



THE COMPENDIUM

BUSINESS AND ECONOMICS NEWSLETTER



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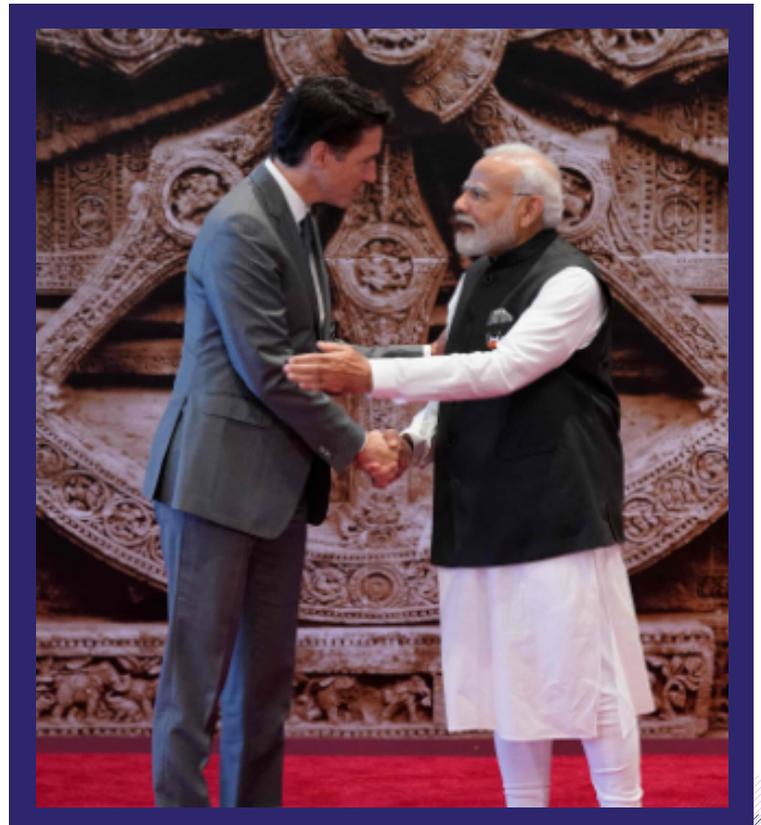
INTERNATIONAL RELATIONS

India-Canada Diplomatic Tensions



- The diplomatic tensions between India and Canada have escalated significantly since June 2023, following **the assassination of Hardeep Singh Nijjar**, a Canadian Sikh separatist leader.
- In October 2024, Canadian Prime Minister Justin Trudeau accused India of involvement in the killing, which India has strongly denied, following which, India expelled six Canadian diplomats on October 14, 2024. The expelled Canadian diplomats include **Acting High Commissioner Stewart Ross Wheeler**, and all diplomats were asked to leave India by October 19, 2024.

- On October 14 itself, Six Indian diplomats were expelled by the Canadian government following which India withdrew its high commissioner and all other diplomats citing safety concerns due to what India described as **“Baseless Targeting”** by the Canadian Government.
- The ongoing row could have severe implications for :
 1. Indians currently in/planning to immigrate to Canada
 2. Bilateral Trade
- However, Justin Trudeau himself admitted that his government had no **“hard evidentiary proof”** when it accused India of Hardeep Singh Nijjar’s assassination.



INTERNATIONAL RELATIONS

MIDDLE EAST CONFLICTS: A YEAR

- October 2024 marks a year since the war between Palestine and Israel broke out. Since last year, the Middle East conflicts have only witnessed significant escalations.
- In October 2024, Israeli strikes in **Lebanon** as well as **Gaza** have resulted in widespread civilian casualties and displacement, worsening the humanitarian crisis with the UN continuously calling for the halt of conflict.



