THE COMPENDIUM

BUSINESS AND ECONOMICS NEWSLETTER

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AERO INDIA 2025: INDIA'S PREMIER AEROSPACE AND DEFENCE SPECTACLE

Bengaluru hosted the much-anticipated **Aero India 2025**, the 15th edition of Asia's biggest airshow, from February 10 to February 14, 2025. Organized biennially by the **Defence Exhibition Organisation** under the Department of Defence Production, Ministry of Defence, Aero India 2025 carried the theme '**The Runway to a Billion Opportunities**' and showcased India's air power, homegrown innovations, and advanced global aerospace technology. The event, a global platform for showcasing cutting-edge aviation technology, witnessed participation from leading aerospace and defence companies, military delegations, and aviation enthusiasts worldwide.

Held at the **Yelahanka Air Force Station**, Aero India served as a strategic platform that fostered collaborations between domestic and international aviation industries while highlighting India's growing self-reliance in defence manufacturing under initiatives like 'Aatmanirbhar Bharat' and 'Make in India'. The exhibition featured state-of-the-art aircraft, unmanned aerial vehicles (UAVs), helicopters, and innovative defence technologies developed by Defence Public Sector Undertakings (DPSUs), private sector players, and startups.

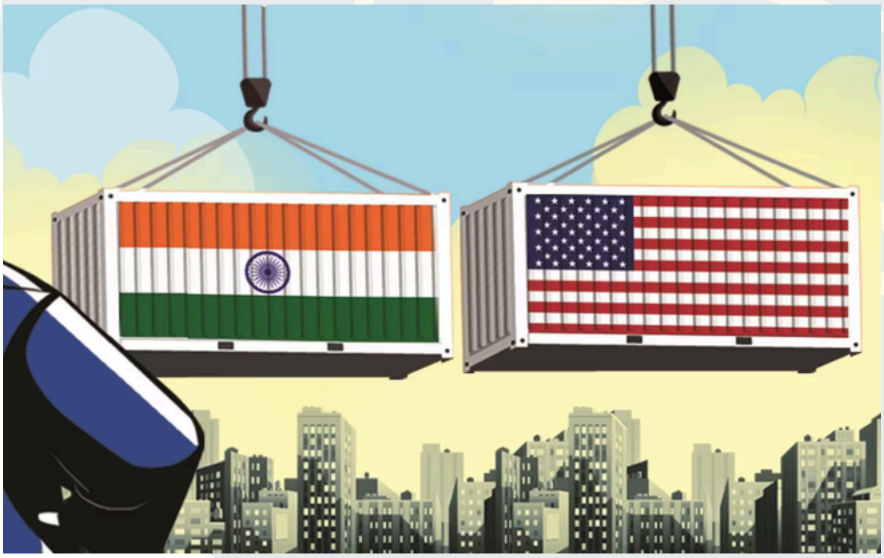
Aero India was also famous for its thrilling aerobatic displays by the **Indian Air Force (IAF) Surya Kiran team**, the **Sarang helicopter display team**, and international participants, captivating the audience with breathtaking maneuvers. Additionally, Russia's advanced multirole fighter SU-57 remained on static display at Yelahanka Airbase, drawing significant attention from aviation enthusiasts, while the US Air Force's F-35 took off for a sortie, showcasing its capabilities.

The 2025 edition set new benchmarks with increased participation and significant defence deals. As India continued to strengthen its indigenous defence capabilities, Aero India remained a crucial platform for technological advancements and international partnerships, further solidifying the nation's aerospace ambitions.

INDIA-US BILATERAL TRADE AGREEMENT (BTA) NEGOTIATIONS: 2025

India and the US have initiated negotiations on a Bilateral Trade Agreement (BTA) in 2025, aiming to **ease trade restrictions and enhance economic ties**. However, former **President Donald Trump's reciprocal tariff policy** could impact discussions, particularly concerning India's exports and tariff structure.

Indian IT services could be affected if US visa rules tighten under Trump's **"America First" policy**. Additionally, high tariffs on automobiles and pharmaceuticals could block Indian goods from key markets. India has previously retaliated with counter-tariffs on items like US steel and may do so again if new duties are imposed.



The US remains India's largest trading partner, with key exports including engineering goods, pharmaceuticals, and electronic products. However, proposed reciprocal tariffs could disrupt trade, particularly in high-tariff sectors like automobiles and agriculture. If imposed, **these tariffs may lead to countermeasures from India**, impacting both nations' supply chains and market access.

While China faces a 478-point tariff gap, India's is 25 points, highlighting the disparity. Despite this, India's domestic tariffs on US goods—such as a 30% duty on tobacco—contrast sharply with the 60% tariff the US imposes on Indian exports (World Bank). Trump's tariff policies could disrupt global trade dynamics, affecting major industries and supply chains. However, this shift could also position India as a crucial player in emerging reconfigured supply chains, as businesses seek alternative markets beyond China.

