

veKLY NEWSWRAP

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ECONOMY

India can become \$10 tn economy by 2032; beat US, China in manufacturing: Report

Date: 21 September 2024



India is poised to add \$1 trillion to its GDP every 18 months over the next six years, according to a report by IDBI Capital, driving rapid economic growth. This trajectory sets the nation on course to become a \$10 trillion economy by 2032 and the world's third-largest economy by 2030. "India is expected to emerge as the third-largest global economy over the next six years by adding \$1 trillion every 1.5 years," the report highlighted.

Source: The Economic Times

TRADE

India's exports shrink 9.3% in August, trade deficit at 10-month high

Date: 17 September 2024

India's trade deficit surged to a 10-month high of \$29.7 billion in August, driven by record imports of \$64.4 billion, spurred by a doubling of gold inflows. Meanwhile, exports shrank for the second consecutive month, falling 9.3% to \$34.7 billion due to weakening oil prices and sluggish global demand. Other factors affecting exports included China's economic slowdown, declining petroleum prices, recession in advanced economies, and ongoing transportation and logistics challenges. This widening gap highlights India's growing trade imbalance.



Source: Business Standard

STEEL

India to take retaliatory measures against EU's safeguard duty on steel

Date: 21 September 2024



India is expected to raise import duties on certain goods from the European Union (EU) in response to the EU's extension of safeguard duties on 26 steel items, which have significantly hurt India's steel exports. These duties, in effect until June 2026, coincide with challenges from cheap Chinese imports and the upcoming EU Carbon Border Adjustment Mechanism (CBAM). The EU's safeguards, in place since 2018, have reduced India's export volumes, protecting the EU's steel industry from cheaper imports across various steel categories, including hot-rolled and cold-rolled sheets.

Source: The New Indian Express

TELECOM

Jio, Airtel, Vi record customer loss post tariff hike, BSNL becomes only gainer in July

Date: 21 September 2024

In July, Reliance Jio, Bharti Airtel, and Vodafone Idea (Vi) experienced significant customer losses for the first time in a month, following steep tariff hikes of 11-25%, according to data from the Telecom Regulatory Authority of India (Trai). Jio, Airtel, and Vi lost 750,000, 1.69 million, and 1.41 million users, respectively, reducing their customer bases. Meanwhile, state-run Bharat Sanchar Nigam (BSNL), which did not raise tariffs, gained 2.93 million subscribers, growing its mobile user base to 88.51 million.



Source: The Economic Times

TECHNOLOGY

Piyush Goyal launches AI tool to expedite trademark clearance process

Date: 19 September 2024



Union Commerce and Industry Minister Piyush Goyal launched an AI and machine learning search tool aimed at expediting trademark applications with improved efficiency. Goyal emphasized that embracing AI is essential for enhancing ease of doing business across all sectors. "This tool will enable faster, more efficient, and accurate processing of trademark applications," he stated. He described AI as an existential tool that can enhance work outcomes. Additionally, the search tool and an intellectual property chatbot will further strengthen the country's IPR ecosystem by processing queries more swiftly.

Source: Mint

RENEWABLE ENERGY

Gujarat leads way as India sets ambitious renewable energy targets

Date: 21 September 2024

Gujarat is leading the way in renewable energy as it moves toward a greener, more sustainable future. With a strong emphasis on solar power, the state is pivotal in helping India meet its ambitious renewable energy target of 500 GW by 2030. Gujarat's extensive solar initiatives are setting benchmarks for the nation, featuring solar panels on government buildings and homes, as well as vast solar parks. The state effectively leverages its geographical advantages to maximize solar energy harnessing.



Source: Business Standard

News from International Publications

Fear of China export wave spurs new talks

Date: 17 September 2024



A group of senior U.S. officials, led by Treasury undersecretary Jay Shambaugh, will visit Beijing this week for high-level meetings to address concerns about Chinese goods flooding global markets. The discussions, taking place Thursday and Friday, come amid growing competition between the world's two largest economies. Shambaugh emphasized the importance of maintaining resilient communication channels with China, particularly on issues like macroeconomic imbalances and industrial policies that could harm U.S. workers and businesses. Federal Reserve officials will also participate in the talks.

Source: The Wall Street Journal

Harris maintains post-debate lead over Trump on economy, says poll

Date: 16 September 2024

Kamala Harris has strengthened her lead over Donald Trump on economic issues, especially among voters who watched last week's presidential debate, according to a new economy-focused poll. The FT-Michigan Ross survey shows Harris leading Trump 44% to 42% on economic stewardship, up from a 42% to 41% lead last month. Harris performed better among those who watched the debate, with 48% trusting her to manage the economy, compared to 42% for Trump. Among non-viewers, 35% backed Harris, while 11% favored Trump.



Source: Financial Times

News from International Publications

US poised for soft landing as GDP expands

Date: 16 September 2024



The US is on track for a soft landing, with the economy growing and inflation easing toward the Federal Reserve's 2% target. According to a Financial Times survey, economists project GDP growth of 2.3% in 2024 and 2% in 2025. Unemployment is expected to rise slightly to 4.5% by year-end, up from 4.2%, but still low by historical standards. The Fed's preferred inflation gauge, the core personal consumption expenditures index, is predicted to fall to 2.2% from 2.6% in July.

Source: Financial Times

Economists tell Reeves that spending cuts will backfire and damage growth

Date: 16 September 2024

Leading economists have warned that cutting public investment in the UK would harm the "foundations of the economy." In a letter to the Financial Times, eight senior economists advised Chancellor Rachel Reeves to reform Britain's fiscal rules to support spending. They argue that reducing investment as a share of GDP, as planned by the Labour government, would repeat past mistakes and hinder growth. The signatories, including Lord Gus O'Donnell, Lord Jim O'Neill, and Mariana Mazzucato, criticized current debt rules for creating a bias against investment.

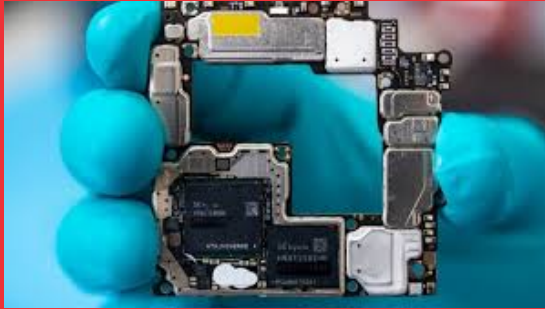


Source: Financial Times

News from International Publications

US and Japan near deal to curb chip exports

Date: 18 September 2024



The US and Japan are nearing a deal to restrict tech exports to China's chip industry, despite Tokyo's concerns over potential Chinese retaliation. The White House aims to introduce new export controls before November's election, requiring non-US companies to obtain licenses for tech sales to China. Intense negotiations with Japan and the Netherlands seek aligned export control regimes to protect their firms from the US "foreign direct product rule." However, Japan fears China may retaliate by blocking exports of critical minerals like gallium and graphite.

Source: Financial Times

Global carbon price system needed, says WTO chief

Date: 17 September 2024

A global carbon pricing system is essential to avoid trade disruptions over environmental measures, according to World Trade Organization chief Ngozi Okonjo-Iweala. Speaking to the Financial Times, she said the WTO is leading efforts with the IMF, OECD, and UN to establish such a system. This initiative responds to the EU's new carbon border adjustment mechanism, which requires exporters to pay a levy tied to the EU carbon price on carbon-intensive products like steel, cement, and fertilizer.



Source: Financial Times