

India-US trade to top \$200bn

TIMES NEWS NETWORK

New Delhi: With India-US trade set to cross \$200 billion in 2023, commerce and industry minister Piyush Goyal and US Trade Representative Katherine Tai on Friday sought to ensure that technical regulations do not impact shipments and vowed to work together on critical minerals, pharma and medical devices.

A joint statement issued after a meeting of the Trade Policy Forum said the two ministers noted that the movement of professionals and

skilled workers, students, investors, and business visitors between the countries contributes immensely to enhancing the bilateral economic and technological partnership. Goyal highlighted challenges being faced by business visitors from India due to visa processing time periods and requested US to augment processing.

Enhanced engagement is likely in several areas. "They (ministers) identified certain areas, including critical minerals, customs and trade facilitation, supply chains, and trade in high-

tech products, in which the US and India will develop an ambitious and forward-looking roadmap for enhanced cooperation in order to achieve economically meaningful outcomes," the statement said.

During the meeting, Goyal sought the restoration benefits for India under the US Generalised System of Preferences (GSP) programme. "Ambassador Tai noted that this could be considered, as warranted, in relation to the eligibility criteria determined by the US Congress," it said.

'100mn Indians will be affluent by 2027'

Top-End Consumption Boom Here To Stay, Say Analysts In Goldman Sachs Report

TIMES NEWS NETWORK

New Delhi: 'Affluent' Indians may number 100 million in four years. To put this in perspective: There are only 14 countries in the world with a population of 100 million-plus. And these Indians, already responsible for a consumer and wealth creation paradigm shift, will have an even bigger impact on everything from luxury goods to stock market, from SUVs to jewellery.

A Goldman Sachs report released on Friday — 'The Rise of Affluent India' — defines affluence as income of over \$10,000 per annum, Rs 8.3 lakh in current exchange rates. Goldman analysts say this class numbers 60 million currently but will grow by a huge 67% to 100 million by 2027.

Currently just around 4% of the working population earns over \$10,000 annually (a figure almost five times the per capita income of \$2,100, around Rs 1,75,000), the report says. This class has expanded fast — 12% compounded annual growth between 2019 and 2023, compared with 1% increase in population in the same period.

The faster growth in affluence has also meant a significant increase in financial and physical assets, including equities, gold and property, during the last three years. "The increase has been the largest for equities and gold, while property prices have seen a higher rate of appreciation in the last three-four years," it said.

Goldman analysts point to a 2.8 times jump in demat accounts to 114 million in 2023, and the rise in stock ownership (BSE 200 stocks) and mutual fund investment. Value of gold held by Indians soared 63% to \$1.8 trillion between 2019 and 2023.

Other results: A sharper increase in demand for premium products across industries including FMCG, footwear, fashion, passenger vehicles and two-wheelers, better performance by companies focused on top income consumption. Sectors hitting the jackpot are jewellery, travel, premium retail and pricey healthcare.

Even company product portfolios are feeling the change. So, not only has

The Affluent Society: India Chapter

Income pyramid: Top 4% of the working age population in India has per capita income of over \$10,000/annum (2022)

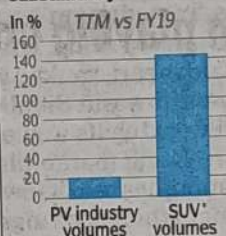


Equities & gold have driven a strong increase in wealth in India over the past 4 years

Asset value of Indian holdings of equities/gold (\$bn)

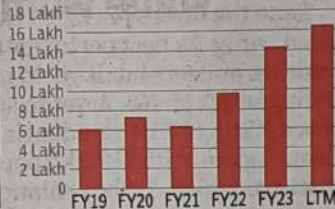


SUV volume growth has outpaced overall car sales substantially



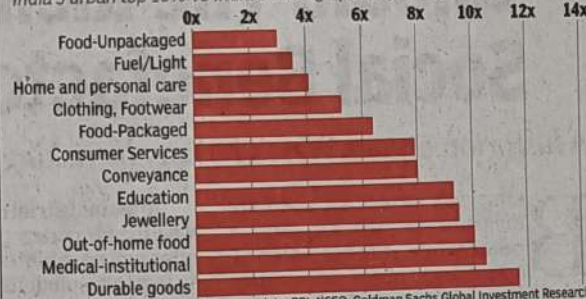
Spending on credit cards in the last twelve months is 2.5 times higher than FY19 levels

Spends on credit cards in India (₹ cr)



The largest increase in consumption for top 10% of urban India Vs the average consumption in India is in durable goods, medical services, out-of-home food and jewellery

India's urban top 10% Vs India's average per capita expenditure



Source: Bloomberg, Euromonitor Company data, RBI, NSSO, Goldman Sachs Global Investment Research

Nestle grown faster than Hindustan Unilever, HUL's premium portfolio has grown faster than its overall revenue. Using credit card spend as a proxy for consumption by affluents, the report notes credit card ownership has increased 80% since FY19 and credit card spend has jumped 250% in the same period (the calculation is based on trailing 12-month average).

