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Newsletter

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European Commission President says first visit of new term will be to India

Von der Leyen is set to visit New Delhi at a time when the European Union has stepped up efforts to finalise a long-delayed free trade agreement with India.

European Commission President Ursula von der Leyen announced on Tuesday that the first visit of her second term will be to India to “upgrade the strategic partnership” with the world’s largest democracy.

European Commission President Ursula von der Leyen announced her India visit while addressing the World Economic Forum in Davos, Switzerland, on Tuesday. (AFP)

Von der Leyen is set to visit New Delhi at a time when the European Union (EU) has stepped up efforts to finalise a long-delayed free trade agreement with India. Commerce minister Piyush Goyal visited Brussels over the weekend for his first meeting with the new European Trade Commissioner, Maroš Šefčovič.

She announced the visit while addressing the World Economic Forum in Davos, Switzerland, outlining the EU’s efforts to forge new trade partnerships around the world and to diversify supply chains.

Noting that the EU is working with countries in Africa to the Asia-Pacific region to develop clean-tech value chains and clean fuels, Von der Leyen said: “Hence, the first trip of my new Commission will be to India. Together with Prime Minister [Narendra] Modi we want to upgrade the strategic partnership with the largest country and democracy in the world.”

She added, “This new engagement with countries across the world is not only an economic necessity but a message to the world. It is Europe’s response to rising global competition. We want more cooperation with all who are open for it.”

People familiar with the matter said on condition of anonymity that the top EU leader is expected to be in India in late February or early March. The visit will give a fillip to the 27-member bloc’s efforts to bolster ties in areas ranging from critical technologies to defence and security.

Von der Leyen was re-elected for a second five-year term at the head of the EU’s powerful executive body in 2024. Her victory was seen as a sign of continuity in the EU’s leadership amid external and internal challenges, including growing support for far-right political forces within the bloc.

The return of Donald Trump as US president has spurred the EU's efforts to finalise trade and investment deals with India, though negotiations have been protracted because of differences on issues such as market access, tariffs and environment and labour clauses.

The tenth round of negotiations is scheduled in Brussels during March 10-14, with discussions focusing on trade, investment, geographical indications, services, investment protection and government procurement. The talks resumed in June 2022 after an eight-year hiatus.

The meeting between Goyal and Šefčovič too had been in the pipeline for weeks, and their high-level dialogue in Brussels during January 18-19 was aimed at setting a "new framework for India-European Union strategic agenda in the area of trade and investments", according to a readout from the Indian side.

Goyal outlined six principles for building a mutually beneficial partnership, including a "commercially meaningful trade agenda" that is fair and equitable, and addresses tariff and non-tariff barriers for the benefit of businesses from both sides.

In an apparent reference to India's concerns about the environment and labour clauses in the ongoing negotiations, Goyal also said the two sides should cooperate in trade and sustainable development in a "fair manner keeping in mind the respective level of developments and the principle of common but differentiated responsibility".

(Hindustan Times, 21/1/2025)

India, Belgium discuss ways to enhance trade in pharma, agri products

The issues were discussed during the meeting between Commerce and Industry Minister Piyush Goyal and Belgian Minister of Foreign Affairs and Foreign Trade Bernard Quintin.

India and Belgium have agreed to establish mechanisms to resolve trade issues in areas such as pharma and agri products to boost bilateral trade, according to an official statement issued on Tuesday.

The issues were discussed during the meeting between Commerce and Industry Minister Piyush Goyal and Belgian Minister of Foreign Affairs and Foreign Trade Bernard Quintin, in Brussels.

"Regulatory barriers, particularly in the approval processes for pharmaceuticals and agri-products, were also discussed, with both sides agreeing to tackle these challenges through continuous dialogue," the commerce ministry said.

It said that the two ministers agreed to establish stronger mechanisms for resolving trade issues.

The leaders also discussed the progress of the EU-India Free Trade Agreement (FTA) talks and emphasised the importance of prioritising trade issues to streamline negotiations and strengthen economic ties.

