

23rd

FEBRUARY
2024



News Highlights

NATIONAL

[Construction Of Navsari's PM MITRA Park Project Begins](#)

[India's Q3 FY24 GDP Growth To Moderate Sequentially To 6%: ICRA](#)

[Hope to finalise free trade agreement with India soon, says Norwegian Minister](#)

[India needs to grow at 8% to become a developed nation by 2047: World Bank](#)

[MPC Minutes | RBI governor says work on inflation is not over, warns against policy pivots](#)

[India on track to become \\$10 trillion economy, set for 3rd largest slot: WEF President](#)

[Indian readymade garment shipments finally reach Europe, taking the long way](#)

[Centre Giving Priority To Villages, Focusing On Improving Lives Of Small Farmers: PM Modi](#)

[Amid stir, PM reiterates commitment to improve lives of small farmers](#)

[India-EU have political will to conclude FTA: Secretary General](#)

[Euro zone business activity slowly moves towards growth in Feb](#)

[Pressure grows on China for big policy moves to fix economy](#)

GLOBAL

NATIONAL

CONSTRUCTION OF NAVSARI'S PM MITRA PARK PROJECT BEGINS

The construction work of the PM Mega Integrated Textile Region and Apparel (PM MITRA) Park in Gujarat's Navsari has begun. Prime minister Narendra Modi today visited the region to lay the foundation stone for multiple development projects worth more than ₹47,000 crore. PM Modi stated that the project would bolster the textile industry, leading to an increase in India's share in textile exports.

Addressing the inauguration event in Navsari, Modi recalled 'Five F'—Farm, Farm to Fibre, Fibre to Factory, Factory to Fashion, Fashion to Foreign. He said that the goal was to have a full supply and value chain of textiles.

"Today, the silk city of Surat is getting an expansion till Navsari," the Prime Minister said, highlighting India's capability to compete with the largest producers and exporters in the sector.

He emphasised that the completion of the PM MITRA Park will change the face of the entire region where an investment worth ₹3,000 crore will be made solely in its construction. He said PM MITRA Park will create a value-chain ecosystem for activities such as cutting, weaving, ginning, garments, technical textiles, and textile machinery while also giving a boost to employment.

PM Modi informed that the Park will be equipped with houses for the workers, logistics park, warehousing, health facilities, and facilities for training and skill development, according to a press release issued by the Prime Minister's Office.

Navsari's PM MITRA Park is one of the seven parks approved by the central government. The Gujarat government has allocated 462 hectares to GIDC for the project, for which the centre will provide 30 per cent or ₹500 of the outlay for infrastructure development, estimated at ₹1,500 crore. It is expected that the park will attract investment of ₹10,000 crore and will generate 2-3 lakh direct and indirect employment opportunities in the textile and its allied sectors.

[Home](#)



India's Q3 FY24 GDP Growth To Moderate Sequentially To 6%: ICRA

Indian credit rating agency ICRA has projected the country's gross domestic product (GDP) growth to moderate sequentially to 6 per cent year on year (YoY) in the third quarter (Q3) of fiscal 2023-24 (FY24) compared to 7.6 per cent in Q2.

Aditi Nayar, chief economist, head of research and outreach at ICRA, in a recent report attributed lower volume growth for the industrial sector, flagging momentum in certain indicators of investment activity, a slowdown in government expenditure and an uneven monsoon for the projection.

Total government spending contracted by 0.2 per cent in 25 states in the previous quarter, and this may have dulled the growth of gross value added (GVA) growth, ICRA noted.

The GVA growth may ease to 6 per cent in Q3 FY24 from 7.4 per cent in Q2 due to a slowdown in industrial and agricultural sectors, amidst an improvement in the services sector.

Spending had expanded by 12.1 per cent and 18.3 per cent respectively in year-on-year (YoY) terms in Q1 and Q2 of FY24.

"Moreover, the combined revenue expenditure of the aforesaid 25 state governments witnessed a lower YoY growth of 7.5 per cent in Q3 FY2024, compared to 10.7 per cent in Q2 FY2024," the report said.

The index of industrial production (IIP) for manufacturing reflected a deceleration in volume growth. The projected GVA expansion for manufacturing is at a healthy 10 per cent in Q3, which is twice as high as the 4.7 per cent recorded in Q1 FY24, but lower than the 13.9 per cent recorded in Q2.

The report also noted an easing in the YoY growth of nine of the 11 investment-related indicators, which led to a moderation in the country's investment activity in Q3 FY24.

The industrial GVA growth is expected to record a broad-based moderation to 8.8% per cent in Q3 FY24 from 13.2 per cent in Q2, ICRA added.

