THE Hans India

Business

GST rejig big relief for auto cos

Reducing GST rates from 28 per cent to 18 per cent is a landmark reform and a huge relief for the auto industry. This round of GST reform is the biggest reform since Independence and every Indian stands to gain

– Union Minister Piyush Goyal

BIZ BRIEFS

ITC Candyman's new campaign

ITC Candyman, a confectionery brand known, has unveiled a new initiative 'Once Upon a Time by Candyman.' Anuj Bansal, VP, ITC Limited, said: "With 'Once Upon a Time by Candyman,' our goal is to spark children's imagination and make reading storybooks an exciting, interactive experience. Kids often see others playing the hero's role, but this time the spotlight is on them and the story is all about their little adventures."

Esri, Dhruva Space in pact

Esri India, a leading provider of Geographic Information System (GIS) software and solutions in India, has signed a Memorandum of Understanding (MoU) with Hyderabad-based Dhruva Space, a full-stack space tech company, to enhance the availability and accessibility of satellite imagery in India through advanced GIS integration. Through this strategic partnership, Dhruva Space will leverage Esri India's advanced ArcGIS technology to enhance its Astra-View commercial satellite imagery service that aggregates data from a constellation network of more than 200 satellites, spanning optical, SAR, RF, and hyperspectral sensors.

No products from Relaxo

Relaxo Footwears Limited, a footwear manufacturer, has unveiled its stylish and innovative footwear range curated specially for the upcoming festive season. The extensive collection across its brands - Sparx, Flite, and Bahamas - is designed to cater to the everyday and occasion-wear needs of the entire family, blending comfort with fashion-forward appeal. The festive collection was introduced at Relaxo's Retailer Meet in Hyderabad recently, which brought together over 245 key trade partners from across the region.

Amazon Pay renews pact

AMAZON Pay and ICICI Bank announced the renewal of their long-term partnership for the Amazon Pay ICICI Bank Credit Card. Mayank Jain, Director, Amazon Pay India, said: "With these benefits, we're elevating India's most trusted co-branded credit card to new heights. Our over 5 million valuable customers have consistently enjoyed unlimited cashback, zero joining and annual fees, and seamless redemption. We remain dedicated to innovating on behalf of our customers and strengthening rewards."

Festive offers from Scoot

SCOOT, the low-cost subsidiary of Singapore Airlines, announced the launch of 'Scoot's Everywhere Sale' which will continue till September 14. It is offering attractive fares across its extensive network. Customers can book one-way economy class fares from India to Singapore starting at just Rs 5,900, with onward connections to popular destinations across the Asia-Pacific and beyond. Promotional fares are available for booking for travel between September 23, 2025, and August 31, 2026, covering exciting destinations such as Bangkok, Macau SAR, etc.

India, US must work toward a long-awaited trade agreement

GST 2.0 will boost domestic demand, capacity expansion and pvt investment

Dr Narendra Mairpady

IN recent days, amidst the imposition of an additional 25 per cent tariff by the United States - on top of the earlier 25 per cent penalty imposed on India for purchasing Russian oil and defence equipment - Washington has argued that India is indirectly helping Russia fund the war in Ukraine.

India has strongly defended its position, calling the US action unfair, unreasonable, and unjustified, noting that oil purchases from Russia are in its national interest. New Delhi has also pointed out that singling out India is discriminatory, as China and several European countries continue to buy Russian oil. As a result, proposed trade negotiations and agreements with the United States have stalled.

This has put Indian exporters to the US in a difficult position, prompting calls for special government financial packages and incentives to help them maintain export levels. The government has been actively discussing alternatives with trade and export organizations, both to ease the immediate burden and to diversify exports by leveraging recent free trade agreements with the UK and other countries.

Although India has faced similar challenges before, the current situation is especially tricky, as it cannot afford to harm its long-standing strategic partnership with the US. For India, the US. relationship remains of utmost importance - both strategically and economically. At the same time, in today's changing circumstances- where countries are increasingly prioritizing national interests over global cooperation, particularly under US President Donald Trump's "America First" policy- India must also strengthen ties with other partners. Many analysts believe that these tariffs are a temporary irritant and that both sides will eventually reach a mutually acceptable trade agreement.