Emerging sectors such as renewable energy, life sciences, infrastructure, digital technologies, and food products were highlighted as key areas of collaboration between the two countries.

Belgium recognised the importance of engaging with India as a strategic partner to diversify its trade relationships, it said.

India-Belgium trade stood at $15.07 billion in 2023-2024.

(Business Standard, 21/1/2025)

India to work with EU on developing modern tech, says Piyush Goyal

These issues were discussed during a meeting between Goyal and Maros Sefcovic, European Commissioner for Trade and Economic Security on January 18-19 in Brussels.

Commerce and Industry Minister Piyush Goyal has said that India would work with the European Union to develop cutting-edge technologies and secure critical raw material supply chains to strengthen economic ties.

These issues were discussed during a meeting between Goyal and Maros Sefcovic, European Commissioner for Trade and Economic Security on January 18-19 in Brussels.

The two leaders also agreed to build a commercially meaningful trade agenda and work towards a mutually beneficial Free Trade Agreement (FTA).

The commerce and industry ministry in a statement on Sunday said that India would build a commercially meaningful trade agenda with the EU, which is fair and equitable, addressing the tariff and non-tariff barriers through simplification and cost competitiveness for benefits of businesses from both sides.

"India would work together with the EU for developing cutting edge technologies, secure critical raw material supply chains and build resilient supply chains- reducing dependencies on non-market economies and developing closer economic ties between India and the EU," it said.

Both sides also discussed increasing cooperation in the area of trade and sustainable development in a fair manner keeping in mind the respective level of developments and the principle of common but differentiated responsibility.

"The two leaders outlined political directions to both the teams to develop a mutually beneficial agenda for trade and investment and a robust FTA in an expedited manner to meet global challenges," the ministry said.

They reviewed progress in the trade and investment group of the India-EU Trade and Technology Council (TTC), agreed to address legacy issues and laid a roadmap for continuous consultations between senior officials from both sides and at ministerial level.

(Business Standard, 19/1/2025)

15th round of India-UK FTA talks to begin in February

On the India-Eurasian Economic Union free trade agreement, the official said the two sides are currently in the process of finalising terms of references.

The negotiations on a free trade agreement (FTA) between India and the UK are expected to resume in early February, after months of pause due to the general election in the UK, a senior official said on Wednesday.

The negotiations began in January 2022 and have been a long-drawn-out affair as a common ground on issues such as market access and rules of origin eluded the negotiators. There have been 14 rounds of talks so far and the last round concluded in March 2024, weeks before the UK elections in May.

“Mutually convenient dates are being explored” for the next round of talks, the official said.

From an Indian point of view, sticking points include the UK’s demand for a greater market access in automobiles and whiskey, and issues like rules of origin and intellectual property rights. In addition to an FTA, India and the UK are negotiating an investment agreement.

On the FTA negotiations with the European Union, the official said the tenth round of talks is scheduled from March 10-14 in Brussels. Apart from an FTA, India is discussing an investment protection agreement and an agreement on geographical indications (GIs) with the EU. In the ninth round of talks, both sides discussed issues covering goods, services, investment and government procurement, along with matters such as rules of origin and technical barriers to trade. The talks with the EU for an FTA resumed in June 2022 after a gap of eight years. The talks were earlier suspended as both sides failed to make any headway. Brexit also changed the dynamics and necessitated a relaunch of the talks.

On the India-Eurasian Economic Union free trade agreement, the official said the two sides are currently in the process of finalising terms of references. The five members of the Eurasian Economic Union are Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

On the review of the free trade agreement in goods between India and Asean, commerce and industry ministry additional secretary Rajesh Agarwal said the next round of talks is scheduled from February 10 in Indonesia. “There is progress in the negotiations, but there are some issues,” he said.

The government is working on a data analytics platform that uses artificial intelligence (AI) to get much better insights into the country’s trade figures, commerce secretary Sunil Barthwal said. The system will be launched anytime soon, he said. The ministry is also analysing the data of various sectors and comparing it with that of previous years. A committee has also been set up to create a robust data platform.