[Home](#)



Hope to finalise free trade agreement with India soon, says Norwegian Minister

Deputy Foreign Minister of Norway, Andreas Kravik, shared insights on various global and bilateral matters, emphasising the imminent conclusion of a Free Trade Agreement (FTA) between India and the European Free Trade Association (EFTA).

He also spoke about Afghanistan, the Russia-Ukraine conflict, maritime security issues, and notably, his views on former US President Donald Trump's stance on NATO.

FREE TRADE AGREEMENT WITH INDIA

In an exclusive conversation with India Today TV, Kravik expressed optimism about finalising the FTA with India "in the very near future," highlighting the progress in negotiations despite the impending code of conduct for general elections in India.

"We are very hopeful that we will be concluding the free trade agreement with India in the very near future," Kravik stated, acknowledging that while "certain things need to be polished," the process is moving positively forward.

The agreement, under discussion since 2008, involves EFTA countries—Switzerland, Iceland, Liechtenstein, and Norway—eyeing to invest up to \$100 billion over 15 years for market access in India.

This ambitious initiative aims at enhancing bilateral trade, with specific focus on patent protection, investment promotion, and addressing contentious issues like regulatory data protection for pharmaceuticals.

The 21st round of discussions, held in Delhi from January 8 to 13, 2024, tackled critical areas including trade in services, rules of origin, and intellectual property rights, marking significant headway towards mutual economic benefits.

AFGHANISTAN AND HUMAN RIGHTS

Kravik also shed light on Norway's stance on Afghanistan, emphasising a balanced approach towards engaging the Taliban while advocating for human rights, especially women's rights.



"We have a multifaceted approach to Afghanistan and de facto authorities," he remarked, underscoring the importance of engagement for any progress.

Despite the challenges, Norway remains committed to advocating for human rights and opening dialogues for better relations between the international community and the Taliban.

RUSSIA-UKRAINE CONFLICT AND NATO

On the Russia-Ukraine conflict, Kravik reiterated Norway's support for Ukraine and the critical role of NATO in defending international law and sovereignty principles.

"We have been adamant in our support. We have a financial commitment to Ukraine. We have a military commitment to Ukraine in the form of supplying weaponry," he said, emphasising NATO's unified stance against Russia's violation of international law.

He said, "Well, to begin with the conflict, or the war, we have been crystal clear since the start that what Russia did was a violation, or is still doing, is a violation of international law. Ukraine is fighting for its existence and that is something that we support. We have been adamant in our support. We have a financial commitment to Ukraine."

"We have a military commitment to Ukraine in the form of supplying weaponry and so forth. They are defending themselves and NATO is critical in that effort," he added.

Regarding Trump's stance on NATO, Kravik conveyed confidence in the alliance's resilience, even under a potential Trump presidency.

"We are comfortable in this infrastructure, in the NATO infrastructure remaining intact also under a potential US or Trump presidency," he assured, highlighting the collective support within the alliance for its defence agreement.

Despite previous statements by Trump, Kravik expressed certainty in the continued U.S. commitment to NATO principles, reflecting a trust in the enduring nature of these international relationships.

"There is a shared collective support within the alliance for this collective defence agreement that NATO is symbolic of and that is something that we think will be continued by any US president. Of course we have seen and heard some of the statements by



former President Trump but there is an election transpiring and we know how these things are and we are certain that once the elections have been conducted," he said.

Former US President Donald Trump, eyeing the Republican presidential nomination, has reignited concerns with his provocative stance on NATO, the North Atlantic Treaty Organization.

Trump's recent comments suggest a radical departure from the alliance's foundational principle of collective defence, alarming international observers and allies alike.

At a campaign rally in South Carolina, Trump recounted a purported interaction with a head of state during an unspecified NATO meeting. According to Trump, when asked whether the US would protect a NATO member state that had not met its defence spending obligations and was under attack by Russia, he responded negatively.

"You didn't pay, you're delinquent? No, I would not protect you. In fact, I would encourage them to do whatever the hell they want. You got to pay. You got to pay your bills," Trump declared.

This statement starkly contrasts with the NATO treaty's Article 5, which commits member states to mutual defence in the event of an armed attack against any member.

Although the treaty encourages members to aim to spend 2 per cent of their GDP on defence—a benchmark that many members do not consistently achieve—Trump's comments suggest he views this financial commitment as a precondition for the US's fulfillment of its treaty obligations. This interpretation challenges the very spirit of collective defence that has underpinned NATO's success as a military.

