

NEWS ROUND UP



NATIONAL MEDIA

'Looking forward to intensifying ties with India'



04/04/2025

Source: **mint**

Geopolitics

German ambassador Philipp Ackermann said his country will have a new government soon, but there will be a “huge continuity” when it comes to the political relationship with India and Berlin will continue its focus on New Delhi. Interacting with PTI on the sidelines of an event, he also said, “We are looking forward to intensifying our relationship in the years to come.” The envoy also expressed optimism over the EU-India free trade agreement (FTA) being negotiated by the chief negotiators of the two sides. Asked if Germany looks at the EU-India FTA prospects, Ackermann said: “We think it is a game-changer. FTAs are important, and we hope that it can be successfully negotiated in the next months and years. We understand that these are not easy negotiations but I think there is a lot of good will on both sides.”

Industry divided over hit on India's electronics manufacturing hub goal

04/04/2025

Source: **mint**



Electronics

US President Donald Trump's announcement of reciprocal tariffs on imports from countries around the world sparked a sharp division within executives and observers of India's electronics manufacturing industry. Some said there would be no impact in the long run on India's push to become a global electronics manufacturing hub. But others expressed serious concerns about potential setbacks to India's ambitions, and suggested that if Trump's tariffs sustain, India could lose some of its impetus to countries with lesser taxes to the US, such as Brazil. They said this is particularly relevant considering the growing importance of India as a manufacturing hub for companies like Apple, and other tech firms looking to diversify away from China to, potentially, India.

Mixed bag for India as Trump unleashes tariff war



04/04/2025

Source: [Business Standard](#)

Trade

US President Donald Trump on Thursday unveiled his promise of reciprocal tariffs on trading partners, stressing this was a kinder reciprocity as it amounted to only half of the levies US goods faced. This included a 27 per cent additional tariff imposed on imports from India as part of his country-specific tariff structure that will kick in from April 9. The move that includes a baseline 10 per cent tariff on all countries, which takes effect on April 5, is feared to trigger an escalating trade war with likely tectonic shifts in the global economic landscape. While crucial exporting sectors for India, such as pharmaceuticals and energy, were kept out of the ambit of reciprocal tariffs, the relatively low duty imposed on India compared to its competitors.

Short-term painkiller? Pharma Inc gets a breather from US tariffs

04/04/2025

Source: [Business Standard](#)

Pharmaceutical



In a major relief for Indian drugmakers, US President Donald Trump has exempted pharmaceuticals from a reciprocal tariff of 27 per cent, acknowledging the vital role the Indian drug industry plays in the US generic medicine market. Indian drugmakers supply 47 per cent of the generic medicine requirements in the US, and tariffs would have increased prices in the US domestic market for patients, who are already dealing with drug shortages. The Nifty Pharma reacted positively to the news, rising 2.25 per cent. Companies with significant US exposure, such as Sun Pharmaceutical Industries, Cipla, and Lupin, saw their shares rise between 3 per cent and 6 per cent during the day.

India must leverage US president's tariff flexibility clause



Trade

04/04/2025

Source: **ET**

The way forward for India in Donald Trump's tariff diktat lies in the clause on 'Modification Authority', which empowers the US President to reduce tariff rates if a country takes 'significant steps' to remedy non-reciprocal trading arrangement. Here, India has an early mover advantage that it needs to drive home at the earliest. India is among the few countries with which the Trump Administration has already announced and progressed talks on a trade deal. It's probably the first country to which the USTR has sent delegation to negotiate and by all accounts, the conversation is now at advanced stage.

Consumption to rise on I-T relief, easing inflation & better job mkt

03/04/2025

Source: **ET**



Inflation

India's consumption demand is poised for an upturn in FY26, nudged by income tax relief, moderating inflation and improving job opportunities, even though the global economic situation remains challenging, economists told ET. While a normal monsoon is anticipated, it remains a key factor to monitor, alongside sluggish wage growth, they said. Sluggish urban demand in particular has emerged as a major concern as GDP growth is seen slowing to 6.5% in FY25 from 9.2% in FY24. "The considerable income-tax relief, expected continuation of monetary easing and significant softening of food inflation are likely to augment domestic demand," said Aditi Nayar, chief economist at ICRA.