(Financial Express, 16/1/2025)

Remittances greater than FDI, India bats for legal migration

In 2023, $125 bn sent back home compared to $71.92 bn foreign investment.

India’s stance of advocating greater legal migration and maintaining a clear position on accepting deported nationals, as elucidated by External Affairs Minister S Jaishankar in the US on Wednesday, stems from the global leverage New Delhi seeks for its vast pool of skilled and semi-skilled professionals.

The other significant factor is the influence and leverage of the 3.5-crore-strong Indian diaspora across the world. Information on the World Bank website mentions that India received a substantial $125 billion in remittances (money sent by workers abroad to their families back home) in 2023. The amount far exceeded the $71.92 billion in foreign direct investment (FDI) India attracted in 2023-24. The primary sources of remittances to India include the US, UAE, Saudi Arabia and the UK.

During a press briefing in Washington DC on Wednesday night, Jaishankar clarified India's stance, saying New Delhi was open to the “return of Indian nationals living illegally abroad, including in the US”. He said India's stance had been “consistent and principled” and he conveyed it to the new US Secretary of State, Marco Rubio. He said India was “firmly opposed to illegal migration as it was associated with unlawful activities, which harmed any nation’s reputation”.

The US has provided India with a list of 18,000 Indians facing deportation. India, said Jaishankar, supported legal mobility as it believed in a global workplace. “We want Indian talent and skills to gain maximum global exposure," he said.

External Affairs Minister S Jaishankar, who spent four days in the US capital as Trump 2.0 took over the reigns of power, left for New Delhi on Wednesday after witnessing what he termed a “very confident and upbeat administration”. “I mean that feeling that look, ‘we need to get things done’,” Jaishankar told a group of Indian reporters as he concluded his official visit to the city.

Also, the minister raised the issue of delayed visas with Rubio. “Delays impact business, tourism and overall relationship... If it takes 400-odd days to get a visa, I don't think the relationship is well served by this,” he said.

Indian immigrants have made contributions across various sectors and leading Fortune 500 companies have India-origin CEOs. Among them are Sundar Pichai and Satya Nadella, who head two of the largest corporations globally, Alphabet and Microsoft. Besides, Ajay Banga and Gita Gopinath are seated on prominent positions in the financial world. Usha Vance, the wife of new US Vice-President JD Vance, traces her roots to Andhra Pradesh.

Wanting to push for legal migration, India has signed migration and labour agreements with several countries over the past few years. One such category is the Labour Manpower Agreements inked with the Gulf countries and Jordan.

There also are Migration and Mobility Partnership Agreements (MMPAs), which are comprehensive in nature and cover short-stay visas, mobility of students, researchers, professionals for economic reasons and preventing and combating irregular migration and trafficking in human beings. India has signed these with France, UK and Germany.

Also, there are agreements with Japan on “specified skilled workers” and with Portugal on the recruitment of Indian workers. India is also discussing MMPAs with Denmark, Finland, Italy, Portugal, Cyprus, Greece, Germany Austria and Australia, among others.

(The Tribune, 24/1/2025)

India to remain fastest-growing large economy in FY26, FY27: World Bank

The global economy is projected to expand by 2.7 per cent in both 2025 and 2026, the same pace as in 2024, as inflation and interest rates decline gradually.

The World Bank on Thursday kept its growth forecast for India unchanged at 6.7 per cent for FY26, maintaining that the country will remain the fastest-growing major economy for next two years.

"The services sector is expected to enjoy sustained expansion, and manufacturing activity is anticipated to strengthen, supported by government initiatives to enhance logistics infrastructure and improve the business environment through tax reforms," the World Bank said in its flagship Global Economic Prospects report.

The global economy is projected to expand by 2.7 per cent in both 2025 and 2026, the same pace as 2024, as inflation and interest rates decline gradually. Growth in developing economies is also expected to hold steady at about 4 per cent over the next two years.