For India, relations with the US remain of utmost importance - both strategically and economically. At the same time, in today's changing circumstances- where countries are increasingly prioritizing national interests over global cooperation, particularly under US President Donald Trump's "America First" policy, India must also strengthen ties with other partners.

In this context, Prime Minister Narendra Modi's recent visit to China for the SCO Summit 2025 - his first in seven years- was significant. The meeting came despite ongoing border tensions between India and China, such as the Galwan clashes, which resulted in casualties on both sides. Modi's talks with Chinese President Xi Jinping marked a step toward easing tensions, with both leaders expressing a desire for partnership rather than rivalry. At the same summit, Modi also strengthened ties with Russian President Vladimir Putin.

The SCO Summit, attended by more than 25 heads of state, attracted global attention, especially due to the trilateral presence of Modi, Putin, and Xi. Shortly after, US President Trump remarked: "Looks like we've lost India and Russia to deepest, darkest China. May they have a long and prosperous future together." In response, India reiterated that its relationship with the US is anchored in mutual respect, shared interests, and robust people-to-people ties.

MEA spokesperson Randhir Jaiswal emphasized that the India-U.S. partnership has weathered many transitions and challenges, adding that India's ties with any country must be seen on their own merit, not through the prism of a third party. However, US trade advisor Peter Navarro continued to criticize India, accusing it of being an "oil money laundromat for the Kremlin" and engaging in "strategic freeloading." These comments have been firmly rejected by India as inaccurate and misleading.

Despite these tensions, India has responded with restraint, recognizing the importance of maintaining strong ties with Washington. Over the past two decades, India and the US have built a substantial strategic partnership in defence, security, trade, and technology. Modi himself, responding to Trump's "always be friends" remark, affirmed that India fully reciprocates those sentiments and remains committed to a positive and forward-looking partnership.

That said, Trump has repeatedly expressed dissatisfaction with India's oil imports from Russia, calling the trade relationship "a one-sided disaster." He argued that US businesses face high Indian tariffs while India benefits from significant access to US markets. Though he acknowledged recent Indian offers to cut tariffs, he said they were "too late." Meanwhile, India has strengthened ties with Russia, with President Putin and Prime Minister Modi reaffirming their close relationship. Economically, India is better positioned to handle these challenges. Recent Q1 2026 GDP growth figures and an upgrade by S&P signal resilience. The government has also advanced reforms such as GST 2.0, reducing the previous four tax slabs to two (5 per cent and 18 per cent). This is expected to boost domestic demand, capacity expansion, and private sector investment, benefiting both farmers and MSMEs. While GST 2.0 is not a direct response to US tariffs, it will nonetheless support domestic manufacturing and consumption. Still, resuming trade talks with the US remains urgent. Both sides must work toward a long-awaited trade agreement that achieves an amicable settlement. Positive results, it is hoped, will come soon.

Key takeaways from Sebi's move to ease IPO norms

THE Securities and Exchange Board of India (Sebi) has approved several regulatory changes simplifying IPO norms and foreign portfolio investing rules, as well as making entry norms for advisory certifications easier.

The key takeaways from the Sebi's move are that large companies above Rs 50,000 crore market cap will now have more flexible listing norms, permitting them to have smaller float sizes- Rs 1,000 crore plus at least eight per cent of the post-issue market capitalisation.

Further, they have extended timelines of up to 10 years to fulfil the 25 per cent minimum public shareholding requirement. Similarly, companies of different market capitalisations received relaxations of varying proportions.

Anchor investor allocations in IPOs have increased to 40 per cent, now including

insurance and pension funds alongside mutual funds in the reserved quota. Sebi has reduced thresholds for related-party transactions, thereby lowering compliance burdens for large companies.

Further, a new accredited investor (AI)-only category in alternative investment funds has been approved. The minimum ticket size for Large Value Funds has been lowered to Rs 25 crore from Rs 70 crore. Sovereign wealth funds and pension funds will gain from the new SWAGAT-FI framework, which provides 10-year registrations, a single demat account, and exemptions from the FVCI rule requiring 66 per cent of corpus in unlisted equity.

