

NEWS ROUND UP



NATIONAL NEWS

India, US can offer duty cuts, concessions: Goyal



19/02/2025

Source: 

Trade

India and the US are set to begin negotiations for a bilateral trade agreement, with Commerce Minister Piyush Goyal stating both nations can offer concessions to boost business. The goal is to double trade to \$500 billion by 2030. Goyal emphasized mutual benefits and quality products to enhance competitiveness. The talks will explore tariff reductions and policy alignment, strengthening economic ties. The discussions follow commitments made during PM Modi's recent US visit.

Reciprocal traffic: India may lose \$7 bn/yr

10/02/2025

Source: 

Trade

US President Donald Trump's proposed reciprocal tariffs could cost India \$7 billion annually, analysts warn. Key sectors at risk include chemicals, pharmaceuticals, auto parts, and jewelry. India's exports to the US, worth \$74 billion in 2024, may face steep tariffs, while US exports to India already encounter high duties. The government is preparing countermeasures and negotiating tariff reductions. Agriculture and labor-intensive industries could be hit hardest, raising concerns about trade balance and economic impact.

Trump moots 25% tariffs on auto, pharma imports



20/02/2025

Source: **Business Standard**

Trade

The US is likely to impose 25% tariffs on automobile, pharmaceutical, and semiconductor imports, with a formal announcement expected by April 2. Experts warn this could disrupt global commerce and lead to drug shortages in the US, given India's dominance in generic medicines. Pharmaceutical executives predict higher costs and short-term supply issues. Auto companies foresee limited impact but remain cautious. India may retaliate with countermeasures, further straining trade relations between the two nations.

India begins homework for proposed trade deal with US

21/02/2025

Source: **TOI**

Trade

India has begun groundwork for a trade deal with the US, signaling readiness for bilateral tariff cuts. Officials argue that India's high tariffs are justified due to regional security concerns. While India maintains an average 17% tariff, it remains within WTO limits. The government aims to balance trade interests, defending duties on key goods while seeking better access for services. Talks may include tariff reductions on US goods like whiskey and bikes, benefiting both economies.

Economy may have shifted to a higher gear in Oct-Dec



Economy

21/02/2025

Source: **ET**

India's economy likely accelerated in the October-December quarter, driven by strong agricultural output, rising rural demand, and higher capital expenditure, according to an ET poll. Economists forecast GDP growth at 6.3% for FY25, slightly below RBI's 6.6% projection. Growth slowed to 5.8% in Q2 FY25 but is expected to rebound. The National Statistics Office (NSO) will release official GDP data on February 28, with economists anticipating further insights into economic momentum.

India poised to sustain its position as fastest growing major economy in FY26

20/02/2025

Source: **Business Standard**

Economy



India's economic momentum is rebounding, with strong demand, repo rate cuts, and easing food inflation driving growth, according to the RBI Bulletin. The country is poised to sustain its position as the fastest-growing major economy in FY26. Rural demand, government investments, and MSME credit growth are key contributors. While food inflation remains a concern, robust consumption and policy measures are expected to support economic stability and expansion in the second half of the fiscal year.

Tariff threat won't blunt India's edge in Pharma exports: Experts



20/02/2025

Source:  FINANCIAL EXPRESS

Pharmaceutical

Experts believe a proposed 25% US import duty on pharmaceuticals is unlikely to harm India's exports significantly. As the world's lowest-cost supplier, India maintains a strong competitive edge, with nearly 47% of US generics sourced from Indian firms. Reciprocal tariff policies may also limit the impact. While pharma stocks dipped after the announcement, analysts remain optimistic about India's export resilience. The industry expects continued dominance despite potential policy shifts in the US market.

India accounts for 47% of generic medicines in US

20/02/2025

Source: **Business Standard**

Pharmaceutical

India's pharmaceutical industry plays a crucial role in the US healthcare sector, supplying 47% of its generic medicines. The Indian Pharmaceutical Alliance (IPA) highlighted the significance of affordable, quality drugs and ongoing bilateral discussions on reciprocal tariffs. Industry experts believe the US may hesitate to impose tariffs due to concerns over drug shortages. Recent supply chain disruptions and manufacturing delays have already impacted medicine availability in the US, reinforcing India's importance in ensuring global healthcare affordability.

