

# Far and Wide

Every week we share selection of six news from six continents that we believe will impact our world in the near or distant future

November 2024 | Issue #70



## India Remains Fastest Growing Economy in Asia Pacific amongst Geopolitical Tensions

Welcome to the latest edition of Far and Wide, where we embark on a journey to explore intriguing stories and global developments.

India continues to be the world's fastest-growing economy, with factors such as investment and private consumption being the key drivers of such growth, according to the International Monetary Fund's latest Regional Economic Outlook for Asia-Pacific.

The IMF has maintained India's GDP growth projections at 7% for FY25 and 6.5% for FY26, underscoring its robust economic performance. While growth in Asia is expected to slow in 2024 and 2025, largely due to the fading effects of the pandemic recovery and demographic challenges, the region's short-term outlook has been revised upward compared to earlier forecasts. For 2024, growth in the Asia-Pacific region is expected to reach 4.6%, with the region contributing approximately 60% to global growth this year.

The IMF report, however, cautions that the economic outlook is fraught with uncertainties, including geopolitical risks. A shift from manufacturing to modern, tradable services is emerging as a key potential growth driver in Asia. The growth of the services sector has already attracted half of the region's workforce, a significant increase from just 22% in 1990. This transition is expected to accelerate, driven by rapid expansion of international trade in services like finance, information technology, and business outsourcing, particularly in countries like India and the Philippines.

Looking ahead to 2025, the IMF forecasts a slight upward revision in growth to 4.4%, supported by more accommodative monetary policies. Inflation has subsided across much of the region, but risks from geopolitical tensions, global demand uncertainties, and financial volatility persist. Despite these challenges, structural shifts into high-productivity sectors such as tradable services are expected to sustain growth in the coming year of 2025.

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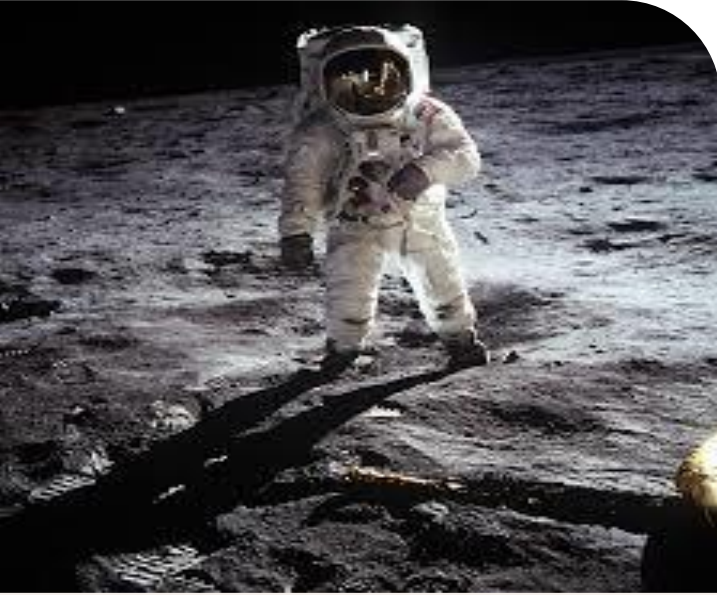
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## Europe

### India to Launch European Space Agency's PROBA-3 Mission and Expand Space Exploration

India, India's Science and Technology Minister, Dr. Jitendra Singh, announced that India will launch the European Space Agency's PROBA-3 mission next month from the Sriharikota Space Station. The mission aims to study the Sun's faint corona near the solar rim, providing valuable insights into solar phenomena. Giving an address in the Indian Space Conclave 3.0 in New Delhi, Dr. Singh emphasized the extensive use of space technology across various sectors in India. He pointed out that space advancements are contributing significantly to the development of smart cities, with applications such as satellite imaging, navigation, and terrain mapping aiding urban planning and infrastructure. Dr. Singh also articulated India's ambitious vision to increase its share of the global space economy from 2% to 10% over the coming years, positioning the country as a major player in space exploration.

