

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

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India to surpass Japan, be second largest Asian economy by 2030: S&P Global

India, the **world's fifth-largest economy**, is likely to **surpass Japan** to become the **world's third-largest economy** with a **GDP of \$ 7.3 trillion by 2030**, as per the **S&P Global Market Intelligence**. After two years of rapid economic growth in 2021 and 2022, India's gross domestic product (GDP) is expected to grow **6.2-6.3 per cent** in the fiscal year ending in **March 2024**. Making India the **fastest-growing major economy** in this fiscal year. The acceleration of **foreign direct investment** inflows into India over the past decade reflects the favourable long-term growth outlook for the Indian economy. The report mentions that India's nominal GDP is **forecasted to rise** from \$ 3.5 trillion in 2022 to \$ 7.3 trillion **by 2030**, exceeding the **Japanese GDP by 2030**. This expansion could make India the **second-largest economy** in the **Asia-Pacific region**. India's rapid expansion is **driven by** a growing middle class, strong consumer spending, a burgeoning domestic consumer market, and significant investments from multinational companies. India's ongoing digital transformation will **boost e-commerce** and **attract global technology** and e-commerce firms. The report quotes, "By 2030, **1.1 billion Indians** will have internet access, more than doubling from the estimated **500 million internet users** in 2020. The rapid growth of e-commerce and the shift to 4G and 5G smartphone technology will boost **home-grown unicorns** like Delhivery and BigBasket, whose e-sales have **surged during the pandemic**. India is to see significant foreign direct investments, including those from tech giants like Google and Facebook. Overall, India is expected to continue to be one of the world's fastest-growing economies over the next decade.



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MEPs back plans to boost Europe's Net-Zero technology production



The European Parliament's Industry Committee approved the **"Net-Zero Industry Act,"** on **25th October 2023**. The Act supports, the manufacturing of the key technologies needed to achieve the **EU's decarbonisation** objectives with an intended target of **40% of net zero technologies** production based on National Energy and Climate Plans (NECPs) and capture **25% of the global market value for these technologies**. MEPs propose faster authorisation procedures and net-zero industry clusters by introducing **"Net Zero Industry Valleys."** With a comprehensive list of technologies, which shall be updated periodically, technologies like **nuclear fission and fusion technologies**, Sustainable Aviation Fuels (**SAFs**) etc. have been included. The amendments of MEPs broadened the scope to cover the entire supply chain, including components, materials, and machinery for producing net zero technologies. The Act incorporates the innovation principle and introduces an annual competitiveness review by the Net-Zero Europe Platform. A Scientific Advisory Board will be established to assess regulatory burdens. The legislation would earmark funding from national Emission Trading System (ETS) revenues, MEPs say. Talks on the final shape of the law will start **post-adoption** from both Parliament & council. The legislation will undergo a **vote in the European Parliament's** plenary session in November, with the goal of advancing Europe's industrial manufacturing capabilities in the clean energy sector.

Source: News, European Parliament

<https://www.europarl.europa.eu/news/en/press-room/20231023IPR08159/meps-back-plans-to-boost-europe-s-net-zero-technology-production>



North America

Bank of Canada holds rates, says inflationary risks have increased

On October 25th, the **Bank of Canada** announced that price risks are increasing, and there is a possibility that inflation could surpass its target for the next two years. Additionally, the bank kept its key overnight rate at a **22-year high of 5.0%** and indicated the potential for future rate increases. Between March 2022 and this July, the bank increased rates **10 times**, resulting in a **peak in inflation** at more than 8% last year. Inflation recorded in September dipped to 3.8%, it is expected to average 3.5% through mid-2024, returning to the **2% target by the end of 2025**. The Bank of Canada hinted that the inflation risks have grown, attributed to certain risks such as oil prices and geopolitical uncertainties like the **war in Israel and Gaza**. The Bank of Canada revised its **growth projections for 2023** downward, from 1.8% in July to 1.2%, and forecasted 2024 **growth to be 0.9%**, down from the previous estimate of 1.2%. Simultaneously, the **Canadian dollar** depreciated to a seven-month **low at a rate** of 1.3810 per U.S. dollar or 72.41 U.S. cents, experiencing a **decline** of up to 0.5% within the day.