Renewables set to power 27% of energy mix by 2027: IEA



18/02/2025

Source: [Business Line](#)

Renewable Energy

India's renewable energy share is set to rise from 21% in 2024 to 27% by 2027, led by solar PV, which will grow over 28% between 2025 and 2027, says the IEA. The government's PM-Surya Ghar scheme aims to boost rooftop solar adoption. Wind and hydropower are also set for growth, while coal's dominance will decline. Rising electricity demand, driven by heatwaves, will push India's energy transition, with a focus on non-fossil fuel sources.

Ethanol blending with petrol at record 19.6% in Jan

19/02/2025

Source: [Business Line](#)

Petroleum

India's ethanol blending with petrol hit a record 19.6% in January, marking significant progress under the Ethanol Blended Petrol (EBP) program. The Ministry of Petroleum & Natural Gas aims for 20% blending by 2025-26. State-run oil companies procured 91.7 crore litres of ethanol in January. The initiative, reducing fuel imports and emissions, also benefits farmers financially. With sufficient ethanol production capacity, India is on track to meet its blending targets ahead of schedule.

Need sustained growth of 8-10% to become high-income country



20/02/2025

Source: [Business Standard](#)

Economy

A Bain & Company-Nasscom report states that India must sustain 8-10% annual GDP growth to achieve high-income status by 2047. The services sector is expected to contribute 60% of GDP, with manufacturing at 32%. A projected workforce gap of 50 million by 2030 highlights the need for expanded STEM education. The report emphasizes innovation, infrastructure, and skill development as key drivers for economic transformation amid global protectionism and supply chain shifts.

Maha Kumbh shows how big travel is & what it can achieve

19/02/2025

Source: [ET](#)

Travel & Tourism

Omri Morgenstern, CEO of Agoda, emphasized India's "hyper growth" phase, citing the Maha Kumbh's \$35 billion economic impact. Speaking at a summit, he highlighted India's GDP growth and infrastructure advancements, positioning it as a key travel market. Agoda plans investments "across the board" to boost inbound and outbound tourism. He stressed localization, pricing strategies, and open borders as growth drivers, reinforcing India's potential as a global tourism powerhouse.

Smartphones exports jump 50% on iPhone shipments



19/02/2025

Source:  TOI

Electronics

India's smartphone exports rose 50% to ₹1.5 lakh crore between April 2024 - January 2025, driven by iPhone shipments. The government's PLI scheme boosted production, with exports expected to reach ₹1.8 lakh crore in FY25. Apple dominates exports, with domestic production rising due to partnerships with Foxconn, Wistron, and Pegatron. Samsung also contributes significantly. India's increasing role in global smartphone supply chains underscores its manufacturing growth and reduced reliance on imports, strengthening its position as a key electronics exporter.

INTERNATIONAL NEWS

Starmer looks to bridge Trump EU gap



17/02/2025

Source: **FT****Trade**

UK Prime Minister Keir Starmer aims to act as a bridge between the US and Europe on Ukraine and trade. Ahead of White House talks, he will attend a European summit hosted by France's Emmanuel Macron. Starmer is expected to visit Washington to persuade Trump to support European involvement in Ukraine. He also plans to outline a path for raising UK defense spending to 2.5% of GDP amid economic constraints and transatlantic tensions.

Tariffs considered if US targets steel and aluminium exports

17/02/2025

Source: **FT****Trade**

The UK is considering tariffs on American products if the US does not exempt British steel and aluminium from 25% import taxes. Business Secretary Jonathan Reynolds warned retaliatory measures could hit US goods like whiskey and jeans. Prime Minister Keir Starmer plans to lobby Washington for exemptions while avoiding a trade war. The Labour government also aims to invest in UK steel, addressing long-term industry challenges, including unfair trade practices and green energy transitions.