Source : Akashvani

<https://www.newsonair.gov.in/india-to-launch-european-space-agency-mission-proba-3-in-december/>

He highlighted key upcoming projects by the ISRO, including the Gaganyaan mission, which will carry Indian astronauts into space, and the establishment of Bharat Antariksha Station, India's own space station, by 2035. In addition to this, Dr. Singh outlined plans for an Indian astronaut to land on the Moon by 2040, marking significant milestones in India's space exploration ambitions.

## North America



### India and U.S. Strengthen Ties Through IPEF, Trade Relations and Sustainability

Prime Minister Narendra Modi's visit to the U.S. in September 2024, while secondary to his 2023 state visit, was pivotal in advancing India-U.S. relations, especially in the Indo-Pacific. Both leaders reaffirmed shared interests, but implementation remains challenging, especially with the uncertainty surrounding the upcoming U.S. presidential election. A major highlight of the visit was India's formal acceptance of two agreements under the Indo-Pacific Economic Framework for Prosperity (IPEF), focusing on a clean and fair economy. These agreements, along with earlier ones on supply chains, reflect India's commitment to resilient, sustainable economic growth. The IPEF, despite not being a trade bloc, includes 14 partner countries that represent 40% of global GDP and 28% of global trade. The IPEF strengthens India's technological leadership, promotes sustainable growth, and fosters regional partnerships, contrasting China's Belt and Road Initiative.

The framework's four pillars including trade, supply chains, clean economy, and fair economy are aligned with India's priorities, including its net-zero goal by 2070. The clean economy pillar is especially significant as India seeks to leverage green technologies and climate financing. The fair economy pillar aims to create transparent, predictable trade environments in the Indo-Pacific. India's role in the IPEF, particularly in supply chain resilience and critical technology sectors like semiconductors and AI, will be crucial in strengthening its economic and geopolitical position in the region.



Source: The Hindu

<https://www.thehindu.com/opinion/op-ed/strengthening-the-india-link-in-the-indo-pacific-economic-framework-for-prosperity/article68826893.ece>



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## South America

### Latin America's Maritime Sector Struggles with Climate Changes and Connectivity

The environmental challenges faced by developing countries, including India and South American nations, shows a critical need for sustainable policies, particularly around taxation and climate change. Developing nations are disproportionately affected by climate change, facing issues like pollution, desertification, and carbon emissions and lack adequate industrial capacities to address these problems independently. Global cooperation on tax reforms, such as the recent United Nations Framework for International Tax Cooperation, can play a crucial role in facilitating environmental stability across the Global South. India's proactive stance, exemplified by initiatives like the Clean Environment Cess, reflects a greater shift toward incorporating environmental taxes in the policies of the various countries to support climate goals. These efforts, however, hinge on creating policies that align with local capacities, ensuring tax sustainability, and achieving Pareto efficiency. The evolving South-South collaboration, specifically between India and South America, could further enhance this agenda. South America's agricultural economies and small islands similarly face environmental vulnerabilities, demanding global tax structures that are adaptable to such constraints.

India's trajectory toward becoming a global leader in environmental tax policy could provide a model for sustainable tax practices, blending economic growth with environmental stewardship. With ongoing dialogue in global tax committees, India and South American countries are poised to reshape sustainable development frameworks, aiming for practical, climate-friendly outcomes.

Source: UNCTAD

<https://unctad.org/news/latin-america-caribbean-shipping-struggles-amid-geopolitical-and-climate-crises>

## Asia



### IMF Predicts Potential Growth for India Driven by Investment and Private Consumption

India remains the world's fastest-growing economy, driven by strong investment and private consumption, according to the International Monetary Fund. In its Regional Economic Outlook for Asia-Pacific, the IMF projected India's GDP growth at 7% for FY25 and 6.5% for FY26. This positive outlook comes as demand from the pandemic is exhausted, and the economy shifts toward reconnecting with its potential growth trajectory. The IMF revised its growth forecast for India slightly upwards due to increased rural consumption from a better agricultural season and continued public infrastructure investments. While growth in Asia is expected to slow in 2024 and 2025 due to factors like ageing populations and fading pandemic recovery, the short-term economic prospects are better than previously anticipated. The Asia-Pacific region is expected to contribute about 60% to global growth in 2023, though risks remain due to economic and geopolitical uncertainties.