Growth outlook resilient for FY26 but trade risks loom



Economy

02/04/2025

Source: **mint**

India's economic growth is expected to remain resilient during FY26, supported by sustained government spending and a potential revival in private investments, several rating agencies said in their FY25 rating assessments released on Tuesday, but warned of risks to exports from escalating US tariffs and a widening trade war. India Ratings & Research, a Fitch Group company, said it expects the economy to grow at 6.6% in FY26, but warned that rating actions could moderate during the fiscal year. Rating actions encompass all changes made by a credit rating agency, including initial assignments, revisions, outlook changes, suspensions, and withdrawals.

Misri: Ready to walk tough road to rebuild China ties

02/04/2025

Source: **TOI**

Trade

The nascent warmth in Sino-Indian ties was on full display again Tuesday as President Droupadi Murmu and PM Narendra Modi exchanged messages with their counterparts, Xi Jinping and Li Qiang respectively, on the 75th anniversary of establishment of diplomatic relations between the 2 countries and foreign secretary Vikram Misri joined an event hosted by Chinese ambassador Xu Feihong to mark the event. Speaking on the occasion, Misri said such celebrations would become even more meaningful if “promising beginnings” in the relationship are translated into tangible benefits for the people of India and China.

India's external debt rose 10.7% to \$718bn in Q3



01/04/2025

Source: [Business Standard](#)

Economy

India's external debt increased by 10.7 percent to \$718.9 billion at the end of December 2024 (Q3FY25) from \$648.7 billion in December 2023, according to the data released by the finance ministry. On a quarter-on-quarter basis, there is a 0.7 percent increase in external debt from the level of \$712.7 billion at the end of September 2024, according to India's Quarterly External Debt Report. The ratio of external debt to GDP stood at 19.4 percent at the end of December 2024, against 19.2 percent at September 2024-end. The valuation effect due to the appreciation of the US dollar vis-a-vis the major currencies such as the yen, the euro, and Special Drawing Rights (SDR), amounting to \$12.7 billion during the quarter ended December 2024, the report said.

11 billion cubic metres of water saved in eight years, says PM

31/03/2025

Source: [THE HINDU](#)



Water Conservation

In the 120th episode of Mann Ki Baat, his customary radio address, Prime Minister Narendra Modi in New Delhi pitched for rainwater harvesting, waste water management and recycling of waste for a sustainable future. Giving out details of the benefit of rainwater harvesting, Mr. Modi said that over the last few years, unprecedented tasks related to water conservation had been undertaken in many parts of the country. "During the last seven-eight years, over 11 billion cubic metres of water has been conserved through newly built tanks, ponds and other water recharge structures," he said, adding that water accumulated in the Bhakra Nangal dam was not more than nine-10 billion cubic metres.

INTERNATIONAL MEDIA

Saudi Arabia emerges as key to Trump foreign policy aims



03/04/2025

Source: **The Washington Post****Trade**

In the months since President Donald Trump was inaugurated, Saudi Arabia has found itself at the center of some of his most ambitious foreign policy and geopolitical goals, including hosting talks between U.S. and Russian officials, and facilitating negotiations both for the release of a lucrative arms deal package and for a wider initiative on peace in Ukraine. Trump placed the kingdom — whose de facto leader, Crown Prince Mohammed bin Salman, he once boasted was not only a close ally but a trusted mediator as the crisis raged in U.S.-Russia relations over the past year — at the center of U.S. efforts to unlock Ukraine's mineral, oil, and gas resources. Already the prince has won over U.S. policymakers with promises of economic and military cooperation, as well as pledges to push back against Iranian influence.

With new trade regime, US aims to topple the age of globalization

04/04/2025

Source: **WSJ****Trade**

President Trump's biggest tariff blitz yet sends a clear message to U.S. and foreign companies alike: The era of globalization is over. Trump's "Liberation Day" plan to impose sweeping new duties on trillions of dollars in imports shows the White House wants goods sold to American consumers to be built in American factories —bringing down the curtain on U.S. support for the turbocharged globalization that powered the world economy for decades. The new tariffs include a baseline duty of 10% on foreign imports and far larger so-called reciprocal tariffs, with China facing total duties of 54%, Vietnam 46% and the European Union 20%.

