

ECONSCIENCE



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Economic Forum, Department of Economics

GLOBAL ECONOMIC NEWS

Global economic developments in November 2024 reveal a mixed landscape influenced by inflation trends, monetary policy and geopolitical events.

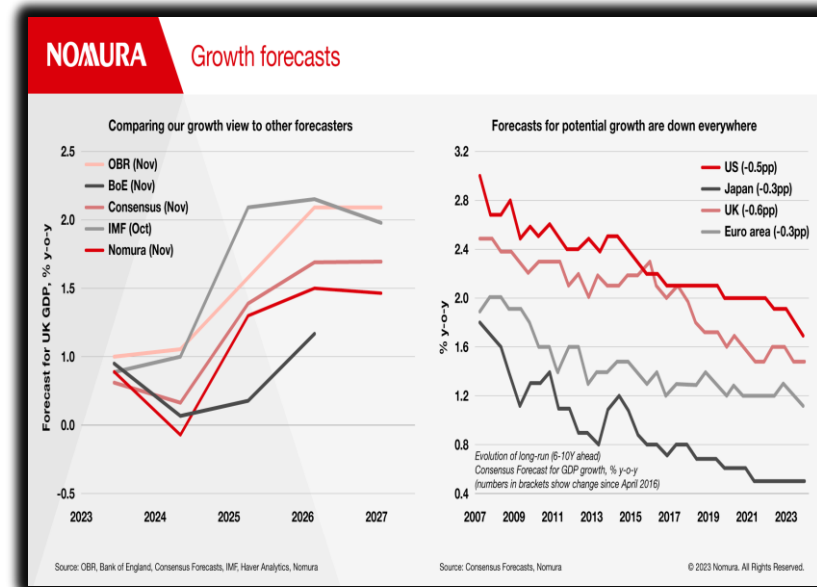
UNITED STATES ECONOMIC OUTLOOK:

In November 2024, U.S. economic data indicated resilience despite challenges. Inflation remained above the Federal Reserve's 2% target, slowing discussions on interest rate cuts. The labour market continued to show strength, with steady wage growth sustaining consumer demand but also contributing to persistent service-service inflation. Long-term interest rates surpassed pre-pandemic levels, signalling that the effects of earlier monetary tightening are yet to fully materialize. These dynamics, coupled with a strong dollar, have created mixed conditions for both Domestic growth and emerging markets reliant on U.S. trade.



EUROPEAN STAGNATION

In November 2024, Europe's economy faced ongoing stagnation, with the European Commission projecting just 0.8% GDP growth for the year. High energy costs, persistent inflation and geo-political uncertainties, including the conflict in Ukraine, continued to weigh on recovery efforts. Fiscal challenges also mounted, as countries like Belgium struggled with rising deficits and depth levels. Inflation in the Euro zone remained elevated, with Belgium recording the highest at 4.4%. The European Central Bank considered easing monetary policies, but structural reforms and coordinated fiscal action were deemed necessary to restore competitiveness and growth.



GLOBAL TRADE RECOVERY

Global trade began rebounding in November 2024 after a prolonged downturn. The World Trade Organisation projected 2.6% growth for 2024, driven by improved inflation control in advanced economies and rising demand for goods like electric vehicles. Developing regions, including Africa and Asia, are leading export and import growth, respectively. UNCTAD also noted stabilization in trade during late 2023, signalling recovery. However, challenges such as geo-political tensions and disruptions in major shipping routes continue to pose risks to sustained growth.



The Flash PMI indicates that India's private sector activity has reached a three-month high in November.

Input Cost Surge Leads to Highest Price Hikes in Nearly 12 Years



Manufacturing Growth Slows, but New Orders Rise; Services Sector Boosts Job Creation

India's private sector activity is experiencing a slight increase this month, despite cost pressures reaching a 16-month high for both services and manufacturing sectors. This has led businesses to raise prices at the fastest rate since February 2013, according to the HSBC Flash India Purchasing Managers' Index (PMI).

Despite this, growth in the manufacturing sector slowed this month, while the services sector saw a slight increase. The Flash PMI serves as an early economic indicator for the current month, derived from 80% to 90% of responses to a private survey of purchasing managers from around 400 companies in the manufacturing and services sectors, conducted by S&P Global Market Intelligence.

Floating solar plants on water bodies to power Assam's plan for 1,000 MW in 3 years

The government had prepared a solar policy in 2017 to increase the solar power capacity of the state and it has set a target to generate atleast 1000 MW of electricity in the next three years



The Assam government, at least for the last seven years, has been giving thrust on installing solar power plants across the states. The government had prepared the solar policy in 2017 to increase the solar power capacity of the state and it has targeted to generate atleast 1000 MW of electricity in the next three years.

'The state government is trying to make Assam a green energy hub. Assam currently requires 2200 MW power to provide electricity to all households across the state'. Said by the chief Minister Himanta Biswa Sharma.

The state government wants to create an enabling environment for investment in solar energy by the private sector, state government and individuals.

First floating solar power plant of 10.50 kW capacity was successfully installed by Bhurbandha Gaon Panchayat on a pond in Thanagarha village in Assam's Morigaon district. It was built in association with Assam Energy Development Agency (AEDA) and a Kolkata based company.

State governments goal was to achieve 1000 MW solar power by 2027. Their target was to generate 3000 MW of solar energy by 2030.

By 2024, the state government has successfully established seven solar power plants across Assam, all of which are now fully operational and collectively producing 175 MW of electricity every day.

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