MARITIME SECURITY AND ISRAEL-HAMAS WAR

Addressing maritime security, Kravik condemned attacks against civilians and vessels in the Red Sea, stressing the urgency of a ceasefire in the Gaza Strip. Norway's commitment to securing maritime corridors and advocating for a two-state solution highlights its dedication to international peace and security.

"When it comes to the Red Sea and the attacks that we have seen against civilians and vessels, that is completely intolerable and something that we have been condemning in the strongest terms," Kravik said.



"We have communicated and condemned this directly to the Houthis and said this is not something that is tolerable and something that has to be condemned by us, by the international community. We have dedicated personnel and also resources to various operations that are active in terms of combating and at least preventing some of these things from attacks from occurring," he added.

Kravik emphasised the tie-in to the Gaza conflict, urging a ceasefire in Gaza due to the unacceptable civilian suffering. He expressed hope for a ceasefire to facilitate humanitarian assistance, constructive dialogue, and progress towards a two-state solution ensuring Palestinian sovereignty and Israeli security.

The Deputy Foreign Minister spoke on the sidelines of the Raisina Dialogue held in New Delhi, underscoring Norway's proactive role in fostering global cooperation, advocating for human rights, and supporting international law amidst complex geopolitical landscapes.

[Home](#)

India needs to grow at 8% to become a developed nation by 2047: World Bank

As the global economy grapples with challenges and uncertainties, India emerges as a beacon of hope, displaying robust economic growth amid a backdrop of sluggish global recovery. In an interview with CNBC-TV18, Anna Bjerde, Managing Director of Operations at the World Bank, shed light on India's economic prospects, emphasising its potential and the necessary measures to achieve sustainable growth.

In a recent forecast, the World Bank projected global growth for 2024 at a modest 2.4%. Bjerde highlighted that this figure is buoyed by growth in emerging markets, with India leading the charge at an estimated 6-7%. Despite the global economic challenges, India's high growth rate positions the country favourably.

[Home](#)



MPC Minutes | RBI governor says work on inflation is not over, warns against policy pivots

Gently reminding policymakers of the importance of steadiness, Reserve Bank of India (RBI) Governor Shaktikanta Das cautioned against pre-emptive policy adjustments that could jeopardise the progress achieved thus far.

According to the minutes of the February Monetary Policy Committee (MPC) meeting released by the central bank on Thursday (February 22), Das had said at this juncture, monetary policy must remain vigilant and "not assume that our job on the inflation front is over."

"India presents a picture of strength and resilience... Our proactive, multi-pronged and calibrated policies have worked well to maintain and strengthen macroeconomic and financial stability. Our approach can be a good template for the future," said Shaktikanta Das.

India's approach, according to Das, could be a guiding template for other economies in the future. He underscored the significance of price and financial stability as the bedrock for robust, sustainable, and inclusive growth. Das reiterated that the RBI's approach has been holistic, ensuring a balanced economy.

"Considering that price and financial stability are the foundations for strong, sustainable and inclusive growth, our endeavour all along has been to take a holistic approach to keep the economy in balance," Das noted.

Key economic indicators for India presented a positive outlook. The real GDP for 2023-24 is anticipated to grow at 7.3%, building on the 7.2% growth from the previous year.

Inflation, as measured by the Consumer Price Index (CPI), is projected to soften to 5.4% in 2023-24, down from 6.7% in the preceding year. Consumer confidence is on the rise, and business sentiments remain optimistic. Core inflation, excluding food and fuel, fell to a four-year low of 3.8%.

"CPI inflation has fallen decisively from the heightened levels of last summer, led by steady and sustained disinflation in core... Headline inflation rose from 4.9% in October to 5.7% in



December, even as core inflation (CPI inflation excluding food and fuel) softened to a four-year low of 3.8%. Deflation in fuel has also deepened," said Das.

The RBI governor addressed the current challenges faced by India, such as food price volatility and potential disruptions in the supply chain due to geopolitical tensions. Despite these hurdles, Das was confident about India's economic resilience, driven by strong rural and urban demand, a healthy private capex cycle, and improving global conditions.

"Inflation is expected to soften further to an average of 4.5% in 2024-25 with a fleeting trough of 4% in Q2. Food price uncertainty remains a major source of volatility for the headline inflation outlook. Growing geopolitical tensions and supply chain disruptions due to new flash points also pose further risks to the inflation outlook," Das stated.

He cautioned against complacency, urging the continuation of the current monetary policy framework. He emphasised the importance of not underestimating the remaining task of achieving the 4% inflation target, given the potential for a "last mile" of sticky disinflation. He warned against premature policy pivots, which could undermine the progress achieved so far.