Tariffs threaten \$1.4tn hit to global economy



02/04/2025

Source: **FT**

Global Economy

A trade war triggered by President Donald Trump applying a 25 per cent tariff on all imports could cause a \$1.4tn hit to the world economy and dramatically drive up US prices, according to a new study modelling the fallout from a retaliatory spiral. Econometric analysis of a worst-case scenario, where US trade partners hit back against Washington, shows a Trump-inspired tariff war would cause widespread trade disruption, rising prices and falling living standards. The study by economists at Aston University in the UK examines how a tariff tit-for-tat forces complex shifts in global commerce, starting in North America between the US, Mexico and Canada before spilling out into Europe and then the rest of world.

Investors flock to gold as fears mount on eve of Trump tariff announcement

02/04/2025

Source: **FT**

Trade

Investors are pouring cash into gold funds at the fastest pace since the pandemic, amid mounting concerns over the economic impact of US President Donald Trump's tariff war. Gold reached a record \$3,148.88 a troy ounce at one point yesterday, as part of a broader flight to haven assets such as US Treasuries and cash. It later edged back to \$3,109, up more than 18 per cent this year — including its strongest quarterly performance since 1986. Investors are bracing themselves for Trump's new tariffs, which are due to be announced today, which he has dubbed "liberation day." Many economists fear that the move will hit global growth, triggering a search for safe assets.

Chinese demands fuels BYD bonanza as Europeans turn their backs on Tesla



02/04/2025

Source: **FT**

Automotive

Vehicle sales at China's BYD soared 58% in the first quarter in stark contrast to an expected fall in demand for Tesla's electric cars, as European consumers shun Elon Musk's brand. The Chinese group said that it delivered 986,098 passenger vehicles in the first quarter, of which 416,388 were pure EVs, up 39%. The strong start to the year came after BYD's latest annual sales recently broke \$100bn, pushed by resurgent demand for hybrid cars in its home market. BYD has benefited from strong domestic demand for its hybrid cars and has also been making aggressive inroads into overseas markets. By contrast, analysts warned that figures set to be released for Tesla's first-quarter sales were likely to show a drop of more than 10%, as demand in France and other European markets slumped in March despite a key model upgrade.

Era of cheap goods was ending anyway

315/03/2025

Source: **WSJ**

Business & Economy

President Trump's tariffs threaten to amplify a big inflation challenge. Even before the new levies landed, a long run of everyday stuff getting cheaper was coming to a close. Most prices gradually go up most of the time. But over the 20 years before the pandemic, the basket of physical products that typical shoppers buy didn't get even a cent more expensive. Prices of core goods in the consumer-price index—that is, excluding food and fuel—fell 12.7% between December 2011 and December 2019. Over the same period, prices of core services like housing, healthcare, and education rose 27.8% a year. The combined effect of rising service prices and flat goods prices was a total increase of 12% over eight years, a rate of about 1.5% a year.

Xi pitches China to international CEOs



31/03/2025

Source: **FT**

International Business

Capping a week of courting the world's top CEOs, China's President Xi Jinping made one of his most impassioned defences yet of international trade, as the system of globalised supply chains that helped catapult China to economic superpower status teeters on the brink. Just days before Donald Trump's self-declared "liberation day", when the US president is set to unleash a new wave of tariffs on America's trading partners, a smiling Xi leaned in to greet more than 40 global business leaders into an ornate room in Beijing's Great Hall of the People. Without naming the US, Xi told his guests, who ranged from HSBC's Greg Kelly to Standard Chartered's Bill Winters and Saudi Aramco's Amin Nasser and Adidas's Kasper Rørsted, that countries were "welcome" to share in China's growth, and that the "rest of the world has become chaotic, so China looks better than before."

Global trade braced for fresh blow on Trump's 'Liberation Day'

31/03/2025

Source: **FT**

Trade

US President Donald Trump has declared what he jovially calls "Liberation Day", when he plans a sweeping escalation in trade policy, potentially hitting the US's largest trading partners with steep tariffs as he upends decades of global trading norms. There are three main elements—and a lot of uncertainty. First, the report is well known. On inauguration day, Trump's full-tilt overhaul of US policy for imported tariffs and regulations brings forth a new series of investigations into America's trading relationships. These reviews will be fast and tough. The second element is Wednesday's enforcement speed. "Whoever expected the quietest time of economic cooperation"—think again, those are over," one official said.

