

# **ve**KLY NEWSWRAP

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# ECONOMY

**World Bank follows IMF. Revises India's FY25 GDP growth forecast to 7%**

**Date: 3 September 2024**



The World Bank has revised its growth forecast for India's economy to 7% for the current financial year (FY25), up from 6.6%, according to a statement released on Tuesday. This upgrade reflects expectations of stronger performance driven by increased private consumption and investment. The report notes that while the economy is resilient, reaching the ambitious \$1 trillion merchandise export goal by 2030 will require strategic diversification and deeper integration into global value chains.

**Source: Business Standard**

# TRADE

**India has trade surplus with 151 nations; deficit with 75 during Jan-June: Thinktank report**

**Date: 1 September 2024**

India reported a trade surplus with 151 countries, including the US and Netherlands, but faced a trade deficit with 75 nations, such as China and Russia, in the first half of this year, according to the Global Trade Research Initiative (GTRI). GTRI noted that while deficits from crude oil and coal imports are manageable, India should focus on reducing imports of industrial goods, particularly from China, to safeguard its economic sovereignty.



**Source: Business Today**

## STEEL

**Piyush Goyal urges steel industry to embrace AI, focus on green steel for future growth**

**Date: 6 September 2024**



Union Minister of Commerce and Industry Piyush Goyal has set a bold goal for India's steel industry to achieve 500 million tonnes of production by 2034. Speaking at the 5th ISA Steel Conclave in New Delhi, Goyal emphasized the importance of economies of scale and decarbonization, predicting a rise in demand for green steel. He recommended that the industry adopt innovative methods to ensure low emissions, high productivity, and superior quality, aiming to position India as a leading global steel manufacturer. "We need to make India an irresistible steel producer," Goyal stated.

**Source: The Economic Times**

## TECHNOLOGY

**India, Singapore announce agreements on semiconductors, healthcare**

**Date: 5 September 2024**

India and Singapore announced agreements to enhance their semiconductor ecosystem and improve digital economy interoperability, while elevating their relationship to a comprehensive strategic partnership. At a meeting with Singaporean counterpart Lawrence Wong, Prime Minister Narendra Modi emphasized ongoing collaboration for regional peace, stability, and prosperity. Modi, who arrived in Singapore on the second leg of a Southeast Asian tour after visiting Brunei, described Singapore as a key partner in India's Act East policy, launched a decade ago.



**Source: Hindustan Times**

# TELECOM

**No major tariff hike, but telecom companies' revenue up 7.2% in Q1**

**Date: 5 September 2024**



Adjusted gross revenue (AGR) in the telecom sector increased 7.2% year-on-year to Rs 61,400 crore in Q1FY25 (April-June), surpassing analyst expectations despite no significant tariff changes. Sequentially, growth was 0.7%. ICICI Securities noted that it was impressive that telecom companies managed healthy revenue growth without major tariff adjustments, attributing the performance to effective premiumization strategies.

**Source: Business Standard**

# Foreign Affairs

**TN signs MoU with 2 Fortune 500 companies at CM Stalin's Chicago pit stop**

**Date: 4 September 2024**

The Tamil Nadu government signed MoUs with two Fortune 500 companies on 3rd September, led by Chief Minister M K Stalin. Assurant Inc, an Atlanta-based insurance firm, will establish its first Global Capability Centre in Chennai. Biju Nair, executive vice president of Assurant Inc, was present during the signing. Eaton Corporation also inked a pact to expand its Chennai production facility and set up an R&D and Global Utility Engineering Centre with an investment of Rs 200 crore.



**Source: DT Next**

# News from International Publications

## Starmer warns of economic pain ahead

**Date: 3 September 2024**

Britain and the US plan to indefinitely extend the treaty governing technology sharing between their nuclear weapons programs, as both nations modernize their deterrents to counter growing arms proliferation. The proposed change to the Mutual Defence Agreement, subject to legislative approval, removes its previous 10-year limit. This move follows warnings from the UN about a global nuclear arms race, with China and North Korea expanding their arsenals, and coincides with the Aukus defence pact targeting China's influence in the Indo-Pacific.



