

18th

March  
2024



## News Highlights

## **NATIONAL**

[Red Sea crisis to adversely hit trade volumes in 2024: India's GTRI](#)

[India's Economic Growth Resembles 2003-07: Morgan Stanley Report](#)

[India To Be Third Top Economy In Few Years, Says FM Nirmala Sitharaman](#)

[Round 14 of India-UK FTA talks closes ahead of election schedule](#)

[Net direct tax collections likely to surpass FY24 target of Rs 19.45 lakh crore](#)

[The real\(ty\) boost to the Indian economy!](#)

[Modi unveils his next 5-yr plan, to make India world's 3rd largest economy](#)

[India aims to become a \\$30 trillion economy by 2047: India Ratings](#)

[Economists lower FY24 CAD forecasts on record services-trade surplus](#)

[ET Awards: Reforms cannot stop just at central govt's doorstep, says FM](#)

[Ginned Cotton Prices Rise By 7k Since Feb](#)

[US, UAE, Singapore, South Africa give a fillip to India's exports in Feb](#)

## **GLOBAL**

[GLOBAL FASHION MARKET SHIFTING FROM COTTON TO MANMADE FIBERS FOR COMPETITIVENESS, SUSTAINABILITY](#)

[Why are Americans so gloomy about their great economy?](#)



## NATIONAL

### RED SEA CRISIS TO ADVERSELY HIT TRADE VOLUMES IN 2024: INDIA'S GTRI

Increase in costs of shipping (40-60 per cent) and insurance (15-20 per cent) and delayed arrival of shipments (by up to 20 days or more) arising out of the Red Sea crisis will continue to disrupt global value chains, squeeze margins and make exports of many low-margin products unviable from current locations, according to the Global Trade Research Initiative (GTRI).

Added to the problem is potential cargo loss from piracy and attacks.

The Red Sea crisis started on October 19 last year when Iran-backed Houthi rebels in Yemen launched attacks on cargo ships apparently linked to Israel near their coast.

Countries in Europe, Asia and Africa will face the most disruption across industries and the crisis will adversely affect trade volumes in substantial ways this year, the Indian think tank noted in a recent report.

The disruption is significantly affecting Indian trade, especially with the Middle East, Africa and Europe, the report said.

Textile and leather companies, which operate on thin margins, are renegotiating shipping costs with buyers, affecting earnings, GTRI founder Ajay Srivastav said.

The GTRI report called for financial support and insurance schemes to Indian companies hit by these trade disruptions.

"The crisis also underscores the importance of exploring alternative maritime and land-based trade routes. This includes potential investment in the Northern Sea Route and expanded land transport infrastructure," said the report.

The India-Middle East-Europe Economic Corridor (IMEC) assumes importance in this context, Srivastava added.

[Home](#)

### India's Economic Growth Resembles 2003-07: Morgan Stanley Report

Read more at:

[http://timesofindia.indiatimes.com/articleshow/108562691.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/108562691.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## **India To Be Third Top Economy In Few Years, Says FM Nirmala Sitharaman**

Union Finance Minister Nirmala Sitharaman on Saturday said India currently needs economic freedom to achieve developed nation status by 2047 and assured that the country would move to the third spot in the world economy from the current fifth position shortly.

Criticising those who compared India with China, Sitharaman said that certain things could not be replicated from them.

"India should attain self-sufficiency in economic matters. It should become an economic power. The country has come from 10th position to 5th in global rankings and a few years down the line we will achieve the third spot", Sitharaman said, after unveiling a bust of Mahatma Gandhi at Shrimati Indira Gandhi College.

### **Developed Nation By 2047**

Appealing to the students gathered at the venue to contribute to the progress of the nation, she said, "It is through the efforts of students like you that our country will become a developed nation by 2047." Referring to people talking about how China has progressed and comparisons with India, Sitharaman recalled that the two countries were at the same level 30 years ago.

"They have progressed because of various reasons which cannot be followed here. For example, (in China) there is no democracy at all. But we have civil liberty, freedom of speech is here and we have values in our system. And to become a developed nation, we should think positively," she said.

