

# ECONSCIENCE



*Monthly Newsletter, Volume: 3, Issue: 2, February 2025*

*Economic Forum, Department of Economics*

In February 2025, global economic trends are being shaped by significant trade tensions, shifting market dynamics and evolving growth patterns.

## U.S. TARIFF POLICY AND GLOBAL TRADE TENSIONS:

*The U.S. announced a **25% tariff on steel and aluminum imports**, set to take effect in March, with a potential "**reciprocal tariff**" policy under consideration. This has led to **retaliatory tariffs from China** on U.S. agricultural and tech products, while the EU is exploring legal action and countermeasures. These trade tensions have raised concerns about **slower global growth**, **rising manufacturing costs**, and **disrupted supply chains**, drawing comparisons to the 2018-2019 U.S.-China trade war. Investors and businesses are closely monitoring negotiations, as further escalation could impact global markets and economic stability.*



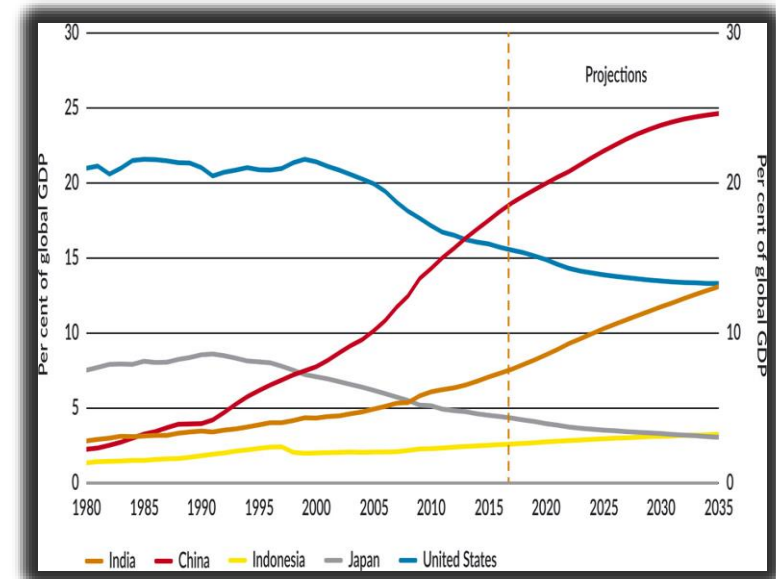
# U.S. CONSUMER CONFIDENCE AND STOCK MARKET TRENDS:

*U.S. consumer confidence saw its sharpest drop in over three years, driven by inflation concerns and rising import costs due to new tariffs. This uncertainty has impacted the stock market, with the **S&P 500** and **Nasdaq** declining year-to-date, particularly affecting manufacturing and retail sectors. However, **tech stocks**, especially **AI-driven firms**, continue to perform well amid market volatility. Falling Treasury yields indicate investor speculation about potential **Federal Reserve rate cuts**, as Policymakers weigh inflation control against economic stability. If these trends persist, analysts warn of a possible economic slowdown later in the year.*



# GLOBAL GROWTH PROJECTIONS: SLOWING CHINA, STRONG INDIA AND INDONESIA:

*In 2025, global economic growth is projected to slow to 2.8%, driven by weakening momentum in major economies like **China**, while **India** and **Indonesia** emerge as key growth drivers. **China's** growth is expected to fall below 4%, hindered by weak consumer demand, sluggish productivity, and ongoing real estate struggles. In contrast, **India is set to grow at 6.5%**, fuelled by strong domestic demand, manufacturing expansion, and digital transformation. **Indonesia** is benefitting from **high commodity prices**, particularly in nickel, A key resource for EV batteries. Despite challenges in the U.S. and China, these emerging economies are helping sustain global economic momentum.*



# No income tax payable for income up to ₹12 lakh under new tax regime: Finance Minister Nirmala Sitharaman



In the most anticipated announcement this Union Budget 2025, Finance Minister Nirmala Sitharaman, on Saturday (February 1, 2025), announced that there would be no income tax for incomes up to ₹12 lakh. She termed it as commitment and trust on the middle class. Effectively, under the new tax regime, considering the erstwhile standard deduction of ₹75,000, income of up to ₹12.75 would have no income tax liability.

## Prime Minister Modi highlights India's economic growth potential and investment opportunities at Madhya Pradesh Global Investors Summit



Prime Minister Narendra Modi on Monday (February 24, 2025) said with a strong talent pool and thriving industries, Madhya Pradesh is becoming a preferred business destination and that this is the time, and right time, to invest in the State.

PM Modi said the World Bank has expressed confidence that India will continue to be the world's fastest growing economy in the coming years.

The World Bank recently said in its Global Economic Prospects report that India will remain the fastest-growing major economy for next two years.

India is emerging as the top supply chain for global aerospace firms, he said, adding that textile, tourism and technology sectors will generate crores of jobs in the years to come.



# PM Modi: Assam to be a Key Driver in India's Growth Story.

*Assam to play key role in India's growth story: PM Modi*



On 25 Feb (Tuesday), Prime Minister Narendra Modi shared that East and Northeast India are stepping into a bright future with the "Advantage Assam" initiative, linking the region's immense potential to global opportunities.

"History is witness to the major role played by eastern India in India's prosperity. Today, as we progress towards Viksit Bharat, these regions will display their true potential," the PM said while inaugurating the Advantage Assam 2.0 Investment and Infrastructure Summit here. He highlighted that India today is focused on a long-term vision, looking ahead to the next 25 years of this century.





**He mentioned, "Assam is emerging as a major hub for semiconductor manufacturing in India. The recent launch of the Tata Semiconductor Assembly and Test facility in Jagiroad will drive technological growth in the Northeast."**

**He highlighted the partnership with IITs to foster innovation in the semiconductor sector and the progress being made on establishing a semiconductor research center in the country.**





- **Assam Cm Inaugurates Reliance's New Campa Bottling Plant In Guwahati**

- Assam Chief Minister Dr Himanta Biswa Sarma inaugurated a new bottling facility for Reliance Consumer Products Limited (RCPL) Campa drinks in Guwahati. Spread across 60,000 square feet, this plant is a major step forward in increasing the footprint of campa brand in Northeast India.
- The plant boasts an initial manufacturing capacity of more than 100 million liters of carbonated soft drinks (CSD) and nearly 180 million liters of packaged drinking water, catering to the increasing needs in the area. Dr. Sarma praised campa's efforts to produce quality beverages at reasonable prices and wished that the new plant would create massive scale employment opportunities alongside contributing to the industrial development of Assam.



- **Novotel Guwahati inducts EVs in its fleet to reduce carbon footprint**

- Luxury hotel chain Novotel on Thursday said it has introduced a range of electric vehicles in its fleet to reduce carbon footprint, the first such move by a hospitality group in Northeast.
- Novotel Guwahati recently introduced two electric cars, marking a significant step in their commitment to reducing carbon footprint and promoting eco-friendly transportation. The move was a part of the company's ongoing sustainability initiative aimed at supporting both the environment and the local community. Commenting on the development, Novotel Guwahati general manager Manmeet Singh said: "By incorporating electric vehicles into our operations, we aim to minimise our environmental impact while also serving our community".



**Contributors Name :**  
**Sakhshi Mitra**  
**Umi Agarwalla**  
**Annesha Das**  
**Little Chakraborty**  
**(B. A. 2nd Semester)**