ECONOMY

MARKET WATCH

OIL PRICES DOWN ON WEEKLY BASIS

Houston: Oil prices rose on Friday. Brent crude futures were up 64 cents, or 1%, at $64.75 a barrel while US WTI crude was up 72 cents, or 1.2%, at $61.17. For the week, Brent was trading down 7.6% and WTI was down by 7%. **REUTERS**

'SWISS FIRMS UNDERSTAND IMPORTANCE OF PRESENCE IN LARGE MARKETS'

'India-EFTA deal strengthens rule of law amid growing global trade uncertainty'

THE TRADE deal between India and the European Free Trade Association (EFTA) countries will strengthen the rule of law and help bring certainty for businesses amid increasing complications emerging in global trade, Switzerland State Secretary for Economic Affairs, **HELENE BUDLIGER**, said in an interview with RAVI DUTTA MISHRA.

Budliger added that US tariffs on India will not impact private companies' investment commitment, since Swiss companies realise the importance of local presence in a large market such as India. India and EFTA — comprising Switzerland, Norway, Iceland, and Liechtenstein came into effect on October 1. Under the deal, EFTA nations committed to investments worth $100 billion over a period of 15 years. Edited excerpts:

State Secretariat for Economic Affairs

THE EXPRESS INTERVIEW WITH HELENE BUDLIGER, STATE SECRETARY FOR ECONOMIC AFFAIRS, SWITZERLAND

Both India and Switzerland are facing steep US tariffs. How can India and EFTA benefit from the deal amid an increasingly uncertain global trade environment?

The implementation of the (India-EFTA) deal on October 1 could not have come at a better time. It's excellent news for our entrepreneurs, who are navigating an increasingly complex global environment. This complexity stems not only from bilateral tariff discussions with the United States, but also from the fact that Swiss companies operate manufacturing facilities around the world. As tariffs continue to shift, they face growing uncertainty and volatility.

Moreover, the anticipated outcomes of the Section 232 investigations by the US Department of Commerce add yet another layer of complexity.

So, having a Trade and Economic Partnership Agreement (TEPA), which strengthens the rule of law, is very important.

These steep 50 per cent tariffs on India are not just making access to American markets difficult, but also leading to investment uncertainty. How do you think these tariffs will impact planned investments by EFTA countries?

I'm not concerned about that. I believe we will see a wide range of relationships developing with India. First, we will have Swiss companies that will simply want to export their products to India.

Others may aim to serve the Indian market more directly, perhaps not necessarily by manufacturing entire machines locally, but by providing services such as repair and maintenance. In fact, these services often generate significant added value, as they require training local people, ensuring long-term support.

Finally, you'll have those companies that will set up shop to serve the region, to serve the continent, (and) to serve the world.

My sense is that Swiss companies have understood the importance of being present in large markets. So we are the sixth largest FDI (source) in the US as well, and I believe that the investment now flowing into India is not primarily intended for re-export to the US.

This is evident even in countries such as China, without implying any notion of decoupling.

The same applies to the European Union: many of our members you know have at least one foot in the EU, they're often present in the US, they're present in China.

I think what's happening now — and we've had a bit of a late start with India because India is only now opening up really and encouraging FDI… before it was a rather closed market. I think there is great catch-up potential.

We are seeing a number of other deals that have an investment portion, like between the US and the EU. For EFTA's investment pledge to take shape, how are the bilateral investment treaty talks progressing?

I believe the increasing willingness of countries to consider investment pledges is a constructive way to help balance the dynamics between larger markets and smaller markets. Switzerland would therefore welcome the opportunity to re-establish a bilateral investment protection treaty. I would consider this a key element in ensuring the best possible framework for action.

If you read the TEPA, the Swiss private sector committed $100 billion investment and 1 million jobs. In turn, India committed to establishing optimal framework conditions for this investment to smoothly and quickly happen. I'm happy to hear that the signals coming from the Ministry of Finance are quite positive. We've been informed that they are working on a model text, which is very encouraging. It's definitely something that we consider would be a key step now.

Chinese curbs on critical minerals are a concern for India's industry as it is for the West. Your thoughts on India-EFTA collaborations on the same?