Observing that India was a rich country about 400 years ago, she said that even today there are references to Indian connections in Indonesia and other East Asian countries.

"Cholas had gone to Indonesia and set up a kingdom there. Even today there are references to that. So, what I am trying to say is that today, on this day when we remember Mahatma Gandhi, we should attain economic freedom and we should be free from imperial forces. That is why Prime Minister Narendra Modi speaks about the Atmanirbhar Bharat (campaign) in his speeches to attain a developed nation with all your contribution", she said.

---



## India Traditionally Rich In Culture

Maintaining that India is traditionally rich in culture, she said there were many people who have praised the country for its legacy. "About 20 years ago, many countries were commenting that India is a culturally rich country. But today most of the world's nations are looking in awe on several fronts including how we have progressed by using the digital technology infrastructure. They showcase India as an example in tapping digital technology," she said.

Even a top minister from Brazil which has taken the Presidency from India for hosting the G20 Summit this year has raised doubts about matching the digital technology infrastructure in their own country, she said.

In her address to the students, Sitharaman said digital technology in India does not refer to the payment mechanism, but it was also about the revolution during the COVID-19 pandemic when digital certificates on vaccination status were issued through mobile phones.

"You were able to receive the time, date, place, what was the vaccine that you were administered along with the certificate in your mobile phone." she said, adding that today's schools and colleges were able to link to educational institutions or to teachers through digital channels.

"We have been using digital in every section, not only for making payments but also in education and healthcare. Like this many developmental programmes have been launched in India in the last 10 years," she said.

## Digital Technology:

The Finance Minister said women in rural areas were tapping digital technology by operating drones for the development of their farmlands. "While her brother operates the tractor in the fields, the woman spreads fertilisers using drones. Not only that, they can also sell their produce to global markets from their phone," she said.

Sitharaman said that Prime Minister Narendra Modi was keen on developing every part of the country and used to tell his cabinet colleagues that India does not mean only Delhi.

"That is why the G20 Summit was conducted in every state in our country last year. He (Modi) wanted every state to gain the experience of hosting a G20 Summit and that it



should not rest in Delhi alone. He used to request to take all the benefits across the country to every district. Even those districts which were economically backward needs to be developed and that is how we have announced the aspirational districts scheme. Even in Tamil Nadu, we have announced that Ramanathapuram and Virudhunagar will be developed under this scheme," she revealed.

[Home](#)

### **Round 14 of India-UK FTA talks closes ahead of election schedule**

Read more at : [India UK Trade: Round 14 of India-UK FTA talks closes ahead of election schedule - The Economic Times \(indiatimes.com\)](#)

[Home](#)

### **Net direct tax collections likely to surpass FY24 target of Rs 19.45 lakh crore**

Read more at : [Net direct tax collections likely to surpass FY24 target of Rs 19.45 lakh crore - The Economic Times \(indiatimes.com\)](#)

[Home](#)

### **The real(ty) boost to the Indian economy!**

Residential Real Estate demand has been picking up, which is evident in the rising count of new launches and sales of housing units. The office market recorded a weighted average lease term of 62 months in the last 14 months until February – higher than previous peaks of 59 months in 2018 and 2022. The rising tenure of lease transactions is indicative of the rising demand for India's commercial real estate. Enforcement of regulatory initiatives like RERA (Real Estate (Regulation & Development) Act, 2016), rising per capita incomes, improving housing affordability bode well for the overall realty sector.

Earlier, the structure of the real estate market in India was lopsided, with consumers having limited bargaining power, whereas large builders and developers had the upper



hand. The 2000s urban property boom created large excesses – some developers raised substantial funds on the pretext of completing existing projects, and utilised them as equity for new projects. These excesses unravelled post GFC as liquidity tightened, which ultimately dented buyer confidence.