INDIA-QATAR STRATEGIC PARTNERSHIP: A NEW ERA OF COOPERATION

The Amir of the State of Qatar, Sheikh Tamim Bin Hamad Al-Thani, paid a State Visit to India, marking a significant milestone in bilateral relations. During his visit, the second since 2015, he held extensive talks with Prime Minister Narendra Modi, culminating in the **elevation of India-Qatar ties to a Strategic Partnership**. This move underscores the growing importance of the relationship, which spans energy security, trade, defense, and cultural exchanges.

Key Agreements and Outcomes

During the visit, India and Qatar signed **two agreements and five MoUs** covering **economic cooperation, youth affairs, and a double taxation avoidance** agreement. The operationalization of India's Unified Payments Interface (UPI) at QNB Point of Sales in Qatar is a significant step towards enhancing financial connectivity. Both nations also explored the possibility of a Free Trade Agreement (FTA), which could further boost economic ties.

Defense and Security Cooperation

Defense ties between India and Qatar have been robust, with training slots, naval visits, and participation in events like the Doha International Maritime Defence Exhibition (DIMDEX). The **Defense Cooperation Agreement**, extended in 2018, is overseen by the Joint Defence Cooperation Committee (JDCC). Both nations are committed to enhancing security collaboration, including counter-terrorism efforts and joint military exercises.

Strengthening Economic and Energy Ties

India and Qatar aim to **double bilateral trade from $14 billion to $28 billion by 2030**. In 2022-23, trade stood at $18.77 billion, with India importing $16.8 billion, mainly LNG and LPG. Qatar supplies over 48% of India's LNG and 29% of its LPG. A landmark **20-year agreement** between Qatar Energy and Petronet LNG ensures 7.5 million metric tonnes of LNG annually from 2028. Qatar's Sovereign Wealth Fund committed $10 billion to India in sectors like infrastructure, renewable energy, smart cities, and AI. Meanwhile, the Qatar Investment Authority plans an office in India, and Qatar National Bank will expand in GIFT City, Gujarat.

RESERVE BANK OF INDIA INITIATES $10 BILLION FX SWAP

Background

FX swaps are among the most commonly used central banks all over the world to manage liquidity and stabilize currencies. In India, measures were taken during the **2008 financial crisis and later during the COVID-19 pandemic**, aimed at stabilizing the rupee and increasing foreign exchange reserves. FX swaps allow a central bank to control liquidity in the banking system without directly affecting interest rates. With India's growing position in global trade and investment, **stability in its FX reserves** becomes crucial for sustaining economic confidence.

Current Scenario

In a bid to inject liquidity and allow companies to hedge long-term dollar obligations, the Reserve Bank of India has provided a **dollar-rupee swap worth 10 billion dollars** over **three years**. The quickening felt global economic uncertainty, price instability on dollar-denominated bonds, and rupee liquidity are **sempiternal triggers** for stability in the foreign exchange market. The transaction necessarily means that the central bank will sell dollars and thus procure rupees, with a future commitment to buy dollars back. This facility aids liquidity management by either **injecting or absorbing liquidity** depending on circumstances.

Impact

The FX swap is also poised to reduce the **volatility of the rupee, attract foreign investment, and buttress the FX reserves**. This enhances industry certainty, thereby stimulating investments and trade as it reduces currency market volatility. Indian exporters also benefit from a strong and stable exchange rate, thereby reducing currency risk. While global markets remain uncertain, this RBI initiative once again reinstates confidence in India's **monetary policy** and **economic resilience**

Future Outlook

Given ongoing global economic uncertainties, FX swaps are likely to witness **greater dependence** on such strategic interventions by India. The RBI seems to be signaling a proactive stance of utmost importance in terms of maintaining financial stability and installing confidence in potential investments. Moving forward, long-term success will depend to a large extent on the pace of sustainable economic growth, **fiscal prudence**, and developments in the global markets.

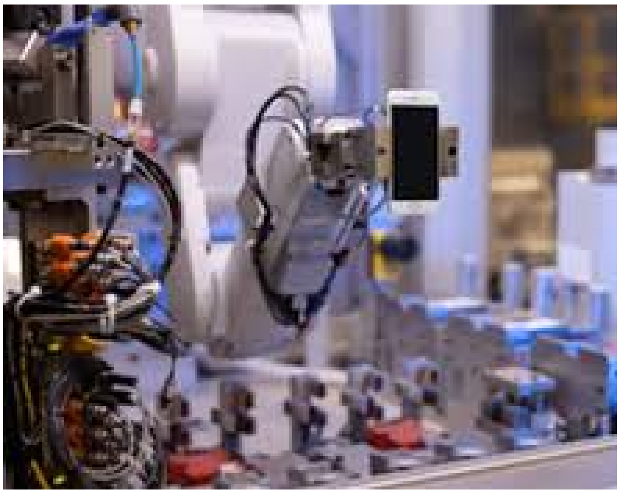
APPLE EXPANDS MANUFACTURING FOOTPRINT IN INDIA

Background

Apple has been gradually diversifying its manufacturing base from **China to India**. The company began assembling iPhones in India in 2017, mainly for older models in line with the local market. Over the years, Apple has ramped up its operations in partnership with large suppliers like **Foxconn, Wistron, and Pegatron**. This move was propelled by U.S.-China relations, disruptions in the global supply chain, and favorable policies in India promoting **indigenous production.**