The bank also **expressed concern** about the **reduced growth forecasts** and acknowledged the impact of **past rate increases** on dampening **economic activity**. Money markets have anticipated a **15% chance of a rate hike** in December and only see a slight chance of an ease in interest rate, **starting July 2024**, while economists **expect the bank to cut interest rates** by much more than markets are pricing in the next year.



Source: Reuters

<https://www.reuters.com/markets/bank-canada-leaves-rates-hold-sees-weak-growth-stubborn-prices-2023-10-25/>



America

Biden-Harris Administration Designates 31 Tech Hubs Across America



31 Tech Hubs have been announced by the **Biden-Harris administration**, in collaboration with the **U.S. Department of Commerce's Economic Development Administration (EDA)**, across various regions in the United States. The announcement embarks on the first phase of the new **Tech Hubs program**, an economic development initiative that aims to strengthen the capacity to manufacture, commercialize and deploy technology that will advance American competitiveness. The initiative is crafted to promote regional innovation and job creation across 32 states and Puerto Rico, representing a cross-section of urban and rural regions. This program involves direct investments in emerging, promising regions within the United States. The Tech hubs will focus on various industries ranging from autonomous systems, quantum computing, biotechnology, precision medicine, clean energy advancement, semiconductor manufacturing, and more. EDA also awarded **29 Strategy Development Grants (SDG)** to help communities significantly increase local coordination and planning activities. The Phase 1 winners were chosen from nearly **400 applications** involving regional consortia that outlined plans to strengthen their region's capacity to manufacture, commercialize, and deploy critical technologies. On 23rd October 2023, the Department of Commerce launched a second Tech Hubs Notice of Funding Opportunity, allowing these designated Tech Hubs to apply to receive between \$40 million and \$70 million each for implementation funding, totalling **nearly \$500 million**.

Source: U.S. Economic Development Administration, Press Release
<https://www.eda.gov/news/press-release/2023/10/23/biden-harris-administration-designates-31-tech-hubs-across-america>



Asia

India to surpass Japan, be second largest Asian economy by 2030: S&P Global

India is likely to surpass Japan to become the world's third-largest economy with a GDP of \$ 7.3 trillion by 2030, as per the S&P Global Market Intelligence. India's **gross domestic product (GDP)** is expected to **grow 6.2-6.3** per cent, making India the **fastest-growing major economy** in this fiscal year. The projected expansion of India's nominal GDP to become \$ 7.3 trillion by 2030, could make India the second-largest economy in the Asia-Pacific region. The growth of India is driven by the large and fast-growing middle class, which is helping to drive consumer spending, a burgeoning domestic consumer market, and significant investments from multinational companies. India's ongoing digital transformation will boost e-commerce and attract global technology and e-commerce firms. The report projects that **1.1 billion Indians** will have internet access by 2030. The shift to **4G and 5G smartphone** technology will boost **home-grown unicorns**. The large increase in FDI inflows to India has been evident even during the pandemic years of 2020-2022." Investments from global technology MNCs such as **Google and Facebook** are attracted to India's large, fast-growing domestic consumer market and contribute to the **FDI inflow**. Overall, India is expected to continue to be one of the world's fastest-growing economies over the next decade.