- The Middle East conflict of October 2024 was primarily triggered by the assassination of ' Hamas leader' Yahya Sinwar on 16th October and by Israeli attacks on Gaza, due to which paramilitary group '**Hezbollah**' launched an attack on Israeli targets, prompting Israeli airstrikes in Lebanon.
- The situation has further escalated since then, drawing in regional players like Iran and Iran-backed Yemen's '**Houthi Movement**'-who were attacked by US stealth bombers on October 16th 2024.
- It must also be noted that this conflict has become a significant issue in the ongoing US presidential elections, the outcome of which could have major implications for the US foreign policy and its role in the Middle East.

ECONOMY

ECONOMIC RESILIENCE: THE THRIVING STATE OF INDIA'S AGRICULTURE POST-MONSOON



- Moreover, government efforts to assist farmers, through **better access to credit and adoption of modern farming techniques**, are seen as key to maintaining this optimistic trend. Given that agriculture is one of the core pillars of India's economy, this recovery points to the critical importance of favourable weather conditions in promoting economic steadiness and growth.

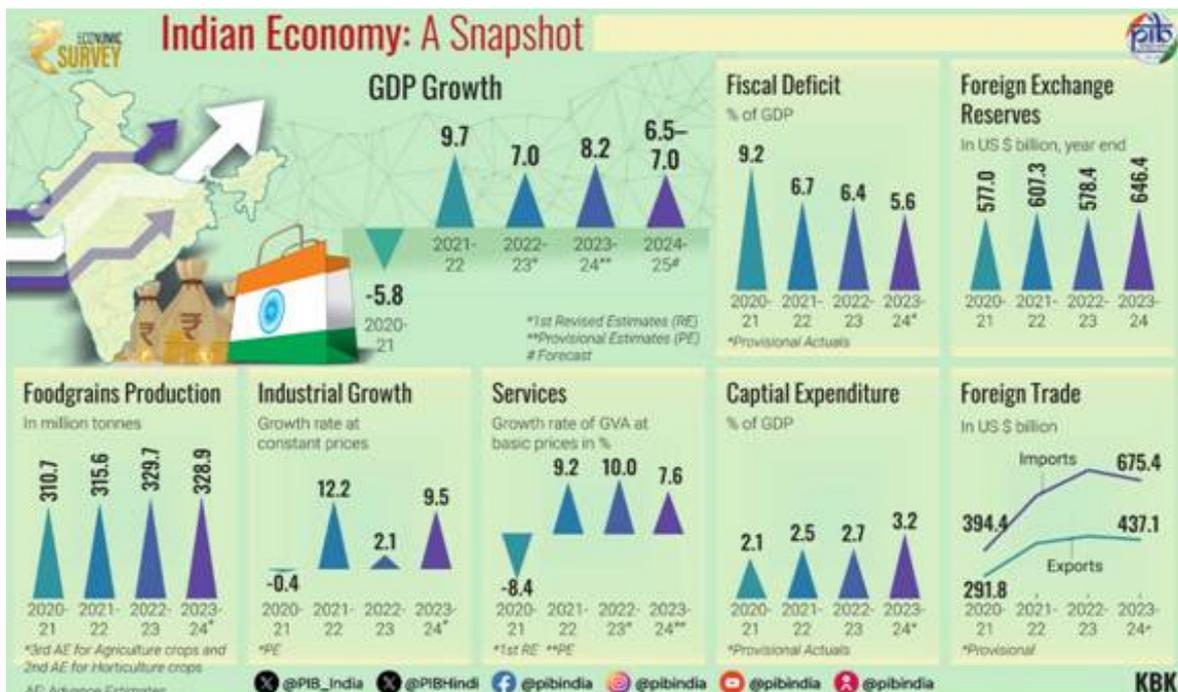
- By October 2024, India's agricultural industry showed impressive strength after a successful monsoon period, leading to widespread economic advantages throughout the nation. The Indian Meteorological Department noted an **increase in rainfall by about 10%** compared to the usual average, which had a beneficial effect on agricultural outputs. Essential crops like **rice and wheat are anticipated to experience a growth rate of 6% and 5%, respectively, improving food availability and boosting income for rural areas.**
- This agricultural rebound not only solidifies the rural financial backbone but also plays a significant part in adding to the nation's Gross Domestic Product (GDP), highlighting the agriculture sector's critical position in India's wider economic landscape. **A rise in consumer demand and an increase in export prospects** are poised to create more employment and spur expansion in supporting sectors, including food processing and transportation.