Current Scenario

The latest investment by Apple in India is historic in its bid to ramp up its production capacity and **boost exports**. While ramping up iPhone production, the company looks forward to introducing a few other products, like **iPads and MacBooks, in India**. This consolidation is in line with the **Make in India** and **Production Linked Incentive (PLI) schemes** of the Indian government, which offer incentives to global companies for setting up production units within the country. With the improving infrastructure and a growing supplier ecosystem, Apple is locking in on India as an important **manufacturing hub**.



Impact & Further Outlook

Rising Apple manufactures a presence in India, which could involve **deep-rooted economic ramifications**. The expansion opens avenues for **thousands of jobs** in manufacturing and allied industries. It also stands to take Indian exports a notch up in driving global demand and **reduce dependence on China** while further building India's position in global electronics supply chains. As this would most likely succeed, this could tempt other technology giants to pour more of their investments into Indian manufacturing, tweaking the overall impression the country has developed for a **hub for high-tech** manufacturing companies. Apple's expansion from hereon will be one of the biggest definer in shaping the future of Indian manufacturing in the **global supply chain.**

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NIGHTMARE FOR FINTECH STARTUPS

Thousands of investors in India are scrambling to recoup nearly $100 million after they were caught in a Ponzi scheme that duped them into making short-term investments promising high returns, by **Falcon Invoice Discounting Platform**.

What is Invoice Discounting and how Falcon Operated:

Invoice Discounting is a process where SMEs sell their unpaid invoices to investors at a discount, it can be referred to as a bill of exchange. Investors would earn returns when the invoices were paid by the buyers.

The platform lured investors with promises of high returns (15% to 24% annually) and low risk, often marketing itself as a safe investment option.

The platform primarily attracted professionals, engineers (why do you do this greedy people), retirees, middle-class families, and small business owners, who were looking for better returns than traditional fixed deposits or mutual funds.

Scale of the Scam:

Total Investments: The scam is estimated to have involved ₹1,000 to ₹1,500 crores.

Over 10,000 investors from major cities like Bengaluru, Mumbai, Delhi and Hyderabad were impacted, with many losing their life savings.

Falcon allegedly created fake invoices or inflated the value of real invoices to attract more investments.

Also, Investors were not provided with proper documentation or details about the invoices they were investing in.

FALCON

Regulatory Lapses

Invoice discounting platforms like Falcon operate in a regulatory gray area, as they are not directly regulated by the Reserve Bank of India (RBI) or the Securities and Exchange Board of India (SEBI). The absence of strict regulations allowed Falcon to operate without proper checks and balances, leading to the eventual collapse.

Way to Go (The After Effects)

The scam highlights the need for greater investor awareness and education about the risks associated with high-return, unregulated investment platforms. Experts are calling for stricter regulations and oversight of fintech platforms to prevent similar incidents in the future. The scam has eroded trust in fintech platforms and could have long-term implications for the industry.

BUDGET 2025: CHERRY ON THE CAKE FOR AI-DRIVEN INNOVATION AND ENTREPRENEURSHIP

The **Union Budget 2025** reinforces India's commitment to fostering innovation, entrepreneurship, and artificial intelligence (AI) leadership. By extending benefits for startups, improving access to credit, and investing in AI Centres of Excellence, the government has laid a strong foundation for an innovation-led economy.

A boost for startups

Startups are at the heart of India's economic dynamism, and Budget 2025 strengthens their growth trajectory. By extending incorporation benefits, founders now have a wider window to register their ventures and access tax incentives. Early-stage startups, which often struggle with funding constraints, will benefit from enhanced credit access mechanisms that provide much-needed financial stability.

By addressing these challenges, the government is not just encouraging entrepreneurship but also enabling job creation, technological advancement, and global competitiveness.

This strategic focus will help foster innovation, attract more investors, and ensure that India remains a global startup hub. Enhanced collaboration between government, financial institutions, and startups will further fuel progress and scalability.

BUDGET 2025: CHERRY ON THE CAKE FOR AI-DRIVEN INNOVATION AND ENTREPRENEURSHIP

AI Centres of Excellence

One of the most exciting announcements in this budget is the ₹100 crore allocation for AI Centres of Excellence. By fostering collaboration between researchers, industry leaders, and startups, these centres will play a crucial role in reducing dependence on foreign technology and building AI solutions that align with India's linguistic, cultural, and economic diversity. They will also act as hubs for nurturing AI talent, ensuring that innovation is not just driven by large corporations but also by a new wave of AI-focused startups.