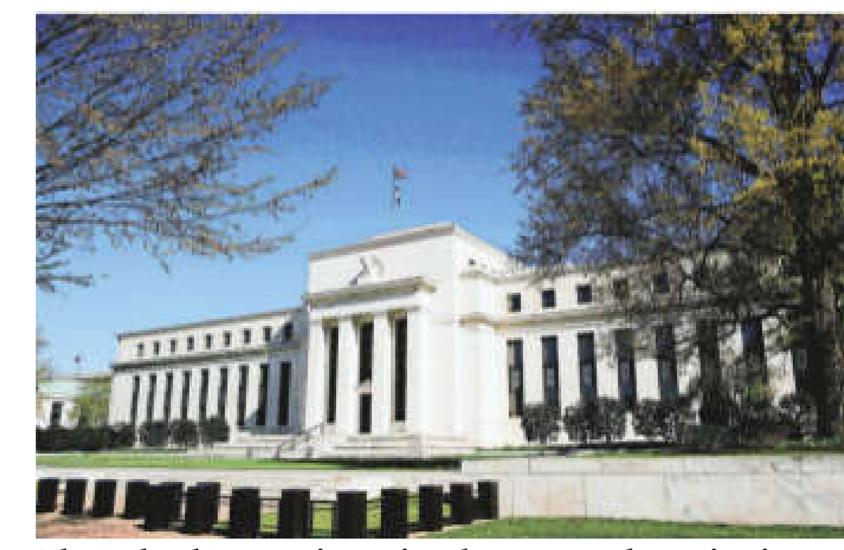
We conducted an independent assessment to assess Switzerland's dependence on critical minerals, and the findings were mixed. The good news is that Switzerland often imports components, and that's why we also abolished the industrial tariffs in 2024, because we noticed that actually, by not manufacturing 100 per cent in Switzerland, because we're too small, we lack space and people, we actually do our companies a favour when we abolish industrial tariffs. So, the good news is we're not as exposed as others.

The bad news: these rare earth magnets are everywhere. So I now have a coffee machine maker in Switzerland who struggles because there is a rare earth magnet even in my coffee machine. I think finding alternative sources is a key worry.

We're a liberal market economy, and for us it's first the companies that have to find ways to source differently and to, you know, create supply chains which are resilient and taking geopolitics into consideration. But of course, India will become more regularly our go-to nation when there is an issue that we need to fix. That's why TEPA is so great and is an excellent stepping stone for even more conversations on all sorts of things.

Supreme Court relief to Cook highlights Fed's special status in America

SIDDHARTH UPASANI
NEW DELHI, OCTOBER 4



'The Federal Reserve is a uniquely structured, quasi-private entity that follows in the distinct historical tradition of the First and Second Banks of the US,' the Supreme Court has said. *File*

US PRESIDENT Donald Trump has waged a long-standing war against the American central bank, the Federal Reserve, because he thinks it should be cutting interest rates aggressively. And to get his way, he is willing to fire employees. But the courts, including the highest of them, are not being particularly compliant.

On Wednesday, the US Supreme Court allowed Lisa Cook — one of the members of the Board of Governors of the Federal Reserve System — to continue in her job for at least a few months until it hears arguments in a case over whether Trump can sack her.

Cook, who first became a member of the System in May 2022 to complete an unexpired term and was later in September 2023 reappointed for a full 15-year term, has been accused by Trump of fraud — according to the President, Cook applied for two different home loans prior to becoming a part of the Fed and in both those applications mentioned the respective house to be her primary residence. This, as per Trump, is enough 'cause' to fire Cook — the one legal way through which the President can remove Fed governors.

EXPLAINED

Cook has denied Trump's claims and sued him.

The special nature of the US Fed

The Supreme Court's decision to let Cook continue in her job — which means she will sit in on the next two meetings later this month in October and in December to decide on interest rates — is a pushback against the Trump administration's rapid stripping down of the US' independent institutions and federal agencies, including the rather notable firing of Erika McEntarfer, who served as the Commissioner of the Bureau of Labor Statistics until August. And this comes from a Court which has been rather supportive of the Trump administration.

Many are of the opinion that the Supreme Court leans far too much to the right. According to a new poll by global analytics and advisory firm Gallup, 43 per cent of Americans think the current Supreme Court is "too conservative" — the highest the proportion has ever been, albeit by a marginal one percentage point.

