

veKLY NEWSWRAP

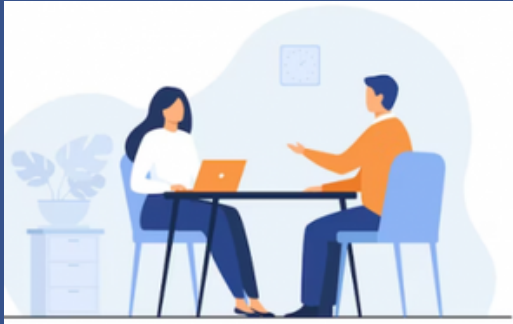
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ECONOMY

India Needs 10 Mn New Jobs Annually To Sustain 6.5% GVA Growth Through FY30: Report

Date: 2 November 2024



India will need around 10 million new jobs annually from FY25 to FY30 to achieve 6.5% GVA growth, according to Goldman Sachs. Boosting affordable housing can stimulate the real estate sector, which employs over 80% of construction labor. Expanding IT hubs and Global Capability Centers to smaller cities can ease pressure on Tier-1 cities while creating jobs. Shifting incentives to labor-intensive manufacturing, such as textiles and food processing, aligns with India’s employment goals, as 67% of manufacturing jobs are labor-intensive.

Source: BusinessWorld

TRADE

Freight corridors driving equitable economic growth across India: Study

Date: 1 November 2024

A University of New South Wales study reveals that India's dedicated freight corridors are driving equitable economic growth, particularly benefiting states with lower per-capita GDP. Focusing on the Western Dedicated Freight Corridor (WDFC) in 2019-20, the study published in Elsevier highlights how reduced freight costs boost regional GDP, especially near the corridor, and support industries and consumers. Experts say the operational corridor reduces commodity prices by up to 0.5%, significantly aiding the Indian economy through lowered travel and transport costs.



Source: Business Standard

AUTOMOTIVE

Festive Boost Lifts October Auto Sales, Eases Inventory

Date: 25 October 2024



October brought positive momentum to India’s automobile market as festive demand boosted sales after a slow year. Diwali and Dhanteras lifted passenger vehicle (PV) retail sales by nearly 20% year-over-year, industry estimates show. Maruti Suzuki reported record retail sales of 2,02,402 units, reducing dealer stock to a comfortable one-month level. This surge also minimized factory stock, said Maruti’s Partho Banerjee. Top-selling models included the Brezza (24,237 units), Swift (22,303), and WagonR (21,114), defying the slowdown in hatchback demand.

Source: Mint

HEALTHCARE

PM Modi to launch, inaugurate multiple health sector projects worth over Rs 12,850 cr today

Date: 29 October 2024

On Dhanvantari Jayanti and the 9th Ayurveda Day, Prime Minister Narendra Modi will launch, inaugurate, and lay the foundation for health sector projects valued at approximately Rs 12,850 crore. Held at the All India Institute of Ayurveda (AIIA) in New Delhi, this initiative includes expanding Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY) to cover all senior citizens aged 70 and above, ensuring health coverage for elderly citizens regardless of income, according to the Prime Minister’s Office.



Source: The Economic Times

RENEWABLE ENERGY

Govt to push green energy plans, will list ALMM for solar PV cells by 2026

Date: 27 October 2024



The government plans to launch an Approved List of Models and Manufacturers (ALMM) for solar cells by April 1, 2026, to advance India’s green energy transition. This list, known as List II, follows the 2019 ALMM List I, which mandated the use of India-made solar modules by listing approved models and manufacturers. By expanding ALMM to solar cells, the Ministry of New and Renewable Energy aims to strengthen domestic manufacturing and ensure greater adoption of locally-produced solar PV technology.

Source: Business Standard

TECHNOLOGY

Tech giants are set to spend \$200 billion this year chasing AI

Date: 2 November 2024

Three months ago, Wall Street criticized major tech firms for hefty AI investments that didn’t justify the expense. This quarter, Silicon Valley’s answer? Invest even more. The combined capital spending of Amazon, Microsoft, Meta, and Alphabet is set to surpass \$200 billion in 2023—a record for the industry. Executives indicated the spending spree will persist or even increase next year, driven by the global AI boom. These firms are securing high-end chips and energy deals to fuel massive data centers.



Source: The Economic Times

News from International Publications

Inflation is top of mind in election

Date: 1 November 2024



The U.S. economy is thriving, with strong growth, cooling inflation, and a solid job market, yet voters on Tuesday are likely focused on recent high inflation. Pandemic-driven price surges have made living costs a key election issue, with grocery prices up 22% and utilities and housing up 28% over four years. Despite wage growth and easing inflation, many families still feel the strain. "This election is about what things actually cost," said Republican strategist Mark Campbell, noting its unique focus on everyday expenses.