ATLs, which are already present in schools across the country, introduce students to robotics, coding, and AI, nurturing problem-solving skills and creativity. Expanding their reach ensures that young minds—regardless of geography or socioeconomic background—have access to hands-on learning experiences in emerging technologies.

The Future

This budget isn't just about economic growth; it's about shaping the future of AI in a way that benefits everyone. By prioritizing inclusive technological progress, India is ensuring that AI-driven advancements uplift all sections of society, bridging gaps rather than widening them.

Budget 2025 is more than just a fiscal roadmap—it's a statement of intent. It signals India's unwavering focus on leveraging technology to drive progress, create opportunities, and establish itself as a global leader in AI-driven innovation. If this momentum continues, the next decade could see India at the forefront of the AI revolution, shaping the way the world thinks about technology and its impact on society.

MARKET SITUATIONS

AERO INDIA 2025 & INDIAN STOCK MARKET RECOVERY

Foreign investors have pulled ₹64,156 crore from Indian equities in February 2025, marking one of the highest monthly outflows in recent years. Rising U.S. bond yields, the depreciation of the Indian rupee, and underperforming corporate earnings have made the Foreign Portfolio Investors (FPIs) to move their funds to safer, high-yielding assets in developed economies. According to reports from Livemint and Reuters, the outflow is a contrast to the reports of December 2024, where ₹15,446 crore was invested by FPIs, signaling a shift in market dynamics.

The Current Scenario

The 15th Aero India will be held in Bengaluru from 13th to 17th February, with a focus on contemporary technology, high-stake defense contracts, and participation from the major aerospace industries across the globe. Some highlights include the launch of futuristic unmanned aerial vehicles (UAVs), next-generation fighter aircraft, and on-board missile defense systems. In addition, India reportedly signed a number of defense contracts with global players, reaffirming its commitment to reduce imports and catalyze innovation at home.

Impact

The platform will give the much-needed fillip to the defense sector by attracting FDI and boosting research and development. Indigenous production is in sync with the philosophy of Atmanirbhar Bharat. It is aimed at helping India maintain long-term strategic autonomy in defense manufacturing. Aero India 2025 promotes an amalgamation of Indian startups with established global aerospace companies to nurture innovations that would lead to job creation. Consequently, the event is expected to strengthen India as a defense exporter and a pivotal player in the global arms market, influencing India's future economic and strategic dominance.

MARKET SITUATIONS

February, 2025

INDIAN STOCKS POISED FOR PARTIAL RECOVERY AFTER HISTORIC DECLINE

The Indian stock markets have been on a rollercoaster in recent times, witnessing a historic decline largely attributed to global uncertainties arising from interest rate hikes and the consequent outflows of foreign capital. However, albeit tentatively, February 2025 has seen a touch of recovery, with expected index movement inclined towards a more cautious upside. While sentiment on the market front remains decidedly fragile, bolstered domestic investments and the flow of an increasing number of propitious indicators have merged towards suggesting an ongoing stabilization phase.

Background

The equity markets in India remain turbulent due to multiple reasons, ranging from geopolitical tensions, fluctuating oil prices, and movements in global investor sentiments. The recent decline was one of the steepest in recent history that resulted in the significant wiping of wealth for the investors, raising concern amongst policymakers. While foreign institutional investors (FIIs) pulled a bumper capital out of the market following doubts regarding global financial conditions, inflation was already taking a toll on the economic landscape, heightened by the interest rate hike by central banks of the world.

The Sensex and the Nifty have shown some signs of stabilization, with the markets having already declined. The rebound was aided by factors including improved investor sentiment in the last few weeks, good corporate earnings in the banking, IT, and FMCG sectors, and heavy domestic institutional buying. Other steps taken by the government, including enhanced infrastructure spending and tax reforms, have been crucial for restoring confidence. An additional boost to the markets is coming from the comparatively stable behavior of the rupee against the dollar.

Challenges & Concerns

While the partial recovery is indeed heartening, risks remain. Global economic slowdowns, inflationary pressures, and uncertainty surrounding the US Federal Reserve policies are still looming over the investors' sentiments. FII's cautious stance compounded with possible disruptions from geopolitical happenings make sure that the recovery stays tenuous. Alongside, the cost of borrowing is clearly not favoring better corporate STE expansion, likely to have a serious bearing in future on the stock's price performance.

In the coming days, the market's future direction will depend on corporate earnings, government revival schemes, and conducive flows of foreign institutional investments.