Crucially, Goldman analysts argue this top-end consumption boom is here to stay. Leisure, out-of-home food, jewellery, institutional medical services and durables are sectors that will gain most as affluence grows. They also dismiss Covid as a factor.

"The initial hypothesis was that the divergence in consumption for companies that address top-end consumption compared to those

that address broad-based consumption was due to the impact of Covid restrictions. Covid restrictions had a greater impact on low-income jobs like those in the service industries, such as, hotels and restaurants. However, Covid restrictions were fully lifted in early 2022, and yet the divergence in growth rates has continued till the end of 2023. We are now 24 months post the lifting of all restrictions, and most services shut down during Covid have fully opened up. The divergence was not just caused by Covid restrictions, but by fundamentally faster growth of 'Affluent India'..."

The report identified changes in government's tax policy, a correction in stock and gold prices and competition for established companies from new entrants as potential risks.

West divided? Italy, Spain, France 'fail' to even back US-UK action

Italy, Spain and France stood out on Friday by not taking part in US and British strikes against the Houthi group in Yemen and not even signing up to a statement put out by 10 countries justifying the attack. The divergence highlighted divisions in the West over how to deal with the Iranian-backed Houthis, who have been targeting civilian ships in the Red Sea for weeks.

US and British warplanes, ships and submarines launched dozens of air strikes across Yemen overnight. The Netherlands, Australia, Canada and Bahrain provided logistical and intelligence support for the operation, US officials have said. In addition, Germany, Denmark, New Zealand and South Korea signed a joint statement with these six nations defending the

The countries not only didn't take part in the military strikes, but also didn't sign a statement put out by 10 countries justifying the attack on Houthis

attacks and warning of further action to protect the free flow of Red Sea trade if the Houthis did not back down.

A source in PM Giorgia Meloni's office said Italy had declined to sign the statement, and as a result was not asked to participate in the attack against the Houthis. However, a government source said Italy had been asked to take part, but declined for two reasons — firstly because any Italian involvement would have needed parliamentary approval,

which would have taken time, and secondly because Rome preferred to pursue a "calming" policy in the Red Sea.

Speaking on condition of anonymity, a French official said Paris feared that by joining the US-led strikes, it would have lost any leverage it had in talks to defuse tensions between Hezbollah and Israel. Spanish defence minister Margarita Robles said Madrid had not joined the military action because it wanted to promote peace in the region. The diverging opinions in the West over how to tackle the Houthi threat emerged last month when the US and a number of its allies launched Operation Prosperity Guardian to protect civilian vessels in the Red Sea shipping lanes. Italy, Spain and France didn't sign up to the mission. REUTERS

Tankers divert from Red Sea after West strikes in Yemen

NYT & Agencies

Oil Prices Briefly Top \$80 A Barrel Amid Fears Of Broader War

London: Several oil tankers have diverted course from the Red Sea since overnight strikes by the US and Britain on Houthi targets in Yemen, shipping data from LSEG and Kpler showed, amid rising fears of a regional escalation of the Israel-Hamas war. The attacks were carried out from the air and sea in response to the Iran-backed Houthis' attacks on ships in the Red Sea.

The Houthis have been targeting commercial vessels since late last year in attacks the groups says aim to support the Palestinians as Israel and Hamas wage war. Those incidents have been concentrated on the Bab al-Mandab Strait, to the southwest of the Arabian Peninsula. In a further sign of escalation, Iran on Thursday seized a tanker with Iraqi crude destined for Türkiye. That incident took place closer to the Strait of Hormuz, between Oman and Iran, another vital shipping lane for global trade.

The tankers *Toya*, *Diyyinah-I*, *Stolt Zulu* and *Navig8 Pride LHI* were all seen turning around mid-voyage in order to avoid the Red Sea between 0300 and 0730 GMT on Friday, according to ship tracking from LSEG and Kpler. One of the tankers, *Toya*, a very large crude carrier capable of carrying up to 2 million barrels of oil, was unladen, the data showed. The other three vessels are fuel tankers.

