

businessday



A person checks a smartphone with the Xiaomi Modular Optical System, at the MWC (Mobile World Congress), the world's biggest mobile fair, in Barcelona on Wednesday

Gold rises Rs 300 to Rs 89,300/10 g, silver rallies Rs 1,000

NEW DELHI: Gold prices rose by Rs 300 to trade near a record high at Rs 89,300 per 10 grams in the national capital on Wednesday amid a strong global trend, according to the All India Sarafa Association. The precious metal had settled at Rs 89,000 per 10 grams in the previous market session. On February 20, gold hit a record high of Rs 89,450 per 10 grams. "Gold prices continued their upward trend on Wednesday, extending their winning streak for the third day in a row as the demand for safe-haven assets and soft US dollar supported yellow metals," Saumil Gandhi, Senior Analyst of Commodities at HDFC Securities, said. Extending the gains for the third straight session, gold of 99.5% purity advanced by Rs 300 to Rs 88,900 per 10 grams. It had settled at Rs 88,600 per 10 grams on Tuesday. Silver prices also rallied by Rs 1,000 to Rs 99,000 per kg from Tuesday's closing level of Rs 98,000 per kg.

L&T wins big projects to build homes in Mumbai, Bengaluru and Chennai

NEW DELHI: Infrastructure major Larsen & Toubro (L&T) has won a number of projects to build residential towers in Mumbai, Bengaluru, and Chennai. The company shared this update on Wednesday. According to the announcement, L&T's buildings and factories division will handle these projects. The total value of these projects is between Rs 1,000 crore and Rs 2,500 crore. Along with these new projects, L&T has also received extra orders for its ongoing work. The Mumbai project comprises two luxury high-rise towers reaching heights of up to 273 meters. The Bengaluru project comprises 14 luxury towers on design and build basis, and the Chennai project comprises 25 luxury towers to be marketed on design and build basis. Valued at \$27 billion, Indian multinational L&T specialises in engineering, procurement, and construction projects, as well as high-tech manufacturing and services. According to the media reports, for the fiscal year ending March 31, 2024, L&T reported consolidated revenues of Rs 2.21 trillion, marking a 21% increase compared to the previous year.

currency		bullion	
US Dollar	86.92	Silver (Rs/Kg)	97,223
British Pound	111.83	Gold (Rs/10gm)	85,816
Euro	93.60	markets	
Russian Ruble	00.96	Sensex	73730.23
Kuwaiti Dinar	281.86	Nifty	22337.30
Bahraini Dinar	231.19		
Qatari Riyal	23.88		
Emirati Dirham	23.67		
Omani Rial	225.79		

Services sector growth sees sharp uptick in Feb: PMI

PTI, NEW DELHI: India's services sector activity witnessed a sharp uptick in February boosted by improving domestic and international demand, which resulted in a quicker expansion in output and a substantial increase in employment, a monthly survey said on Wednesday.

DEMAND TAILWIND adjusted HSBC India Services PMI Business Activity Index rose from January's 26-month low of 56.5 to 59.0 in February, indicating a sharp rate of expansion.

In the Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion, while a score below 50 denotes contraction.

"India's services business activity index rose to 59.0 in February 2025, up considerably from January's 26-month low of 56.5. Global demand, which grew at its fastest pace in six months according to the new export business index, played a major role in driving output growth for India's services sector,"

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According to the survey, productivity gains, favourable underlying demand and greater intake of new business.

Moreover, gains in international orders supported this uptick in growth, with service providers reporting better demand from clients in Africa, Asia, Europe, the Americas and the Middle East, the survey said.

In order to accommodate for rising new business and alleviate capacity pressures, Indian services firms continued to pursue recruitment drives. Employment expanded sharply, and at one of the fastest rates seen since data collection began in December 2005.

"Job creation and charge inflation remained strong during February.

Looking ahead, business sentiment remains broadly positive, but did slightly slip last month to its lowest level since August 2024," Bhandari said.

Advertising, better customer relations, efficiency gains and healthy demand conditions all underpinned upbeat projections for output in the year ahead. Around one-quarter of survey members forecast growth in the year ahead, while fewer than 2% were pessimistic. Meanwhile, the HSBC India Composite Output Index rose from 57.7 to 58.8, indicating a substantial rate of expansion.

Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors, according to official GDP data.

At the composite level, payroll numbers expanded at a marked pace that was little changed from January's survey record, while cost pressures across the private sector were at their least intense since last October, the survey said.

The HSBC India Services PMI is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies.

On the domestic macroeconomic front, the Indian economy grew by 6.2% in the December quarter, recovering sequentially from seven-quarter lows, but the expansion came in lower than last year.

For the full 2024-25 fiscal (April 2024 to March 2025), the government now pegs GDP growth at 6.5%, marginally higher than its initial estimate of 6.4% but below the revised growth rate of 9.2% for 2023-24.

The growth in the current fiscal and less than 7% expected in the next will keep India as the fastest-expanding major economy.