The IMF also highlighted a shift in Asia's growth model, moving from manufacturing to modern, tradable services, such as finance, IT, and business outsourcing. This trend, particularly evident in India, could drive future growth and productivity. Finance Minister Nirmala Sitharaman during her US visit has also emphasized the need for alternative growth strategies beyond traditional manufacturing, focusing on employment generation in highly productive sectors.



Source: Business Standard

[https://www.business-standard.com/economy/news/investment-private-consumption-driving-india-s-growth-imf-report-124110100526\\_1.html](https://www.business-standard.com/economy/news/investment-private-consumption-driving-india-s-growth-imf-report-124110100526_1.html)

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## Australia

### India and Australia's Strategic Partnership Strengthens with New Projects and Initiatives

External Affairs Minister of India, S. Jaishankar highlighted the growing Comprehensive Strategic Partnership between India and Australia following the 15th Foreign Ministers' Framework Dialogue with Australian counterpart Penny Wong in Canberra. Jaishankar emphasized the strengthening of political ties, enhanced defence and security cooperation, expanding trade, greater mobility, and deeper educational linkages between the two nations. The ministers also discussed key global and regional issues, including their respective neighborhoods, the Indo-Pacific, West Asia, and the Ukraine conflict. Australian Foreign Minister Penny Wong announced Australia's funding of six new projects under the Australia-India Cyber and Critical Technology Partnership. She also revealed plans for Australia to send a First Nations Business Mission to India for the first time next year. This mission aims to create new commercial partnerships and promote First Nations businesses in India and other international markets..

Source : Economic Times

[https://m.economictimes.com/news/india/india-australia-dialogue-eam-jaishankar-at-inaugural-session-of-raisina-down-under/amp\\_podcast/114969557.cms](https://m.economictimes.com/news/india/india-australia-dialogue-eam-jaishankar-at-inaugural-session-of-raisina-down-under/amp_podcast/114969557.cms)

The dialogue showcased the central role of the India-Australia partnership in ensuring peace, stability, and prosperity in the shared region. Both ministers emphasized their countries' ongoing cooperation in sectors such as science and technology, clean energy, agriculture, education, skills development, and tourism, further solidifying bilateral ties.

## Africa

### South Africa Launches Trusted Tour Operator Scheme to Boost Tourism from India and China



Source: Economic Times of India

<https://economictimes.indiatimes.com/nri/visit/south-africa-launches-trusted-tour-operator-scheme-to-boost-tourism-from-india/articleshow/114761903.cms?from=mdr>

South Africa has launched a new initiative, the Trusted Tour Operator Scheme (TTOS), aimed at boosting tourism, particularly from India and China. Developed by Minister of Home Affairs Dr. Leon Schreiber, the scheme seeks to reduce visa inefficiencies and eliminate red tape that have hindered tourism growth. It invites established tour operators from South Africa, India, and China to join the program, enhancing collaboration and increasing tourist arrivals. The scheme follows consultations with the tourism sector to address challenges and reposition the Department of Home Affairs as an economic enabler. South Africa has struggled to attract tourists from these two high-potential markets; in 2023, Chinese tourists made over 100 million outbound trips, but only 93,000 visited South Africa, while Australia attracted 1.4 million Chinese visitors. Similarly, Indian tourists currently account for only 3.9% of South Africa's international visitors.

The TTOS aims to increase tourism by 10% annually, which could drive economic growth by 0.6% per year and create thousands of jobs. By focusing on these high-growth markets, South Africa hopes to significantly enhance its tourism sector and employment opportunities.