

Top Story 1

World Bank hikes India's economic growth projection to 7% for FY 2024-25

The World Bank has revised its growth projection for India, increasing it from 6.6% to 7% for the financial year 2024–2025. This adjustment is detailed in the latest report titled "India Development Update: India's Trade Opportunities in a Changing Global Context," which was released on recently. The report sheds light on several positive aspects of the Indian economy, indicating that the country is on a stronger growth trajectory than previously anticipated. The World Bank attributes this upward revision to multiple factors, including robust domestic demand, resilient economic activity, and favorable global conditions. Additionally, India's trade opportunities have expanded in the changing global landscape, further boosting the economy's outlook. These developments have collectively contributed to the World Bank's more optimistic forecast, reinforcing confidence in India's economic resilience and growth potential for the upcoming financial year.

Top Story 2

India, US strengthen energy ties

The power ministry met a US delegation recently led by John Podesta, senior advisor to the President for International Climate Policy. The two sides explored possibilities in technical exchanges and financial support for upgrading transmission systems, manufacturing capacity in large transformers, and partnership on long-duration energy storage studies, among others. Power minister Manohar Lal emphasized the two countries' shared commitment to a clean energy future that fosters economic growth and development. India and the US can collaborate on areas like clean energy, energy storage systems and energy efficiency, Podesta said. He further said that the US can support India in enhancing its manufacturing capacity. The discussions covered policy consultations and potential financial support to advance these modernization efforts.

Economy: -

India's Economy to Remain Strong Despite Subdued Global Growth

The Indian economy continues to grow at a healthy pace despite challenging global conditions, according to World Bank's latest India Development Update India's Trade Opportunities in a Changing Global Context. But to reach its \$1 trillion merchandise exports goal by 2030, India needs to diversify its export basket and leverage global value chains. The India Development Update (IDU) observes that India remained the fastest-growing major economy and grew rapidly at 8.2 percent in FY23/24. Growth was boosted by public infrastructure investment and an upswing in household investments in real estate. On the supply side, it was supported by a buoyant manufacturing sector, which grew by 9.9 percent, and resilient services activity, which compensated for underperformance in agriculture. Reflecting these trends, urban unemployment has improved gradually since the pandemic, especially for female workers. Female urban unemployment fell to 8.5 percent in early FY24/25, although urban youth unemployment remained elevated at 17 percent.

Finance: -

India's GDP boost: From agriculture to rural finance

India's GDP is driven by two major sectors: agriculture and allied activities, and MSMEs, which are predominantly based in semi-urban and rural areas. Therefore, policies supporting the sector need a rural focus. For instance, banks' agriculture-oriented priority sector lending (PSL) requirements should shift to rural sector PSL. This change could drive an additional ₹10 lakh cr in bank lending to rural India. Currently, 70% of rural districts have a credit-to-deposit ratio below 10%. All rural loans should meet rural sector PSL requirements. Financing for personal needs and consumer durables allows farmers to reserve cash for sowing needs. Viewing agricultural finance separately from rural finance and credit needs requires a shift in mindset. This approach will promote deeper credit penetration by banks and enhance financial inclusion for growth.

Digitalization: -

UPI Circle Update by NPCI: Pay for Friends and Family

The National Payments Corporation of India (NPCI) launched a game-changing feature in the Unified Payments Interface technology (UPI) to take digital transactions to the next level. This feature will enable UPI account holders to permit trusted contacts who don't even have UPI accounts to initiate transactions on the primary user's behalf. UPI Circle simplifies how users manage transactions. The primary users can easily share access with secondary users by scanning a QR code or entering the UPI ID. That will eliminate the manual entry of phone numbers. Secondary users can secure access by setting passcodes or biometric verifications.

Investment: -

Invest in India and invest in Russia

It is well-known that in recent years India has made substantial progress in Ease of Doing Business rankings and, importantly, in letting the world know about its investment opportunities. Under the influence of global trends and a combination of internal difficulties the volume of FDI in India has been on decline lately, presenting a concern to India's economists and government officials. The long-term trend, however, is positive. As part of India's consistent efforts to present its diverse investment opportunities internationally, a major investment forum took place in Moscow a few months back, demonstrating to the Russian business circles India's open-to-business sectors such as railways, ports, shipbuilding, chemicals and many others.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.963	0.01	NIFTY 50	25,139.05	-140.8
EURINR	93	0.068	BSE Sensex	82,160.60	-394.84
GBPINR	110.067	-0.039			
JPYINR	57.9006	0.1951			