

Business News Update

24 June 2025

“The two most powerful warriors are patience and time.”

Oman becomes first Gulf state to launch income tax in bid to reduce oil dependence

Oman will introduce a 5% income tax in 2028 on high earners, becoming the first Gulf state to do so. The tax targets individuals with annual incomes exceeding \$109,000, impacting roughly the top 1% of earners. This move aims to diversify revenue streams and reduce dependence on oil, potentially influencing other GCC nations to implement similar fiscal reforms. Bloomberg quoted the state-run Omani News Agency as saying late Sunday. Minister of Economy Said bin Mohammed Al-Saqri said the measure aims to reduce dependence on oil revenue while preserving social spending. The move marks a shift in a region where no member of the six-nation Gulf Cooperation Council (GCC) levies income tax. For years, this policy has attracted highly paid foreign workers to the area, making Oman’s decision significant.

Source: [Economic Times, June 23, 2025](#)

How Emergency gave birth to Thums Up after forcing out four global giants

In 1977, amid the echoes of a turbulent Emergency and the rise of an assertively nationalist economic agenda, four global giants, Coca-Cola, IBM, Kodak and Mobil, were shown the exit door from India. Their forced departures were not merely business decisions but symbolic flashpoints in a broader ideological battle: the desire to protect sovereignty versus the need to stay connected with global capital. What followed was not just their absence, but the birth of local competitors, a shift in consumer tastes, and eventually, a strategic recalibration that would see each of them return, transformed and more attuned to India’s evolving economic story. Enforced with new vigour under the Janata Party government, the law became a litmus test for how far foreign firms would go to stay in India.

Source: [Financial Express, June 23, 2025](#)

Over 80% companies to adopt AI in customer service within a year: Report

More than 80% of companies plan to implement artificial intelligence in customer service within the next year, according to a new industry report. Businesses that have already adopted AI in their contact centres report operational cost reductions of 20% to 30%. In one case cited in the report, a telecommunications company using AI-powered voice assistants saw a 39-point improvement in Net Promoter Scores and a 5% to 10% decrease in operational expenses. The report estimates that Generative AI (GenAI) could disrupt the global contact centre market, valued between \$12 billion and \$31 billion. Despite increasing adoption, challenges remain. While 53% of consumers say they are open to interacting with AI-powered service agents.

Source: [Financial Express, June 23, 2025](#)

Starbucks India witnessing store level profitability, says Tata Consumer – Here’s what’s hurting the margins

Despite achieving profitability at the store level, Tata Starbucks—the 50:50 joint venture between Tata Consumer Products Ltd (TCPL) and Starbucks—is grappling with rising losses driven by rapid expansion, said a top executive from Tata Group. While addressing shareholders at the company’s 62nd Annual General Meeting, PB Balaji, Group CFO of Tata Motors and non-executive director at TCPL, acknowledged that while individual Starbucks stores in India are profitable, the overall financial performance is being impacted by the aggressive pace of expansion. “While the individual Starbucks stores are indeed profitable, we’re currently in an investment phase. This explains the discrepancies you’re observing in our financial outcomes,” Balaji said.

Source: [Financial Express, June 23, 2025](#)

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Starbucks says it is not currently considering a full sale of its China operations

Starbucks kicked off a formal sale process of its China operations in May, inviting interested buyers to submit answers to a list of questions by the end of last week, said three sources with knowledge of the situation. The Seattle-based company, advised by Goldman Sachs, asked interested buyers about their corporate culture, management style, sustainability measures, how they treat employees as well as the potential deal structure and business plan for Starbucks China, said the people, who declined to be named as the information was not public. Starbucks however has not decided yet whether to sell a controlling or a minority stake in its China business, or whether it will keep some parts of its China operations such as its supply chain, said two of the sources.

Source: [Reuters, June 24, 2025](#)

Investors react to news of Iran-Israel ceasefire

U.S. President Donald Trump said on Monday that a "complete and total" ceasefire between Israel and Iran will go into force with a view to ending the conflict between the two nations. "On the assumption that everything works as it should, which it will, I would like to congratulate both Countries, Israel and Iran, on having the Stamina, Courage, and Intelligence to end, what should be called, 'THE 12 DAY WAR'," Trump wrote on his Truth Social site. "There is a lot of the momentum to the reversal in the oil price strength that we are already seeing after the Iran's strike on Qatar, which was clearly very well choreographed to be symbolic but for domestic consumption. "To the extent that we've got a reduction in the risk of a renewed oil price spike, I think that plays positively from a risk point of view. I think it sort of removes that downside global growth risks. And I'd expect that it will supports some further, modest sort of grind higher in those sort of procyclical currencies."

Source: [Reuters, June 24, 2025](#)

NYC governor to build state's first new nuclear power plant in decades

New York's governor on Monday proposed the construction of the state's first new nuclear power plant in decades. Gov. Kathy Hochul directed the state's power authority to develop an advanced, zero-emission facility in upstate New York that she hopes will help create a clean, reliable and affordable electric grid for the state. She said the state power authority will seek to develop at least one new nuclear energy facility with a combined capacity of no less than one gigawatt of electricity. That would increase the state's total nuclear capacity to about 4.3 gigawatts.

Source: [Business Standard, June 24, 2025](#)

Asean stonewalling progress of FTA review talks with India: Official

Asean nations are stonewalling the progress of the ongoing negotiations on the review of the existing free trade agreement in goods signed in 2009, and the talks are moving "very" slowly, an official said on Monday. The review of the agreement is a long-standing demand of Indian industry and India is looking forward to an upgraded pact, which will address the current asymmetries in bilateral trade and will make trade more balanced and sustainable. "So far, nine rounds of talks have been completed. They are going very slow. Very less progress is there. Asean is stonewalling the talks," the official, who did. Asean countries have opened less number of tariff lines or product categories for India. India has offered duty concessions on over 71 per cent of the tariff of lines to Asean countries

Source: [Business Standard, June 24, 2025](#)