**Source: Financial Times**

## Europe must cut reliance on Chinese tech, says Danish PM

**Date: 3 September 2024**



Denmark's Prime Minister, Mette Frederiksen, urged Europe to reduce reliance on China for technology, warning against repeating the mistake made with Russian oil and gas dependency. In an interview with the Financial Times, she stressed the need for a shift in Europe's mindset, moving away from peacetime assumptions. Frederiksen also highlighted China's role in enabling Russia's prolonged invasion of Ukraine and emphasized investing in local technology. She avoided commenting on potential trade restrictions to limit reliance on Chinese goods.

**Source: Financial Times**



# News from International Publications

## In India, a reality check for U.S. trade

**Date: 3 September 2024**

American businesses seeking to reduce reliance on China are increasingly turning to India as a new manufacturing hub and a safeguard against supply chain disruptions. However, despite India's growing production of goods like smartphones and medicine, its economy has become more dependent on Chinese imports, especially for components used in manufacturing. This poses a challenge for U.S. policymakers promoting supply chain diversification. Experts note that unless India reduces reliance on Chinese components, true "de-risking" will remain elusive for businesses producing there.



**Source: The Washington Post**

## Americans are feeling a little better about economy

**Date: 3 September 2024**



American consumers are beginning to emerge from a lingering negative outlook. In a late-August survey by The Wall Street Journal, 34% of 1,500 voters felt the economy was improving, up from 26% in early July, while those believing it was worsening dropped to 48% from 54%. Joanne Hsu, who oversees the University of Michigan's consumer sentiment index, noted that sentiment is rising, with expectations for future economic performance driving a 2.3% increase since July. Similarly, the Conference Board reported a rise in its consumer confidence index in August, matching its highest level since February.

**Source: The Wall Street Journal**

# News from International Publications

## More voters see U.S. headed on right path

**Date: 3 September 2024**

Just over a month ago, Najae Maguta planned to skip the November election despite voting for Biden in 2020, frustrated by his age, inflation, and support for Israel's Gaza war. However, when Kamala Harris replaced Biden on the ticket, her stance shifted, prompting her to register. A new Wall Street Journal survey shows a slight rise in optimism: 30% of voters now believe the country is heading in the right direction, a 9-point increase since July, with the change mainly driven by Democrats.



**Source: The Wall Street Journal**

## Chinese EV sales make gains, lifted by government subsidies

**Date: 3 September 2024**



Chinese electric vehicle makers reported strong sales in August, boosted by Beijing's expanded car trade-in program and dealers preparing inventories for the upcoming peak season. BYD Co. sold 373,083 units, a 36% increase from last year, driven by demand for upgraded hybrid models. Li Auto's deliveries rose 38% to 48,122 units, while Leapmotor set a record with 30,305 units. Seres saw a fivefold increase with 36,181 units sold. XPeng, NIO, Zeekr, and Xiaomi also reported solid growth in August deliveries.

**Source: The Wall Street Journal**

# News from International Publications

## Russia eyes covert India ties to aid war effort

**Date: 5 September 2024**

Russia has been secretly acquiring sensitive goods in India and considered building facilities there to secure components for its war effort. In October 2022, Moscow's industry and trade ministry devised plans to spend Rs82bn securing critical electronics through hidden channels to bypass Western sanctions. The strategy involved using rupees from oil sales to India and targeting dual-use technologies—goods with both civilian and military applications—while exploring Russo-Indian electronics production, according to leaked documents.



**Source: Financial Times**

## EU not fully prepared for next health crisis, warn audit body

**Date: 5 September 2024**



The EU is not "fully prepared" for future health emergencies, warns the European Court of Auditors. A new report highlights ongoing issues from the Covid-19 pandemic, including poor coordination on data and testing among member states, which hampered the early response. João Leão, the ECA member responsible for the audit, stressed the need for applying lessons learned to prevent repetition of past mistakes. Despite having a health emergency plan, agencies like ECDC and EMA struggled with capacity and timely action, often facing staffing challenges.

**Source: Financial Times**