QUOTES OF THE WEEK

- **Narendra Modi, Prime Minister:** The Cabinet decision on approving four multitracking projects relating to the Indian Railways will improve our connectivity infrastructure, boost convenience, reduce logistics costs and strengthen supply chains.
- **S. Jaishankar, External Affairs Minister:** The reality is that the world is moving to an era of self-help. Every region needs to look out for itself, whether it is in food, fuel and fertilizer supply, vaccines or speedy disaster response.

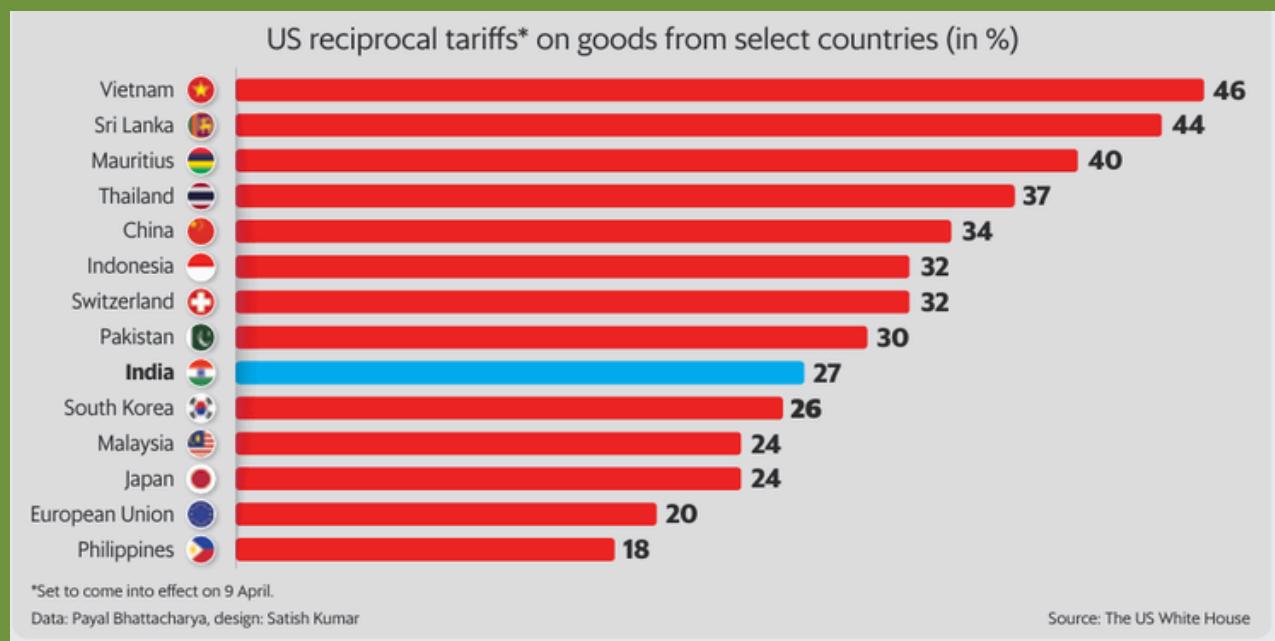
- **Ashwini Vaishnaw, Electronics & IT Minister:** We started with smartphones, moved to IT hardware, and with electronics components, manufacturing cycle is now complete.
- **Karoline Leavitt, White House Press Secretary:** You have 100% tariff from India on American agricultural products... This makes it virtually impossible for American imported unto (India).
- **Raghuram Rajan, Former RBI Governor:** The direct effect of any tariff on India's exports will be raise prices for US consumers, reducing their demand, and hence Indian growth.

DATA GRAPHICS

Is India better placed than other nations on US reciprocal tariffs?