But the Federal Reserve is unlike any other institution, and even the Supreme Court has said so.

Back in May, even as the Supreme Court blocked two federal court orders that stopped the Trump administration from firing Gwynne Wilcox from the National Labor Relations Board and Cathy Harris from the Merit Systems Protection Board, it made note of the special nature of the Fed. Wilcox and Harris argued that if the Supreme Court sided with Trump, then even Fed members were fair game for the administration.

But the court said it disagreed: "The Federal Reserve is a uniquely structured, quasi-private entity that follows in the distinct historical tradition of the First and Second Banks of the United States". That unique nature has seemingly come to Lisa Cook's rescue.

Erosion of independence

The cloud over Cook — and indeed, Fed Chair Jerome Powell, whose term ends in May 2026 — has been rather dark. Trump has repeatedly called for sharp cuts in interest rates even in the face of rising prices. In fact, over the last several months, the President has repeatedly said the US has "no inflation". But consumer prices were 0.4 per cent higher month-on-month in August and 2.9 per cent year-on-year; India had lower retail inflation in August than the US.

Trump last month named ally Stephen Miran to the Fed's Board of Governors to fill what was left of former Governor Adriana Kugler's term that is set to end in January — although he could stay on if a successor is not in place by then. Miran, unprecedentedly, is currently on unpaid leave from his White House position as the chair of Trump's Council of Economic Advisers.

He voted for a 50-basis-point (bps) interest rate cut last month. All other 11 members of the Federal Open Market Committee — the Fed panel which votes on interest rates — voted for a 25 bps reduction. But more than just the quantum of Miran's rate cut, it is his reasoning that has experts worried.

"Like his views on international finance, Miran's views on monetary policy put too much stock in his own subjective assessment of economic conditions and too little in established economic theory and practice," Jay Kedia, Research Fellow at the Cato Institute's Center for Monetary and Financial Alternatives, wrote last week. "The result is that he interprets data to fit his narrative (that the Federal Funds Rate is too high), rather than the other way around. For instance, in a recent *CNBC* interview, Miran denied that inflation was a major concern, stating that a high degree of net migration out of the US would be disinflationary."

The battle over the Fed's independence is very real; so real that former Fed chairs and treasury secretaries such as Janet Yellen, Ben Bernanke, Alan Greenspan, Larry Summers, Timothy Geithner, Jacob Lew, and Henry Paulson wrote to the Supreme Court last week that allowing Trump to sack Cook while her legal challenge to the decision is pending "would threaten that independence and erode public confidence in the Fed".

BRIEFLY

HDFC, Kotak Mahindra Bank see 9-16% loan growth

New Delhi: HDFC Bank on Saturday said it has registered a 9 per cent rise in loans to Rs 27.9 lakh crore in the second quarter ended September 30, compared with Rs 25.6 lakh crore in the year-ago period. Kotak Mahindra Bank reported a credit growth of 15.8 per cent to Rs 4.62 lakh crore in Q2FY26 as against Rs 3.99 lakh crore in the year-ago period. **PTI**

'India Mobile Congress to focus on 6G ecosystem'

New Delhi: The upcoming India Mobile Congress 2025 event will focus on connecting dots for 6G ecosystem development and building partnerships, according to IMC's CEO, P Ramakrishna. **PTI**

Non-FASTag users to pay 1.25x toll using UPI

New Delhi: The Centre on Saturday said from November 15, vehicles entering a fee plaza on a National Highway without a valid, functional FASTag will be charged 1.25x regular toll amount if users opt to pay using UPI. Currently, those without a valid FASTag are required to pay double the toll charges in cash. **PTI**

Vedanta extends demerger last date to March 2026

New Delhi: Anil Agarwal-led Vedanta Ltd has pushed the deadline for its demerger to March-end next year as the approvals from the National Company Law Tribunal and Central authorities are pending, the company has said in a regulatory filing. The deadline was earlier extended from March 31, 2025 to September 30 this year. The approval of the demerger proposal will pave the way for the company's various business verticals to become separate entities. **PTI**

COMMERCE MINISTER PIYUSH GOYAL IN SINGAPORE

'Investors must explore opportunities in India; need greater collaboration between businesses'

PRESS TRUST OF INDIA
SINGAPORE, OCTOBER 4

Commerce Minister Piyush Goyal during a meeting with Sembcorp Industries CEO and president Kim Yin Wong in Singapore on Saturday. *PTI*

COMMERCE AND Industry Minister Piyush Goyal has urged Singapore-based investors to look at the opportunities that India offers across the spectrum of economic development.

