

veKLY NEWSWRAP

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ECONOMY

Signs the Indian economy could be slowing down

Date: 8 October 2024



India's economy is showing signs of slowing, with GDP growth potentially falling below 7% in the July-September quarter of 2024-25, following a 6.7% growth in the previous quarter. Government capital expenditure dropped 19.5% from April-August, while core sector output contracted by 1.8% in August. Manufacturing and services PMI fell to multi-month lows, and GST collections grew just 6.5% last month. Auto sales also declined 9.3% in September, marking the fourth straight fall in commercial vehicle sales.

Source: Business Today

TRADE

WTO slashes 2025 global trade growth forecast to 3%

Date: 11 October 2024

The World Trade Organization (WTO) revised its 2025 global merchandise trade growth forecast down to 3%, from an earlier estimate of 3.3%. In its latest trade report, WTO economists noted a 2.3% year-on-year increase in global merchandise trade in the first half of 2024. The WTO also raised its 2024 trade growth projection slightly to 2.7%. Global GDP growth is expected to remain steady at 2.7% through 2025, with Asia leading at 4% growth and Europe lagging at 1.1%.

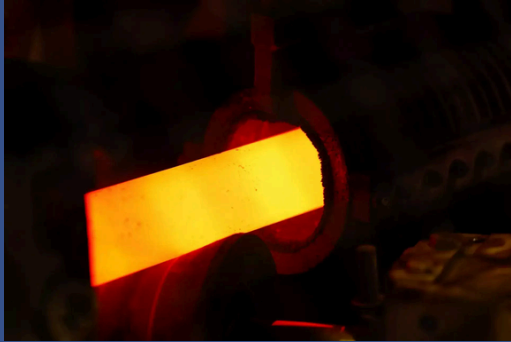


Source: Fortune

STEEL

India's steel production to surge by 32.9% by 2030, ferrous scrap to play key role in decarbonisation

Date: 11 October 2024



India's crude steel production is expected to grow by 32.9%, reaching over 186 million metric tons annually by 2030, according to an S&P Global Commodity Insights report. The report, "India's Circular Economy Goals: Spotlight on Ferrous Scrap," highlights the role of ferrous scrap in reducing carbon emissions as India shifts to sustainable steel production. To achieve a 300 MMt capacity by 2030, electric arc and induction furnaces will play a key role, supporting the government's goal of 50% ferrous scrap use by 2047.

Source: The Economic Times

PHARMACEUTICAL

India's top drug regulator meets WHO standards for functional vaccine regulatory system

Date: 11 October 2024

India's vaccine regulatory system, overseen by CDSCO and the National Regulatory Authority, has met the standards set by the World Health Organisation (WHO) for a functional system. An international team led by the WHO reviewed the system from September 16 to 20, according to the health ministry. The assessment focused on safety, efficacy, and quality. WHO has set global standards for vaccine quality assurance through tools, guidelines, and benchmarking of National Regulatory Authorities, along with its vaccine pre-qualification programme.



Source: The Economic Times

TECHNOLOGY

Indian tech sector saw deals worth \$635 mn in Sep quarter: Grant Thornton

Date: 11 October 2024



India's tech sector saw deals worth \$635 million in the July-September 2024 period, a 31% year-on-year increase, according to Grant Thornton Bharat's Q3 Dealtracker report. The quarter recorded the highest deal volumes since Q2 2023 but the lowest for 2024, indicating more strategic investments over large acquisitions. Grant Thornton Bharat Partner Raja Lahiri noted that the recent U.S. Federal Reserve rate cut and India's post-election stability have fueled new momentum in the deal landscape, driving both value and volume growth.

Source: Business Standard

AUTOMOTIVE

Indian automotive sector observes record 32 deals worth USD 1.9 bn in Q3 2024

Date: 11 October 2024

In Q3 2024, India's automotive sector saw robust growth with 32 deals totaling \$1.9 billion across mergers and acquisitions (M&A), private equity (PE), IPOs, and qualified institutional placements (QIP), according to a Grant Thornton report. This marks the highest quarterly activity since Q4 2021 and a 30% increase in deal values from Q2 2024, reflecting renewed investor confidence in the sector. The surge in deals signals a positive outlook for automotive investments in India.