Elusive Oarfish Captured on Video in Baja California Sur

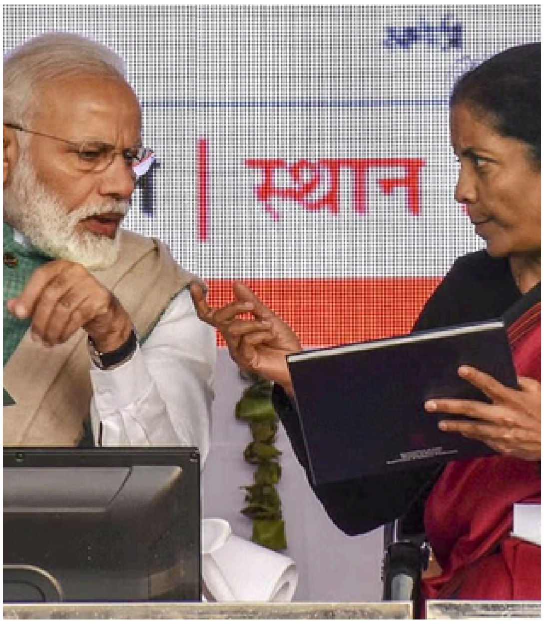
The rarely seen oarfish, often called the "**doomsday fish**" due to its mythical association with impending disasters, was recently caught on video in shallow waters near Baja California Sur, along Mexico's Pacific Coast. A group of visitors witnessed the sighting in early February, capturing footage of the mysterious deep-sea dweller. With its long, ribbon-like body and gaping mouth, the oarfish has an almost mythical presence in marine folklore.

Japanese mythology has long considered the oarfish a **harbinger of earthquakes**, fueling speculation whenever one appears. However, scientific research published in 2019 has debunked any strong correlation between oarfish sightings and seismic activity.

These deep-sea creatures, typically found at depths of around 650 feet but known to inhabit waters as deep as 3,280 feet, are seldom observed alive. Their elusive nature and preference for deep, open waters make encounters with them incredibly rare. As of August last year, **only about 20 oarfish sightings had been recorded** along California's coast since 1901, according to the Scripps Institution of Oceanography. However, one did wash up in the state as recently as November, sparking renewed interest in the species and its possible links to underwater seismic activity.

The latest sighting in Mexico adds to the intrigue surrounding this deep-sea marvel. Scientists continue to study the rare appearances of oarfish to better understand their behavior and habitat, shedding light on one of the ocean's most mysterious inhabitants. Despite their eerie reputation, experts believe these creatures could offer valuable insight into changes in oceanic conditions, making them a key species in marine research.

MODI GOVERNMENT SEEKING TO CUT STATES' SHARE OF CENTRAL TAXES FROM 2026.



In a move that could reshape federal financial relations, the Modi government is seeking to reduce states' share of central tax revenues from 41% to 40% starting in 2026, according to sources familiar with the matter. This proposal will be recommended to the 16th Finance Commission, which is currently reviewing fiscal allocations for the five-year period beginning April 1, 2026.

The central government justifies the move by citing its increasing spending responsibilities, including infrastructure, defense, and social welfare programs. However, states argue that any reduction in tax devolution could strain their finances and limit their ability to fund welfare schemes and development projects.

The Key Implications of this cut are highlighted below:

- **Fiscal Strain on States**: A 1% reduction in tax devolution could result in a significant revenue loss for states over five years. States rely on these funds for healthcare, education, infrastructure, and welfare schemes.
- **Tensions Between Centre & States**: Federal-state relations could become more strained, with opposition-led states likely to resist the proposal. States argue that they already bear a larger burden in welfare spending but receive limited revenue powers compared to the Centre.
- **Increased Centralization of Fiscal Power**: The Centre’s move signals greater control over national resources, limiting states' autonomy. This could set a precedent for further centralization, affecting state-level policymaking.

What’s Next?

1. **The 16th Finance Commission will submit its final report by October 2025**, with recommendations on tax devolution, fiscal deficits, and grants-in-aid for states.
2. If the proposal is approved, the **new tax-sharing structure would be implemented from April 1, 2026**.
3. Political negotiations and pushback from states may lead to modifications in the final recommendation.

TATA CAPITAL'S BOARD APPROVES IPO PLAN, TO ISSUE 23 CRORE NEW SHARES.

The board of Tata Capital, the financial services arm of Tata Sons, on Tuesday cleared an initial public offer (IPO) and a rights issue, making it the second company from the Tata group to launch an IPO within two years after Tata Technology was listed in November 2023.

In a regulatory filing, Tata Capital said the IPO will issue equity shares of face value of ₹10 each, and it will comprise **a fresh issue of up to 230 million shares and an offer for sale of equity shares by its existing shareholders.** The IPO is subject to market conditions, and regulatory clearances, the company said.

