

Top Story 1

New Global Tax Push: India to spearhead G24 digital economy meeting.

New Global Tax Push: India to spearhead G24 digital economy meeting In the wake of the United States' exit from the landmark Pillar 1 and Pillar 2 tax deals, anchored by the Organization for Economic Co-operation and Development (OECD), countries around the world, including India, are looking to find alternate ways to formulate a framework for taxing the digital economy. According to a senior government official, India is likely to chair a meeting of the intergovernmental committee of 24 nations, known as G24, in June to deliberate on the aspect of taxing the digital economy. "The Pillar 1 framework has been put on the back burner by many countries, including India. But we're now trying to look for solutions on how we can tax companies that generate revenue through digital means," the person told Money control. In the wake of the United States' exit from the landmark Pillar 1 and Pillar 2 tax deals, anchored by the Organization for Economic Co-operation and Development (OECD), countries around the world, including India, are looking to find alternate ways to formulate a framework for taxing the digital economy.

<https://www.moneycontrol.com/news/business/new-global-tax-push-india-to-spearhead-g24-digital-economy-meeting-in-june-13041157.html>

Top Story 2

Fitch Ratings raises India's potential growth to 6.4% over the next five years

Indian economy could average 6.3 percent growth over the next five years, global ratings agency Fitch Ratings noted. The rating agency projects the economy to log 6.4 percent growth in 2025, followed by 6.3 percent in 2026 and 6.4 percent in 2027. Fitch Ratings raised India's potential growth to 6.4 percent from 6.2 percent projected earlier. Our revised estimate implies that there is a stronger contribution from labour inputs (total employment) rather than labour productivity. India's labour force participation rate has increased sharply in recent years; we expect it will continue to increase but at a slower pace," Fitch Ratings noted. The increase in India's potential or target growth comes at a time when Fitch has revised emerging market potential growth. Indian economy to grow 6.2 percent in FY26 and 6.3 percent in FY27 compared with 6.5 percent

<https://www.moneycontrol.com/news/business/economy/fitch-ratings-raises-india-s-potential-growth-to-6-4-over-the-next-five-years-13041189.html>

Digitalization

India's GDP growth projected at 6.8 pc in Q4, overall consumption healthy

India's GDP growth in Q4 is projected at 6.8 per cent which brings FY25 growth at 6.3 per cent, supported by strong momentum in sectors such as agriculture, hotels and transport and construction, according to a new report. While overall consumption growth is likely to remain healthy, supported by rural demand, the mixed outlook of urban demand needs monitoring, according to the ratings report, titled GDP Preview for Q4FY25. Strong central capex disbursement towards the end of Q3 will support investment growth in Q4," the report mentioned. Going forward, factors such as recovering rural demand, a lower tax burden, policy rate cuts, falling inflation, and expectations of a good monsoon should support an improvement in economic activity. A sustained recovery in consumption will be critical to drive a meaningful uptick in corporate capex. However, global uncertainties pose a headwind. We expect the FY26 GDP growth at 6.2 per cent, said the report.

https://www.deshsewak.org/english/news/198870?utm_source=chatgpt.com

Economy

India emerging as connector country: RBI

In the midst of global trade realignments and industrial policy shifts, India is increasingly positioned to function as a 'connector country' that can become a key intermediary in sectors such as technology, digital services, and pharmaceuticals, according to the Reserve Bank of India (RBI). Indian economy continues to be ring-fenced by stability encompassing monetary, financial and political stability; policy consistency and certainty; congenial business environment; and strong macroeconomic fundamentals along with a policy ecosystem that is transparent, rule-based, and forward-looking, said the State of the Economy. The global growth continues to face headwinds with persistent trade frictions, heightened policy uncertainty, and weak consumer sentiment weighing on the outlook. Despite this, the Indian economy is exhibiting resilience even after high trade and tariff-related concerns, RBI said.

<https://www.thehansindia.com/business/india-emerging-as-connector-country-rbi-973490>

Market

India Well Positioned to Navigate Global Headwinds.

Persistent trade frictions, heightened policy uncertainty, and weak consumer sentiment continue to create headwinds for global growth. Amidst these challenges, the outlook for India is one of cautious optimism, said the Reserve Bank of India in its May Bulletin released. According to IMF projections of 2025, India is projected to remain the fastest-growing major economy in 2025 and is likely to surpass Japan this year to become the world’s fourth-largest economy. In an article State of the Economy published in the RBI May Bulletin, the RBI noted that various high frequency indicators of industrial and services sectors sustained their momentum in April. The central bank said that inflation pressure has eased significantly and is poised for a durable alignment with the target in 2025-26. Headline CPI inflation fell for the sixth consecutive month to its lowest at 3.16 per cent in April and has been the lowest few years back, primarily driven by the sustained easing in food prices.

<https://www.deccanchronicle.com/business/economics/india-well-positioned-to-navigate-global-headwinds-says-rbi-1880647>

Finance

Indian economy shows resilience

The global growth continues to face headwinds with persistent trade frictions, heightened policy uncertainty, and weak consumer sentiment weighing on the outlook. Despite this, the Indian economy is exhibiting resilience even after high trade and tariff-related concerns, the Reserve Bank of India (RBI) has said. “Amidst these challenges, the Indian economy exhibited resilience. Various high frequency indicators of industrial and services sectors sustained their momentum in April,” according to the RBI Bulletin. A bumper rabi harvest and higher acreage for summer crops, coupled with favorable southwest monsoon forecasts for 2025, augur well for the agriculture sector the financial market sentiments, which remained on edge in April, witnessed a turnaround since the third week of May, said the Bulletin. The year-on-year inflation rates based on the all-India consumer price index for agricultural laborers (CPI-AL) and rural laborers (CPI-RL) for April this year eased further to 3.48 per cent and 3.53 per cent, respectively — compared to 7.03 per cent and 6.96 percent bringing respite to poor households.

<https://newstodaynet.com/2025/05/23/indian-economy-shows-resilience-rbi/>

Currency	Rate (₹)	Change	Index	Value	Change ²
USDINR	84.818	0.077	NIFTY 50	24,896.30	286.6
EURINR	95.884	-0.265	BSE Sensex	81,811.19	859
GBPINR	112.731	-0.436			
JPYINR	0.5897	-0.002			