

Eco Survey pegs India's GDP growth at 6.5-7 pc

Backs more Chinese direct investments to boost exports

NEW DELHI, July 22 (PTI)

THE GOVERNMENT'S pre-Budget Economic Survey on Monday set a conservative growth forecast of 6.5 to 7 per cent for the current fiscal as it flagged the need for creating more jobs in the economy and backed more Chinese direct investments to boost exports.

The report, which is authored by the chief economic adviser's office, favoured considering targeting inflation that excludes food, the prices of which are influenced more by supply than demand.

It sounded a bell of caution on the soaring stock markets, saying retail investor participation has increased significantly and there are chances of speculations due to over-confidence and expectations of greater returns.

The Survey, tabled by Finance Minister Nirmala Sitharaman in Parliament, projected a 6.5 per cent to 7 per cent GDP growth rate in the current fiscal year that



Union Finance Minister Nirmala Sitharaman speaks in the Lok Sabha during the Monsoon Session of Parliament, in New Delhi on Monday. (ANI)

started in April. This is lower than 8.2 per cent growth seen in the previous 2023-24 (April 2023 to March 2024) fiscal and below than RBI's 7.2 per cent estimate for current fiscal.

"The Indian economy is on a strong wicket and stable foot-

ing, demonstrating resilience in the face of geopolitical challenges," Chief Economic Adviser V Anantha Nageswaran wrote in the preface to the annual report card on the state of the economy. He, however, hastened to

add that fears of cheaper imports from countries with excess capacity could limit the formation of private capital.

Acknowledging that this year's forecast was on the conservative side, and lower than market expectations, the Survey cited slower investment growth by the private sector as well as uncertain weather patterns as some of the reasons for caution.

For the medium-term, it saw a potential of 7 per cent plus growth rate on a sustained basis if structural reforms are implemented.

The report, that came just a day before Sitharaman presents the Budget for 2024-25 that is likely to layout the economic priorities of the Modi 3.0 Government and the vision for a developed nation by 2047, identified boosting private investment, strengthening

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Kamala Harris intends to "earn and win" Democratic nomination



■ By Lalit K Jha
WASHINGTON, July 22 (PTI)

US VICE President Kamala Harris, endorsed by Joe Biden to be a new Democratic presidential nominee, has said that she

intends to "earn and win" the nomination of the party and "do everything in my power" to unite the nation to defeat her Republican rival Donald Trump in November.

Harris, who received Biden's support to become the next Democratic presidential nominee after he

quit the race for the White House, is poised to become the first Black woman and first Asian American to lead the ticket of a major American political party.

Harris, 59, said she was "honoured" to receive Biden's endorsement and intends to "earn and win" the nomination of the Democratic Party.

"I am honoured to have the President's endorsement and my intention is to earn and win this nomination," she said in a statement. The historic endorsement came after Biden, 81,

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Pak taxes wheat flour heavily

LAHORE, July 22 (ANI)

THE rampant inflation and heavy sales tax imposed upon all commodities by Pakistan have now become a matter of severe concern for the general public.

The lower-income section of the country, which was already suffering from increasing prices of almost every commodity in the Pakistani market now faces a crucial issue of affordability for wheat, which is a major part of Pakistani food.

While referring to a strike called upon by the flour mill union in the Punjab Province Pakistani journalist Ejaz Ul Haq Saeedi said, "The strike is nothing but a way for the flour mill owners to increase their prof-

it margins as they now have stored a significant amount of wheat of our country. As a result, several mills have stopped their operations and the most affected section of society in this scenario is the poor or lower income group."

He further mentioned that the flour mill owners had not purchased the wheat from farmers at Government-approved rates. The price of wheat was decided at PKR 3900 per 40kgs but it was purchased at merely PKR 2300 per 40 kgs, so now on what basis they are protesting against the sales taxes. "The sales tax will not affect the mill owner as it will be further recovered from the final consumer. And this consumer is already in problem from high

taxes on other commodities like milk, grains and other things. How will a person who earns PKR 35000 to PKR 50000 per month will manage his bills and living expenses? As there is no commodity left which is not heavily taxed. The Government had previously taxed the normal people but then just to justify the heavy taxation policy they taxed the rich mill owners but that too will burden the common man. However, the fact still remains that the facilities and other remunerations given to Government officials have increased significantly. Yes, there is a need for taxes on businessmen but there must be a relief for the general public," the journalist added.

