

# **ve**KLY NEWSWRAP

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## ECONOMY

### India's \$5 trillion goal: Relaxations in credit market is key!

**Date: 18 October 2024**



India, the world's fastest-growing major economy, aims for further expansion to achieve developed nation status, relying heavily on access to capital. Its corporate bond market, valued at 47 trillion rupees (\$559 billion), remains small at 16% of GDP despite record growth. Bankers in Mumbai believe doubling this ratio is crucial for financing India's \$5 trillion economy goal. A key obstacle is a regulation preventing long-term investors like insurers and pension funds from investing in lower-rated bonds, limiting infrastructure funding.

**Source: The Hindu BusinessLine**

## TRADE

### Despite signs of export recovery in September, trade outlook remains uncertain: Crisil Report

**Date: 18 October 2024**

India's merchandise exports grew modestly by 0.5% year-on-year in September to \$34.6 billion, following two months of decline, including a 9.3% drop in August. However, challenges like container shortages and geopolitical uncertainties keep the trade outlook uncertain, according to Crisil. The widening trade deficit remains a concern, especially with increased US tariffs on Chinese imports, which could lead to a rise in Chinese exports to Asia. Despite this, strong services trade and remittance inflows are expected to provide stability to the current account.



**Source: The Times of India**

# CEMENT

## Cement Prices Decline By 10% YoY in H1 FY25: Report

**Date: 18 October 2024**



The Indian cement sector remains stable, though prices fell by 10% year-on-year (YoY) to ₹330 per bag in the first half of FY25, with September 2024 seeing an 11% YoY decline, according to ICRA. Coal prices remained steady at \$125 per metric tonne in October 2024, while petcoke prices dropped 26% YoY to ₹10,180 per MT. Diesel prices also fell 2% YoY to ₹88 per litre. Lower coal, petcoke, and diesel prices reduced input costs in the first seven months of FY25.

**Source: BusinessWorld**

# HEALTHCARE

## Forget Canada, UK! Skilled Indian workers are in demand in Germany

**Date: 18 October 2024**

Germany has introduced new immigration measures to attract Indian workers and address critical labor shortages in sectors like healthcare, IT, and engineering. Chancellor Olaf Scholz's Cabinet approved 30 initiatives aimed at tapping into India's growing pool of skilled professionals. This move comes as countries like Canada, the UK, and New Zealand tighten immigration policies. With an aging population and a shortage of qualified workers, Germany looks to India, where a large number of young people are entering the labor market.



**Source: Business Standard**

# TECHNOLOGY

## 96% of workers face stress adapting to fast-growing AI at work: Survey

**Date: 18 October 2024**



As workplaces globally adopt artificial intelligence (AI), employees are feeling increased stress adapting to this rapidly evolving technology. In a survey by Wiley, 96% of US workers reported feeling pressured, with 40% struggling to integrate AI into daily tasks, and 75% lacking confidence in using it effectively. The survey, involving 2,005 participants across North America, highlights widespread difficulties in AI adoption. Wiley's report, *The Human Side of Artificial Intelligence: 3 Tips for Navigating the AI Era*, underscores the growing challenges for employees and managers.

**Source: Business Standard**

# AUTOMOTIVE

## Indian auto sales stumble in H1 FY25, industry body tempers full year sales forecast

**Date: 14 October 2024**

The Indian passenger vehicle market saw slower-than-expected growth in the first half of FY25, with a modest 0.5% rise, below the 3-4% forecast by the Society of Indian Automobile Manufacturers (Siam). This lackluster performance may lower the overall annual growth outlook, despite hopes for a boost during the ongoing festival season. Siam President Shailesh Chandra attributed the underperformance to unforeseen events, including elections, heatwaves, and heavy rains, which impacted market momentum during three out of the six months in H1 FY25.



**Source: Mint**

# News from International Publications

## China's deflationary pressures mount as investors hope for more stimulus

**Date: 14 October 2024**



China's deflationary pressures intensified in September, with weaker-than-expected consumer and factory prices, amplifying calls for more substantial economic measures from Beijing. Consumer prices rose 0.4% year-on-year, below analysts' forecasts of 0.6%. Producer prices fell 2.8%, marking the sharpest decline in six months. The weak inflation data reflects deflationary impacts from China's ongoing property crisis. With GDP growth expected to fall below the 5% target, economists warn that further economic slowdown could necessitate escalated policy stimulus to support the economy.