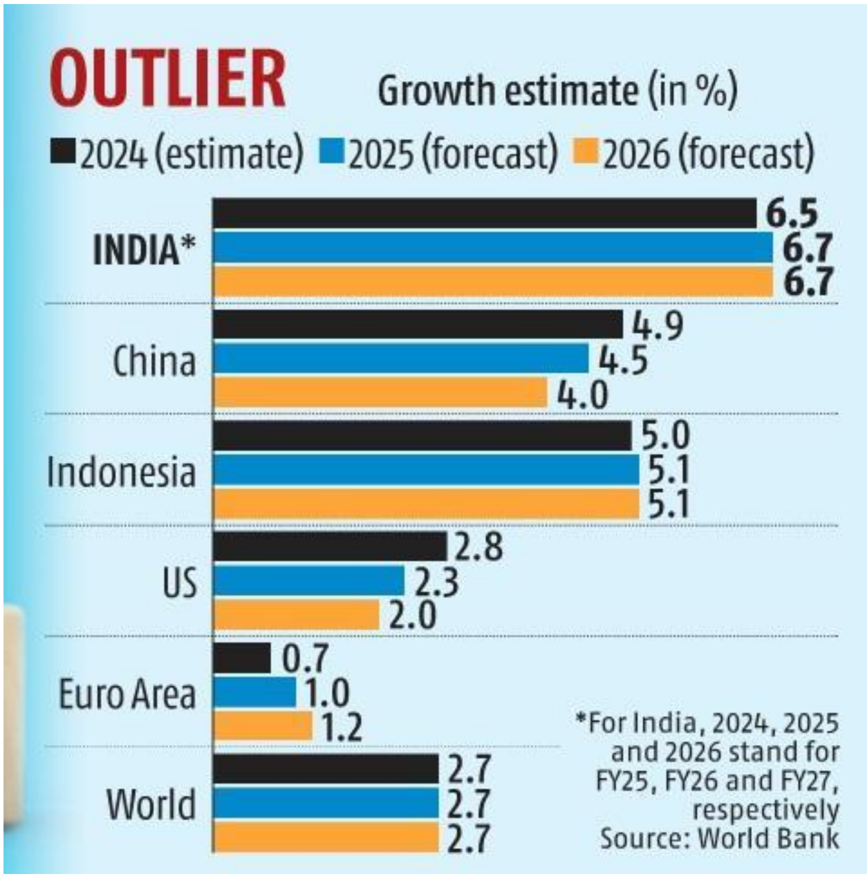
"The next 25 years will be a tougher slog for developing economies than the last 25," said Indermit Gill, World Bank's Chief Economist. "Most of the forces that once aided their rise have dissipated. In their place, headwinds-high debt, weak investment and productivity growth, and rising costs of climate change-have come. Developing economies will need a new playbook that emphasizes domestic reforms to quicken private investment, deepen trade relations, and promote more efficient use of capital, talent and energy."

The multilateral lender said India's private consumption growth is expected to be boosted by a strengthening labor market, expanding credit, and declining inflation. "However, government consumption growth may remain contained. Overall investment growth is expected to be steady, with rising private investment, supported by healthy corporate balance sheets and easing financing conditions," it added.

India's real estate sector, significantly buoyed by a robust economy, has emerged as a pivotal player in the country's development. With an 18 per cent share in national employment, real estate is the largest employment generator after agriculture.

India's growth is expected to decelerate to 6.5 per cent in 2024-25 from 8.2 per cent in 2023-24, reflecting a slowdown in investment and weak manufacturing growth. "However, services activity has been steady, while growth in the agricultural sector has recovered. Private consumption growth has remained resilient, primarily driven by improved rural incomes. In contrast, higher inflation and slower credit growth have curbed consumption in urban areas," the World Bank said.

The World Bank said fiscal policies in majority of the countries in the South Asian region, including India, are expected to be generally tight over the forecast horizon. "In India, fiscal deficits are expected to continue shrinking, largely on account of growing tax revenues," it added.