Thus, in order to improve buyer's confidence in the market, the Government introduced the RERA Act in 2016. Some of the key buyer-friendly features of this Act include the following:

- Projects can be marketed only after registration with the State's Real Estate Regulatory Authority is completed.
- Separate escrow accounts need to be maintained for each project where a minimum of 70% of money from buyers will have to be deposited. Proceeds can only be used for construction of the project and cost borne towards the land.
- Buyers' redressal mechanism including potential refunds with interest and compensation in case of builders delaying possession.

Further to such initiatives, to support the rising urban population and address the infrastructural challenges\*, the "Pradhan Mantri Awas Yojana – Urban Housing for All Mission (PMAY-U-HFA)" launched in 2015 by the Ministry of Housing and Urban Affairs (MoHUA), saw an allocation of Rs 79,000 crore in Union Budget 2023-24 – 66% increase compared to the previous year, which is expected to aid the growth of the sector.

With upper-mid income and high income individuals to constitute 51% of the population by 2030 versus 26% in 2021, India's changing income pyramid could lead to higher premiumization. A significant share of the population would shift to lower middle and upper middle income categories, and could create significant demand for mid-segment and luxury housing. As per reports, the luxury housing segment has already seen significant growth in the past 2 years.

As per IMF and MoHUA, India's development scenario has been characterized by a rapid rate of urbanization, with nearly 36% of total population being urban. As the number of Indians living in urban areas is expected to reach 543 million by 2025 and 676 million by 2035, the demand for urban housing could continue to rise.

The festive push for volumes led to supply rising by ~30% YoY in the industry during October and November 2023. With the supply broadly aligned with demand, inventories for the Top 7 cities have been declining for the past 3 years. This indicates a better balance between demand and supply than 6-7 years ago and could lead to more investments.

---





The realty sector has several structural tailwinds, and is currently witnessing a cyclical upswing after a period of consolidation. A positive environment in the realty sector has positive outcomes for a host of sectors such as construction and infrastructure, building materials, and finance, while also being a large employer of people. With realty forming a large part of the economy and having significant linkages to different sectors, it could drive significant economic growth in the coming decade.

[Home](#)

### **Modi unveils his next 5-yr plan, to make India world's 3rd largest economy**

When the Enforcement Directorate has been at the receiving end from Opposition leaders, Prime Minister Narendra Modi on Saturday said that the agency was not allowed to work independently before 2014, while his government's resolve for 'zero-tolerance' to corruption has resulted in significant achievements for the same agency.

The PM was active on the day of the announcement of the elections. A mass circulated letter addressed to "my family member" from the PM reached lakh of recipients on their WhatsApp. Talking about the "transformation" in people's lives in the last ten years, the letter gave details of the various government schemes and how they were working towards upliftment of the public.

Speaking at a conclave, organised by a media group, Modi said: "Every agency is (now) independent to take action against corruption. For instance, look at ED. Until 2014, only 1,800 cases under PMLA was registered by it. Since it is an independent agency, it should have been allowed to work independently. Where was the need to obstruct it? I told them to whatever they want to do can do. In last 10 years, ED has registered 4,700 cases."

The Congress and other Opposition leaders have been accusing ED of targetting only them and once any of those joins BJP, the case against him/her is either dropped or not pursued.

Modi also said that during his 10 years tenure, property worth ₹1 lakh crore have been attached whereas until 2014 it was only ₹5,000 crore.

He said in next five years, infrastructure will reach new highs, complete transformation of Indian Railways and solar power will reach every doorstep among aothers.





On Friday, he reached out to many people through a letter sent over the social media platform Whatsapp where he said “the transformation that has taken place in the lives of the people is the biggest achievement of our government over the last 10 years.”

He claimed that those transformative outcomes are the result of the sincere efforts made by a determined government to improve the quality of life for the poor, farmers, youth and women. He highlighted several schemes -- Pradhan Mantri Awas Yojana, Ayushman Bharat, Matru Vandana Yojana and many others.

He sought ideas, suggestions and support to fulfil the resolve of building a Viksit Bharat (Developed India).