ECONOMY

INDIA POSITIONED FOR GROWTH: IMF PROJECTS 7% GDP INCREASE FOR FY 2025

In October 2024, the International Monetary Fund (IMF) expressed its continued faith in India's economy, forecasting a **GDP expansion of 7% for the fiscal year 2025**. This forecast is made stronger by elevated consumer spending and notable investments, which have been key in maintaining India's economic stability amidst worldwide fluctuations. The IMF pointed out that India's economic momentum is mainly attributed to powerful private spending and an increase in both international and domestic investments, especially in essential areas like infrastructure and digital technology.



India's advantageous demographics and continuous process of urbanisation further boost its prospects for growth, establishing it as one of the world's most rapidly developing economies. Even though worldwide economic conditions are volatile, marked by rising inflation and geopolitical conflicts, India's proactive economic strategies and its growing involvement in international commerce are expected to keep the momentum going. The IMF's optimistic view acts as a motivator for investors, highlighting India's role as a key growth engine in the region, particularly with initiatives like "Make in India" and an emphasis on digital transformation, which are driving productivity and innovation.

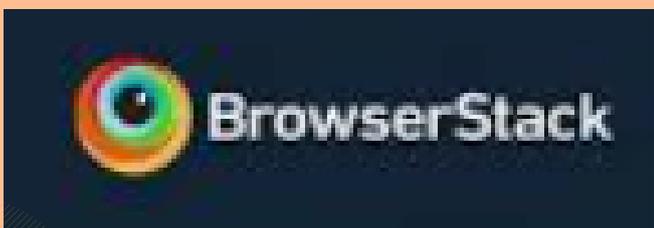
ENTREPRENEURSHIP

RIDING THE SAAS WAVE: INDIA'S ROLE IN THE NEXT TECH FRONTIER

- Lately, Software as a Service (SaaS) startups in India have seen incredible expansion, transforming the nation's role as a leading global centre for effective technology solutions.
- By the end of 2024, the SaaS market in India is **expected to hit \$13 billion**, marking a significant increase of over 30% compared to the year before.
- This rise is due to a growing need for cloud-based services in various industries, as companies aim to boost productivity, cut down on costs, and use data analysis.



- The achievements of Indian SaaS startups are also supported by substantial investments from local and international investors. During the first six months of 2024, Indian SaaS firms secured more than \$2 billion in investments.
- Major names such as **Freshworks**, **Zoho**, and **BrowserStack** are at the forefront, demonstrating India's ability to create top-tier software products.
- Moreover, the increasing focus on digital transformation in different sectors, along with supportive government policies, is pushing the SaaS industry in India forward.
- As this sector continues to grow, it is poised to have a significant impact on the development of technology-based business solutions.