Source: The Economic Times

News from International Publications

Jittery Europe hoards cash as US consumer spending soars

Date: 7 October 2024



European households are saving more than they did before the pandemic, showing a clear contrast with the spending-driven economic recovery in the US. While savings spiked globally during the pandemic, American consumers have resumed spending, whereas Europeans remain cautious due to economic uncertainty after Russia’s invasion of Ukraine. In the Eurozone, the household saving rate reached 15.7% in Q2, well above its pre-pandemic average of 12.3%. In contrast, the US personal savings rate fell to 5.2%, below its previous decade’s average.

Source: Financial Times

India targets Chinese gap in solar market

Date: 7 October 2024

Indian companies are stepping in to replace Chinese exports in the growing US solar industry as Washington tightens restrictions on Beijing-linked manufacturers. Sumant Sinha, CEO of ReNew, one of India's largest renewable firms, said India could meet the demand for solar components as the US seeks alternatives to Chinese supplies. Sinha highlighted India’s potential to diversify the green tech supply chain and noted ReNew’s plans to export solar products to the US, depending on tariff regulations under consideration by Washington.



Source: Financial Times

News from International Publications

US inflation expected to share thinking on rate cuts

Date: 7 October 2024



Strong US economic data has shifted investor expectations, aligning with Federal Reserve signals of gradual interest rate cuts. Key inflation data this week will further shape these views, with consumer price figures on Thursday and producer price data on Friday. The release of the Federal Reserve's September meeting minutes on Wednesday will shed light on the debate behind the recent half-point rate cut, the first divided decision in nearly 20 years. A strong September payrolls report, showing 240,000 new jobs, suggests a likely quarter-point rate cut in November.

Source: Financial Times

Beijing sets plan to impose tariffs on EU brandy

Date: 9 October 2024

China announced provisional tariffs on brandy imports from the European Union, escalating trade tensions and causing European distillers' shares to drop. This decision follows the European Union's recent move to impose duties on Chinese-made electric vehicles, signaling a deepening of the tit-for-tat trade dispute between the two economic powers. The growing confrontations in their trade relationship highlight the increasing strain between China and the EU, both of which are adopting more protectionist measures against each other.



Source: The Wall Street Journal

News from International Publications

India races to boost oil production before energy transition

Date: 9 September 2024



India plans to overhaul regulations and invite foreign oil giants to explore its onshore and offshore reserves as it seeks to maximize oil extraction while demand remains, according to Oil and Gas Minister Hardeep Singh Puri. Speaking at the Financial Times' Energy Transition Summit in Delhi, Puri mentioned recent meetings with Exxon, BP, Chevron, and Petrobras. He urged them to join Oil India in prospecting the Andaman waters, offering incentives and first right of refusal if oil is discovered, without initial investment requirements.

Source: Financial Times

Germany expects economy to shrink in 2024

Date: 10 October 2024

Germany is set for its first two-year recession since the early 2000s as the government lowered its 2024 growth forecast. Economy Minister Robert Habeck acknowledged current economic challenges but noted progress in addressing short-term issues like inflation, high interest rates, and energy costs driven by Russia's invasion of Ukraine. Long-term structural problems, including a severe skills shortage, underinvestment in infrastructure, and excessive red tape, continue to hinder growth. GDP is expected to shrink by 0.2% this year, revising earlier forecasts of slight growth.



Source: Financial Times

News from International Publications

Keir Starmer stumbles as he nears 100 days as U.K. prime minister

Date: 10 October 2024



Keir Starmer has faced criticism for accepting free tickets to a Taylor Swift concert, replaced his top aide, and seen his approval ratings plummet. Approaching his first 100 days as Britain's first Labour prime minister in 14 years, his tenure has been far from smooth. While his challenges pale compared to the scandals of Liz Truss or Boris Johnson, Starmer's early success has quickly faded. Polling by More in Common shows his approval rating has dropped 45 points, with Labour just one point ahead of the Conservatives.

Source: The Washington Post

Trump pledges to end 'double taxation' of Americans abroad

Date: 10 October 2024

Republican presidential nominee Donald Trump has voiced support for lowering taxes on U.S. citizens living abroad, aiming to attract this often-overlooked voter group. The U.S. uniquely taxes citizens on their total income, regardless of where it's earned or where they reside, unlike most major countries that tax based on residency. This policy, dating back to the 1860s, was introduced to help fund the Civil War through income tax, but has since remained a burden for Americans living overseas.



Source: The Wall Street Journal