Heightened policy uncertainty, including adverse trade policy shifts in major economies, is a key downside risk for the South Asian region (SAR), the Bank said. Recent trade-distorting measures against SAR countries have declined, further intensification of protectionist policies, especially in the United States and Europe, could reduce manufacturing and other industrial goods exports, dampening growth prospects," it said.

Among other risks to the region, higher commodity prices could adversely affect growth prospects, given that almost all countries are commodity importers. "Other risks include surges in social unrest, tighter-than expected monetary policy in response to more persistent inflation, climate-change-related natural disasters, and weaker-than-expected growth in major economies," it added.

(Business Standard, 17/1/2025)

Commerce ministry, Indian mission officials of 20 nations to discuss ways to boost exports in Jan 6-8 meet

Synopsis

Senior officials from the commerce ministry and Indian Missions of 20 countries will hold a three-day meet to discuss ways to promote exports of goods and services. Commerce Minister Piyush

Goyal will engage with commercial representatives on January 6. The discussions will focus on opportunities, challenges, and strategy for six key product categories to 20 focus countries.

Senior officials from the commerce ministry, and commercial wings of Indian Missions of 20 countries will hold a three-day meet, beginning here on Monday, to discuss ways to promote exports of goods and services, an official said. Commerce and Industry Minister Piyush Goyal will also interact with these commercial representatives on January 6.

The issues, which would come up during the three-day celebration included opportunities and challenges and the way ahead in six focus sectors (of goods and services each) in 20 countries of significance; non-tariff barriers; logistics; WTO (World Trade Organisation) matters; and role and importance of MAI (market access initiative), the official said.

The commerce ministry is in the process of formulating a strategy to push exports of six key product categories, including engineering goods and electronics, to 20 focus countries, including the US, Australia, France, China, Russia, the UK, Japan, South Korea, Singapore, and Indonesia.

These countries, including the US and the European Union nations, account for a major chunk of India's total exports.

Besides Commerce Secretary Sunil Barthwal, Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Amardeep Singh Bhatia would also address the officials.

After recording double-digit growth in October 2024, India's exports in November contracted 4.85 per cent year-on-year to USD 32.11 billion, while the trade deficit widened to an all-time high of USD 37.84 billion due to record surge in gold imports.

According to the commerce ministry data, imports rose 27 per cent year-on-year to a record USD 69.95 billion in November due to high inbound shipments of vegetable oil, fertiliser, and silver.

Cumulatively, during April-November this fiscal year, exports increased 2.17 per cent to USD 284.31 billion and imports by 8.35 per cent to USD 486.73 billion.

Trade deficit, the difference between imports and exports, during April-November widened to USD 202.42 billion from USD 170.98 billion during April-November 2023.

Barthwal said last month that the ministry is focusing on 20 countries and six services and manufacturing sectors including IT/ITeS to further boost the shipments.

Services exports reached an all-time high of USD 34.31 billion in October, registering an increase of 22.3 per cent year-on-year.

(Economic Times, 5/1/2025)

India, Oman hold fifth round of talks for proposed free trade agreement

The negotiations for the agreement, officially dubbed as Comprehensive Economic Partnership Agreement (CEPA), formally began in November 2023.

India and Oman are holding the fifth round of talks for a proposed free trade agreement here to boost bilateral economic ties, an official said on Tuesday.

The two-day talks started on January 13, the official said.

The negotiations for the agreement, officially dubbed as Comprehensive Economic Partnership Agreement (CEPA), formally began in November 2023.

Oman is the third largest export destination among the Gulf Cooperation Council (GCC) countries.

According to the think tank GTRI (Global Trade Research Institute), Indian goods worth $ 3.7 billion like gasoline, iron and steel, electronics, and machinery will get a significant boost in Oman, once both sides reach a comprehensive free trade agreement.

Currently, over 80 per cent of its goods enter Oman at an average of 5 per cent import duties, a GTRI report has said.

Oman's import duty ranges from 0 to 100 per cent, along with the existence of specific duties. A duty of 100 per cent is applicable on specific meats, wines and tobacco products.

