

“2025 Six Trends”



Weekly Learnings 54 / 2024

This is my regular year end prediction column for Hindu Business Line.

What do I see for 2025 ?

1. USA will determine the global economic landscape. India will grow between 5.5 to 6.5 pc. Trade Wars will be the norm.
2. The 3 Is - Immigration , Inflation and Interest Rates will be closely watched as they determined elections in all countries in 2024. Interest rates will come down as leaders aim for growth.
3. India capital market is on steroids. 20 pc of Indian households have invested in the stock market , it was 7 pc five years ago. Sensex will touch 85000
4. Time as a monetization variable is here to stay and Q Com concept will impact all industries.
5. AI - employees will use AI as consumers before they use AI as employees
6. Job security will be more important than salary premium in 2025. Well being will replace work life balance and WFH as an ask.

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Watch out for trade wars, nationalism and sachet SIPs

LONG VIEW



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2 025 will be an unpredictable year globally as leaders of big countries get transactional. Inflation will stay down, interest rates will decrease to spur growth, all big countries will practice their version of “nationalism”. Trade wars will replace physical wars. The Indian stock market has turned hot on digital options and “sachet” SIP. Sensex should touch 85,000.

My 2024 predictions were spot on: I said the Sensex will cross 80,000; the Indian economy will grow around 6 per cent and the global economy at 3 per cent; Indians will get more abusive on social media; and the job market will be tough. All came true. What do I see for 2025? I think these six trends will shape India and the world:

1. One leader — Donald Trump — will determine the slope and shape of the global economy and that of the top 10 economies. Four Ts will hold centre stage — temperamental, transactional, tariffs and threats. ‘Making America Great Again’ will mean ‘Making the world weak to make America great at negotiation’. This will hold if the US economy grows around 2 per cent. Politics will look inwards everywhere, ‘nationalism’ will bloom more, non-American allies and friendships will thrive. India will grow between 5.5 and 6.5 per cent as government spending slows down.

2. Three Is had a significant impact in the major elections of 2024 — inflation, immigration and interest rates. Interest rates will come down as leaders choose growth. The big countries will get tougher on immigration. This is not a good sign for India, which could be the global talent provider by 2030. Inflation will stay down in most countries; the dollar will get stronger, and all talks of an alternative reserve currency will remain just talk.

3. Time as a monetisable variable is working in India. It started with Domino’s Pizza years ago with its 30-minute delivery challenge. Now, quick commerce is redefining the old ‘Indian Stretchable time’ as ‘Instant Shopping Time’. Q-commerce is here to stay



THE TRUMP EFFECT. One leader will determine the slope and shape of the top 10 economies of the world in 2025 BY/TCRS

years, the Indian stock market returned 80 per cent in dollar terms vs six per cent in emerging markets. In China, the market declined 15 per cent. Today, 20 per cent of Indian households have some investment in the stock market compared to 7 per cent five years ago. Investment in the stock market is the new avenue for surplus salary/earnings, beating traditional investment instruments like real estate, gold and bank deposits. First time investors haven’t seen a drop but it will come. A recent SEBI report said that 91 per cent of Indian investors are losing money! India accounted for 33 per cent of all global IPOs by number and 10 per cent by value in January-September 2024. Expect slightly lower IPO numbers in 2025. This investment in the stock market is hurting consumption in many categories, which is unlikely to change till the market tanks. Expect Sensex to be around 85,000 by year-end despite challenges.

5. AI is being used more by consumers compared to corporates. Seventy five per cent of Open AI’s revenue is from consumers. We have a situation where consumers are using AI for their messages, e-mails, project work, etc., well before using AI at work. This hasn’t happened with any technology so far. For all the hype over the last 24 months, corporate use cases haven’t shown speed. The AI promise is big but the delivery is slow!

6. Wellbeing and mental health will replace work-life balance as an employee ask. Stress