FIMI for zero export duty on low-grade iron ore

MINERS' body FIMI has requested the government not to impose any export duty on low-grade iron ore, asserting that any such move would lead to resource wastage, severely impact mining operations, reduce employment, and cause environmental damage due to stockpiling of unusable fines at mine sites. In a recent letter to Commerce and Industry Minister Piyush Goyal, the Federation of Indian Mineral Industries (FIMI) said, "To have effective utilisation and monetisation of low-grade iron ore and enhanced availability of iron ore for the domestic steel industry, we humbly submit that no export duty be imposed on exports of low-grade iron ore."

FIMI stated that the domestic steel industry currently consumes only high-grade iron ore (+62 per cent Fe), and there is virtually no demand for low-grade fines within India. The accumulated low-grade material, particularly fines generated during mining, remains stranded at mine heads or in old dumps. Limited quantities are consumed for pellet manufacturing, but the majority remains unutilised. This situation not only poses environmental challenges but also restricts scientific and sustainable mining, as fines cannot be removed from mining lease areas unless exported. Exporting these fines is a win-win, as it supports scientific mining, avoids mine closures, preserves employment, and brings in foreign exchange.

Great AI Divide: Can technology bridge development gaps?

Regional cooperation frameworks like the African Union's Continental AI Strategy offers models for coordinated development

Krishna Kumar & Rakshitha Reddy

ARTIFICIAL intelligence promises to revolutionize economies worldwide, but whether developing nations will benefit or fall further behind depends on choices being made today.

The African Union's historic Continental AI Strategy, adopted in July 2024, represents both unprecedented ambition and stark reality - while AI could add $1.5 trillion to Africa's GDP by 2030, the continent currently captures just one per cent of global AI compute capacity despite housing 15 per cent of the world's population.

This paradox defines the central challenge facing underdeveloped countries, particularly across Africa and South America, as they navigate the AI revolution. With global AI investment reaching $100-130 billion annually while African AI startups have raised only $803 million over five years, the question isn't whether AI matters for development - it's whether these regions can harness its transformative potential before the window closes.

The stakes couldn't be higher. The same mobile revolution that enabled Kenya's M-Pesa to serve millions without traditional banking infrastructure now offers a template for AI leapfrogging. But unlike mobile phones, AI requires massive computational resources, reliable electricity, and specialized skills that remain scarce across much of the Global South.

Africa awakens to AI's strategic importance

The momentum building across Africa challenges assumptions about AI relevance in developing contexts. Sixteen African countries now have national AI strategies or policies in development, with Kenya launching its comprehensive 2025-2030 strategy in March and Zambia following suit in November 2024. This represents a 33 per cent increase in strategic planning over just two years, signaling that African leaders view AI not as a luxury but as essential infrastructure.

The African Union's Continental AI Strategy stands as the world's most comprehensive development-focused AI framework, projecting that optimal AI adoption could contribute six per cent of the continent's GDP by 2030. Unlike Western approaches emphasizing innovation for innovation's sake, Africa's strategy explicitly prioritizes agriculture, healthcare, education, and climate adaptation - sectors critical to the continent's 1.3 billion people.

"We're not trying to copy Silicon Valley," explains one senior AU official involved in the strategy's development. "We're building AI that serves African priorities." This Africa-centric approach emerges from harsh lessons learned during previous technology waves, when developing countries often became consumers rather than creators of digital solutions.

South America charts cooperative course

Latin America has taken a markedly different but equally strategic approach, leveraging existing regional integration mechanisms to coordinate AI development. The Santiago Declaration, signed by over 20 countries in October 2023, established the Regional Council on Artificial Intelligence, with Chile emerging as the continental leader.

The path to equitable AI lies not in accepting technological divides as inevitable, but in recognizing that developing nations hold the key to AI's most transformative applications and building the infrastructure to unlock that potential

Chile ranks first in the 2024 Latin American Artificial Intelligence Index (ILIA), followed by Brazil and Uruguay as pioneer countries. This leadership reflects substantial investments - Chile committed $26 billion in public investment for its 2021-2030 National AI Policy, while Brazil's 2024-2028 AI Plan allocates $4.1 billion across 74 strategic actions.