Source: The Washington Post

Trump tests Congress's bid to fix presidential transitions

Date: 1 November 2024

After Donald Trump's refusal to concede the 2020 election, Congress introduced measures to prevent similar delays in future transitions. Now, with Trump potentially returning to power, a key change to the process is causing concern among officials. If no winner is clear within five days post-election, federal agencies must grant both Trump's and Vice President Kamala Harris's campaigns access on November 11. Each department is preparing separate office spaces and briefing teams to accommodate both potential administrations simultaneously.



Source: The Washington Post

News from International Publications

China stimulus failing to 'move needle' say consumer-focused multinationals

Date: 1 November 2024



Carlsberg, Estée Lauder, and AB InBev report declining sales in China, highlighting challenges for Beijing's economic recovery efforts. Despite September's stimulus measures—such as interest rate cuts and stock market support—companies are seeing sluggish results. Carlsberg CEO Jacob Aarup-Andersen stated that the stimulus has had limited impact, with Carlsberg and AB InBev posting weaker-than-expected sales. Estée Lauder also cut its dividend after steep sales drops, reflecting the slower-than-anticipated recovery in consumer spending across luxury, beauty, and beverage sectors.

Source: Financial Times

EU urged to spend 20% of budget on security and climate risks

Date: 31 October 2024

The EU should allocate 20% of its budget to security and crisis preparedness, urged Finland's former president Sauli Niinistö in a report on the bloc's defense. Commissioned by Brussels, the report followed Russia's war in Ukraine, Moscow's hybrid threats, and rising natural disasters. "Our primary task is to ensure security for Europeans by preparing for all risks, which are immense," Niinistö said. He highlighted geopolitical tensions and climate change as the continent's biggest challenges.



Source: Financial Times

News from International Publications

EU imposes China EV tariffs talks continue

Date: 31 October 2024



The EU has imposed tariffs of up to 45% on Chinese electric vehicles, intensifying trade tensions over alleged unfair subsidies. Effective for five years, these duties follow the EU's rejection of China's claims that the measures are unfounded. Adding to a 10% existing tariff on Chinese car imports, the new duties aim to offset "injurious subsidization." Both sides plan further talks on "minimum prices" for Chinese EVs, while China's commerce ministry vowed to protect its companies' interests through continued dialogue.

Source: Financial Times

Lurch towards trade barriers stokes policymakers' fear for global recovery

Date: 28 October 2024

Top officials have warned that a shift toward economic protectionism could harm the global recovery, as the US presidential race nears its end. At the IMF and World Bank meetings in Washington, they cited political risks in the US and abroad as threats to economic stability. Agustín Carstens, Bank for International Settlements' general manager, cautioned that "a retreat into protectionism" could raise prices, increase unemployment, and restrict growth, undermining global progress.



Source: Financial Times

News from International Publications

Japan's ruling coalition suffers election rout

Date: 28 October 2024



Japan's ruling coalition, led by the Liberal Democratic Party (LDP), has lost its parliamentary majority, marking its worst electoral defeat in 15 years. The unexpected result leaves Prime Minister Shigeru Ishiba under pressure to resign after calling the snap election to counter a slush-fund scandal. Surging discontent over stagnant wages and rising living costs likely drove the outcome, which analysts had not anticipated. "Voters have handed us a harsh verdict," Ishiba acknowledged in an NHK interview.

Source: Financial Times

US consumers keep economy on course as election looms

Date: 31 October 2024

The EU should allocate 20% of its budget to security and crisis readiness amid rising geopolitical tensions and climate risks, recommended Finland's former president Sauli Niinistö. Commissioned by Brussels to evaluate the EU's security needs, Niinistö's report emphasized the urgency to protect Europeans from extensive threats, citing Russia's war in Ukraine and escalating natural disasters as primary concerns. He urged that the current €1.2 trillion budget prioritize preparedness for Europe's safety and resilience.



Source: Financial Times

News from International Publications

UK borrowing costs hit post-election record on eve of Reeves' first budget

Date: 31 October 2024



UK long-term borrowing costs reached a post-election peak yesterday as investors prepared for Chancellor Rachel Reeves' first Budget, where she will outline ambitious growth-focused investments funded by significant tax increases on wealthier individuals and businesses. Reeves will present this Budget as a turning point, stating, "It's not the first time Labour has had to rebuild Britain." As the UK's first female chancellor in 800 years, she will relax fiscal rules to support over £20 billion annually in capital projects, including hospitals.

Source: Financial Times