[Home](#)

### **India aims to become a \$30 trillion economy by 2047: India Ratings**

Read more at : [India aims to become a \\$30 trillion economy by 2047: India Ratings- Republic World](#)

[Home](#)

### **Economists lower FY24 CAD forecasts on record services-trade surplus**

The near-13 year high services trade surplus in February has prompted economists to scale down their projections of India's current account deficit (CAD) for the current financial year. Many economists now expect CAD to come in at 0.8-0.9% of the GDP during the entire FY24, as compared to their previous forecast of 1.1-1.2%.

“The services trade surplus has consistently risen since November 2023, narrowing the gap with the merchandise trade deficit, giving a fillip to the current account balance,” said Barclays economists in a note. India's overall trade deficit during February was meagre \$2billion, lower than \$4.2 billion in January.

During February, the country's services trade surplus came in at \$16.8 billion – the highest since April 2011 – as against \$16.2 billion in January. This was due to the record-high



services exports, which stood at \$32.2 billion in February as compared to \$31 billion in January. Services imports, meanwhile, stood at \$15.4 billion as against \$14.9 billion.

Services trade surplus since the past three months has stayed consecutively above the \$16-billion-mark, while goods trade deficit has remained contained below \$20-billion, leading to sharp decline in the country's overall trade deficit. In April-February, merchandise trade deficit has lowered 8.4% on year, while services trade surplus has soared by 17.8%.

IDFC FIRST Bank Economist Gaura Sen Gupta said that the pick-up in services surplus is led by rise in software services and professional services exports. "Post Covid-19 there has been a sustained rise in professional services surplus, reflecting the rise of global capability centres (GCCs)," she said.

On the goods front, economists say that concerns over "adverse spillover" impact from the ongoing disturbance in the Red Sea region continues to evade India's official trade statistics. "This hitherto suggests either better demand conditions, or the fulfilment of past contractual trade orders (or a combination of both)," said QuantEco Research in a note. The agency has cut its FY24 CAD estimate by 50 bps to 0.8% of GDP in the assumption of range-bound commodity price movement.

In a press-conference on Friday, Commerce Secretary Sunil Bhartwal said that the country has been able to withstand difficult times. "Projections for world trade for 2024 are much better. For next year (FY25), we are quite optimistic," he said.

A jump in exports during February, led to the overall exports – including goods and services – to rise 0.8% on year in the first 11 months of the current fiscal. If this trend is sustained in March, net exports could turn positive in Q1FY24 after several quarters, pushing up the gross domestic product (GDP).

For FY25, economists expect the positive growth in exports to continue, and therefore, most have pegged their estimates at 1-1.2% of the GDP, down from 1.5-1.6% projected earlier.

"Positive momentum for non-IT services may be felt in FY25 as well, while goods and core IT exports could see slower growth. With Brent at \$85 per barrel, FY25E CAD could stay comfortable at 1.1-1.2% of GDP," said Madhavi Arora, lead economist, Emkay Global.

[Home](#)

**ET Awards: Reforms cannot stop just at central govt's doorstep, says FM**



Read more at : [ET Awards: Reforms cannot stop just at central govt's doorstep, says FM - The Economic Times](#)

[Home](#)

### **Ginned Cotton Prices Rise By 7k Since Feb**

Read more at : [Ginned Cotton Prices Rise By 7k Since Feb | Ahmedabad News - Times of India \(indiatimes.com\)](#)

[Home](#)

### **US, UAE, Singapore, South Africa give a fillip to India's exports in Feb US, UAE, Singapore, South Africa give a fillip to India's exports in Feb**

Read more at : [US, UAE, Singapore, South Africa give a fillip to India's exports in Feb | Economy & Policy News - Business Standard \(business-standard.com\)](#)

[Home](#)

## **GLOBAL**

### **GLOBAL FASHION MARKET SHIFTING FROM COTTON TO MANMADE FIBERS FOR COMPETITIVENESS, SUSTAINABILITY**

Read more at : [Global fashion market shifting from cotton to manmade fibers for competitiveness, sustainability - Apparel Views](#)

[Home](#)

### **Why are Americans so gloomy about their great economy?**

Read more at : [Why are Americans so gloomy about their great economy? | Mint \(livemint.com\)](#)

[Home](#)

