

DEPARTMENT OF COMMERCE, LSR

NEWSLETTER

WISSEN

VOLUME 4, 11.10.2024



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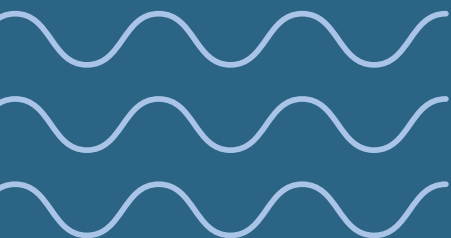
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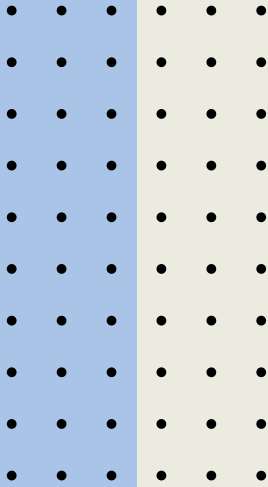
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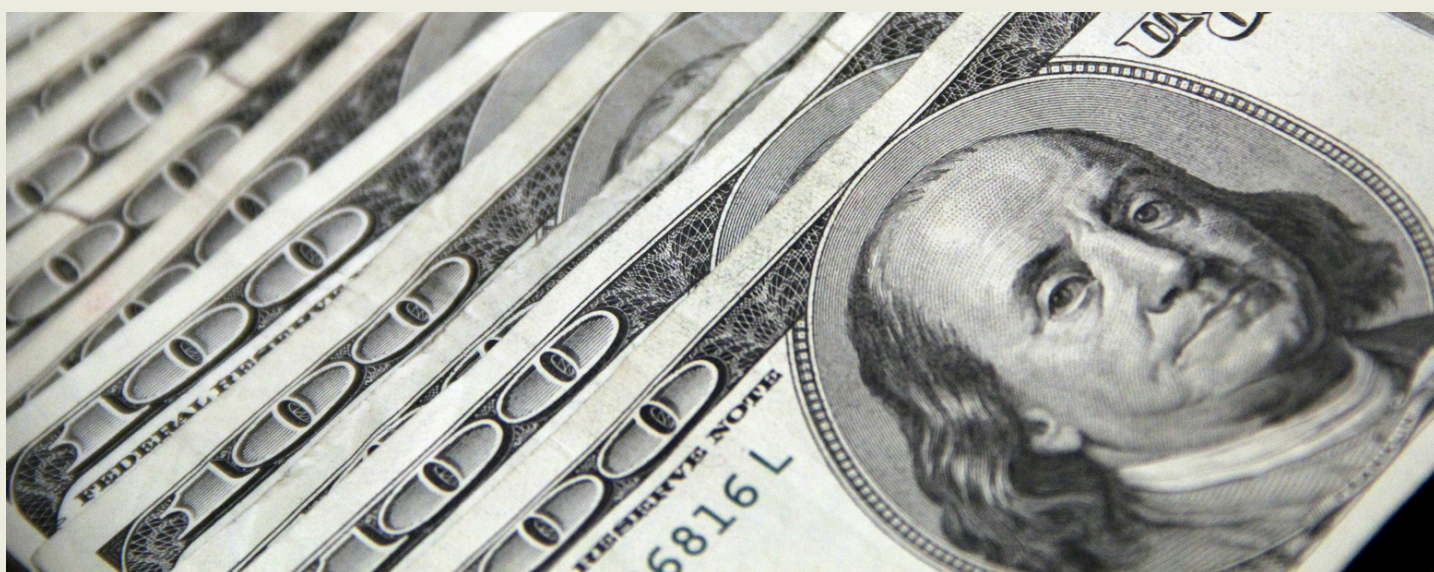
NEW ANALYSIS SUGGESTS DEBT COULD INCREASE UNDER HARRIS-TRUMP ECONOMIC PLANS

The Committee for a Responsible Federal Budget analysis estimates that Harris' policy ideas could add **\$3.5 trillion** to the national debt through 2035. That's even though the vice president's campaign insists her proposed investments in the middle class and housing would be fully offset by higher taxes on corporations and the wealthy.