**Source: Financial Times**

## 'Free trader' Trump would not weaken the dollar, insists his economic adviser

**Date: 14 October 2024**

Scott Bessent, a top economic adviser to Donald Trump, downplayed fears that Trump would weaken the dollar or cut trade if re-elected, emphasizing Trump's commitment to the US as the world's reserve currency. Bessent, a hedge fund manager known for his successful currency bets, has become a key Trump adviser on economic matters. Though he didn't serve in Trump's previous administration, Bessent has contributed over \$2 million to Trump's 2024 campaign and is often mentioned as a potential Treasury secretary candidate.



**Source: Financial Times**

# News from International Publications

## India's copycats to roll out weight-loss drugs

**Date: 14 October 2024**



India's pharmaceutical industry is set to introduce generic weight-loss drugs in the UK soon, with Biocon leading the way. The Bengaluru-based company has received UK approval to launch a generic version of Novo Nordisk's Saxenda by November. Saxenda, an older GLP-1 drug, is related to the popular Ozempic and Wegovy medications. Biocon's CEO, Siddharth Mittal, expects annual UK sales to reach £18 million, predicting a "huge price war" that will increase access to these medications as generics become available.

**Source: Financial Times**

## Reeves signals rise in business taxes as Starmer courts global investors

**Date: 15 October 2024**

Chancellor Rachel Reeves hinted at potential business tax increases in this month's Budget, while urging global financial leaders to boost investment in the UK. She declined to rule out raising employers' national insurance contributions, a move that could impact company profits but generate billions to address a £22bn shortfall in public finances. Speaking at an international investment summit in London, Reeves acknowledged that business leaders understood the need for "difficult decisions" to stabilize the economy and enhance the UK's investment appeal.



**Source: Financial Times**

# News from International Publications

## Spectre of low inflationary returns to haunt Eurozone

**Date: 15 September 2024**



Economists warn that the Eurozone's sluggish economic growth and slow consumer price increases may signal that the European Central Bank (ECB) faces the risk of too little inflation rather than too much. This shift marks a stark contrast from the recent high inflation rates that prompted the ECB to raise interest rates to a record 4% in September 2023. As policymakers prepare for a meeting on Thursday, investors now expect a quarter-point rate cut to 3.25%, earlier than the previously anticipated December reduction.

**Source: Financial Times**

## Growth pace slows for Chinese exports

**Date: 15 October 2024**

China's exports continued to grow for the sixth consecutive month in September, although the pace slowed significantly. Outbound shipments increased by 2.4% year-on-year, down from an 8.7% rise in August, as reported by the General Administration of Customs. This decline reflects Beijing's ongoing efforts to reinforce its position in global manufacturing while navigating economic challenges. Despite the slower growth, the persistence of export increases highlights China's enduring role in the international trade landscape.



**Source: The Wall Street Journal**

# News from International Publications

## IMF warning world's debt nears \$100tn

**Date: 16 October 2024**



According to the IMF, global public debt is projected to exceed \$100 trillion for the first time this year, reflecting a significant increase in government borrowing since the pandemic began. By the end of the decade, debt is expected to approach 100% of global GDP. The continued rise in government debt, largely driven by higher spending to stimulate growth, is notably influenced by the US and China. Countries like the UK, Brazil, France, Italy, and South Africa are also expected to see rising debt, with stabilization plans deemed insufficient.

**Source: Financial Times**

## Xi pivots on economy, scoffs at full u-turn

**Date: 16 October 2024**

As China's economy continued to struggle last month, Xi Jinping recognized the need for action. After two years of resisting pressure to implement strong measures, Xi finally acted in late September, directing a series of interest rate cuts and other initiatives to support economic growth. This shift aims to stabilize the economy and address the challenges it faces, signaling a more proactive approach to economic management amid persistent downturns.



**Source: The Wall Street Journal**