ENTREPRENEURSHIP

SUSTAINABILITY TAKES CENTER STAGE: THE RISE OF ECO-FRIENDLY STARTUPS

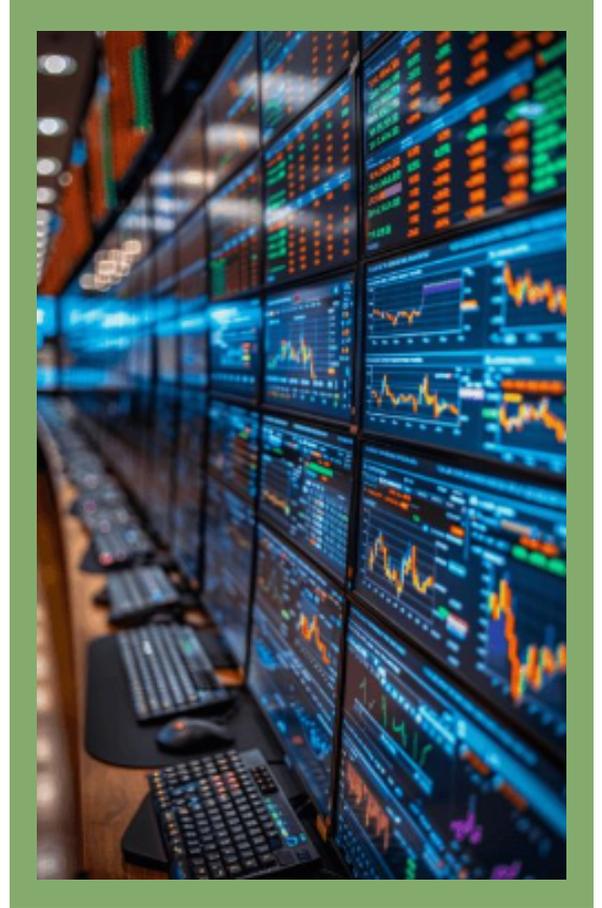
- In October 2024, the entrepreneurial scene in India is experiencing a significant transformation as green startups are picking up speed across different industries.
- This year, more than 1,500 environmentally conscious businesses have been established, marking a shift towards a focus on environmental stewardship and driving a fresh wave of creativity.
- These businesses aim to solve crucial environmental challenges like **waste management, development of renewable energy, and promoting sustainable farming**.
- This shows India's dedication towards becoming a more eco friendly and green economy.
- The increase in green startups is fueled by both growing consumer consciousness towards the environment and government policies favouring such startups.
- It is projected that the investments in this sector will **exceed USD 1 billion this year**, pointing towards the rising demand for environmentally friendly products and services.
- A lot of startups are using high-tech technologies like AI and IoT to improve efficiency and reduce waste.
- For example, **companies working on waste management are adopting intelligent recycling methods that not only lessen the environmental footprint of landfills** but also encourage practices that keep materials in use. This trend places India at the forefront of sustainable business, presenting ample chances for innovation and investment.



MARKET SITUATIONS

WHY ARE FIIS LEAVING BUT DIIS INCREASING THEIR INVESTMENTS?

- As of October 2024, significant shifts have been seen in the Indian stock market influenced by foreign and domestic institutional investors' activity.
- **NIFTY has seen a growth of 52% in the last 18 months**, but for some reason the Foreign Institutional Investors (FIIs), with their professional knowledge and experience, did not benefit from this surge.
- FIIs remained net sellers in this entire period. October saw an outflow of \$10 billion from the Indian market.



A plethora of reasons converted FIIs into sellers-

- China decided to attract global investors as a step to improve its slowing economy. For this, the government has started to offer various incentives and loosen its monetary policy. China has seen additional foreign investment of about \$20 billion since the onset of these policies. This has even coined the phrase “Buy China, Sell India”.
- Another reason is the overvaluation of Indian equities. The great success of Bajaj IPO is now showing its true side as Bajaj Auto reduced its estimated annual growth from 8% to 5%. This has negatively affected the share prices of automobile shares.

But if FIIs were selling, there has to be a buyer, right?

- Turns out that the buyers are the Domestic Institutional Investors (DIIs). With this new opportunity being presented to them, the DIIs jumped on it and even earned great profits, talk about a great Diwali!
- This new-found stability and independence of the DIIs is the reason why the market did not crash.

