

Business News Update

3 June 2025

**“Learning is a treasure that
will follow its owner everywhere.”**

US tariffs on steel, aluminium to have minor impact on India, says minister

Steel Minister HD Kumaraswamy says increased US tariffs may slightly affect India. This follows Donald Trump's plan to raise steel tariffs to 50%. A report suggests India's metal exports could face significant consequences. India exported USD 4.56 billion in iron, steel, and aluminum to the US in FY2025. These exports may become less competitive due to higher duties. He said this was because India does not export steel to the United States “in a big way”. Kumaraswamy’s remarks follow Trump’s announcement last week that the United States would increase tariffs on steel imports from 25% to 50%, a move that intensifies trade tensions globally and deepens his trade war strategy. Trump made the statement while addressing a rally in Pennsylvania.

Source: [Economic times, June 2, 2025](#)

Singapore remains biggest FDI source for India for 7th straight year

For the past seven years, Singapore has maintained its status as the biggest source of foreign direct investment (FDI) in India, with an impressive inflow of nearly \$15 billion recorded for the fiscal year 2024-25, numbers released on June 1 showed. In the previous fiscal year, the overall foreign investment saw a notable increase of 13 per cent, reaching \$50 billion. The total FDI -- which encompasses equity inflows, reinvested earnings, and other forms of capital -- rose by 14 per cent to stand at \$81.04 billion during the last financial year, marking the highest figure in three years. Foreign investments are critical for India to enhance its infrastructure, including ports, airports, and highways, to stimulate economic growth. Additionally, FDI plays a vital role in improving the nation's balance of payments and bolstering the value of the rupee against other global currencies, particularly the US dollar.

Source: [Economic Times, June 2, 2025](#)

Adani-owned Mumbai Airport's cash deposit rules trigger lobbying efforts from IndiGo, Air India

The airport in India's financial capital of Mumbai, run by the Adani Group, has triggered a lobbying effort by top carriers IndiGo and Air India after it changed payment rules, citing financial needs and a risk of airline defaults, documents show. The airport is one of India's busiest at a time when dozens are being added in one of the world's fastest-growing aviation markets. It is the biggest of seven managed by a group led by billionaire Gautam Adani. Confidential letters seen by Reuters show the intense pushback to the change, which seeks a compulsory cash deposit in a bank as security against charges such as landing and parking fees, instead of a long-standing practice of bank guarantees. "None of these airlines normally pay on time ... we want to align our cash flow with the airlines' cash flow," said Arun Bansal, the chief executive of Adani Airport Holdings, which has a stake of 74% in the

Source: [Livemint, June 2, 2025](#)

Maharashtra FDA revokes Zepto's food license in Mumbai's Dharavi

Maharashtra's food safety regulator, the Food and Drug Administration (FDA), has suspended quick commerce platform Zepto's food business licence in Mumbai's Dharavi area, over reasons of non-compliance with food safety standards, reported the news portal Business Standard on Sunday, 1 June 2025. According to the report, the food safety agency found fungal growth on certain food products, improper maintenance of cold storage temperatures, and no clear separation between expired and valid items during a recent inspection. The food safety regulator also found that the food products were directly stored on wet and dirty floors, and some food items were stored in an area near some clogged and stagnant water. The food safety inspection was carried out after receiving information from the FDA Minister of Maharashtra, Yogen Kadam, according to the news portal's report.

Source: [Livemint, June 2, 2025](#)

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Donald Trump warns: Economic ruination of the US is coming if...

US President Donald Trump has warned that if American courts strike down his tariff policy, it could result in the "economic ruination of the United States of America." He said that in such a scenario, other countries could use anti-American tariffs to hold the United States hostage. "If the Courts somehow rule against us on Tariffs, which is not expected, that would allow other Countries to hold our Nation hostage with their anti-American Tariffs that they would use against us. This would mean the Economic ruination of the United States of America!," Donald Trump posted on Truth Social. Trump's warning came shortly after a major legal development. On Thursday, a federal appeals court in Washington reinstated his administration's tariffs on foreign imports, just one day after the U.S. Court of International Trade had ruled that Trump had overstepped his authority under emergency powers.

Source: [Economic Times, June 2, 2025](#)

Asia shares, dollar slip as tariff tensions darken mood

Asian share markets and the dollar made a soft start on Monday as U.S.-China trade tensions continued to simmer, while investors turned defensive ahead of key U.S. jobs data and a widely expected cut in European interest rates. There was little obvious reaction to President Donald Trump's threat late Friday to double tariffs on imported steel and aluminium to 50%, beginning on June 4, a sudden twist that drew the ire of European Union negotiators. Speaking on Sunday, Treasury Secretary Scott Bessent said Trump would soon speak with Chinese President Xi Jinping to iron out a dispute over critical minerals. Beijing then forcefully rejected Trump's trade criticism, suggesting a call might be some time coming. White House officials also continued to play down a court ruling that Trump had overstepped his authority by imposing across-the-board duties on imports from U.S. trading partners. "The court ruling will complicate the path ahead on trade policy, but there remains an ample set of provisions available to the administration to deliver its desired results," said Bruce Kasman, chief economist at

Source: [Reuters, June 2, 2025](#)

Fed's Waller still open to cutting interest rates later this year

Federal Reserve Governor Christopher Waller said on Monday that interest rate cuts remain possible later this year even with the Trump administration's tariffs likely to push up price pressures temporarily. Given that a rise in inflation pressures tied to President Donald Trump's import tax increases is unlikely to be persistent, "I support looking through any tariff effects on near term-inflation when setting the policy rate," Waller told a gathering in Seoul, South Korea. If tariffs settle in the lower end of the range of possibilities and "underlying inflation continues to make progress to our 2% goal" with a still "solid" job sector, "I would be supporting 'good news' rate cuts later this year," Waller said. He added, "Fortunately, the strong labor market and progress on inflation through April gives me additional time to see how trade negotiations play out and the economy evolves" before needing to decide what the central bank should do with interest rates. Waller's comments on the outlook for the economy

Source: [Reuters, June 2, 2025](#)

Did Elon Musk mislead investors about Tesla's future EV plans? What you need to know

Some senior Tesla executives were alarmed last year when Elon Musk denied a Reuters report that the company had killed a planned all-new \$25,000 EV that investors had expected to drive explosive vehicle sales growth, according to people familiar with the matter. "Reuters is lying," Musk had posted on X, minutes after the story published on April 5, 2024, halting a 6% decline in Tesla's stock. Tesla shares recovered some of the loss after Musk's post, but the stock was down 3.6% at market close. The executives knew that Musk had, in fact, canceled the low-cost vehicle, which many investors called the Model 2, and pivoted Tesla to focus on self-driving robotaxis, the people said. The company had told employees the project was over weeks earlier, Reuters reported, citing three sources and company documents.

Source: [Economic Times, June 2, 2025](#)