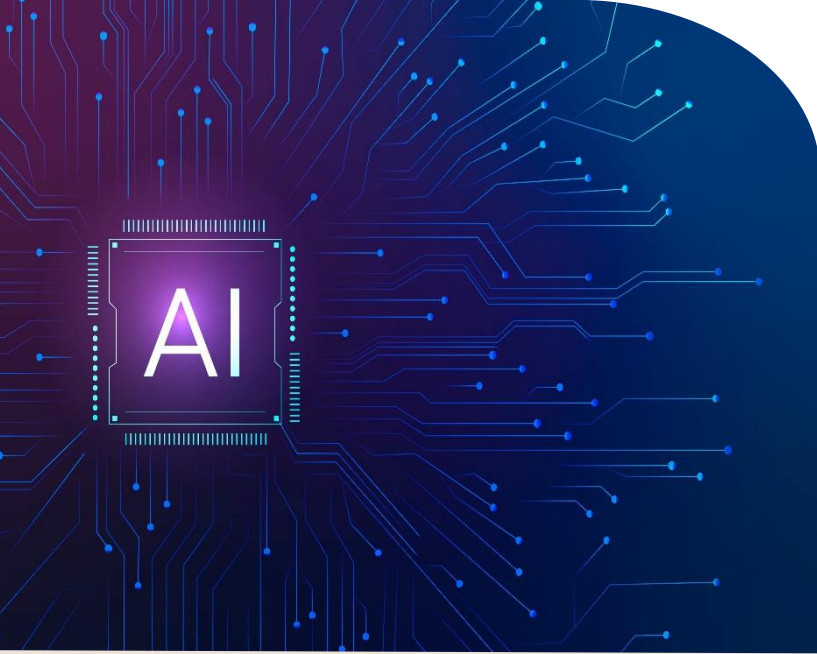


Source: Business Standard
https://www.business-standard.com/economy/news/india-to-surpass-japan-to-be-2nd-largest-eco-in-asia-by-2030-s-p-global-123102400344_1.html



Australia

Microsoft announces A\$5 billion investment to help Australia seize the AI era



On 24 October 2023, **Microsoft** announced its **single largest investment** in its **forty-year history** in Australia. Focusing on major digital infrastructure, skilling and cybersecurity investments in the country as part of its efforts to help the country thrive in the AI era, enhance economic competitiveness, create high-value jobs, and safeguard against rising cyber threats. The initiative includes a remarkable **A\$5 billion investment** in expanding its **hyper-scale cloud** computing and **AI infrastructure** in Australia over the next **two years**. This investment will also establish more of **Microsoft's local data centres** across Canberra, Melbourne and Sydney. In collaboration with TAFE NSW, Microsoft is working towards establishing a Microsoft Data Centre Academy in Australia along with extending the global skills program to **help 300,000 Australians** gain the capabilities. In addition, an initiative called the Microsoft-Australian Signals Directorate Cyber Shield (MACS), to build fit-for-purpose, next-generation cybersecurity solutions is underway.

Source: Microsoft News

<https://news.microsoft.com/en-au/features/microsoft-announces-a5-billion-investment-in-computing-capacity-and-capability-to-help-australia-seize-the-ai-era/>



Africa

How the Belt and Road Initiative is transforming Africa's economy



President Xi Jinping announced eight **major steps** **China** will take to support **high-quality Belt and Road cooperation**, on the **10th anniversary of the Belt and Road Initiative (BRI)** this year. Themed "**High-quality Belt and Road Cooperation: Together for Common Development and Prosperity**," the third BRF was held in Beijing, attended by **over 10,000 registered representatives** from **151 countries** including, the Permanent Secretary for the Ministry of Finance of **Tanzania**. During the Forum, a total of **458 outcomes** were achieved and specific targets were included. **Commercial agreements** worth **97.2 billion US dollars** have been concluded, to help generate jobs and growth in relevant countries. Since 2013, the cumulative volume of China-Africa trade has **exceeded US\$2 trillion**. In the first half of this year, China added **USD 1.82 billion in FDI to Africa**, up by 4.4 per cent year-on-year. As per the empirical evidence, the Initiative has **uplifted millions** out of poverty, facilitated **infrastructure development**, and provided **economic growth** opportunities. African nations, like Tanzania, have recognized the tangible benefits of the BRI, making it a vital part of their development strategy.

Source: Daily News

<https://dailynews.co.tz/how-the-belt-and-road-initiative-is-transforming-africas-economy/>