MARKET SITUATIONS

UNENTHUSIASTIC DEBUT OF INDIA'S LARGEST IPO- HYUNDAI MOTOR INDIA

- Hyundai Motor India Ltd., subsidiary of Hyundai Motor Company, came out with its IPO on 15 October, the largest ever in Indian history
- This was done to expand their products, especially setting up an Electric Vehicles (EVs) supply chain exclusively in India.
- The IPO was subscribed successfully by the Institutional investors.
- However the Retail investors steered clear of the entire deal, with the retail portion being subscribed only 50%.



- The weak grey market signals, along with the premium pricing, was the reason why most retail investors ignored the big stature of the company.
- Weak grey market signals mean that the shares will be traded at a price lower than the issue price. This shows that the investors and researchers are not confident about the performance.
- At the same time, a recent study shows that retail investors are getting very impatient, with nearly 54% of investors selling within a week. However, one cannot ignore the fact that these shares are beneficial in the long-term, solely on the basis of the company name.



SPECIAL HAPPENINGS

INCREASING PRICE OF ONIONS- A POLITICAL AGENDA?

- Onions have seen a jump in their prices in recent times. **This is majorly due to the elections that are to be held in the Western states.** Since, large amounts of onions are cultivated in that region, various policies and bans have been changed and uplifted to favour the farmers as they account for a huge percentage of the total voters.
- In May 2024, the government uplifted **the ban on onion exports and set the Minimum Export Price (MEP) at \$550/tonnes.** The opposition party, along with the farmers, had been urging for this ban to be lifted, saying that it has resulted in loss for farmers. However, the government was hesitant as removal could lead to an increase in domestic price. But, due to the pressure, the government finally decided to lift the ban and exactly what was feared, happened.



Something that the government did not anticipate though, were the upcoming elections in Delhi. The prices rose as high as ₹75/kg, resulting in dissatisfaction amongst the Delhi folks. To balance both the situations, on October 20, a train filled, not with people but rather onions, moved from Nashik. It was named as the '**Kandha express**'. This reduced the price in Delhi, while at the same time helping Maharashtra farmers clear their onion stock. Though the government claims that elections did not play any role in the decisions, it all just turned out to be extremely fortunate for the party.

SPECIAL HAPPENINGS

RECENT ADDITION BY ITC TO ACHIEVE ITS SUSTAINABILITY VISION 2.0

ITC Limited, one of India's leading business amalgamation, commissioned its second offsite solar plant of Karnataka, in Davangere district, on October 17. To achieve its goal of a 'cleaner and greener' environment, ITC has been taking various steps. The company has already made huge investments in this area and it has now moved on to setting up its own plants. **There are in total 4 offsite solar plant units commissioned by the company for self-consumption, in Tamil Nadu, Uttar Pradesh and Karnataka.**



The plant, spread over 26 acres, uses the latest technology and string inverters, and complies with all national and international standards of safety. The 9.45MW plant will generate 15 million units annually. This will help the company meet its target of using renewable resources for 100% of its energy requirements by 2030 as a part of its Sustainability Vision 2.0. Till now, only 50% of the energy requirement is met through these green resources. The new plant will help in providing energy to the company's various facilities in the state. These include its R&D centre and ITC Green Centre in Bangalore, and hotel chains like ITC Gardenia and ITC Windsor.

FINANCE

IFC ANNOUNCES PARTNERSHIP WITH AXIS BANK TO PROVIDE A \$500 MILLION CLIMATE LOAN IN INDIA

The International Financial Corporation (IFC), that provides investment, advisory, and asset management services to promote private-sector growth in developing countries, on the 7th of October 2024, announced partnership with Axis Bank, **to provide a climate loan of \$500 million to India.** This is IFC's first blue transaction in India and the first blue transaction by a financial institution in the country. It is also the largest green financing by IFC in the country. **The loan shall help develop a blue finance market and scale up financing of green projects in India.**

In the simplest of terms, a blue finance market refers to funding and investment activities that support the sustainable use and conservation of ocean and water resources. Also, a green project is an initiative or activity focused on environmental sustainability and reducing negative impacts on the planet.