Banking sources estimated the IPO to raise up to $1.5 billion. As per Unlisted Zone, a platform for buying and selling unlisted stocks, shares of Tata Capital are trading at around ₹1,000 a piece in the unlisted market. In the NBFC space, Tata Capital is ranked **7th in terms of loan book** at ₹1.57 trillion as of March 2024.

Tata Sons, which holds a 93 per cent stake in Tata Capital, is unlikely to dilute its holding below 75 per cent in the IPO**,** said Fitch Ratings in a statement. The holding company has infused **₹6,097 crore in Tata Capital in five years**, with ₹2,500 crore infusion in FY19, ₹1,000 crore in FY20, ₹594 crore in FY23, and ₹2,003 crore in FY24. This underscores the group's intent to increase its focus on the lending business, said a banker. After Tata Capital's merger with Tata Motors Finance (TMFL), **TMF Holdings** (a core investment company that owns TMFL) **will hold a 4.7 per cent stake in Tata Capital.** Other Tata group firms and IFC hold small stakes in Tata Capital.

Tata Capital's approval for the rights issue comes after the company sought shareholders' nod in February to amend its **Articles of Association to align with the provisions of the Companies Act, 2013.** Tata Capital, as an **NBFC, is required to meet capital adequacy regulations** dictating the minimum capital a company must hold as a percentage of its risk-weighted assets and risk-adjusted off-balance sheet items. In its communication to its shareholders, the company emphasised that as its loan portfolio and asset base continue to grow, it will need additional capital to maintain the required capital adequacy ratios. To meet this need, the company plans to **raise capital periodically, including through rights issues,** the company had said in a communication to the shareholders.

RUPEE SLIDE RAISES DOUBTS OVER RATE CUTS IN FEBRUARY, ANALYSTS CAUTION.

The Indian Rupee's recent slide against the US dollar is causing economic anxiety, prompting analysts to reconsider the likelihood of near-term interest rate cuts by the Reserve Bank of India (RBI). In February 2025, the rupee has weakened beyond ₹84.5 per USD, influenced by a combination of global financial trends that present challenges to India's economic outlook.

Several key factors are contributing to this downward pressure on the rupee. Rising yields on US Treasury bonds have strengthened the dollar, attracting investment capital away from emerging markets. At the same time, Foreign Portfolio Investors (FPIs) have been net sellers in Indian markets, leading to outflows of capital that further depress the rupee's value. The resulting currency depreciation raises concerns about imported inflation, potentially leading to higher prices for consumers.

The RBI was initially expected to begin easing monetary policy with rate cuts in early 2025 to stimulate economic growth. However, in light of the rupee's weakening and the potential for inflationary pressures, the central bank is now likely to delay these cuts, possibly until the April-June quarter. This decision reflects a cautious approach to monetary policy, as the RBI seeks to navigate a complex economic landscape. The central bank faces the delicate challenge of balancing the need to support economic growth, which could be aided by lower interest rates, with the critical imperative of maintaining price stability and preventing further depreciation of the rupee. The RBI will carefully monitor global economic developments, inflation trends, and capital flows in the coming months to determine the appropriate timing and magnitude of any future rate adjustments, aiming to foster a stable and sustainable economic environment for India.

WHY INTEL'S NO LONGER A SUPERPOWER

Intel was once synonymous with the global semiconductor industry. It wasn't just *a* chip company; it was THE chip company. Its dominance felt untouchable. Its processors powered most of the world's computers. From its breakthroughs to the iconic "*Intel Inside*" marketing campaign, the company was the heart and brain of global chip-making. Most of the world's technology was possible because of Intel chips.

Fast forward to today, that same company has become an *acquisition target*.

The question is — where did it all go wrong for Intel?

Intel's many missteps

Intel's downfall didn't come from a single bad decision. The company made a series of **miscalculations** and **strategic missteps** which compounded over time. In 2007, Apple approached Intel to make chips for its first iPhone. **Intel turned it down**, citing low profit margins. This was **Intel's first great mistake**. Because of that decision, Apple decided to license chip designs from the British chip maker, ARM, which were **sent to Samsung for production**. In a few short years, this turned into an entire industry segment. Soon, **Qualcomm**, **Apple**, and **other companies** built entire businesses around **power-efficient processors.** Intel, meanwhile, found it increasingly difficult to enter the space. Most mobile applications were made for ARM designs and ran poorly on Intel chips. The company struggled to gain any relevance in mobile computing and exited it altogether in 2016.

Intel's fabrication woes

Around the same time, Intel's own chip manufacturing unit—the very foundation of its strength—started running into problems. For years, Intel had set the pace for **'Moore's Law'**, **improving the quality** of its manufacturing at such a rate that the transistor density in chips doubled every two years. But slowly, it started to fall behind. When it was time to **transition to 10-nanometer chips**, things went south. After all, unlike Intel, companies like AMD merely had to think of chip design — companies like TSMC had to think of how to get production into place.

This was the era where companies were setting up huge data centers — to capture a series of booms, from the explosion of the internet to cloud computing.