Gold becomes top 'Trump trade' after bitcoin, bonds and dollar bets backfire



17/02/2025

Source: **FT**

Elections

Gold has emerged as the best-performing “Trump trade,” reaching a record \$2,942.70 per tonne amid concerns over tariffs and global trade tensions. Investors are shifting to gold as a safe-haven asset, while bets on bonds, the dollar, and stocks have faltered. Analysts predict further gains, with Citigroup and UBS raising their gold price targets to \$3,000. The rally is fueled by inflation concerns, geopolitical risks, and market volatility linked to Donald Trump’s trade policies.

Brussels and Washington seek deal to cut car import levies

21/02/2025

Source: **FT**

Trade

The US and EU are negotiating a deal to reduce and eventually eliminate car import tariffs, aiming to prevent a trade war. EU officials noted “positive momentum” in the discussions. The US criticized the EU’s auto sector tariffs, which stand at 10% compared to 2.5% in the US. Trump’s administration plans new levies on Chinese goods and reciprocal tariffs. Talks between EU and US representatives are ongoing to resolve the dispute and avoid escalating trade tensions.

China's holdings of US Treasuries decline to lowest level since 2009



21/02/2025

Source: **FT****Finance**

China's holdings of US Treasuries have fallen to \$779 billion, the lowest since 2009, as Beijing diversifies into alternative assets. Analysts cite China's strategy to reduce exposure amid geopolitical tensions. The decline is partly masked by shifting funds to custodial accounts in Belgium and Luxembourg. Meanwhile, China has increased its gold reserves, signaling a shift in investment strategy. As US yields rise, UK holdings of Treasuries have surged, driven by sovereign wealth funds and financial institutions.

Components from China in 'smart' devices pose risk of sabotage, MP says

21/02/2025

Source: **FT****Electronics**

Labour MP Graeme Downie has warned that Chinese-made components in smart devices pose a cybersecurity risk, urging increased UK production of cellular modules. China dominates over 50% of the global market in these modules, raising concerns over remote access threats. The UK government has ordered the removal of Huawei technology from its 5G network by 2027. The Ministry of Defence has also restricted Chinese-made devices, fearing embedded microphones could record conversations, escalating national security concerns.

US alarmed by plans for Chinese 'mega-embassy' in London



21/02/2025

Source: **FT**

Geopolitics

The US House of Representatives has expressed alarm over China's plan to build a massive embassy complex near the Tower of London, citing potential security risks. UK security officials and local authorities have voiced concerns over possible espionage. While some UK officials back the project, security agencies remain cautious. The issue arose during recent UK-China diplomatic discussions. The US is also wary of China's influence in Diego Garcia, a key military base under US-UK cooperation.

QUOTES OF THE WEEK

- **S.Jashankar, External Affairs Minister:** We are understandably diverse group in terms of history, geography, development, politics or culture. But what unites us is a common devotion to the well-being of the Indian Ocean region.
- **Nirmala Sitharaman, Finance Minister:** Indian market today, Indian economy today, has an environment in which investments are also yielding good returns and profit booking is also happening.
- **Piyush Goyal, Commerce & Industry Minister:** We can give mutual concessions to each other, life tariff cuts and make it easier to export and import. This (the bilateral trade agreement to be signed) is an opportunity for India to expand trade with the US.

- **Mansukh Mandaviya, Union Minister:** A decade ago, India had just 4 unicorns; today, we have 118, proving that nurturing talent and innovation can transform our economy.
- **Jyotiraditya Scindia, Minister of Communications of India:** Over 10 years ago, you had 74 airports; today you have close to 160. You had 90,000km of NHs 10 years ago, today you have close to 150,000km... the execution capability in India is way beyond any advanced economy.

DATA GRAPHICS

Will PM's visit help India dodge Trump's tariffs?