The funding shall effectively enable Axis Bank to expand its climate finance portfolio. The green buildings sector presents an investment opportunity of \$1.4 trillion by 2030, driven by a need for sustainable infrastructure.



Through its advisory services, IFC will support Axis Bank in expanding its green buildings portfolio, including for affordable housing projects, and building capacity for impact reporting. Also, IFC will provide a performance-based incentive of up to \$2.9 million from the UK-IFC Market Accelerator for Green Construction (MAGC) program aimed at supporting the design and construction of green buildings certified by IFC's EDGE (Excellence in Design for Greater Efficiencies) standard.

FINANCE

GOOGLE AND MUTHOOT FINANCE TO NOW OFFER GOLD-BACKED LOANS

Google India, in partnership with Muthoot Finance, the largest gold loan NBFC in the country that also offers other loans, insurance, money transfer services, and sells gold coins, has announced that **it will now be offering gold-backed loans to small businesses and consumers, especially in rural areas, through Google Pay.** The company will also partner with Aditya Birla Finance Limited, another NBFC, for gold loans.

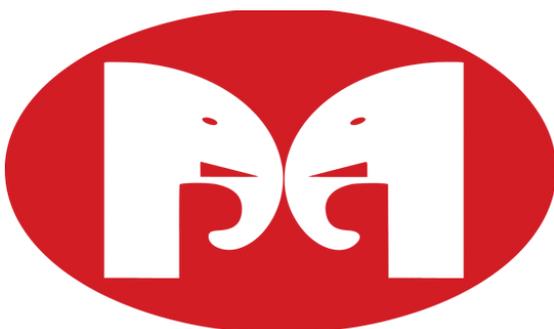
A gold-backed loan is essentially a loan secured by gold. This allows people to access quick funds without selling their gold. Such loans are different from personal loans which are unsecured financing options where borrowers receive a lump sum that is repaid over a set period.

Over 80% of gold loans serve users in Tier-II and smaller cities, and according to the Investment Information and Credit Rating Agency (ICRA), the organised gold loan market is anticipated to exceed ₹10 trillion by FY25 and potentially reach ₹15 trillion by March 2027.



This partnership creates a pathway to unlock gold assets at affordable rates, enabling users to support their futures in areas such as education and business. Additionally, the collaboration with Aditya Birla Finance Limited offers users an expanded suite of credit products tailored to diverse financial needs.

Allowing gold-backed loans can empower rural communities in India by providing accessible and affordable credit. As a widely held asset, gold serves as a bridge to formal financial services, fostering financial inclusion, reducing dependence on informal lenders, and supporting local economic growth.



MEDIA AND IT

RELIANCE-DISNEY MERGER AND ITS APPROVAL BY CCI

Reliance Industries Ltd (RIL) has selected Disney+ Hotstar as the primary streaming platform following the merger between **Star India and Viacom18**, with JioCinema set to be absorbed into Disney+ Hotstar. The integration of Disney+ Hotstar as the sole streaming platform for the combined entity marks a significant step in Reliance's ambitions to dominate India's online entertainment market.

In February, Reliance entered an **\$8.5 billion agreement** with Walt Disney to merge Star India with Viacom18. CCI's approval was accompanied by conditions aimed at maintaining fair market practices. These include the requirement to **disinvest seven television channels**, such as Hungama and Super Hungama, and a voluntary commitment not to bundle TV ad slots for IPL, ICC, and BCCI cricketing rights until the existing contracts expire.



- Additionally, the companies agreed to refrain from bundling OTT ad slot sales for the same cricketing rights during the current rights period, with an undertaking to keep advertisement rates reasonable for ICC and IPL events on both TV and streaming platforms until the end of the current rights agreements.
- Under the new structure, **RIL will hold a 56% stake** in the merged company, **Disney will retain 37%**, and **Bodhi Tree Systems will hold the remaining 7%**.
- The leadership of the merged entity will include **Mrs. Nita Ambani as Chairperson** and **Mr. Uday Shankar as Vice Chairperson**.