Over 39,000 Palestinians killed in Israeli attacks so far: Gaza Health Ministry



Smoke rises following Israeli bombardments in Khan Younis, Gaza Strip on Monday. (AP/PTI)

DEIR AL-BALAH, July 22 (AP)

GAZA'S Health Ministry says, Israel's campaign in the territory has now killed more than 39,000 Palestinians and wounded more than 89,800.

The new toll comes as Israeli airstrikes in southern Gaza and other parts of the territory have killed several dozen people, the Ministry said. Its count does not distinguish between combatants and civilians.

Israel launched its assault in Gaza after Hamas' October 7 attack on southern Israel in which militants killed around 1,200 people and abducted 250 others. The new toll comes as Israeli Prime Minister

Benjamin Netanyahu is making his way to the United States to address Congress.

Meanwhile, the Israeli military ordered the evacuation of part of an area in the Gaza Strip it has designated a humanitarian zone, saying it is planning an operation against Hamas militants there.

Heeding the call, thousands of Palestinians, many carrying backpacks and accompanied by children, walked down dusty roads under the scorching summer sun, navigating dilapidated cars filled with belongings tied on top. Many Palestinians have been uprooted multiple times during Israeli's campaign.

With \$2.5bn exports, India joins top 25 defence exporters' club

TEAM TOI

New Delhi: With defence production rising every year, India clocked the highest-ever arms exports of \$2.5 billion (Rs 20,915 crore) in 2023-24, finding a place among the top 25 arms exporter nations.

"...there has been a rise in the number of export authorisations issued to defence exporters. From 1,414 export authorisations in FY23, the number has increased to 1,505 in FY24," the Economic Survey said.

Around 100 domestic companies are exporting a wide range of defence products and equipment, ranging

AIMING HIGH

Rising defence exports



from Dornier-228 aircraft, artillery guns and BrahMos supersonic cruise missiles to Pinaka multi-launch rocket systems, radars, simula-

tors and armoured vehicles.

While the survey did not identify nations to which India was exporting arms, the former Soviet republic of Armenia has emerged as a major destination, with deals inked for Pinaka rockets and Akash air defence missiles. As per the defence ministry, India posted highest-ever annual domestic defence production in 2023-24, reaching Rs 1.26 lakh crore in terms of value, 16.7% higher over the previous fiscal.

India, of course, still remains in the strategically vulnerable position of being the world's largest arms importer, accounting for 9.8% of total global imports in 2019-23.

Check Chinese imports, encourage investments

Boosting FDI Flows Can Reduce Trade Deficit, Integrate Local Cos With Global Value Chains

TEAM TOI

Discourage Chinese goods but encourage Chinese capital. This is the twin track approach laid out by the Economic Survey to deal with what it calls the China Conundrum. In a policy prescription aimed at taking advantage of China Plus One strategy, the document suggested a policy rethink, arguing that FDI from India's neighbour will help domestic companies integrate with the global value chain besides checking the widening trade deficit.

"...to boost Indian manufacturing and plug India into the global supply chain, it is inevitable that India plugs itself into China's supply chain. Whether we do so by relying solely on imports or partially through Chinese investments is a choice that India has to make," it said.

Pointing to a recent research note, which cautioned against the risk of coercion due to Chinese dominance in certain segments, the Survey advocated "striking a right balance between importing goods and importing capital" from China. The report had cited how Brazil, Turkey and some European nations had

Imports Rise, Exports Stagnate



raised import duty on electric vehicles, but courted investment from China.