India already has a similar agreement with another GCC member UAE which came into effect in May 2022.

On the imports front, India's merchandise imports from Oman dipped to $ 4.5 billion from $ 7.9 billion in 2022-23.

Key imports are petroleum products and urea. These account for over 70 per cent of imports. Other key products are propylene and ethylene polymers, pet coke, gypsum, chemicals, and iron and steel.

The bilateral trade stood has declined to $ 8.94 billion in 2023-24 from $ 12.39 billion in 2022-23. India's exports stood at $ 4.42 billion in the last fiscal.

In such agreements, two trading partners either significantly reduce or eliminate customs duties on a maximum number of goods traded between them. They also ease norms to promote trade in services and attract investments.

(Business Standard, 17/1/2025)

India's economy projected to grow 6.6% in 2025, supported by strong private consumption, investment: UN

Synopsis

India's economy is projected to grow by 6.6% in 2025, driven by robust consumption, investment, and strong export growth in services and goods. While global challenges persist, India’s focus on infrastructure and export growth fuels optimism. Inflation in India is expected to decelerate to 4.3%.

The Indian economy is projected to expand by 6.6 per cent in 2025, primarily supported by robust private consumption and investment, according to a United Nations report that said economic growth in South Asia is expected to remain robust this year mainly driven by the "strong performance" in India.

The UN World Economic Situation and Prospects 2025, released here Wednesday, said that the near-term outlook for South Asia is expected to remain robust, with growth projected at 5.7 per cent in 2025 and 6.0 per cent in 2026, "driven by strong performance in India as well as economic recovery in a few other economies", including Bhutan, Nepal and Sri Lanka. The Indian economy grew by 6.8 per cent in 2024 and is forecast to expand by 6.6 per cent in 2025. The Indian economy is projected to return to the 6.8 per cent growth in 2026.

"The economy of India, the largest in the (South Asia) region, is forecast to expand by 6.6 per cent in 2025, primarily supported by robust private consumption and investment. Additionally, capital expenditure on infrastructure development is expected to have strong multiplier effects on growth in the coming years," the report said.

It added that strong export growth in services and certain goods categories, particularly pharmaceuticals and electronics, will bolster economic activity for India. On the supply side, expansion in the manufacturing and services sectors will keep driving the economy throughout the forecast period. Meanwhile, favourable monsoon rains in 2024 have improved the summer-sowing areas for all major crops, boosting agricultural output expectations for 2025.

Investment growth has remained particularly strong in East Asia and South Asia, partly driven by domestic and foreign investments in new supply chains, particularly in India, Indonesia, and Vietnam, the report said.

In India, the public sector continues to play a pivotal role in funding large-scale infrastructure projects, physical and digital connectivity, and social infrastructure, including improvements in sanitation and water supply. Strong investment growth is expected to continue through 2025.

Consumer price inflation in India is forecast to decelerate from an estimated 4.8 per cent in 2024 to 4.3 per cent in 2025, staying within the 2-6 per cent medium-term target range set by the central bank. While decreasing energy prices have contributed to the ongoing decline, adverse weather conditions have kept prices of vegetables, cereals, and other staples elevated in 2024, resulting in spikes in the country's headline inflation in June and September.

It said that several developing economies, including China, India, and Mexico, have maintained robust investment growth, while African nations have faced limited public investment due to high debt servicing burdens, and Western Asia has experienced low investment growth amid subdued oil revenues.

Global economic growth is forecast at 2.8 per cent in 2025 and 2.9 per cent in 2026, largely unchanged from the rate of 2.8 per cent recorded in 2023 and estimated for 2024. The positive but moderately slower growth projected for the two largest economies- China and the United States of America-will likely be complemented by mild recovery in the European Union, Japan, and the United Kingdom and strong performance in several large developing economies, notably India and Indonesia, it said.