Global benchmark Brent rose as much as 4.3%, briefly topping \$80 a barrel, before paring gains. Investors are try-

MISSION TARGET: IRANIAN PROXY HOUTHIS

WHO ARE THE HOUTHIS? Led by Abdul Malik al-Houthi, the Iran-backed group of Shia rebels has been fighting Yemen's government for nearly 2 decades & now controls the country's northwest and capital Sanaa

CIVIL WAR | Started in 2014, the civil war between the Saudi-backed government and the Houthis has caused an estimated 3,77,000 deaths and displaced 4 million people, according to UN's 2022 figures

AXIS OF RESISTANCE | Houthis along with Hezbollah in Lebanon and Hamas in Gaza make up the 'Axis of Resistance' - an anti-Israel and anti-West alliance of regional militias backed by Iran

WHERE US & ALLIES ATTACKED HOUTHIS IN YEMEN



Airstrikes were carried out against targets linked to the Houthi militia, including airports, military bases and weapon storage areas



A Dec 2 photo of newly recruited Houthi fighters intended to be sent to fight in support of Hamas in Gaza

CAUSING HAVOC IN THE RED SEA

- When the Israeli-Hamas war started Oct. 7, the Houthis declared their support for Hamas
- Since Nov, the Houthis have launched 27 attacks with drones and missiles on commercial vessels
- Attacks have affected ships tied to over 40 countries: US secretary of state Antony Blinken
- World's biggest container companies, MSC and Maersk, are avoiding the region
- Rerouting vessels around Africa adds an extra 4,000 miles and 10 days to shipping routes, and requires more fuel. But continuing to use the Red Sea would raise insurance premiums. Either option would bruise an already fragile global economy
- About 12% of global seaborne trade passes through the Red Sea



ing to gauge whether the escalation in hostilities would spark a broader conflict.

The Combined Maritime Forces, a multinational maritime partnership led by the US from Bahrain, warned all ships to "stay well away from Bab al-Mandab", tanker body INTERTANKO said in a note circulated to its members.

"The threat period for shipping is expected to last for several days," the note said. Numerous shipping companies had in recent weeks already opted to avoid the Red Sea region due to the heightened risks. On Friday, Danish oil tanker group Torm said it decided to pause all transits through the southern Red Sea.

Major container shipping companies Maersk and Hapag Lloyd welcomed measures to secure the region. But they stopped short of saying whether the strikes would be enough for them to return to the Suez Canal, the fastest route between Asia and Europe which accounts for 12% of global container traffic. REUTERS

Sunak says will be with Kyiv in 'darkest hours': pledges \$3.2bn in aid

Kyiv: British PM Rishi Sunak visited wartime Kyiv on Friday to sign a new security agreement and announce an increase in military funding for Ukraine to buy drones, including surveillance, long-range strike and sea drones.

Britain, one of Ukraine's closest allies during the Russian invasion, will increase its support in the next financial year to 2.5 billion pounds (\$3.19 billion), an increase of 200 million pounds on the previous two years, Sunak said. "Our opponents around the world believe that we have neither the patience nor resources for long wars. So waver now, and we embolden not just Putin, but his allies in North Korea, Iran and elsewhere," Sunak told press conference.

President Volodymyr Zelenskyy told the press conference he felt vital US assistance would materialise and that he felt more positive now than last month.

The two leaders signed what Zelenskyy described as an "unprecedented security agreement" — an arrangement the Ukrainian leader said would remain in place until Kyiv joined the NATO military alliance.

"This is not simply a de-



Sunak and Zelenskyy signed a bilateral security agreement for the next 10 years. It will remain in effect until Ukraine acquires its hoped-for Nato membership

claration," Zelenskyy wrote on X. His chief of staff said the agreement set out the support that London would continue to provide, including intelligence sharing, medical and military training, and defence industrial cooperation.

Ukrainian lawmakers posted video clips of Sunak addressing parliament and receiving a standing ovation. "We meet today at a difficult moment in the struggle for Ukraine's freedom. And as always during conflict there will be difficult moments. But we must prepare for this to be a long war," he told lawmakers.

"We will stand with Ukraine, in their darkest hours and in the better times to come," he said. REUTERS

Indore bags cleanest city tag for 7th time

Surat emerges joint winner



President Droupadi Murmu presents the 'All India Clean City - Rank 1' award to MP CM Mohan Yadav for Indore. (PTI)

NEW DELHI, Jan 11 (PTI)

INDORE bagged the cleanest city of India title for the seventh time in a row while Surat came out a joint winner for the top

rank in the Central Government's annual cleanliness survey, the results of which were announced on Thursday.