Foxconn subsidiary Ennoconn makes India foray

AGENCY, NEW DELHI: Taiwanese electronics giant Foxconn has made its big India foray. The company's subsidiary, Ennoconn, has registered a company in Tamil Nadu as it prepares to enter the Indian market.

Ennoconn Corporation, a global provider of integrated cloud management services, design manufacturing, and system integration, became a subsidiary of Foxconn Technology Group in 2007. Its Industrial Metaverse Transformation platform focuses on cloud-based artificial intelligence and IoT solutions.

Foxconn, the parent company, already operates the Apple iPhone assembly plant in Tamil Nadu's Sriperumbudur taluk. That massive facility employs around 40,000 people.

Ennoconn's entry occurs at a time when Foxconn is reportedly aiming to diversify beyond iPhone assembly into sectors like information and communication technology (ICT) products and AI servers.

Engineering goods exports to US surge 18% in Jan: EEPC

Trump's tariff threat looms large

PTI, KOLKATA: India's engineering goods exports to the United States recorded an 18% year-on-year growth in January 2025, reaching \$1.62 billion, even as overall engineering shipments grew at a modest 7.44%, according to EEPC India.

This comes on a day US President Donald Trump criticised the high tariffs charged by India and other countries, terming them as "very unfair" and announced reciprocal tariffs from April 2 on nations that impose levies on American goods.

During the April-January period of the current financial year, engineering exports to the US rose nearly 9% to \$15.60 billion from \$14.38 billion in the corresponding period last year, it said.

Exports to the UAE grew 56% year-on-year to \$610 million in January, while cumulative shipments rose 45% to \$6.87 billion during the 10-month period of FY25.

Despite geopolitical tensions and growing trade protectionism, India's engineering exports have maintained positive growth for the ninth consecutive month. However, the pace of growth slowed to 7.44% in January from 8.32% in December, it added.

Total engineering goods exports stood at \$9.42 billion in January 2025, compared to \$8.77 billion in the same month last year, it added.

EEPC India chairman Pankaj Chadha acknowledged the resilience of Indian exporters but warned that evolving global trade policies are adding unprecedented pressure on businesses.

"Engineering exporting community has managed to record positive growth despite significant global turmoil in the form of continuing conflicts and increasing protectionism by some of our major export destinations. Global exports seem to be at the crossroads of major changes with new geopolitical challenges. Trade policies worldwide are evolving to address national concerns, but they are putting unprecedented pressure on businesses," Chadha said.

EEPC India, under the Union ministry of commerce, facilitates sourcing from India and encourages MSMEs to raise their standard on a par with international best practices. It also encourages MSMEs to integrate their business with the global value chain.

AMBITIOUS TARGET



A vendor waits for customers at the Minsheng rural supermarket in southwestern China's Chongqing, on Wednesday

China fixes 'challenging' 5% GDP target

PTI, BEIJING: China's parliament on Wednesday opened its annual session with the government setting a five% growth target for its economy struggling with slowdown amid escalating trade war with the US and stagnant domestic consumption.

Chinese President Xi Jinping attended the opening session of the National People's Congress (NPC), China's legislature at the Great Hall of the People in Beijing.

Premier Li Qiang, who read out the annual work report listing the government's achievements besides presenting the budget for this year, much on the expected lines, retained the five% GDP target for this year, the same as last year for China. In his work report, Li said last year's target

of five per cent was achieved, and the GDP rose to 134.9 trillion yuan (over \$19.27 trillion), making China among the world's fastest-growing economies.

All parties should work hard to achieve the "very challenging" goal, given an "increasingly complex" external environment, he said in apparent references to the current escalating trade war, the US.

"All eyes will be on whether China's leaders take bolder economic policies and boost domestic consumption to restore confidence and reflate the economy as growing international uncertainties follow Donald Trump's return to the White House," veteran Chinese commentator and columnist Wang Xiangwei said.

"Beijing has long relied on two traditional engines of growth: exports and infrastructure spending. Now, with Trump's tariff threats and rising trade tensions with the European Union, China's export outlook for this year remains bleak," he told Hong Kong-based South China Morning Post. He said Beijing had little choice but to boost domestic consumption, the importance of which the leadership acknowledges publicly but has yet to give top priority to.

China's efforts so far to boost domestic consumption by providing subsidies to the households to upgrade their electrical appliances and vehicles are welcome but not enough, he said.

Businesses scramble to contain fallout from Trump's tariffs on Canada, China, Mexico

AP, WASHINGTON: A Minnesota farmer worries about the price of fertilizer. A San Diego entrepreneur deals with an unexpected cost increase of remodelling a restaurant. A Midwestern sheet metal fabricator bemoans the prospect of higher aluminum prices.

Businesses knew that Trump's import taxes - tariffs - on America's biggest trading partners were scheduled to take effect Tuesday. But many of them assumed they'd get a reprieve.

After all, the unpredictable president had delayed the tariffs on Canada and Mexico for 30 days right before they were originally supposed to kick in on February 4.

No such luck this time. At midnight Tuesday, the United States imposed 25% tariffs on goods from Canada and Mexico, starting a trade war with its closest neighbours and allies.

