

## **Top Story 1**

# **World Bank to Support Indian State of Maharashtra's Initiative to Enable More Districts to Drive Economic Growth**

The World Bank's Board of Executive Directors approved a new loan to support the state of Maharashtra, in India, in its efforts to stimulate economic growth across the state, especially in the lagging districts. The program will help strengthen the capacity of the district administrations to identify growth opportunities, facilitate private sector participation, and use data for evidence-based planning and decision-making. Maharashtra's \$500 billion state economy is the largest in the country. However, there are significant disparities amongst its 36 districts with seven districts accounting for more than half the state GDP. Lack of credible and timely data, and multiple agencies operating in silos, are some key factors impeding the implementation of state growth plans across these lagging districts. District governance challenges and inadequate access to timely government services by the private sector are also constraining growth.

## Top Story 2

### India's GDP growth aim for FY25 further slashed to 6.3% by Morgan Stanley

**Morgan Stanley** has again cut its GDP growth projection for India to 6.3 per cent for this fiscal year, down from its earlier estimate of 6.7 per cent. This come days after India's GDP slowed to a seven quarter low in the July-September quarter. Morgan Stanley had cut India's growth target for FY25 to 6.7% earlier in November and ahead of the **Q2 GDP data**. India's GDP growth slowed to 5.4 per cent year-on-year (YoY) in the July-September quarter of 2024, marking its lowest level since March 2023. This was below the 6.7 per cent growth seen in the previous quarter and also fell short of Morgan Stanley's forecast of 6.3 per cent, as well as the consensus estimate of 6.5 per cent.

## **Investment: -**

### **The India-UAE Bilateral Investment Treaty Came Into Effect**

India signed a landmark defense agreement with the United States in October 2024 to acquire 31 MQ-9B drones in a deal valued at \$3.5 billion. The procurement, aimed at enhancing India's defense preparedness, is particularly significant given the nation's ongoing focus on countering challenges posed by China. This milestone agreement, finalized after eight years of negotiations and approvals from two U.S. administrations, also involved India leasing two drones during the deliberative process. On the U.S. side, the deal required congressional approval, underscoring its strategic importance. Under the agreement, 15 drones will be deployed to the Indian Navy, while the remaining 16 will be divided between the Indian Army and the Air Force. The MQ-9B drones, known for their high-altitude, long-endurance capabilities, are expected to significantly bolster India's reconnaissance and operational capabilities.

## **Finance: -**

### **Maharashtra aims \$1 trillion GDP with growth in manufacturing, services**

The Maharashtra government aims to achieve the ambitious target of doubling the state's GDP to \$1 trillion by the end of this decade, a senior official has said. The BJP-led Mahayuti alliance recently secured a landslide victory in the Maharashtra Assembly elections and will retain power in the state. The new government is set to be formed on December 5. At \$1 trillion, Maharashtra's GDP would surpass the current GDP of Singapore, Switzerland, Belgium, Sweden, the UAE, and Thailand, among others. The new government seeks to achieve a 14 per cent compound annual growth rate (CAGR), increasing GDP from the current \$500 billion to \$1 trillion. This growth would raise per capita GDP in the state to \$6,500 from the current \$3,300.

**Market: -**

## **India's services sector saw strong growth in November, PMI shows**

Growth in India's dominant services sector remained strong in November despite the steepest rise in prices for over a decade, while consistent demand led to a significant rise in business sentiment and record hiring, a business survey showed. The HSBC final India Services Purchasing Managers' Index, compiled by S&P Global, stayed almost unchanged at 58.4 in November from 58.5 in October, but was lower than a preliminary estimate of 59.2. A sub-index measuring new business - a gauge of demand - fell from October but showed no concerning signs of weakness. It was supported by international demand that rose at its fastest pace since August. Nevertheless, a substantial improvement was seen in the business outlook for the year-ahead based on predictions of strong demand. The future activity sub-index was the highest in six months.

## **Economy: -**

### **OECD raises India's FY25 growth forecast to 6.8%**

The Organisation for Economic Co-operation and Development (OECD) has revised India's economic growth forecast for 2024-25, raising it to 6.8% from 6.6% projected in May. The upward revision is attributed to strong investment activity and robust agricultural output, reflecting resilience in the Indian economy despite global uncertainties. OECD's latest outlook underscores India's expanding industrial and services sectors, alongside sustained infrastructure development, which continue to drive growth. Additionally, government policies and structural reforms have contributed to an improved economic trajectory. This revised forecast aligns with other global agencies' optimistic projections for India, reinforcing its position as one of the fastest-growing major economies. However, OECD also highlighted risks such as geopolitical tensions, inflationary pressures, and global demand fluctuations, which could impact the momentum. With strong domestic consumption and investment trends, India's economic outlook for FY25 remains robust, setting a positive tone for future expansion.

## Investment: -

### India has miles to cover before cashing in on China's big loss

India has become an attractive choice for companies seeking to shift manufacturing away from China. Now, the return of Donald Trump to the White House who will most likely intensify trade war with China can further fuel the momentum for diversifying investments outside the world's second-largest economy and India needs to capture it. However, a report by government policy think-tank NITI Aayog suggests that India, unlike its South Asian peers – Vietnam, Thailand, Cambodia, and Malaysia, has had limited success in capturing the full potential of the "China Plus One" strategy so far.

Currency	Rate (Rs)	Change	Index	Change
USDINR	84.079	0.006	NIFTY 50	24,781.10 -72.95
EURINR	91	0.04	BSE Sensex	81,151.27 -73.48
GBPINR	109.44	-0.286		
JPYINR	56.0349	-0.1733		