable medicines across India.

**Source: Business Today**

# TELECOM

**India on the cusp of a new revolution in telecom, can lead the world in 6G: Jyotiraditya Scindia**

**Date: 30 August 2024**

India is poised to lead in 6G technology, says communications minister Jyotiraditya Scindia. Priorities include 4G saturation, rolling out BSNL's 4G stack, boosting telecom manufacturing, ensuring quality service, and enhancing R&D. There is no set timeline to sell the government's stake in Vodafone Idea.



**Source: The Economic Times**

# EDUCATION

## Education Key to Deepening India's Global Engagement, Says Jaishankar

**Date: 30 August 2024**



External Affairs Minister S. Jaishankar highlighted the importance of education as a key tool for enhancing India's global engagement during an event in New Delhi. He announced the University of Southampton's plan to establish its first Indian campus under the National Education Policy (NEP) 2020, emphasizing India's aim to become a global education hub. Jaishankar noted that this collaboration, part of the India-UK roadmap 2030, will benefit students, foster global understanding, and elevate India's stature in the global education ecosystem.

**Source: Times of India**

# News from International Publications

## Starmer warns of economic pain ahead

**Date: 26 August 2024**

Sir Keir Starmer will warn that the UK's political and economic challenges are deep-rooted, requiring significant overhaul. In his first major speech since becoming Prime Minister, Starmer will highlight actions taken by his government, including creating a National Wealth Fund, launching Great British Energy, and planning for 1.5 million homes. He will emphasize the need for tax rises and spending cuts, acknowledging the severity of the situation and cautioning that the economy will worsen before improving.



**Source: Financial Times**

## Overseas investors abandon frothy India stocks as domestic savers pile in

**Date: 29 August 2024**



Foreign investors are pulling over \$1 billion from India's equity market in August, driven by the US interest rate cycle and high valuations. Year-to-date inflows of \$2.6 billion are significantly lower than last year's \$22 billion. Despite India's strong stock market performance and rapid economic growth, global investors are concerned about lofty valuations as domestic retail investors dominate. Some foreign funds are taking profits and waiting for a market correction before reinvesting in Indian equities.

**Source: Financial Times**

# News from International Publications

## China, U.S. agree to call between their leaders

**Date: 29 August 2024**

The United States and China have agreed to more military talks and a planned call between President Joe Biden and Chinese leader Xi Jinping after two days of discussions between U.S. National Security Adviser Jake Sullivan and top Chinese diplomat Wang Yi. The talks focused on preventing conflict and maintaining communication amid rising tensions. Both sides acknowledged the importance of direct dialogue, particularly regarding military communication, and discussed issues such as trade policies, geopolitical tensions, and future cooperation.



**Source: The Washington Post**

## Trump sees trade tariffs as leverage for policies

**Date: 26 August 2024**



In 2019, President Trump successfully used tariffs to pressure Mexico into making significant border changes, reducing illegal immigration. Now, as a Republican presidential candidate, Trump is considering up to 20% tariffs on countries he believes are exploiting U.S. trade practices. He argues that these measures are necessary to protect American jobs and businesses. However, economists warn that such tariffs could hurt American consumers by increasing costs as importers pass along the higher expenses.

**Source: The Washington Times**

# News from International Publications

## Political Split Emerges in the Teamsters

**Date: 26 August 2024**

Teamsters President Sean O'Brien faced backlash after appearing at the Republican National Convention and praising Donald Trump, sparking internal division within the union. O'Brien's stance contrasts with many union members who support Democratic candidates like Kamala Harris. O'Brien defended his nonpartisan approach, but criticism has grown, especially as Trump previously failed to deliver on a promised pension bailout. The Teamsters, historically strong in labor organizing, are withholding their endorsement until after both parties' conventions, reflecting the union's divided loyalties.



**Source: The Wall Street Journal**

## 'Opportunity Economy' Becomes Central to Harris's Pitch

**Date: 26 August 2024**



Vice President Kamala Harris's "opportunity economy" emphasizes creating economic opportunities for all, covering policies like aid to parents, homebuyers, and small businesses, as well as addressing housing and cost-of-living issues. This approach seeks to appeal broadly by promoting opportunity without emphasizing more controversial terms like equity and redistribution. Harris's focus on lowering costs and increasing mobility reflects both Democratic and some Republican rhetoric, aiming to expand economic opportunities, particularly through alternatives to traditional four-year college degrees.

**Source: The Wall Street Journal**



# News from International Publications

## Chinese curbs on mineral sales threaten shortfalls for chipmakers

**Date: 28 August 2024**

Beijing's export controls on germanium and gallium, essential for semiconductors and military equipment, have nearly doubled prices in Europe over the past year. The restrictions, introduced in response to U.S.-led controls on advanced chips, underscore China's dominance in global supply—producing 98% of gallium and 60% of germanium. The curbs have slashed exports by half, threatening global production of advanced technology. Analysts view this as China's strategic retaliation against Western economic pressures.



**Source: Financial Times**

## Canada announces tariff on imports of Chinese-made EVs

**Date: 27 August 2024**



Canada announced a 100% tariff on Chinese-made electric vehicles, matching U.S. tariffs imposed over alleged unfair government subsidies. Prime Minister Justin Trudeau also imposed a 25% tariff on Chinese steel and aluminum, citing China's unfair advantage in global markets. The move follows encouragement from U.S. National Security Adviser Jake Sullivan, who is visiting Beijing. China may retaliate with tariffs on Canadian goods. Canada is also considering tariffs on Chinese batteries, semiconductors, and other critical materials to protect its industries.

**Source: The Washington Times**