04/04/2025

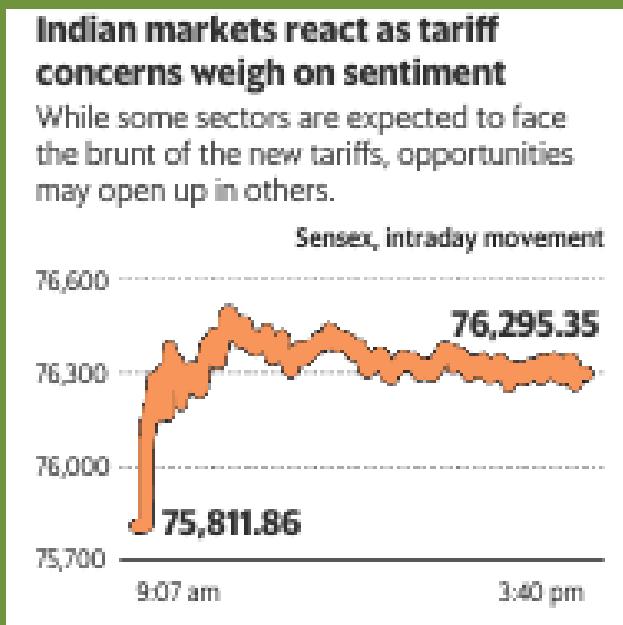
Source: **mint**



Tariff hike to hit key Indian sectors

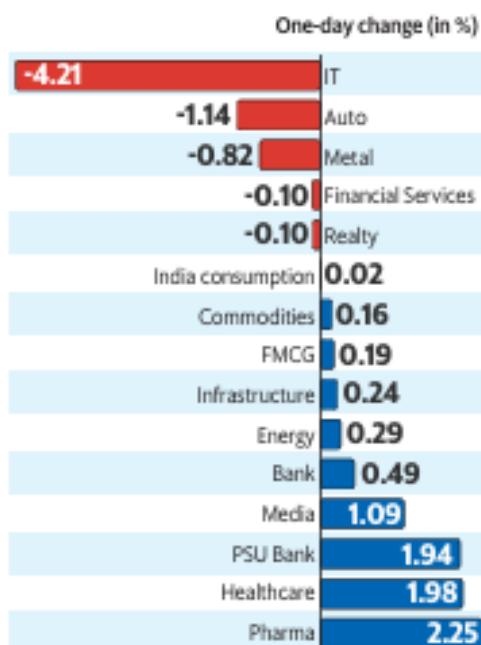
04/04/2025

Source: **mint**



How sectors fared on NSE amid market volatility

Sectoral performance on NSE on 03 April (in %)



Source: Global Trade Research Initiative report, Mint research, Bloomberg

SATISH KUMAR/MINT

More urban women in salaried jobs; few work as household help

02/04/2025

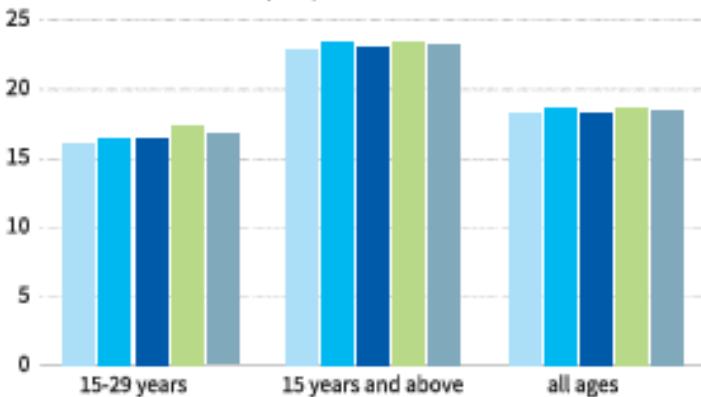
Source: **Business Line**

Women power

Oct–Dec 2023 Jan–Mar 2024 Apr–Jun 2024 Jul–Sep 2024 Oct–Dec 2024

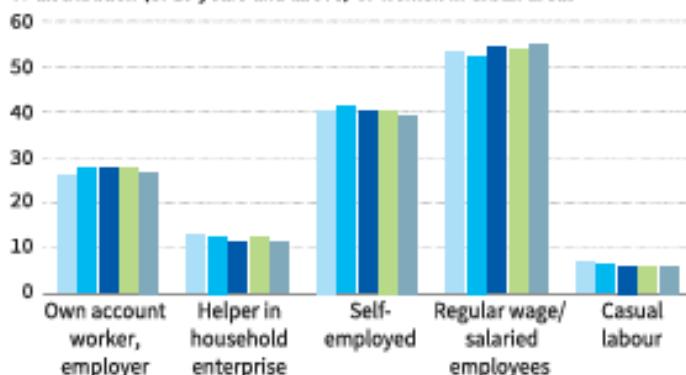
Female worker population ratio (WPR) improves