"The current setting of monetary policy is moving in the right direction, with growth holding firm and inflation trending down to the target... Any premature move may undermine the success achieved so far. Price and financial stability are essential to sustain a long haul of high growth," he said.

"The policy imperative at the current juncture is to remain focused on achieving the 4% inflation target on a durable basis, keeping in mind the objective of growth. Accordingly, I vote to keep the policy repo rate unchanged and continue with the focus on withdrawal of accommodation," Shaktikanta Das concluded.

[Home](#)

India on track to become \$10 trillion economy, set for 3rd largest slot: WEF President



India is on track to become a \$10 trillion economy in coming years and grab the third-largest slot soon, World Economic Forum President Borge Brende said on Thursday as he described the country as a place with optimism not seen elsewhere in a very fragmented and polarised world.

In an exclusive video interview with PTI, Brende also said that the World Economic Forum (WEF) hopes to come back to the country with the WEF India Summit in collaboration with Government of India when the time is ripe.

"The Indian economy is the fastest growing among all large economies of the world. We saw in Davos this year that there was a huge interest in India and I think this will only continue," Brende said.

Geneva-based WEF, which describes itself as an international organisation for public-private cooperation, holds its annual meeting in the Swiss ski resort town Davos every year in January.

Brende said Indian Prime Minister Narendra Modi is "always very, very welcome to Davos".

"When you come to India, you feel some optimism which is not the case all over the world. We are facing a geopolitical recession, a very fragmented and polarised world, but still there are areas where we can collaborate and it is important to find those areas," he said.

Brende said it is necessary to underline that the economic growth is not so bad, especially in the case of India where "we are seeing 7 per cent economic growth and the world's largest economy, the US, which is also doing very well."

On India targeting to become the third largest economy in the next 2-3 years, Brende said India is on track to become a \$10 trillion economy in the coming years.

"India has gone through important reforms and it is well placed vis-a-vis the two largest economies, the US and China. Also, India is seeing a good increase in foreign direct investments, a lot of manufacturing activities are now taking place in India which used to happen in other emerging economies," he said.

He also lauded India's digital competitiveness and said digital trade is growing much faster than traditional goods in the world today.



"India is well placed and it is just a question of time before India becomes the third largest economy in the world after the US and China," he said.

On India's role in handling geopolitical conflicts, Brende said, "We will see a larger and larger Indian footprint on the global diplomatic scene in the years to come."

India's major priority so far has been to secure economic growth, eradicate poverty, and ensure that India is flourishing when it comes to prosperity.

"I think India has also stayed away from any knee-jerk reactions on geopolitical issues. It's not an easy neighbourhood in Asia but India has dealt with situations very well and we do not see any conflicts in this region as we have seen in places like Ukraine and the Middle East," he added.

Brende said India is an important country when it comes to digitalisation with 1.4 billion people with digital IDs, linked bank accounts and effective payment systems.

"At the same time, the advent of new technologies raises concerns. While there are big opportunities presented by generative AI, there are also threats in the form of deepfakes and increased cyber attacks. So, it is very necessary to be vigilant and also have policies for that," he said.

[Home](#)

Indian readymade garment shipments finally reach Europe, taking the long way

Read more at: [Indian readymade garment shipments finally reach Europe, taking the long way | Mint \(livemint.com\)](#)

[Home](#)

Centre Giving Priority To Villages, Focusing On Improving Lives Of Small Farmers: PM Modi



Read more at: [Centre giving priority to villages, focusing on improving lives of small farmers: PM Modi | India News - Times of India \(indiatimes.com\)](#)

[Home](#)

