

# Economic Diplomacy Division Ministry of External Affairs

Weekly Newsletter  
1st April to 6th April

## Insights

According to predictions made by several big rating agencies last week, India will be the fastest-growing economy among the G-20 nations in 2024. In the previous three quarters, India's economy expanded at 7.8% in Q1, 7.6% in Q2, and 8.4% in Q3.

The growth projections were revised upward by rating agencies, reflecting global and domestic optimism in the country's economy on the back of robust manufacturing activity and infrastructure spending.

Moody, for instance, expects India to be the fastest-growing economy among the G-20 countries due to strong government expenditure and domestic consumption. The Modi government has raised capital expenditure from 2% of GDP nine years ago to 3.8% of GDP in the interim budget of 2024, which is about 4.5 times since 2014-15.

A global analytics firm has also raised India's FY24 forecast upward to 7.3% from 6.9% projected earlier, saying that an improving global economic environment and an expected gradual easing of domestic financial conditions will support economic activity. The analytics firm was more optimistic on the inflation front, projecting inflation to decline to 5.1% in FY25 from 5.6% earlier. India's inflation is likely to average 5.7% in FY24.

Echoing this sentiment, Finance Minister Nirmala Sitharaman said that India would grow over 8% in the January-March quarter of 2024, attributing it to improved inflation management and macroeconomic stability.

"The country has become the 5th largest economy of the world and the Modi government has pledged to make it the 3rd largest by 2027." - **Finance Minister Nirmala Sitharaman in an event at Mumbai**

## National

### Momentum for Make in India growing: Blackstone COO

With India boasting the highest private equity returns worldwide, fuelled by a youthful population of 1.4 billion and key reforms like the Goods and Services Tax (GST) and real estate investment trusts (REITs), Blackstone is doubling down on its investment strategy.

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### India to be fastest growing economy among G-20 nations in 2024

Finance Minister Nirmala Sitharaman has stated that India will grow over 8% in the January-March quarter of 2024. The country has become the 5th largest economy in the world, and the Modi government has pledged to make it the 3rd largest by 2027.

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### Green Hydrogen and Green Ammonia to draw investments worth US\$ 125 bn

The growing attractiveness of green hydrogen is bolstered by its clean attributes and high energy content, positioning it as a key player in the global energy transition. India stands poised to play a significant role in shaping the future of clean energy.

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### Production value of mobile devices reaches INR 4.1 lakh crore in FY 24

Despite a relatively stagnant domestic sales volume, the value of mobile exports has remained buoyant. Smartphone sales have maintained a steady pace, ranging from 145 to 150 million units in FY24, with a slight uptick observed in the last quarter..

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## Bilateral

### **India-Singapore bilateral trade grew 18.2% to \$35.6 billion in FY 2022-23**

In terms of India's exports, Singapore is the sixth largest export destination in the world, and in terms of imports, the city-state is the eighth largest source for India globally during 2022-23.

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### **Maldives thanks India for allowing limited essential exports amid tensions**

India renews the essential commodities quota for the Maldives, benefiting the construction sector. The bilateral agreement allows the import of various items without export restrictions, strengthening trade relations.

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### **Bilateral trade between Italy and India expected to continue surging**

According to Claudio Maffioletti, chief executive officer of the Indo-Italian Chamber of Commerce and Industry, trade between India and Italy is expected to surge 10-15% annually for the next 4-5 years.

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### **There's little incentive for India to resume bilateral trade with Pakistan**

While direct trade between India and Pakistan is negligible, trade through UAE and Singapore was substantial until about five years ago. Although official figures are hard to come by, estimates peg the trade at US\$3 billion.

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## Multilateral

### **India's trade reliance on China and EU rising: UN trade body**

The UNCTAD estimates, based on national statistics, showed that India's dependence on China and the European Union (EU) grew by 1.2% while its reliance on Saudi Arabia slid by 0.6%.

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### **PMO asks commerce min to examine model text of bilateral investment treaty**

The PMO has asked the commerce ministry to examine the model text of the bilateral investment treaty (BIT) and suggest modifications to further improve the ease of doing business, according to sources..

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### **India, Eurasian Economic Union bloc officials hold talks to start negotiation for FTA formally**

The five members of the EEU are Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. An official said two feasibility studies have already been conducted on the proposed agreement,

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### **RBI and NPCI push for bringing down cost of remittances at WTO**

The global average cost of sending remittances is 6.18%, higher than the SDG goal of reducing it to less than 3%. As 78% of remittances go to low- and middle-income countries, India wants multilateral efforts to address this.

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## Editorial

### **Time is right for the big healthcare push in India**

Ensuring equitable access to health services in such a context is a multilayered challenge and a critical lever for driving sustainable development and fostering social cohesion. India's multi-sectoral efforts over the last decade to improve the health of its citizens within the overarching Social Determinants of Health (SDOH) framework have been gaining attention.

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