Female WPR in urban areas (in %)



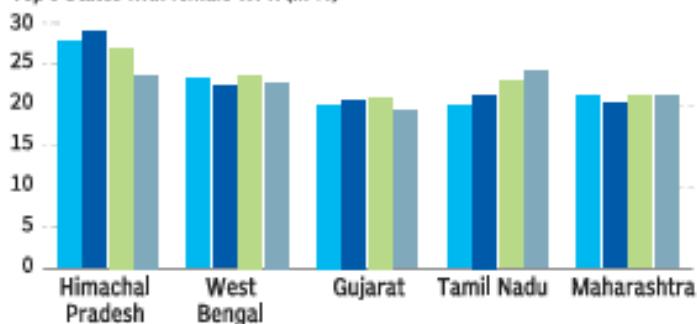
Fewer women want to work as household helpers

% distribution (of 15 years and above) of women in urban areas



TN and Himachal lead in female worker population

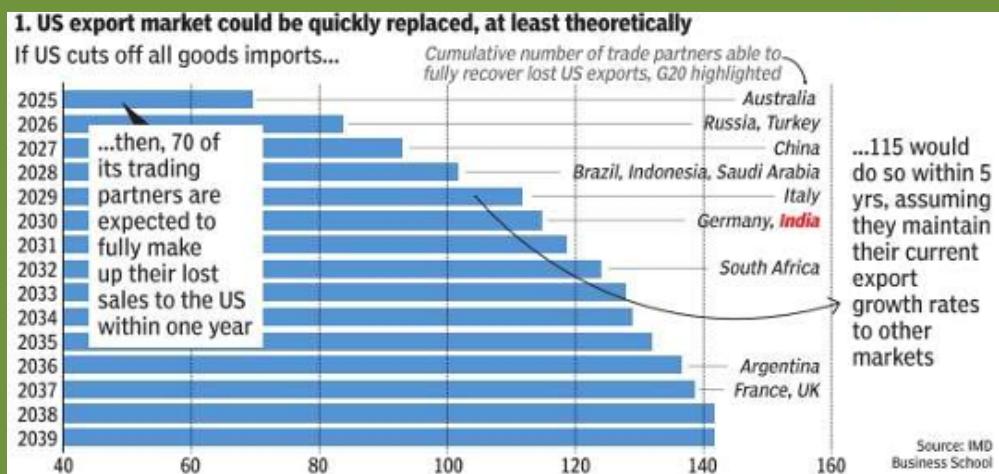
Top 5 States with female WPR (in %)



Why Trump 2.0 may not be a fatal blow to globalisation?

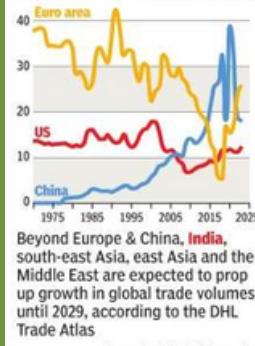
01/04/2025

Source: **TOI**



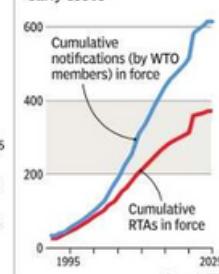
2. It's China & Europe, not the US, that are key drivers of global trade growth

Contribution to growth in global goods trade, 10-year rolling avg (%)



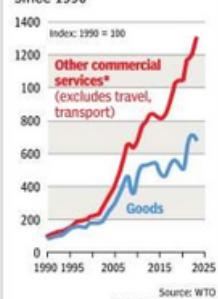
3. As US retreats from global stage, other govt may want to offset potential sales and import losses with new deals

The number of regional trade agreement (RTA) has steadily risen since the early 1990s