"India has a similar decision to make, given its large bilateral trade deficit with China. It makes India vulnerable to potential abrupt supply disruptions. Replacing some well-chosen imports with investments from China raises the prospect of creating domestic know-how down the road. It may have other risks, but as with many other matters, we don't live in a first-best world. We have to choose between second and third-best choices," it said. Following Covid outbreak, India too

had imposed checks on FDI from neighbouring countries, a move meant to target Chinese companies. It followed it up with import and public procurement curbs, while banning several apps, including Tik Tok, after tension escalated in Ladakh.

Survey argued imports from China are so cheap that "no amount of tariff can reduce their price competitiveness". It cautioned against Chinese goods slipping in through third countries, without getting noticed. Beijing too has responded by blocking India's access to solar parts after govt launched an anti-dumping probe.

India must labour to generate 78.5L non-farm jobs every year

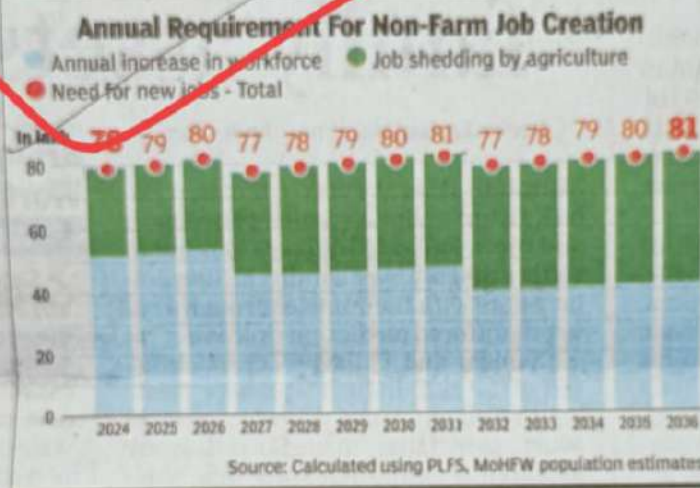
TEAM TOI

The Indian economy needs to generate an average of nearly 78.5 lakh jobs annually until 2030 in the non-farm sector to cater to the rising workforce, the survey has estimated.

It said that to meet the demand of 78.5 lakh jobs in the non-farm sector per year, there is scope to supplement the existing schemes of production linked incentive (60 lakh employment generation over 5 years), MITRA textile scheme (20 lakh employment generation), MUDRA, and others while boosting their implementation.

The survey said that state govts can grease the wheels of hiring by businesses by easing the compliance burden and reforming laws on land, etc, to suit the priorit-

EMPLOYMENT MATRIX



es of development. It said the jobs are created in the private sector and India's corporate sector has never had it so good as now, with profitability at a 15-year high in FY24. Profits had quadrupled bet-

ween FY20 and FY23.

"Businesses have an obligation to themselves to strike the right balance between deployment of capital and deployment of labour. As important, capital and labour

shares of income have to be fair," said the survey.

"In their fascination for AI and fear of erosion of competitiveness, businesses have to bear in mind their responsibility for employment generation and the consequent impact on social stability," it added.

Calling for a rebalancing of labour regulations for generating employment, the survey said current labour regulations have unintended adverse repercussions for the general workforce, and women specifically.

The report showed that a comparison with other countries reveals that India's stricter overtime wage regulations are potentially hindering the growth of the manufacturing sector by driving production to nations with lower overtime costs.

Sailor missing after fire aboard INS Brahmaputra; ship resting on side

MUMBAI, July 22 (PTI)

A SAILOR is missing after fire broke out aboard the Navy's multi-role frigate INS Brahmaputra in Mumbai dockyard, an official said on Monday, adding, the ship is now resting on the side.

"A fire had broken out on board Indian Naval Ship Brahmaputra, a multi-role frigate, on the evening of July 21 while she was undergoing refit at Naval Dockyard



Mumbai," an official release said. "The fire was brought under control by the ship's crew with the assistance of fire fighters from the dockyard and other ships in harbour, by the morning of July 22.

Further follow-on actions including sanitisation checks for assessment of residual risk of fire were carried out," it said. In the afternoon on Monday, the ship experienced severe listing to one side (port side), the release said.