"I would urge each one of you to look at the scale of opportunity that India offers," Goyal said at a meeting with investors. The meeting was held under the theme "India Singapore @ 60: Partnership for Growth" on Saturday.

Emphasising the basis for the rapid economic development, the minister highlighted India's "three singular definitions" — the size of its market, opportunities, and the skill of its workforce... We are looking at working together, fast-tracking various initiatives that the India Singapore Business Roundtable initiated," he said.

The minister pointed out that officials from both public and private sectors are putting in relentless hours to try and create those models which will help the two countries' relationship to grow on a faster track.

"I think, together, there are many new frontiers to scale," said Goyal, who is visiting Singapore.

"Whether it's in the world of capital, whether it's in the world of research and development, whether it's in the world of people development, skills, skill sets, talent, the world of education, our effort to look at sustainability going forward, something which both Singapore and India, people of both countries, the leaders of both countries recognise for the future," he noted. All these efforts put together define the Singapore-India relationship, he said.

Stressing that all chambers of commerce and industry in India came together with Singaporean chambers, along with European, American and Japanese companies, on one platform here on Friday to explore opportunities in India, the minister told a gathering of about 250 investors, "I think the time is now, the time is right".

Call for collaboration

The Commerce Minister also called for greater collaboration between businesses of India and Singapore, adding it will help boost trade and investment ties between the two countries.

Goyal laid emphasis on further strengthening India-Singapore trade and investment ties for a more balanced, inclusive and future-ready economic partnership.

"Highlighted greater collaboration and B2B opportunities between our businesses," the minister said in a post on social media platform X.

On the sidelines, the minister held meetings with senior officials of Singapore-based firms.

He held a meeting with Kim Yin Wong, group president and CEO of Sembcorp.

"Discussed India's remarkable achievements in renewable energy and ambitious aims, and explored avenues for collaboration in clean energy, green hydrogen, and industrial parks," he said.

He also met Loh Chin Hua, CEO of Keppel, and discussed emerging opportunities in India in areas including waste-to-energy, infrastructure, data centres, and digital connectivity.

"Met a delegation led by Mr Nags Sankaranarayanan, CEO of Nomura Asia Pacific Holdings. Discussed opportunities to boost India-focused investments and the vast avenues India offers for global investors," he added.

Goyal met Gautam Banerjee, chairman, Blackstone Singapore, and deliberated upon opportunities for long-term capital in manufacturing-linked infrastructure to further strengthen supply chains.

"Had a productive meeting with Mr Jim Coulter, Executive Chairman of Texas Pacific Group. Discussions focused on strengthening cross-border investments and unlocking new growth opportunities for both India and Singapore," the minister said.

'OpenAI's Altman seeks funds for infra expansion on Asia, Middle East tour'

REUTERS
BENGALURU, OCTOBER 4

File

OPENAI CEO Sam Altman has embarked on a global fundraising initiative spanning East Asia and the Middle East, seeking financing and manufacturing partners to meet the company's demand for its computing capacity, the *Wall Street Journal* reported on Saturday, citing sources familiar with the meetings.

Altman has held discussions since late September in Taiwan, South Korea, and Japan with major suppliers such as Taiwan Semiconductor Manufacturing, Foxconn, Samsung, and SK Hynix to boost AI chip production and secure top-priority orders for OpenAI, the report said.

Altman was pushing these companies to increase production capacity and give priority to OpenAI's orders, the newspaper added.

Reuters could not immediately verify the report. Microsoft, TSMC, Foxconn, Samsung and SK Hynix couldn't immediately respond to requests for comment outside regular business hours.

Earlier this week, Samsung Electronics and SK Hynix had signed letters of intent to supply memory chips for OpenAI's data centers.

Altman has planned to visit investors in the United Arab Emirates to raise money to help fund OpenAI's infrastructure expansion and research, *WSJ* said.