China is facing the prospect of gradual economic moderation, with growth estimated at 4.9 per cent in 2024 and projected at 4.8 per cent in 2025. Public sector investments and strong export performance are partly offset by subdued consumption growth and lingering weakness in the property sector.

The Chinese authorities have stepped up policy support to lift property markets, address local government debt challenges, and boost domestic demand; the impacts of relevant initiatives are expected to be manifested over time, it said. The shrinking population and rising trade and technology tensions, if unaddressed, could threaten the country's medium-term growth prospects, it said.

Among developing countries, robust momentum in India and modest growth acceleration in Africa, Western Asia, and Latin America and the Caribbean will offset a slight moderation of growth in China.

The report noted that weaker external demand, persistent debt challenges, and social unrest and political turmoil in some economies may undermine the outlook for the South Asian region.

"However, risks to the outlook are tilted to the downside owing to the possible escalation of geopolitical tensions, deceleration in external demand, ongoing debt challenges, and social unrest. In addition, as the region is highly vulnerable to the impact of climate hazards, extreme weather events pose a significant risk," it said.

It said that the labour market situation in developing countries remains challenging, with significant variations in the outlook driven by differing economic conditions and policy responses. Some economies have exhibited resilience, it said adding that employment indicators in India have remained robust.

In India, employment indicators have remained strong throughout 2024, with labour force participation near record highs, the report said, citing the Reserve Bank of India data. Urban unemployment stood at 6.6 per cent during this period-virtually unchanged from the rate of 6.7 per cent recorded in 2023. Although there has been progress in female labour market participation in the country, substantial gender gaps remain.

Climate-related shocks have battered South Asia in 2024. During the first half of the year, several of the region's countries-including Bangladesh, India, Pakistan, and Sri Lanka-experienced heatwaves, droughts, and irregular rainfall patterns, which led to reduced crop yields and elevated food prices. Additionally, extreme weather events have disproportionately affected poor rural households, leading to reductions in income and widening income inequality, the report said.

(Economic Times, 10/1/2025)

Indian employers plan to outpace global peers in future tech adoption: WEF

The report also identifies increased digital access, geopolitical tensions, and climate-mitigation efforts as key trends expected to shape the future of jobs in India by 2030.

Employers in India are planning to outpace global adoption in certain future technologies as companies operating in the country are heavily investing in technologies like artificial intelligence (AI), energy technologies, robotics, and autonomous systems, said the World Economic Forum (WEF) in its latest “Future of Jobs” report released on Wednesday.

The report, released days before the WEF annual meeting in Davos from January 20-25, notes that 35 per cent employers in India think that adopting semiconductors and computing technologies (compared to 20 per cent globally) will transform their operations while 21 per cent employers think that adopting quantum and encryption technologies (compared to 12 per cent globally) will also transform their operations.

“The country’s projected fastest-growing job roles, including big data specialists, AI and machine learning specialists, and security management specialists, align closely with global trends,” the report notes.

To address talent needs, companies operating in India are also expected to tap into diverse talent pools (67 per cent, compared to 47 per cent globally) and adopt skills-based hiring by removing degree requirements (30 per cent, compared to 19 per cent globally).

“Demand for AI skills has accelerated globally, with India and the US leading in enrolment numbers. However, the drivers of demand differ. In the US, demand is primarily driven by individual users, whereas in India, corporate sponsorship plays a significant role in boosting GenAI training uptake,” the report says.

Besides, the report also notes that increased digital access, geopolitical tensions, and climate-mitigation efforts are the primary trends expected to shape the future of jobs in India by 2030.

On the demographic dividend front, the report notes that geographies with a demographic dividend, such as India and Sub-Saharan African nations, will supply nearly two-thirds of new workforce entrants in the coming years as demographic shifts caused by an ageing population in high-income countries and a growing working age population in low-income countries have a direct impact on global labour supply — currently balanced between lower-income countries (49 per cent) and higher-income nations (51 per cent).

“This distribution is expected to shift by 2050, with lower-income countries projected to hold 59 per cent of the global working-age population,” the report notes.

