

## Top 1

### **The fuel secretly powering India's economy**

The explosive growth of global capability centres (GCCs) providing technical, operational, research and innovation services to some of the world's largest corporations is emerging as a "force multiplier" for the Indian economy, industry experts and analysts said. Currently, over 1,600 GCCs — employing an estimated 1.5 million people across India's major cities — are generating cumulative revenue of about \$46 billion. This is more than double the estimated \$20 billion generated by about 1,000 such centres in 2016, according to a report. It forecasts GCC revenue to reach \$100 billion by 2030. In recent years, GCCs have diversified their offerings, adding services like legal and marketing in addition to mainstay capabilities like finance, HR, analytics, IT, procurement and data governance. Their exponential growth is boosting peripheral sectors such as real estate, retail, staffing and infrastructure, adding weight to India's economy, experts said. "The hefty spending power of (GCC) employees fuels local businesses like kirana stores, restaurants, malls, and hospitals, creating roughly one million jobs in domestic services alone and strengthening India's economic fabric," according to an official. He who is also a member of industry lobby said that GCCs generate an estimated \$35-40 billion in additional economic output across real estate, IT, hospitality and professional services.

## Top 2

### **India's wealth will increase 1,000% in next 50 years**

An official on Wednesday said he is confident that India's wealth will increase 1,000 per cent over the next 50 years, thanks to the young population and technological advancements. Speaking as the chief guest at the 23rd convocation ceremony of the Entrepreneurship Development Institute of India (EDII) near Ahmedabad recently, he admitted that India still has socio-economic challenges, such as poverty, illiteracy, poor housing, living conditions, lack of food, water, sanitation and insufficient healthcare. He then urged the passing-out students to be the "agent of change" and find innovative and cost effective solutions to bring change. India is going to make huge progress on the back of a young population, rapid technological developments and its entrepreneurs over the next 50 years. India's wealth is going to increase 1,000 per cent, that is ten times, over the next 50 years," he said in his address.

## INVESTMENT

# Net FDI in India improves to \$4 billion in April

The net foreign direct investment (FDI) in India, which is inflows minus outflows, improved to \$4 billion in April 2024 from \$2.82 billion a year ago, primarily due to moderation in the repatriation of capital. According to Reserve Bank of India (RBI) data, direct investment into India rose to \$4.89 billion in the first month of the current financial year (2024-25) from \$3.92 billion in April 2023. Outward FDI from India declined marginally to \$932 million in April 2024 from \$1.09 billion a year ago. The scale of capital repatriation/divestment declined to \$2.38 billion in April 2024 from \$3.47 billion a year ago. According to the State of the Economy article in RBI's June bulletin, gross inward foreign direct investment (FDI) remained strong at \$7.3 billion in April 2024 (\$7.4 billion a year ago). The manufacturing, financial services, business services, electricity and other energy, and computer services sectors accounted for more than 80 per cent of the FDI equity flows.

## TAXATION

# Consider direct payments, periodic review to enhance deposit insurance

Speedier settlement of deposit insurance claims by making direct payments to customers can boost coverage and lead to improvement in services, according to study by Reserve Bank of India (RBI) staffers. The country's deposit insurance system has evolved over the years courtesy an enhanced coverage limit and the deposit insurance fund. Deposit insurance, which has been in existence in India for over 60 years, is crucial to the financial stability and protection of depositors. The system has been adopted by many jurisdictions in the world. There has been a steady expansion in its mandate, reduction in time taken for payouts, a move towards risk-based premium, and stability in the level of insurance coverage. The article in RBI's June 2024 bulletin said the main issues facing the deposit insurance system were the revision in coverage limits, challenges from fintech developments, and climate change. In India, deposit insurance is mandatory for all banks, including foreign banks. Currently, 1,997 banks are covered, comprising 140 commercial banks and 1,857 co-operative banks. This is the largest number of deposit-taking institutions covered by deposit insurance in the world, second only to the US.

## FINANCE

### Pvt investment key to India's 2047 goal

Honorable Shri Narendra Modi Has taken charge of the office of Prime Minister at a time when India is poised to become a \$5-trillion economy, propelled by growth rates of 7-8% in most years over the past two decades. Amid concerns about China's economic slowdown and strained trade relations with the US and its allies, many experts and international entities have projected India as a potential new economic and political superpower. Bolstered by these projections, in 2023, Modi launched the slogan of "Viksit Bharat" or Developed India by 2047, which he has consistently reiterated after resuming office. The pivotal question is: Can he navigate India along this transformative path towards becoming a developed nation? Reaching the high-income threshold of \$13,845 GDP per capita (as of 2022) within 25 years from India's current GDP per capita of \$2,090 (2022) requires substantial growth acceleration over an extended period. China's experience shows that despite maintaining impressive average annual growth rates of 8.5% in GDP per capita at constant 2015 USD for 41 years during 1978-2018, which peaked at 9.1% between 1982 and 2012, it has yet to surpass the high-income threshold. In comparison, analysing India's GDP showing over the past decade reveals mediocre performance with no acceleration in the annual growth rate. The average annual growth rate in GDP per capita at constant 2015 USD during 2014-2022 (4.6%) remains somewhat lower than the previous decade's rate (5.3%).

## ECONOMY

# The second best time to invest in India is today

However, the longevity of the growth and the sustainability of the growth is what is creating this magic that you are seeing in the market. So, when we were young, if you remember, we all played this game called passing the pillow and you wanted to pass the pillow soon because you thought the music would stop and you did not want to be left holding the pillow. We are doing the reverse now. The longer we hold the pillow, the better returns, and the more money we are making as stock market investors. People always ask me what is the best time to invest in India? We missed the last five years, ten years, whatever. And I always give the following answer;, I say, the best time to invest in India was in 1991 when Manmohan Singh presented his liberalisation budget. The second best time to invest in India is today. You cannot win if you do not play. The market looks buoyant and I think over time, it will head higher. There will be volatility, as we saw in election time also, but I think over time, five years from now, on your 20th anniversary, I am very confident that the market will be significantly higher.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.56	0.011	NIFTY 50	23,501.10	-65.90
EURINR	89.40	-0.21	BSE Sensex	77,209.90	-269.03
GBPINR	105.74	-0.125			
JPYINR	52.2867	0.0632			