Navi Mumbai retained the third position in the 'Swachh Survekshan Awards 2023'.

In the 'best-performing States' category, Maharashtra was named the cleanest State in the country, followed by Madhya Pradesh and Chhattisgarh. In the last annual survey, Madhya Pradesh bagged the cleanest State title.

Three cities of West Bengal --

(Contd on page 4)

ATAL SETU fulfillment of MODI's GUARANTEE: PM sounds poll bugle

MUMBAI, Jan 12 (PTI)

PRIME Minister Narendra Modi on Friday inaugurated Atal Setu, the longest sea bridge in the country connecting Mumbai and its satellite township Navi Mumbai, and sounded the bugle for the upcoming Lok Sabha polls, saying the fulfillment of this project was his guarantee.

The Prime Minister, who was on a day-long visit to Maharashtra, inaugurated the Rs 17,840 crore Atal Behari Vajpayee Sewri-Nhava Sheva Atal Setu, the longest bridge as well as the longest sea bridge



Prime Minister Narendra Modi with Maharashtra Governor Ramesh Bais, Chief Minister Eknath Shinde and Deputy Chief Ministers Devendra Fadnavis, Ajit Pawar and others during the inauguration of 'Atal Behari Vajpayee Sewri-Nhava Sheva Atal Setu' in Navi Mumbai on Friday. (PTI)

in the country connecting south Mumbai with Nhava-Sheva in Navi Mumbai.

The steel-cable trans-harbour bridge is 21.8 km long with a 76.5 km long sea-link. The foundation stone of the bridge had been laid by Prime Minister Modi in December 2016. "When I came here on December 24, 2016 to lay the foundation stone of this sea bridge, which faced a lot of roadblocks, I had resolved that the country would undergo a change. Completion of the sea bridge despite the COVID-19 pandemic is very crucial and important," Modi said.

Vote to reduce influence of dynastic politics, stay away from drugs: PM Modi to youth

NASHIK, Jan 12 (PTI)

PRIME Minister Narendra Modi on Friday described India's present-day youth as the most fortunate generation of the 21st century, poised to take the country to greater heights during 'Amrit Kaal', and urged them to participate in the electoral process to "reduce" the influence of dynastic politics. Addressing a gathering after inaugurating the 27th National Youth Festival at Tapovan ground here, Modi said dynastic politics has caused immense harm to the country and appealed to the youth to get themselves enrolled as voters as soon as possible. He also asked young people to stay away from drugs.

Modi offered floral tributes to the busts of Swami Vivekananda and Rajmata Jijabai, mother of Chhatrapati Shivaji Maharaj, on the (Contd on page 3)

IAF drills in Mumbai

MUMBAI, Jan 12 (PTI)

THE IAF conducted its drills in south Mumbai for the three-day aerial display in the metropolis. The IAF has organised the aerial display from January 12 to 14 as part of an outreach programme aimed at creating awareness and fostering a deeper connection between the IAF and the local community. Residents of south Mumbai areas got a glimpse of what is in the store during the next three days with jets conducting breathtaking aerobatic manoeuvres in the skies. The main exercise from Jan 12 to 14, to be held between 12 pm and 1 pm, is part of an outreach programme aimed at creating awareness and fostering a deeper connection between the IAF and the local community.



IAF's 'Surya Kiran' aerobatic team performs at Marine Drive in Mumbai on Friday. (PTI)

AKASH-NG MISSILE

successfully flight-tested against a high-speed unmanned aerial target at very low altitude



DRDO conducts flight test of a new generation AKASH missile off the Odisha coast on Friday. (ANI)

NEW DELHI, Jan 12 (PTI)

INDIA on Friday successfully flight-tested a new generation Akash-NG missile off the coast of Odisha, in a major boost to the country's mili-

tary prowess.

The missile was test-fired from the integrated test range in Chandipur at 1030 hours, the Defence Ministry said.

It said the flight test was conducted against a high-speed unmanned aerial target at very low altitude and the successful firing of the weapon system has paved the way for its user trials.

Akash-NG has a range of around 80 km.

"During the flight test, the target was successfully intercepted by the weapon system and destroyed," the ministry said in a statement.

"It has validated the functioning of the complete weapon system consisting of the missile with indigenously developed radio frequency seeker, launcher, multi-function radar and command, control and communication system," it said. The system performance was also validated through data captured by a number of radars, telemetry and electro-optical tracking systems, the Ministry said.