MEDIA AND IT

FUTURE OF AI AGENTS AMID LAUNCH OF SUPERVITY'S SUPER SALES AI AGENT

- In this era of digitalisation, coupled with the rise of Artificial Intelligence, AI agents are significantly transforming customer relationship management (CRM) and business automation. These systems handle routine tasks while acting as collaborative partners, streamlining operations and providing personalised customer experiences.
- As AI Agents evolve, they are poised to fundamentally reshape business operations. Their capabilities for autonomous task performance, insight generation, and personalised customer engagement make them invaluable in CRM and business automation. Adopting AI-driven solutions allows companies to drive **future growth**, **strengthen customer relationships**, and **streamline processes**, maintaining a **competitive edge** in an increasingly digital and automated landscape.



Supervity

- Relating to this, Supervity, a leading citizen automation platform, recently launched its SuperSales AI Agent on **October 7, 2024**. Known for pioneering generative AI solutions for businesses and governments, Supervity claims this new **SaaS (Software as a Service)** offering will transform B2B sales by automating essential processes and **boosting productivity by up to 10x**. The SuperSales AI Agent is designed to streamline sales tasks, enhance customer engagement, and drive revenue growth, significantly reducing time spent on routine activities.
- The SuperSales AI Agent's capabilities, including automatic lead generation, RFP completion, new staff training, CRM updates, follow-up email automation, and proactive task creation, are poised to redefine B2B sales operations, ensuring sales teams remain proactive and efficient.

CONSULTING FIRMS

ACCENTURE ACQUIRES CONSUS.HEALTH

- Accenture is a multinational company which offers strategy consulting across various domains.
- **On October 1, 2024**, Accenture completed its acquisition of consus.health, a leading German healthcare management consultancy. This move is aimed at enhancing Accenture's healthcare consulting capabilities in regions such as **Germany and Switzerland**.
- Consus.health offers various services such as patient management, logistics, serving more than **600 healthcare providers and hospitals**. It must be noted that it has not been publicly announced the exact amount Accenture has acquired consus.health for.



Implications for Accenture:

- **Enhanced Capabilities:** By acquiring consus.health, Accenture has now entered into a new segment and by utilising consus.health's industry knowledge, they can offer comprehensive solutions.
- **Increased Expertise:** consus.health brings a team of 140 experts with deep strategy and industry know-how, thus strengthening Accenture in the area of healthcare consulting. With this acquisition being a part of Accenture's plan of expansion in Europe, the organisation must manage cultural integration, with **140 key members** becoming its part. The organisation must also pay special attention to regional regulations as it expands into the **new markets of Germany, Austria and Switzerland**.

CONSULTING FIRMS

PWC ACQUIRES RESEARCH AND CONSULTING FIRM GKID

- **PricewaterhouseCoopers** International Limited is a British multinational company offering various types of services including consulting.
- On **October 3, 2024** PwC announced the acquisition of **GKID Research & Consulting**, a leading firm specialising in e-commerce, package logistics, data service and market research.



Implications for PwC:

- **Enhanced Knowledge:** Considering GKID's expert knowledge in e-commerce and logistics, it strengthens PwC's ability to offer clients cutting-edge solutions in these rapidly evolving sectors.
- **Research-Driven Insights:** GKID's data service and market research capabilities provide PwC with valuable insights to undertake strategic decision-making for clients.
- **Expanded Client Services:** The acquisition enables PwC to offer a broader range of consulting services, meeting the different needs of clients in the growing digital economy.

pwc

gkid

- It must be noted that GKID's team of experts will join PwC, bringing in their experience and knowledge. Also, the exact amount of acquisition has not been disclosed publicly.
- Considering GKID's specialisation in research, their expertise will also be highly advantageous for PwC in various future projects.