

Top Story 1

Greater cooperative federalism in India a must to push economic thaw with China

During his January visit to China, Foreign Secretary Vikram Misri did not only meet the Chinese Ministry of Foreign Affairs (MOFA) leadership, he also met with the head of the CPC's International Department, Liu Jianchao. The latter holds no formal role in the Chinese State, but his department represents the Communist Party of China, including its provincial and other local-level officials, in their external relations. The Misri-Liu meeting, therefore, offers an idea of how the two countries are thinking of promoting economic engagement at a time when India-China ties remain complicated by tensions on the boundary as well as those at the regional and global levels.

Top Story 2

India's Roadmap to Economic Power

Dr Jaipal Singh Skill is the ability to do something well through learning, practice, and experience. Innovation is the process of creating new ideas, methods or products to improve the existing ones. Innovation comes from creativity and thinking differently to find better solutions. Strengthening both skill and innovation will drive technological advancements and fuel economic growth. Countries having developed skills and urge to further enhance them as per demand of the market has made them technologically stronger and economically powerful in the world. These countries do not merely make claims but take action as per their will and requirement that shapes the world. India too is moving on the path of progress since Independence but even then our country is lagging behind economic giants like the U.S., China, Japan, and Germany. As of 2024(Wikipedia data), India holds the fifth-largest economy (\$4.27 trillion), behind the U.S. (\$30.34 trillion) and China (\$19.53 trillion). Russia, at 11th place, has a marginal (current) GDP of less than \$2.2 trillion.

Economy: -

India's Economic Growth To Exceed 6.5% In FY2

Moody's Ratings recently said India's economic growth will exceed 6.5 per cent in the next fiscal, up from 6.3 per cent this year, on higher government capex and consumption boost from tax cuts and interest rate reduction. Projecting a stable outlook for the banking sector, Moody's said although the operating environment of Indian banks will remain favourable in the next fiscal, their asset quality will deteriorate moderately after substantial improvements in recent years, with some stress in unsecured retail loans, microfinance loans and small business loans. Banks' profitability will remain adequate as declines in net interest margins (NIMs) are likely to be marginal amid modest rate cuts, it said.

Finance: -

GDP growth likely improved to 6.3% in December quarter

India's economy likely grew at 6.3% in October-December, up from 5.4% in July-September, mainly due to a broad-based pick-up in economic activity, the median of 16 estimates by economists showed. If the Q3FY25 growth comes in at 6.3%, GDP will have to grow by 7-7.3% in Q4 to average 6.4% for the full financial year. In Q1 and Q2, GDP grew by 6.7% and 5.4%, respectively. Economists say the lacklustre growth in Q2 was mainly due to manufacturing activity growing at a snail's pace (2.2%), which has recovered substantially in the December quarter. "Manufacturing should see a big pick-up in Q3, which would be leading the growth during the quarter," said Upasna Bhardwaj, chief economist. In Q2FY25, manufacturing had grown merely 2.2%, at a six-quarter low.

Investment: -

India's space economy set for a quantum leap: FICCI's Bharat Space Conclave 2025 charts path to \$44 billion target

India has set an ambitious target to grow its space economy from \$8.4 billion in 2022 to \$44 billion by 2033, aiming to capture 8% of the global market. To provide the needed push to this ambition, the Federation of Indian Chambers of Commerce and Industry (FICCI) in partnership with Dhruva Space and EY, organised 'Bharat Space Conclave 2025', on the theme of 'Space Innovations for Atmanirbhar Bharat', to shed light on investment trends, policy frameworks, and technological advancements, to empower stakeholders, including industry leaders, startups, policymakers, and investors. The conclave had key speakers including Sanjay Nekkanti, Co-chair, FICCI, Pamkaj Khurna, Partner, EY, Dr AS Kiran Kumar, Space Commission and former Chairman, ISRO as well as Dr Pawan Goenka, Chairman, In-Space. Their discussion focused on the change the space technology can bring in collaboration with other sectors as well as the financial and business-related hurdles that need to be crossed to increase the space economy.

Digitalization : -

UPI Is Driving 84% Digital Transactions Of India

As India's digital payments landscape is transforming, the Unified Payments Interface (UPI) is emerging as the dominant force of such transactions driving financial inclusion, merchant adoption, and cross-border transactions. As per a new report by The Digital Fifth, UPI is responsible for 84 per cent of digital transactions in India. According to a new industry report, UPI now drives 84 per cent of all digital transactions in India, solidifying its reputation as a technological marvel and a model for digital-first economies worldwide. The report highlighted that UPI transactions surged 4.4 times from 2021 to 2024, reaching 172 billion transactions annually. UPI has emerged as the dominant force in digital payments, far outpacing both card-based and wallet transactions. Merchant adoption has also scaled rapidly, with over 30 million merchants onboarded onto UPI. The merchant-to-consumer (P2M) segment is growing at an impressive 67 per cent year-on-year, outpacing peer-to-peer (P2P) transactions, signalling UPI's transition into the primary retail payment system.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	87.141	-0.011	NIFTY 50	22,467.75	-10.55
EURINR	95	-0.133	BSE Sensex	74,098.19	-4.13
GBPINR	112.851	-0.137			
JPYINR	0.5893	0.0015			