

# Business News Update

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**"Strive not to be a success, but rather to be of value."**

## **Rural green shoots visible, but FMCG firms watchful**

As the government increased allocations to agriculture and allied sectors in the Union Budget for FY25 presented last week, apart from giving a fillip to spending in urban areas, FMCG companies hope consumption growth in rural areas, which stood at 1.1% over 20 years, will gather pace. Population growth in rural areas, on the other hand, stood at 2.3% over two decades. "We are seeing green shoots in rural areas. While better monsoons this year (FY25) will help the agriculture sector do better than last year (FY24 agri growth rate was at 1.4%), food inflation remains sticky," Sanjiv Puri, chairman and managing director (MD), ITC, said. "Monsoons are trending in the right direction. It augurs well for the rural economy, but we will have to wait and watch to understand its impact on agriculture, employment, real wages and food inflation," Rohit Jawa, CEO and MD, Hindustan Unilever (HUL), said after the June quarter results last week.

Source: [Financial Express, July 29, 2024](#)

## **Relaxing FDI from China: Govt to tread with caution**

The Economic Survey's prescription of more foreign direct investment (FDI) from China for manufacturing and export push is being supported with caution by the commerce and industry ministry, which formulates and administers FDI policies. Officials say there cannot be general opening up for Chinese investments, but in cases where technology and skills cannot be sourced from elsewhere, relaxations may be considered. "We have to take a nuanced view. There could be some areas like batteries or e-vehicles or any other manufacturing sector where Chinese companies have really good technology which can be encouraged. It (opening up) cannot be general, it is not possible," a senior official said, requesting anonymity. In areas like mobile phone manufacturing where India has already built a considerable manufacturing base the ministry is not very keen on Chinese FDI.

Source: [Financial Express, July 29, 2024](#)

## **Union Budget 2024: A blueprint for sustainable growth and development**

The Indian economy has remained robust, demonstrated resilience in the face of geopolitical challenges and achieved a GDP growth of 8.2% in the previous financial year, but for India to be a Viksit Bharat by 2047 and move towards equitable growth and away from a K-shaped growth there are certain key challenges that the country needs to address. While we have suitably grown from a low-income economy to a low-middle-income nation with our GDP per capita being in the range of \$2730.77 approx. as against that of China being \$13,136.48 and US and UK being 85,372.69 and \$51,074.79 respectively, to be a Viksit Bharat by 2047 we need to focus on addressing these challenges and not get caught in 'the middle-income trap'. The Economic survey itself acknowledges that, to cater to the rising workforce the Indian economy needs to generate an average of nearly 78.5 lakh jobs annually until 2030 in the non-farm sector.

Source: [Financial Express, July 29, 2024](#)

## **India needs to strive to be USD 30 tn economy with per capita income of USD 18,000: NITI document**

India needs to strive to be a USD 30 trillion economy with a per capita income of USD 18,000 per annum by 2047, the approach paper for vision for Vikshit Bharat in 2047 has said. NITI Aayog in a paper titled 'Vision for Viksit Bharat @ 2047: An Approach Paper' said India needs to avoid the Middle-Income trap and carefully work towards breaking out of it. "As for the economy, to become a developed nation, we need to strive to be a USD 30 trillion economy by 2047 with a per capita income of USD 18,000 per annum. "The GDP would have to grow nine times from today's USD 3.36 trillion and the per capita income would need to rise 8 times from today's USD 2,392 per annum," it said. Defining the concept of Vikshit Bharat, the paper said it is a Bharat which will have all the attributes of a developed country with a per capita income that is comparable to the high-income countries of the world today.

Source: [Financial Express, July 29, 2024](#)