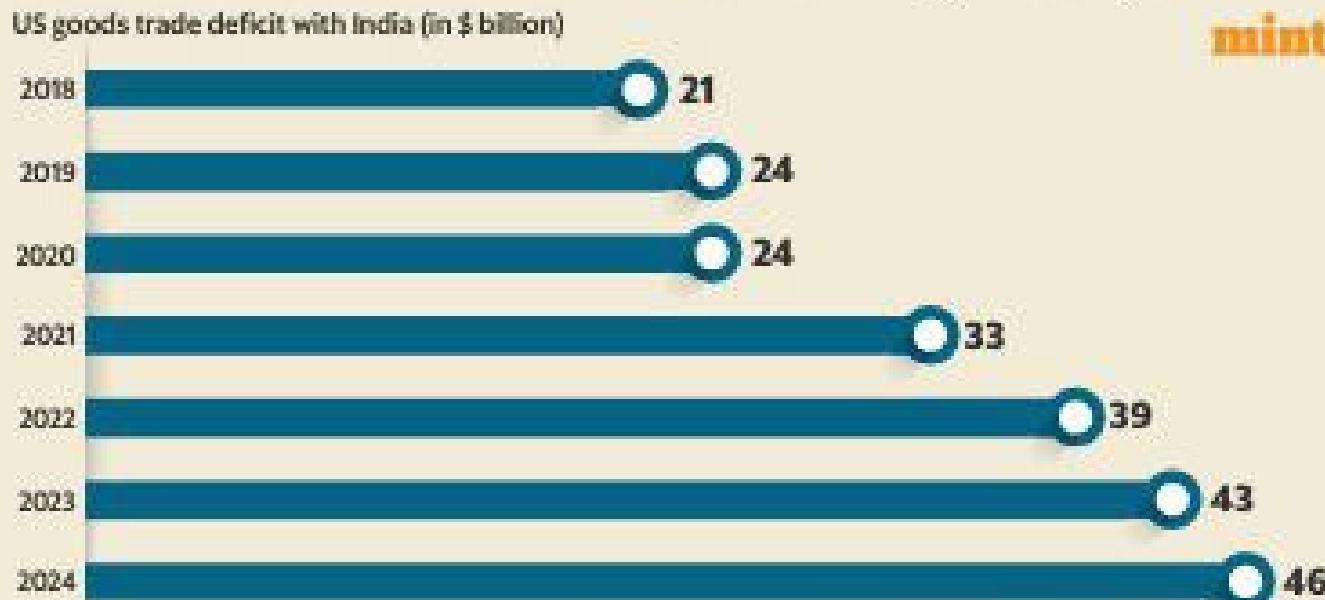
17/02/2025

Source: **mint**

President Donald Trump has announced reciprocal tariffs to correct the US's trade imbalance with other nations. During his US visit, Prime Minister Narendra Modi has committed to increasing bilateral trade and a new trade deal. Will that help India avoid tariffs? *Mint* explains:

Widening gap

US merchandise trade deficit with India has risen sharply in recent years.



