

Economic Diplomacy Division Ministry of External Affairs

Weekly Newsletter

12th June to 18th June 2023

Insights

According to media reports last week, iPhone manufacturer Foxconn is poised to enter India's electric vehicle (EV) manufacturing domain. The company is in talks with various state governments, including Karnataka, Tamil Nadu, Maharashtra, Telangana and Andhra Pradesh in this regard.

Foxconn aims to establish a vertical platform encompassing manufacturing, hardware, component manufacturing, and battery management. Specifically, the Taiwanese company has said in its annual report published in May, that India would assist it with establishing a production line this year to provide two-wheeler EV manufacturing services.

Foxconn's move into the EV industry is part of a broader trend of technology companies expanding into the automotive sector. With the rise of electric and autonomous vehicles, the lines between the two industries are blurring, creating opportunities for companies to develop new products and services that cater to the changing needs of consumers.

And what better country than India for this? The Indian government has set a target to achieve 30% electrification of the country's vehicle fleet by 2030, besides introducing several initiatives and policies to support the growth of the EV industry. Industry experts believe India will evolve into a substantial EV market with a projected value chain opportunity of over US\$100 billion by 2030.

"Our push for EV manufacturing is in line with our commitment of Net Zero Emission,"
– Prime Minister Narendra Modi, tweeted ahead of his meeting with Mr. Young Liu, Chairman of Foxconn

National

India will be epicentre for green H2 development: Hardeep Singh Puri

IEA chief Fatih Birol, who also addressed the session with Hardeep Singh Puri, said India has the opportunity to become a "superpower" in green hydrogen space with its cheap and abundant renewable energy sources.

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Apple may shift more than 18% iPhone production to India by FY25

This shift will be driven by the government's PLI targets, which encourage companies to establish their supply chains in the country. The success of mobile phones in India is expected to lead to the relocation of global supply chains.

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India will continue to be the fastest-growing major economy: World Bank

India's growth projected at 6.3% for FY24, rising to 6.4% in FY25. A growth rate of 6.5% is projected for FY26. Additionally, the World Bank emphasizes that India's growth will have a positive impact on the growth prospects of the South Asian region.

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India to have 2400 GCC by 2030; to employ 4.5 million across these centres

India's GCC industry is expected to have a headcount of over 4.5 million and are increasingly focusing on employee value proposition to retain talent and are collaborating with partners to fulfil niche resource requirements at scale and speed.

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Bilateral

UAE emerges as fourth largest investor in India during FY23 as FDI jumps three-folds

The United Arab Emirates (UAE), with which India implemented a comprehensive free trade agreement in May last year, has emerged as the fourth largest investor in India during 2022-23, according to government data.

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India, Bangladesh agree to initiate 5 joint development projects for border population

These projects are related to the construction of a Bailey bridge, road repair and the strengthening of the retaining walls along the border that runs in states of Assam, West Bengal, Mizoram, Meghalaya and Tripura.

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India, US near deal to build fighter jet engines in boost to PM Modi's defence manufacturing plan

The jet engine agreement would fit in with Modi's wider push to boost defense manufacturing locally but with technology partnerships with nations that are keen to draw New Delhi into their orbit.

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India providing credit line to Egypt, reports say

Egypt is trying to stabilize its economy after the Russian invasion of Ukraine last year rocked its tourism industry, raised commodity prices and prompted foreign investors to pull about \$20 billion out of its financial markets.

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Multilateral

India-EU: Setting the stage for an ambitious FTA as digital trade talks kick

India's trade relationship with the EU has been positive, with the EU currently holding the position of India's third-largest trading partner. In 2021, bilateral trade in goods constituted 10.8% of India's total trade.

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Indian cos look at USD 176 bn investments on infra development in Africa: Afcons

EXIM bank contributed US\$ 11 bn in the last few years and several companies from India contributed to Africa's infrastructure growth. Indian firms are looking at an annual investment of between US\$ 130-176 bn

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Three-day G-20 Development Ministers meet in Varanasi from Sunday to focus on SDGs, Global South

External affairs minister S Jaishankar will chair the meeting, which is being held under India's G-20 presidency. Prime Minister Narendra Modi will deliver a special video address at the beginning of the meeting.

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Kolkata-Bangkok highway opening likely in 4 years

The trilateral highway connecting Bangkok with Kolkata, as part of BIMSTEC (the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) project, could be ready in the next three to four years.

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Editorial

A brief history of India-US relations: Nehru to Modi, Truman to Biden

The sixth visit of Prime Minister Narendra Modi to the United States (US) next week will continue the process of cooperation in defence, strategy, and trade between the world's two largest democracies. These will have implications, geopolitical and economic, for the rest of the world. The geopolitical implications will ricochet in China and Pakistan, the two nations hyphenated by hatred against India. And the economic implications will resonate in the European Union (EU), Japan, and oil-producing countries such as Saudi Arabia and Russia, as the Indian economy heads towards becoming the world's third largest within this decade.

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