Her campaign policy guide states that Harris is committed to fiscal responsibility - making investments that will support our economy, while paying for them and reducing the deficit at the same time.

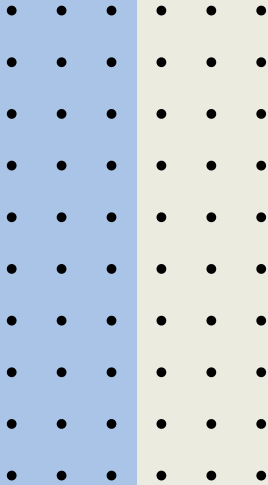
The 34-page report released by the fiscal watchdog group puts a spotlight on the issue of government borrowing that will confront the winner of November's election.

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QATAR AIRWAYS TO BUY 25% VIRGIN AUSTRALIA STAKE, RAISING HEAT ON QANTAS

Qatar Airways is set to buy a **25% stake** in Virgin Australia from U.S. private equity firm Bain Capital, posing a tougher competition for Qantas Airways that has dominated Australian routes and pushed back against giving access to the Middle Eastern carrier.

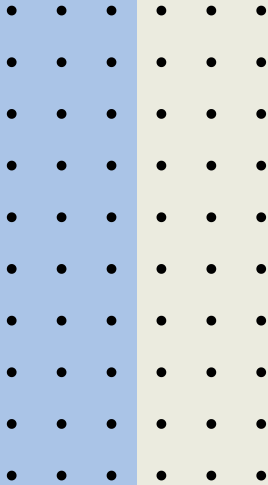
Shares in Qantas fell as much as **4.3% by 0239 GMT** and were among the worst performers on the benchmark **S&P/ASX 200 index**. Bain said last year it would explore an IPO of Virgin Australia, which it bought for **A\$3.5 billion (\$2.42 billion)** including liabilities after it was placed in voluntary administration in 2020.

Bain was targeting an **A\$1 billion** listing, but the plans were delayed, Reuters reported last year.

As part of the deal with Qatar Airways, Virgin Australia plans to launch flights from Brisbane, Melbourne, Perth and Sydney to Doha with leased aircraft by mid-2025, subject to approval from Australia's competition regulator.

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WEALTH WHISPERS



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RBI'S STANCE SHIFTS TO NEUTRAL, BOND YIELDS ADJUST TO THE CHANGE

The RBI in its monetary policy meeting on Wednesday kept the **repo rates unchanged at 6.50%** but it changed its stance to “neutral” from “withdrawal of accommodation”. The latter has been the RBI’s stance ever since it started raising interest rates in 2022. A shift of position to neutral indicated that the RBI may cut down rates if inflation persists to be within RBI’s target range.

While all the 6 members of the panel were in support of a shift in stance but were against a cut in repo rates, one of the three incoming external members was in favour of rate reduction. Nagesh Kumar, director and chief executive, Institution for Studies in Industrial Development voted for the cut.

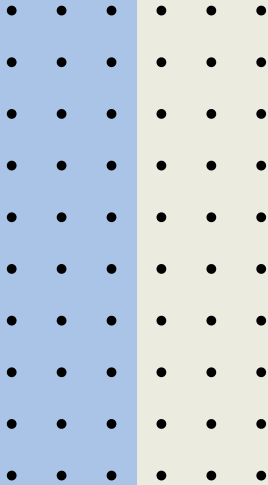
According to HDFC Bank’s treasury team, RBI may cut interest rates during the December MPC meeting if conditions remain favourable. RBI has acknowledged the disinflationary trends but is still cautious about global risks.

Bond Yields on Wednesday fell to **6.77%** on the back of the change in policy stance during the MPC and FTSE Russel Index’s inclusion of India in its Emerging Markets Index. It’ll take about a year for the inclusion to take place but is still a good sign for the Indian bonds market as it is expected to lead to an increase in foreign funds inflow.

Bond Yields affect the rate of borrowing across the economy. Fall in the bond yields will bring down the cost of borrowing and will be used to price corporate debts. Falling bond yields will lead to lower borrowing costs which may lead to an increase in borrowing thus increasing economic activity.