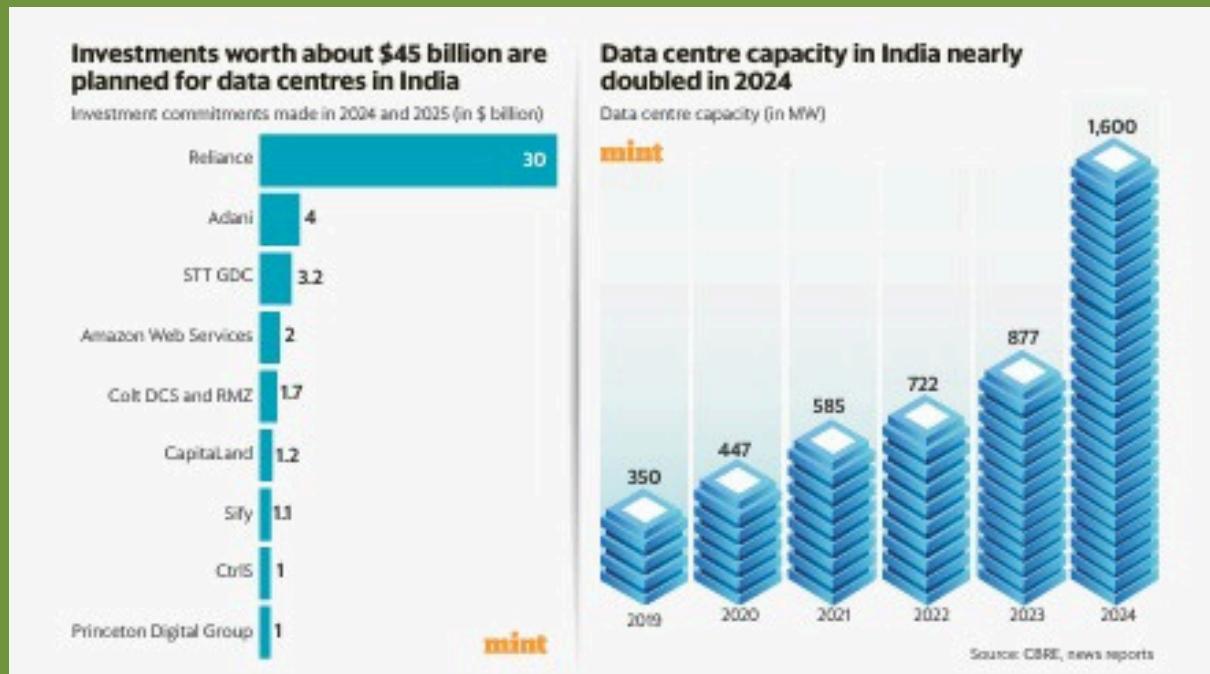
Source: United States Census Bureau

SATISH KUMAR/MINT

Can India become a global data centre hub?

17/02/2025

Source: **mint**



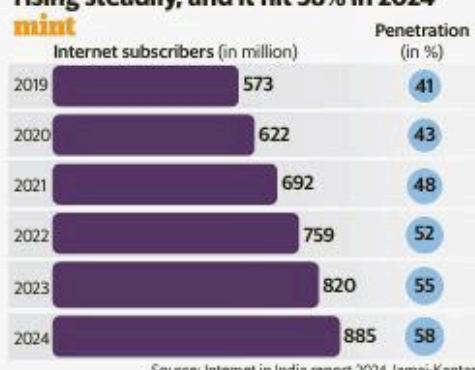
India's Digital Drive

INDIA HAS seen its digital consumption spike, driven by usage of internet and smartphones. Active internet user numbers in India rose to about 885 million in 2024 from 573 million in 2019, as per an Iamai-Kantar report. Penetration was at 58%.

India's average monthly mobile data usage may touch 33-35GB by 2025-26 from 24GB at the end of 2023-24, as per Crisil Ratings. As AI picks up in India, data usage is expected to grow further, pushing the need for more data centres.

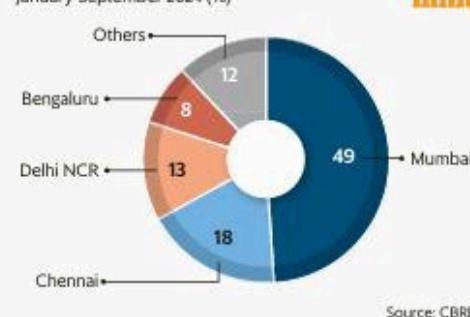
India's push for data localization is also driving investments in domestic data centres. Reserve Bank of India has mandated that sensitive financial data be stored and processed within the country's borders, while the Personal Data Protection Bill emphasizes local data-storage requirements. Beyond regulatory compliance, local data storage also offers practical benefits, including reduced network latency and better processing speeds.

India's internet penetration has been rising steadily, and it hit 58% in 2024



Mumbai and Chennai account for nearly 70% of India's data centre stocks

City-wise share of India's data centre stocks, January-September 2024 (%)



Cables vs Consumption

BIG CITIES, led by Mumbai, dominate India's data centre landscape. Mumbai has 49% of them, followed by Chennai's 18%, says CBRE. These two cities also have the highest concentration of landing points of undersea cables in India, connecting them to key cities in South-east Asia, West Asia, East Africa, and Europe, says a report by Avendus. Bengaluru and Delhi, which follow, are traditionally strong in information technology.