Trump also doubled his 10% levies on Chinese imports in a series of moves that took US tariffs to the highest level since the 1940s. Canadian energy was shown some mercy, getting taxed at a lower 10%. The three countries promptly announced retaliatory tariffs of their own.

Commerce Secretary Howard Lutnick said later on Tuesday that the US would likely meet Canada and Mexico "in the middle", with an announcement coming as soon as Wednesday.

Lutnick told Fox Business News the tariffs would not be paused, but that Trump would reach a compromise.

The longer the tariffs stick, the more damage they can do, forcing companies to decide between eating higher costs and passing them along to inflation-weary consumers.

If the tariffs and the retaliation last a year, economist Kathy Bostjancic of Nationwide estimates, US economic growth will be more than 1 percentage point lower and inflation 0.6 percentage points higher than they would have been otherwise.

Manuel Sotelo, who runs a Mexican truck fleet that carries goods across the southern US border, didn't expect that Trump would roll the dice on \$2.2 trillion worth of American trade with Mexico, Canada and China.

Indeed, Mexico has already taken steps to address the ostensible grievances behind Trump's Tuesday tariffs - the flow of illicit drugs and immigrants - including sending 10,000 troops to the border.

"I really did think last afternoon or last night Trump would have reversed course," Sotelo, who has a Trump bobblehead behind his desk, said Tuesday.

But the president went ahead with the tariffs, and now businesses are scrambling to deal with them.

David Spatafore, who owns several restaurants in San Diego, said his businesses have already been pummeled by the surging price of eggs and dairy over the last month. Tuesday's tariffs are just the latest blow.

"Everything across the board is impacted," Spatafore said.



Traders work on the floor of the New York Stock Exchange (NYSE) on Wednesday, in New York City. Following two days of dramatic losses in the stock market after tariffs on Mexico and Canada, stocks were up in morning trading

One of his restaurants has also been in the middle of a remodel, which has grown increasingly expensive as tariffs hit Canadian lumber and steel.

"We were in the middle of a quote for a custom oven being made," he said, when the contractor added the cost of the tariffs to his estimate. The thin margins in the restaurant industry mean it's hard to eat the higher expenses.

"Where are you supposed to absorb it?" he said.

At Mission Produce in Oxnard, California, which packs avocados and mangos and distributes them to su-

permarkets and restaurants around the world, co-founder and CEO Steve Barnard won't need to raise prices right away. Mission Produce still has some inventory of Mexican avocados and other produce ripening in its US warehouses.

But "if this thing lasts 10 days or more, our costs will be substantially different," he said. "We'll have to come to the table and figure something out."

Barnard expects big retailers will resist price increases, while smaller, independent chains might have to raise prices sooner because they have

less pre-tariff inventory on hand.

"My company will feel an immediate, detrimental impact as a result of these tariffs," Traci Tapani, co-president with her sister of Wyoming Machine, a sheet metal fabricator in Stacy, Minnesota that relies on Canadian aluminum, said in a statement.

Tapani is the vice chair of the US Chamber of Commerce's Small Business Council. "The threats and uncertainty have made it hard to make business decisions, and these kinds of tariffs will make it extremely difficult for small businesses like mine to grow."

In Cannon Falls, Minneapolis, about 72 kilometers south of Minneapolis, farmer Danny Lundell is particularly worried that Trump's import taxes will drive up the price of Canadian potash fertilizer.

"We need potash to raise healthier crops," he said. "And it doesn't matter if you're big, medium or small, it's going to affect you."

Minnesota's Democratic governor, Tim Walz, visited Lundell's farm Tuesday to criticise Trump for jeopardizing relationships with his state's biggest trading partners.

Higher costs aren't the only consequence of Trump's trade wars. There's also the uncertainty as the president threatens, delays and actually imposes import taxes.

"Things are unfolding so quickly," Brian Cornell, CEO of discount retailer Target, told reporters Tuesday. "We will watch this carefully and under-

stand: Are these long-term tariffs? Is this a short-term action? How will this unfold over time? I think all of us are speculating."

Uncertainty can take an economic toll as businesses delay plans to make investments and sign up new suppliers until they know which countries and which products are likely to be tariff targets.

During Trump's first-term trade battles, US business investment weakened late in 2019, prompting the Federal Reserve to cut its benchmark interest rate three times in second half of the year to provide some offsetting economic stimulus.

"Everything else that's coming down the pipeline is what adds to the uncertainty," said Antonio Rivera, a partner in the international trade practice at the law firm ArentFox Schiff.

The Whiskeyjack Boutique gift shop in Windsor, Ontario, has been getting some usual customers: Americans stopping in to apologise for Trump's decision to start a trade war with Canada.

"They are mortified by what's happening, and they don't support what's going on, and they don't like how Canada's being kind of dragged through the mud on this," said Katie Stokes, co-owner of the shop.

Stokes has also heard Canadians planning to cancel plans to take vacations in the United States.

"It's almost remorseful and sad, like people are upset, and they don't love how this is playing out," she said.