Amid stir, PM reiterates commitment to improve lives of small farmers

Amid protests by Punjab and Haryana cultivators in support of their demands, including a legal guarantee of MSP for crops and a farm loan waiver, Prime Minister Narendra Modi on Thursday said his government was focusing on improving the lives of small farmers through various schemes and initiatives. Packed with events across Ahmedabad, Navsari, Mehsana, and Surat, PM Modi participated in the golden jubilee celebrations of the Gujarat Cooperative Milk Marketing Federation (GCMMF), and inaugurated and laid foundation stones for numerous projects. He also dedicated two new Pressurised Heavy Water Reactors (PHWRs) at the Kakrapar Atomic Power Station having a cumulative capacity of 1,400 megawatt. He highlighted government initiatives like creating 10,000 Farmer Producer Organisations (FPOs) to empower small farmers as “agri entrepreneurs and exporters.” Listing various schemes like Micro ATMs, GOBARdhan, and Pradhan Mantri Kisan Samridhi Kendras, Modi emphasised improved access to cash, credit, and scientific solutions for farmers. He also mentioned a free foot-and-mouth disease vaccination drive for cattle at a cost of Rs 15,000 crore and nearly 60 crore jabs were already given. UGC chief Referring to solar panel installations in fields and setting up of biogas plants which in turn produce bio-fertiliser from cow dung, the PM said his government wants to turn “anna data” into “urja data” and “uvarak data” (food grain growers into producers of energy and fertilisers). Appealing to stakeholders at the GCMMF event, Modi urged them to elevate the world’s eighth-largest dairy company to the top position. He expressed support for the dairy sector, which is growing at 6 per cent annually, compared to the global average of 2 per cent. In Mehsana, Modi shifted focus to politics, criticising the Congress for negativity and hatred. He accused the party of opposing development and heritage, highlighting the Ram temple construction in Ayodhya and past controversies surrounding religious sites. He criticised their lack of participation in religious flag hoisting and politicisation of temples. Also Read - BJP-led Centre indulging in 'financial terrorism': Congress The PM was addressing a gathering after inaugurating the Valinath Mahadev temple in Mehsana



district. He also inaugurated and laid the foundation stones of various projects costing more than Rs 8,350 crore. Modi continued his attack on the Congress in Navsari. He condemned their comments on his caste, stating that their negativity only strengthens his resolve to win over 400 Lok Sabha seats for the BJP-led NDA in the upcoming elections. He accused them of lacking any agenda except personal attacks. Earlier in the day, PM underlined his government's commitment to fulfilling its pledge for the welfare of farmers, asserting that a "historic" hike in sugarcane's price is part of such efforts.

[Home](#)

India-EU have political will to conclude FTA: Secretary General

Read more at: [India-EU have political will to conclude FTA: Secretary General - The Economic Times](#)

[Home](#)

GLOBAL

Euro zone business activity slowly moves towards growth in Feb

The downturn in euro zone business activity eased in February, suggesting signs of recovery, as the dominant services sector broke a six-month streak of contraction and offset a deterioration in manufacturing, a survey showed on Thursday.

Last year, the bloc's economy stagnated, underperforming the rest of the world as former powerhouse Germany struggled with an industrial malaise that shows no sign of abating.



HCOB's preliminary composite PMI, compiled by S&P Global, rose to 48.9 this month from January's 47.9, ahead of expectations in a Reuters poll for 48.5 but marking its ninth month below the 50 level separating growth from contraction.

"Flash PMIs for February show that the euro zone may be on a slow path towards recovery. While encouraging, we still think the economy will struggle to gain traction this year," said Leo Barincou at Oxford Economics.

The economic downturn in Germany, Europe's largest economy, deepened this month as a slight improvement in services activity was unable to compensate for a surprisingly sharp deterioration in manufacturing.

However, the fall in French business activity eased considerably and business confidence strengthened to a seven-month high.

The European Union's economy is stronger as a result of the recovery fund, set up to drive post-pandemic growth, the European Commission said on Thursday.

In Britain, outside of the EU, the economy kept up its early 2024 momentum with strong growth for services firms, but inflation pressures are likely to keep the Bank of England wary about cutting borrowing costs.

Services Surprise

Optimism improved across the currency union and firms increased headcount at the fastest pace since July in a sign they expect momentum to continue. The employment index climbed to 51.2 from 50.1.

The euro zone services PMI jumped to 50.0 from January's 48.4, far exceeding the poll expectation for 48.8.

But again, as in January, there were signs of inflationary pressures with both services input and output prices indexes rising. The output price index rose to a nine-month high of 56.9 from 56.3.

"This will support those on the ECB Governing Council who are arguing that it is too early to consider interest rate cuts," said Andrew Kenningham at Capital Economics.

European Central Bank policymakers held interest rates at a record-high of 4% last month and reaffirmed their commitment to fighting inflation even as investors bet on lower borrowing costs this year.

January inflation was 2.8%, official data confirmed on Thursday, considerably above the ECB's 2% target.

Still, expectations for an interest rate cut from the ECB next quarter have grown stronger in recent Reuters polls although on Thursday money markets scaled back their bets on the magnitude of cuts this year.



The downturn in the manufacturing industry deepened this month with its PMI dropping to 46.1 from 46.6, confounding expectations in a Reuters poll for a rise to 47.0. It has been sub-50 since July 2022.

[Home](#)

Pressure grows on China for big policy moves to fix economy

Read more at: [Pressure grows on China for big policy moves to fix economy - The Hindu](#)

[Home](#)