What's next?

So, then, the big question then is - what's next for Intel? Does Intel really have the fight left to reinvent itself, or is it simply too late?

The semiconductor industry is evolving at a breakneck pace, and Intel has repeatedly struggled with timing. The AI boom, the shift in chip manufacturing, and the rise of giants like NVIDIA have reshaped the landscape.

Intel's legacy is undeniable. Over the years, it has built an **extensive portfolio of patents** covering everything - from **processor architectures** to **advanced manufacturing techniques**. Its intellectual property remains one of the strongest in the industry, with key innovations in areas like **high-performance computing** and **semiconductor fabrication**. In addition to that, Intel has also formed strategic partnerships with major tech players like **Microsoft**, **Dell**, and **Lenovo** to ensure that its chips power a wide range of their devices. But that said, despite this rich legacy, whether or not Intel has a future as an independent company remains very uncertain.

And then came the biggest of all problems — Artificial intelligence.

The explosion of AI after 2020 completely reshaped the semiconductor landscape. When it came, it seemed like Intel didn't grasp the magnitude of what was happening. It had built an empire on general-purpose CPUs, but AI demanded specialized chips—powerful GPUs and AI accelerators. It was now Nvidia's turn to shine.

NVIDIA became the undisputed leader in AI hardware. The company doubled down, innovating at a frenetic rate, until it was the undisputed backbone of AI computing. The rest of the industry has been left playing catch-up — at least for now.

Intel, obviously, tried to respond. It made massive bets on AI hardware and even acquired companies like **Habana Labs** to build AI-focused processors. But these efforts were just too late—and they failed to gain significant traction.

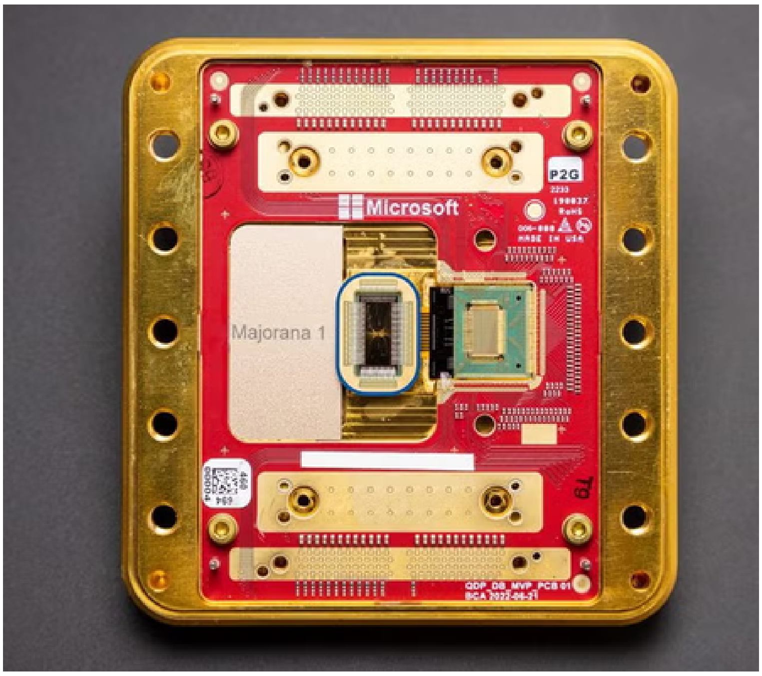
Either way, this is a development worth tracking, because the future of one of the most iconic companies in tech hangs in the balance.

MAJORANA 1: THE FUTURE OF COMPUTING?

Microsoft just announced a new 'quantum chip' — Majorana 1.
As the Arthur Clarke quote goes, "Any sufficiently advanced technology is indistinguishable from magic". And so, to us, this whole headline sounded like "Microsoft announces that it did magic."
Which is why we sat with ChatGPT for hours, trying to understand what any of this really means. And honestly, what we found blew our minds. We recommend you dig for more.

Why do we need quantum computing at all?
While modern computers are incredible, in the wider scheme of things, they are limited — not because they're poorly made, but because they're at the very edge of what is physically possible. If you're listening to this, you've probably seen computer chips get exponentially better throughout your entire life. But the laws of physics won't allow that for long — we've literally shrunk computer transistors to the size of a few atoms, and getting smaller is impossible. A lot of technological innovation, now, is on the workarounds we can find to these limits.

Chips sit at the foundation of a computer. They set the limits for what computing can achieve — the way a car's engine sets the limits for what it can do. If our chips stop getting better, there's a limit to how much computing technology can grow as a whole.
Quantum computing is a fundamentally new approach to computers. You probably know that computers, at their heart, work on 1s and 0s. Quantum computers don't. They play with all sorts of freaky **laws of quantum physics** — allowing computers to **carry exponentially more load** than they can today. They're our most promising solution to the physical limits we're hitting.