At the global level, the report says that while 170 million jobs will be created by 2030, 92 million are projected to be displaced, resulting in 78 million net new jobs. Technological advancements, demographic shifts, geo-economic tensions, and economic pressures are the key drivers of these changes, reshaping industries and professions worldwide.

Those employed as farmworkers, labourers and other agricultural workers, light truck or delivery services drivers, software and applications developers, and caregivers will see their job potential increase, while the roles such as cashiers and administrative assistants will remain among the fastest-vanishing as GenAI rapidly reshapes the labour market.

Drawing on data from over 1,000 companies, the study found that skills gap continues to be the most significant barrier to business transformation today. Nearly 40 per cent of skills required on the job are set to change, and 63 per cent of employers already cite it as the key barrier they face.

(Business Standard, 8/1/2025)

EU points way to competitive future to catch US, China rivals

Summary

EU lays out two-year roadmap to be more competitive

Clean Deal Industrial plan, business simplification due in Feb

BRUSSELS, Jan 29 (Reuters) - The European Commission presented on Wednesday its plans to reverse industrial decline in the bloc and step up efforts to compete with the United States and China in new fields such as AI, to lower energy costs and to cut red tape.

The Competitive Compass sets out the EU executive's course of legislation and initiatives over the next two years in established sectors like steel and cars and new technologies, including biotech and quantum computing.

"If Europe accepts a managed and gradual economic decline, it is condemning itself to a 'slow agony'," the compass paper says, echoing former European Central Bank chief Mario Draghi, whose report on EU competitiveness last year is part of the foundation of the EU plan.

BusinessEurope welcomed the plan and said it needed to be swiftly followed by concrete action.

However, Sebastian Mang, policy adviser at the New Economics Foundation think tank, said it overlooked the need for increased public investment, recalling Draghi's appeal for 800 billion euros a year in funding.

First up on Feb. 26 will be the Clean Industrial Deal, a multi-year plan to help energy-intensive industries decarbonise and boost production of clean technology, accompanied by ideas to promote affordable energy.

On the same day, the EU executive will also unveil plans to reduce business reporting requirements, focused on sustainability reports that larger businesses need to file, due diligence rules and a system that defines which investments can be labelled as climate-friendly.

The Commission says this will be the first of a series of simplification packages in its push to reduce the reporting burden by at least 25% and for smaller firms by at least 35%, cutting 37.5 billion euros ($39.0 billion) of costs per year.

Campaign group Climate Action Network said the Commission was taking a dangerous misstep by framing regulation as a primary obstacle to competitiveness. Lack of investment and high energy prices, not rules, were holding companies back, it said.

MORE COORDINATION AND INTEGRATION

The Competitive Compass roadmap also includes a proposal to favour European companies in public procurement tenders and a proposal that the Commission coordinate national policies in energy infrastructure like electricity grids and storage.

The EU executive arm could have a similar coordination role in investment and the building out of digital infrastructure and Artificial Intelligence use, as well as in key manufacturing areas like critical medicines.

Further ideas include a special legal regime for innovative companies so that they can make better use of the EU's single market and access to finance, joint purchases by the EU as a whole of critical raw materials, and creating an integrated, single European market for the defence industry.

The Commission is under pressure from business, the centre-right European People's Party and countries including France not just to simplify reporting but to delay or water down recently approved climate legislation.

The bloc is also facing fresh challenges from the new U.S. administration of President Donald Trump, who is promising to roll back U.S. corporate rules and has urged the EU to make it easier to do business.

France proposed last week to delay indefinitely a new EU directive on corporate due diligence and to delay by two years the corporate sustainability reporting directive.

The Commission will hear further complaints on Thursday from the European auto sector over 2025 CO_2 emissions targets and potential fines as its launches a "strategic dialogue' to ensure the sector's future.

"We will identify immediate solutions to safeguard industry's capacity to invest, by looking at possible flexibilities to make sure our industry remains competitive, without lowering the overall ambition of the 2025 targets," the compass paper says.

(Reuters,31/1/2025)