4. Globalisation is more than just the trade in goods, which Trump is focused on

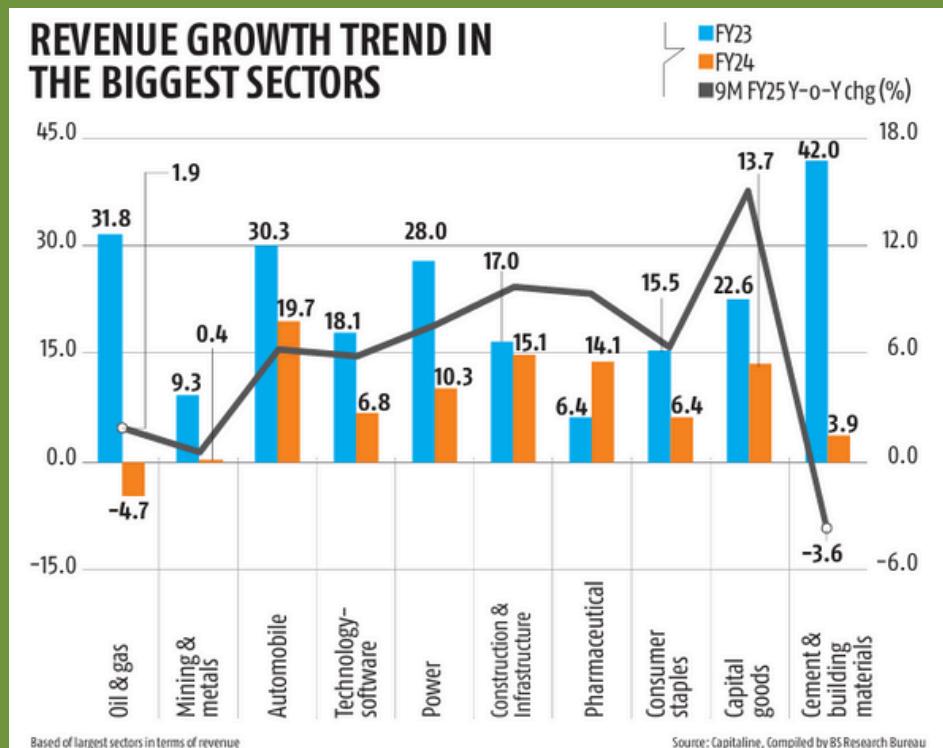
Trade in commercial services – covering business, finance and ICT – has grown faster than goods trade since 1990



Revenue growth trend in the biggest sectors

01/04/2025

Source: **Business Standard**



Reality check: India's demographic dividend

01/04/2025

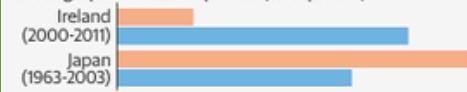
Source: **mint**

Unlike China, India's growth has not yet surged during its demographic dividend

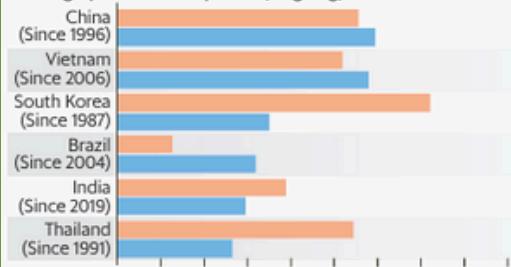
Compounded annual GDP growth (in %), in current prices in dollar terms

Orange: 10-year block prior to demographic dividend period
Blue: Demographic dividend period

Demographic dividend period (Completed)



Demographic dividend period (Ongoing)



The demographic dividend period is when a country's dependency ratio (share of non 15-64 years population as a share of 15-64 years population) drops below 50%. For Japan, the 10-year block shows 3-year growth due to non-availability of data. The latest year for the ongoing set is 2023.

In the demographic dividend set, India has the lowest per capita income

Blue: GDP per capita (\$, current prices)

Blue circle: Average annual growth in GDP per capita during the period (in %)

Demographic dividend period (Completed)



Demographic dividend period (Ongoing)



GDP per capita is for the final year of the demographic dividend period (when completed) or 2023 (when ongoing). Countries are arranged in descending order of per capita income.

Source: World Bank