

Top Story 1

All eyes on India GDP numbers: 6.3 or a whopping 7 per cent growth?

While the focus often remains on whether the economy has climbed global rankings, the actual growth numbers continue to hold significant weight. The upcoming data release on economic growth is generating much anticipation, with projections ranging between 6.3% and 7%. A government estimate had previously pegged it at 6.5%. Regardless of the final figure, it is expected to be the lowest in the past four years. Following the downturn caused by pandemic-related disruptions, the economy rebounded with high growth rates, largely supported by strong government spending. Although some attribute this growth to a low base effect, the post-pandemic recovery—marked by a K-shaped trend—has been substantial. This period witnessed a surge in business activity and capital expenditure, contributing to economic momentum. Despite current challenges such as global trade tensions, policy shifts, and rapid technological shifts, the outlook remains cautiously optimistic, with domestic demand and investment serving as key pillars of continued resilience.

<https://www.theweek.in/news/biz-tech/2025/05/30/all-eyes-on-india-gdp-numbers-6-point-3-or-a-whopping-7-per-cent-growth-may-30-govt-data-release.html>

Top Story 2

Indian economy at \$15 trillion in PPP term, more than half of US

The economy has reached a significant milestone, with its size in Purchasing Power Parity (PPP) terms estimated at \$15 trillion—more than half the size of a major global economy. PPP offers a clearer measure of economic output by comparing the value of currencies through the cost of goods and services. Policymakers are encouraging regional governments to leverage emerging trade agreements and investment treaties to boost growth. While central negotiations open global market access, local administrations are urged to capitalize on these opportunities. Enhancing competitiveness across both manufacturing and services sectors is seen as vital for sustainable progress. Although the track record in productivity-led growth has been commendable, there is still a pressing need to improve labour productivity. This challenge persists not only in comparison to advanced economies but also relative to peers. Addressing these gaps will be crucial to maximizing trade benefits and achieving long-term, inclusive economic development.

<https://timesofindia.indiatimes.com/business/india-business/indian-economys-size-more-than-half-of-us-in-ppp-terms-stands-at-15-trillion-says-niti-aayog-vice-chairman/articleshow/121488865.cms>

Economy

India has demonstrated a decent track record in terms of economic growth and overall productivity over the years. However, a persistent challenge remains in the form of relatively low labour productivity. This issue becomes more evident not only in comparison with advanced economies but also with several peer nations. While the country has made significant progress in sectors like manufacturing, services, and digital infrastructure, the gains have not translated uniformly across all segments of the workforce. Factors such as skill gaps, informal employment, and limited access to modern technology in some areas continue to hold back efficiency improvements. Addressing these constraints is essential to unlocking the full potential of the labour force. With targeted investments in skill development, technology adoption, and inclusive employment practices, the country can significantly boost productivity. Enhancing labour productivity is crucial to sustaining high economic growth, improving competitiveness, and ensuring more equitable development across all regions.

<https://www.financialexpress.com/policy/economy-indian-economy-at-15-trillion-in-ppp-term-more-than-half-of-us-suman-bery-3861847/>

Digitalization

Industries with AI to propel India to 3rd-largest economy

Industries that embrace artificial intelligence are expected to play a pivotal role in propelling the economy toward becoming one of the top three globally. Productivity gains and improved operational efficiencies through the adoption of advanced technologies will define the leading sectors driving this growth. These innovations are anticipated to rapidly accelerate economic progress and competitiveness on the global stage. While past efforts to enhance productivity have been made, the momentum has often been hindered by a lack of supporting structural reforms. Technological adoption, especially AI, is increasingly being seen as a game-changer for transforming industries and elevating economic output. According to international projections, the economy is set to remain among the fastest-growing major economies in the near future, with the potential to surpass other large economies in size. Embracing technology-led development is now regarded as essential for achieving ambitious economic goals and unlocking long-term inclusive growth.

https://www.business-standard.com/economy/news/ai-driven-industries-key-to-india-third-largest-economy-sitharaman-125052901778_1.html

Market

Indian Economy Reaches Over 50% of US Size in PPP Terms

The economy has achieved a significant milestone, with its size in Purchasing Power Parity (PPP) terms now estimated at \$15 trillion. This represents over half the size of the leading global economy, highlighting the growing scale and influence of domestic economic activity. While the Gross Domestic Product (GDP) at market prices stands at \$4 trillion, experts emphasize that PPP offers a more accurate depiction of actual economic productivity and living standards. PPP compares the relative value of currencies by measuring how much is needed to purchase the same basket of goods and services in different regions, offering a more nuanced perspective than market exchange rates. Analysts stress that while global rankings often cite economies based on market prices, PPP-based evaluations offer a better understanding of domestic output and purchasing strength. This approach is particularly relevant when comparing labor productivity and cost of living across economies, helping to frame development within a broader, global economic context.

<https://observvoice.com/indian-economy-reaches-over-50-of-us-size-in-ppp-terms-120879/>

Finance

FPIs' investment in corporate bonds rises 11.4% in FY25: RBI report

Investments by foreign portfolio investors in corporate bonds recorded a notable growth of 11.4%, rising from ₹1.08 trillion to ₹1.21 trillion over the latest fiscal year. Despite this increase, the utilisation of approved investment limits slightly decreased to 15.8%, mainly due to a rise in the absolute investment thresholds. Primary corporate bond issuances saw a strong growth of 16.1%, increasing from ₹8.6 trillion to ₹9.9 trillion. The outstanding stock of corporate bonds also expanded by 13.3%, reaching ₹51.6 trillion compared to ₹45.5 trillion in the previous period. Issuances on domestic stock exchanges rose, and overseas fund mobilisation also strengthened. Private placements remained the dominant issuance route, contributing 99.2% of total funds raised. Yields on corporate bonds declined in alignment with sovereign debt instruments, although the decline was slower. As a result, the spread between corporate and government bond yields widened, reflecting differential market reactions across issuer categories and financial instruments.

https://www.business-standard.com/amp/finance/news/fpis-investment-in-corporate-bonds-rises-11-4-in-fy25-rbi-report-125052901774_1.html

Currenc▼	Rate (₹▼	Change from May 2▼	Index▼	Value▼	Change▼
USDINR	85.4313	0.0693	NIFTY 50	24,772.90	-60.7
EURINR	97.01	0.78	BSE Sensex	81,346.70	-286.32
GBPINR	115.0138	0.0344			
JPYINR	0.5853	-0.0066			