Brazil's approach particularly demonstrates how developing countries can mobilize resources for AI transformation. The planned Santos Dumont supercomputer aims to become one of the world's five most powerful, while six Applied Centers for AI focus on agriculture, healthcare, and Industry 4.0 applications. This represents a fundamental shift from viewing AI as imported technology to building indigenous capabilities.

Agriculture proves AI's development relevance

Critics questioning AI's relevance to underdeveloped economies need look no further than Hello Tractor's transformative impact across African agriculture. This Nigerian-founded 'Uber for tractors' platform uses AI for demand forecasting and fleet optimization, serving over 2 million smallholder farmers across over 20 countries. The results are striking: farmers increase incomes by 227 per cent, plant 40 times faster, and achieve three-fold yield improvements through precision timing.

Apollo Agriculture in Kenya and Zambia demonstrates how AI can address financial inclusion challenges that have plagued agricultural development for decades. Using machine learning for credit scoring and satellite data for precision recommendations, the company serves over 350,000 previously unbanked farmers with non-performing loan rates below 2 per cent - outperforming traditional banks while serving supposedly high-risk populations.

These aren't pilot projects or development experiments. They're profitable businesses solving real problems with measurable impact.

Investment patterns reveal global disparities

The funding landscape starkly illustrates development challenges facing AI adoption. Global AI investment reached $100-130 billion annually, while African AI startups raised $803 million over five years total. Latin American venture capital investment fell to $3.6 billion in 2024, the lowest in five years, with early-stage funding dominating 80 per cent of deals.

This investment concentration perpetuates technological dependence. The United States and China hold 60 per cent of all AI patents and produce one-third of global AI publications. 100 companies, mainly from these two countries, account for 40 per cent of global AI R&D spending, while 118 countries - mostly from the Global South remain absent from major AI governance discussions.

Risks of digital colonialism loom large

However, current trends suggest widening rather than narrowing divides. Tech giants Apple, Nvidia, and Microsoft have achieved $3 trillion market values that rival entire African continent's GDP. This concentration of AI capabilities in a handful of corporations based in wealthy countries creates dependency relationships reminiscent of colonial-era resource extraction.

Digital colonialism emerges when developing countries become consumers rather than producers of AI systems. Most AI training occurs on Western datasets, creating cultural and linguistic biases that poorly serve non-Western populations. Search results in diverse countries like Brazil show predominantly white faces when searching for babies, reflecting training data biases.

Toward inclusive AI futures

The path forward requires acknowledging both AI's transformative potential and persistent barriers to equitable adoption. Infrastructure limitations, skills gaps, and funding disparities create formidable challenges, but successful implementations across agriculture and healthcare demonstrate achievable progress.

Regional cooperation frameworks like the African Union's Continental AI Strategy and Latin America's Santiago Declaration offer models for coordinated development that can compete with concentrated wealth and expertise of traditional tech centers. These approaches emphasize development priorities rather than pure technological advancement, potentially creating more inclusive AI ecosystems.

The mobile revolution precedent suggests optimism about leapfrogging possibilities, but success requires sustained political commitment, adequate funding, and international cooperation. Countries that invest strategically in AI foundations while fostering indigenous innovation can position themselves to benefit from rather than be left behind by the AI transformation.

The global AI divide represents both the greatest risk and greatest opportunity facing international development in the 21st century. Whether AI bridges or widens global inequalities depends on choices being made today by governments, international organizations, and private sector actors. The stakes-measured in trillions of dollars of economic value and billions of lives affected - demand urgent, coordinated action to ensure AI serves human development rather than merely technological advancement.

The African farmer using Hello Tractor's AI platform to improve crop yields and the Brazilian patient receiving AI-enhanced diagnostic services demonstrate AI's development relevance. Whether such success stories become widespread or remain isolated examples depends on the policy foundations being laid across developing countries today. The AI revolution waits for no one - but its benefits need not be predetermined by geography or existing wealth. The window for inclusive AI development remains open, but it will not stay open forever.

(Krishna Kumar is a Technology Explorer & Strategist based in Austin, Texas, USA. Rakshitha Reddy is AI Engineer based in Atlanta, Georgia, USA)