But India's tier-II and tier-III cities are also gaining traction, driven by lower real estate costs, improved infrastructure, and increasing digital penetration. Rural India has led urban India in active internet users since 2021, with 488 million rural versus 397 million urban users in 2024, the Iamai-Kantar report said. "While hyperscale data centres will still manage the brunt work of the cloud, the data requirements of tier II cities are on the rise on account of a decentralized workforce," Avendus said in its report.

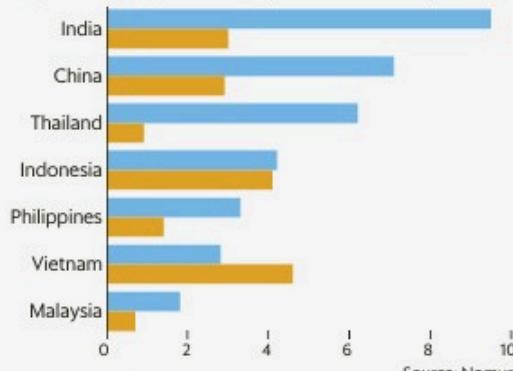
Deciphering India's oil promise to Trump's US

18/02/2025

Source: **mint**

India has much higher tariffs on the US compared to its Asian peers

Weighted average effective tariff between Asian nations and US (in %), 2022
█ By the country on US █ By US on the country



Trade-off

INDIA'S REASSURANCE to make the US its top energy partner is largely seen as an effort to avoid steep tariffs. So far, Trump has threatened to impose tariffs on Canada, Mexico and China among others, as well as on commodities such as steel and aluminium. Trump has repeatedly threatened to impose reciprocal tariffs.

India imposes much higher tariffs on imports from the US compared to its Asian peers and is "thus exposed to reciprocal tariffs", a recent report by Nomura said.

India has so far taken a series of steps to avoid increased tariffs from the US: reduced import duties on several items and agreed to take back illegal immigrants to the US. The US is India's top export destination. India exported goods worth \$52.9 billion in April-November of the current financial year, accounting for 18.7% of total exports. Hence, the energy deal is being seen as another step to dodge tariffs with India's top export destination.

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New iPhone may lift Apple India to top 5 club in sales

21/02/2025

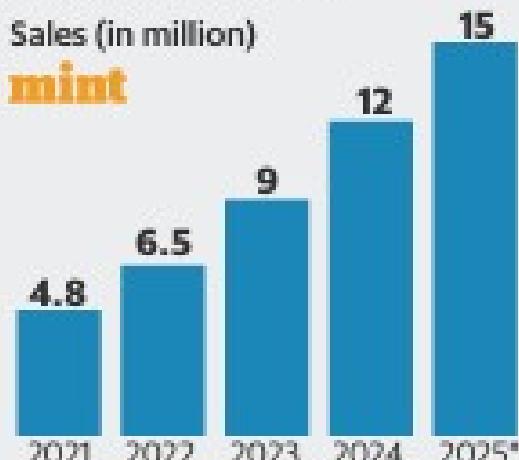
Source: **mint**

iPhone Surge

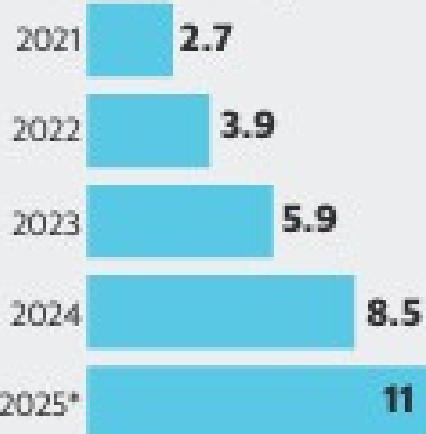
Apple sold nearly 12 million iPhones in India last year, according to experts.

Sales (in million)

mint



Revenue (\$ billion)



Source: IDC India, Mint research