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OLA ELECTRIC UNDER FIRE: GOVERNMENT AUDIT ORDERED AMID 10,000 CONSUMER COMPLAINTS

The Indian government has ordered an audit of Ola Electric's service centers after receiving more than 10,000 consumer complaints. These complaints range from delayed after-sales service to incorrect billing, raising concerns over the company's operational efficiency. The Ministry of Heavy Industries has tasked the Automotive Research Association of India (ARAI) with conducting the audit. The goal is to ensure that Ola adheres to service standards and fulfills warranty obligations, which are essential to qualify for government incentives for electric vehicles (EVs).

Ola's shares have plunged **40%**, following concerns over the company's service issues and a public altercation between Ola CEO Bhavish Aggarwal and comedian Kunal Kamra regarding complaints about Ola's electric scooters. This decline in stock value has put added pressure on the EV maker, whose growth relies heavily on government support through incentives.

Reports indicate that many Ola service centers need to be more staffed and overwhelmed with repair backlogs, highlighting deeper operational challenges. If the audit reveals violations, Ola could lose its eligibility for crucial government incentives, adding to its mounting troubles. The coming weeks will be critical for the company as it navigates both public scrutiny and government oversight, aiming to restore consumer trust and secure its position in the rapidly expanding electric vehicle market.

UBER'S 2024 MARKETING REVOLUTION

In 2024, Uber advanced its focus on personalized customer experience and strategic marketing, resulting in improved user engagement and higher conversion rates. A key element of this was the introduction of the Consumer Communication Gateway (CCG), powered by machine learning models such as XGBoost. This model uses data like user engagement history, transaction behaviour, and preferred communication times to deliver more relevant push notifications. Early trials showed a 10% reduction in opt-out rates and a 15% increase in conversions through more personalized messaging.

Uber also tackled the challenge of ensuring efficient, large-scale communication. The Push Intelligence system, which supports tens of thousands of triggers per second, ensures timely delivery of notifications while balancing user preferences for frequency and relevance. This advancement is crucial in an industry where 72.5% of the rideshare market is dominated by Uber and Lyft, indicating Uber's strong market position.

Uber's marketing efforts in 2024 extended beyond notifications to include expanded services in sectors like Uber Air, Uber Freight, and Uber Eats, allowing the company to diversify its offerings and enter new markets. By doing so, Uber not only retained its leadership in ride-hailing but also tapped into different verticals for sustainable growth.

Data highlights:

- 10% reduction in opt-out rates for push notifications.
- 15% increase in conversion rates.
- 72.5% market share in rideshare, jointly held by Uber and Lyft.



DID YOU HEAR?

‘VISIONARY LEADER’: STARTUP FOUNDERS, TECH VETERANS HAIL INDUSTRY TITAN, RATAN TATA

Indian industrialist Ratan Tata, the chairman emeritus of Tata Group and Tata Sons, passed away at the age of 86, on Wednesday at Mumbai's Breach Candy Hospital after being in critical condition and under intensive care. The news comes just two days after Tata had shared that he was undergoing routine medical checks due to his age-related concerns.

Tata's passing has sent shockwaves across the nation, with tributes pouring in from all corners, including from startup founders and tech personalities. Business leaders and industry veterans, took to X, mourning at the loss.

The mortal remains of the veteran industrialist were taken to NCPA lawns for members of the public to pay their last respects. The last rites are expected to begin at 3:30 pm.

Known for his astute leadership, strong work ethics and vision, Ratan Tata stood out as a prominent business mogul and philanthropist whose success story profoundly impacted the India's economy. Ratan Tata's legacy is not just one of towering business achievements but deeply rooted in the ethos of putting "India and Indians first." A revered figure in India, Ratan Tata's unparalleled legacy is multi-faceted.

Widely known for his philanthropist activities, Ratan Tata donated Rs 500 crore when the world was fighting the deadly pandemic, a move that earned him numerous praises. Ratan Tata also donated \$50 million to his alma mater, Harvard Business School for building an executive center.

THANK YOU FOR READING!