OpenAI recently told its investors and business partners that it was likely to spend around $16 billion in renting computing servers this year, and that the expenditure could rise to around $400 billion in 2029, the report added, citing people familiar with the matter.

LAWSUIT ARGUES TRUMP LACKED CONSTITUTIONAL AUTHORITY TO IMPOSE THE FEE

Trump's $100,000 fee for H-1B worker visas challenged in court

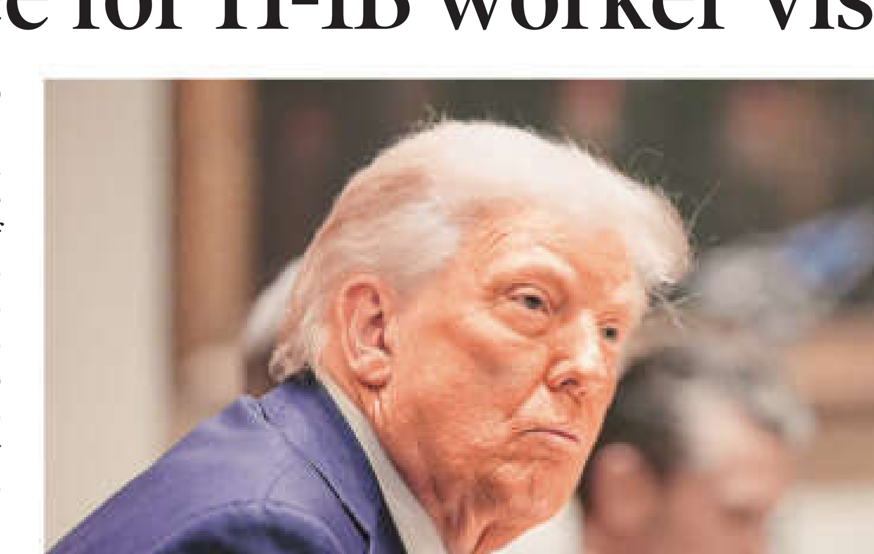
REUTERS
NEW YORK, OCTOBER 4

A COALITION of unions, employers and religious groups filed a lawsuit on Friday seeking to block US President Donald Trump's bid to impose a $100,000 fee on new H-1B visas for highly-skilled foreign workers.

The lawsuit filed in federal court in San Francisco is the first to challenge a proclamation Trump issued two weeks ago announcing the fee as the Republican president moves to further restrict immigration to the United States.

Plaintiffs include the United Auto Workers union, the American Association of University Professors, a nurse recruitment agency and several religious organisations. They argued that Trump's power to restrict the entry of certain foreign nationals does not allow him to override the law that created the H-1B visa programme.

White House spokeswoman Abigail Jackson in a statement said Trump's administration engaged in lawful actions "discouraging companies from spamming the system and driving down American wages, while providing certainty to employers who need to bring the best talent from overseas."



US President Donald Trump's order raised the fee for new H-1B visa applications to $100,000 from $2,000-5,000. *File*

The programme allows US employers to hire foreign workers in specialty fields, and technology companies in particular rely heavily on workers who receive H-1B visas.

Critics of H-1Bs and other work visa programmes say they are often used to replace American workers with cheaper foreign labour. But business groups and major companies have said H-1Bs are a critical means to address a shortage of qualified American workers.

Employers who sponsor H-1B workers currently typically pay between $2,000 and $5,000 in fees, depending on the size of the company and other factors.

Trump's order bars new H-1B recipients from entering the United States unless the employer sponsoring their visa has made an additional $100,000 payment. The administration has said the order does not apply to people who already hold H-1B visas or those who submitted applications before September 21.

'RBI leaves door open for future rate cuts; all eyes on Fed policy'

Kolkata: The Reserve Bank of India (RBI) has kept the possibility of future rate cuts open, with its monetary policy committee (MPC) sharply cutting its inflation forecast, Crisil Intelligence said in a recent report. It said the MPC acknowledged that GDP growth would face downside risks in Q2FY26, due to US tariffs, but the recent GST rate rationalisation will partially offset the impact. "With inflation becoming a less worry this fiscal, the initiation of US Federal Reserve's rate cuts will provide space for the RBI to cut rates," the report stated. **PTI**