Quantum computers perform freaky magic
Look: at the heart of our computers are '**bits**'. They're like a switch that can either be on or off. Quantum computers work on '**qubits**'. These are neither on nor off — by some weird magic, they're both on and off at the same time. Once you look at it closely, though, they 'choose' which state they are in. I know this makes no sense: but this is physical reality.
This allows for something incredibly weird: **qubits simultaneously do different calculations at once**. This makes them dramatically faster than anything we can do right now. Problems that would take our latest chips billions of years could be solved by a quantum computer in MINUTES.

CONSULTING FIRMS

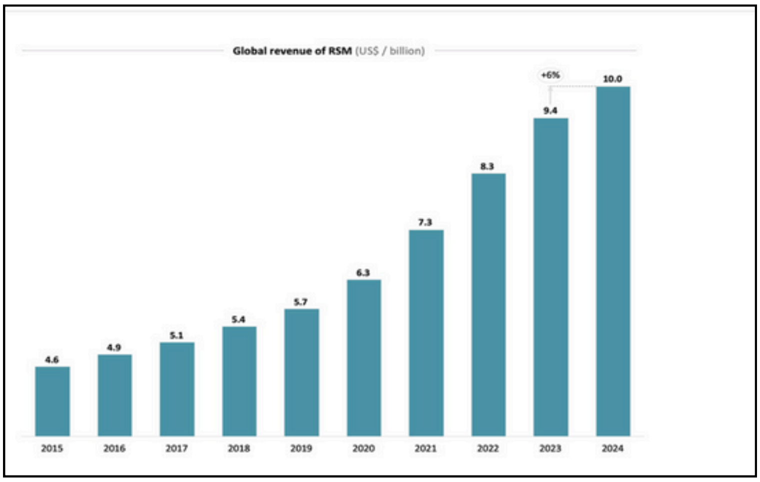
RSM BECOMES THE ONLY SIXTH ACCOUNTING & ADVISORY NETWORK TO SURPASS $10 BILLION.

In its latest financial year, spanning the 12 months of 2024, RSM booked **6% revenue growth**, making it only the sixth global accounting and advisory network to **hit the $10 billion mark** following just the Big Four and BDO.

"This year's results demonstrate both our clients' and member firms' resilience amidst challenging market conditions," said **Ernest Nedder, CEO of RSM International**. "Our growth is a testament to the value our member firms bring, and underpin the vision of RSM's 2030 global strategy."

From a service line perspective, the Assurance business grew **15% to $3.2 billion,** while the **Tax business** saw its fee income rise by **11% to $2.9 billion**. Notably, in a year when most of its peers faced headwinds in their advisory divisions, RSM's global consulting revenue remained stable at **$3.9 billion.**

The firm's largest deal however was closed within its own network – in October, the US and UK arms of RSM unveiled their plans for a ground-breaking merger, which is set to create a $5 billion business with more than 23,000 employees.



SIA PARTNERS REBRANDS AS SIA AND INTRODUCES 'OPTIMISTS FOR CHANGE' TAGLINE

Dropping the 'Partners' from its name, global consultancy firm Sia has simplified its name and refreshed its brand identity with the launch of a new tagline. The motto, 'Optimists for Change', aims to highlight how the firm's **positive approach** helps to achieve results for its clients worldwide.

Headquartered in France, Sia boasts more than **3,000 employees, working from 50 offices in around 20 countries.** The management and technology consultancy serves over 1,000 clients in a range of sectors, providing expertise including strategy, organization, finance, risk, compliance, marketing, innovation, cyber, data, and digital transformation.

After operating for **25 years as a partner-owned business,** Sia last month unveiled a bold new growth plan for the coming years, bringing Blackstone on board to help supercharging those ambitions. The private equity giant will invest around **€250 million** in Sia, which in turn will use that capital to expand into new markets and sectors, beef up capabilities, and continue its buy-and-build campaign.

Less than a month into its next chapter, Sia has already taken a major step with an overhaul of its branding and identity. While most firms would have spent millions on a fancy marketing agency, Sia founder **Matthieu Courtecuisse** was honest in acknowledging how the firm took a **pragmatic – but ingenious** – approach to its refresh.

The consulting firm last overhauled its identity in **December 2020** – including some changes that Sia has carried into its latest form. Then, the company formerly known as Sia Partners looked to reassure its customers with the new tagline of 'Design. Reshape. Reboot' – which a release from the company suggested would help encourage clients to be the **"owners of their post-Covid transformations, while offering to be their partner of choice".**

The 2020 logo was also billed as a departure from the previous one, with the black and green colours – still present in the new emblem – said to be **"bolder, more decisive and digital".** At the same time, the logo shifted from lower to upper-case, which the firm said illustrated "the resilience" of a company that still managed to grow by **19% amid the lockdown months**