

# Economic Diplomacy Division Ministry of External Affairs

Weekly Newsletter  
22nd to 28th January

## Insights

In a historic milestone, India's stock market has overtaken Hong Kong's to rank as the fourth-biggest equity market globally for the first time, according to media reports last week.

The combined value of shares listed on Indian exchanges reached US\$ 4.33 trillion as of last Monday's close, versus US\$ 4.29 trillion for Hong Kong, according to data compiled by Bloomberg.

The surge in the Indian stock market can be attributed to several factors. A rapidly growing retail investor base, sustained inflows from foreign institutional investors (FII), strong corporate earnings and robust domestic macroeconomic fundamentals have fuelled the boom in the stock market.

Moreover, India has positioned itself as an alternative to China, attracting fresh capital from global investors and companies alike, thanks to its stable political setup and a consumption-driven economy that remains among the fastest-growing of major nations.

In contrast, Hong Kong has faced a slump, struggling with stringent anti-COVID measures, regulatory crackdowns, a property-sector crisis, and geopolitical tensions. The once-bustling IPO scene in Hong Kong has also dried up, leading to a rout in the equities market.

On the other hand, foreign investors are investing in the Indian market. In 2023, overseas funds poured over US\$ 21 billion into Indian shares, contributing to the eighth consecutive year of gains for India's benchmark S&P BSE Sensex Index.

"There is a clear consensus that India is the best long-term investment opportunity" - **Goldman Sachs Group Inc. Strategists**

## National

### **Govt to focus on strengthening agriculture, manufacturing sectors: Finance Minister**

Modernising post-harvest practices to boost the country's agriculture ecosystem and pushing manufacturing in sunrise industries such as renewable energy, semiconductors, material sciences, earth sciences, and space industries are among the government's top priorities.

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### **India's stock market secures 4th position, surpasses Hong Kong**

India's stock market capitalisation had crossed \$4 trillion for the first time on December 5. The rally in the Indian stock market came from a rapidly growing retail investor base, sustained inflows from FII, strong corporate earnings and robust domestic macroeconomic fundamentals.

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### **India Inc. confident of achieving US\$ 5 trillion economy: Deloitte survey**

India Inc is confident of achieving US\$ 5 trillion economy with government support in infrastructure investments, reforms, and technology adoption. Business leaders anticipate strong economic growth, with about 50% of India Inc. optimistic about above 6.5% growth in FY25.

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### **Electric vehicles key in India's shift towards a low-carbon economy: DPIIT Secy**

Key reforms, such as the PM Gati Shakti program and the Unified Logistics Interface Platform, showcase India's commitment to sustainable development and robust infrastructure growth. India's rapidly expanding EV market has attracted global players.

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## Bilateral

### **Bilateral trade between India and Russia likely to increase this year**

Bilateral trade between India and Russia was US\$ 50 billion in the last financial year and is expected to increase this year, said Union Minister for Ports, Shipping and Waterways, Sarbananda Sonowal.

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### **French President Macron's visit may give push to India-EU trade deal talks**

In June 2022, India and the 27-nation bloc EU restarted the negotiations for the long-pending trade and investment agreement after a gap of over eight years. The negotiations for the ambitious FTA were suspended in 2013.

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### **DFS Secy to address bilateral trade issues on February 05: Sources**

The meeting will address critical trade matters and will be attended by high-ranking officials, including the Deputy Governor of the Reserve Bank of India, Additional Secretaries from various relevant departments, and banks.

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### **USISPF hosts Governor Abbott of Texas for a Texas-India Trade Partnership Roundtable**

According to an official press release, during the round table, the governor discussed ways Texas could continue to strengthen its economic ties and expand bilateral trade between Texas and India.

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## Multilateral

### **India, EFTA get ready to ink trade deal after 16 years of negotiations, key issues resolved**

The last round of talks between the countries concluded on January 13 in India. It is important to note that both sides have been negotiating the trade deal since January 2008 to boost economic ties..

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### **India trade talks on dual-use goods, software, and tech set for January 30**

The conference focuses on India's Strategic Trade Control system, specifically related to Special Chemicals, Organisms, Materials, Equipment, and Technologies (SCOMET) and Export Controls.

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### **DGFT calls for e-commerce boost to transform India into a global leader in gold jewellery exports**

The DGFT urges the Gem & Jewellery Export Promotion Council to promote e-commerce for gold jewellery exports, aiming to position India as a leading global supplier.

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### **9th IISF strengthens country's global connect in the fields of Science, Technology and Innovation**

The 9th edition of the India International Science Festival reached out with India's scientific achievements to 21 countries participating in the science outreach festival through their 35 international delegates.

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## Editorial

### **How 'Make in India' is powering a robust tech ecosystem**

The 'Make in India' initiative has played a pivotal role in expanding India's manufacturing capacity, attracting significant investments across several industries. In sectors like manufacturing, infrastructure, and technology, this initiative seeks to draw foreign businesses and investment into India. The government has taken several steps to streamline regulatory procedures and reduce bureaucratic red tape. It has helped India receive diversified FDI inflows. India is becoming a global manufacturing hub for foreign investment.

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