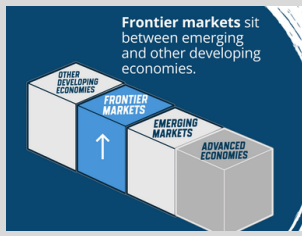
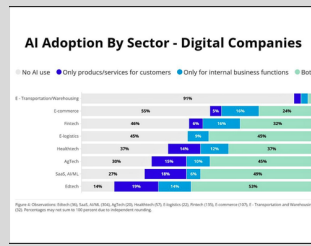


“Economics is behind everything”



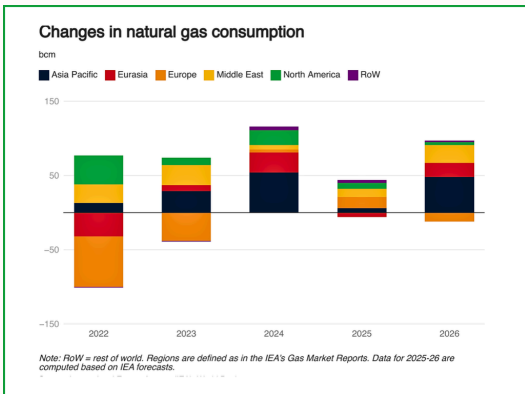
**EXPLAINED**

**Frontier Markets: A Tipping Point for Global Development**

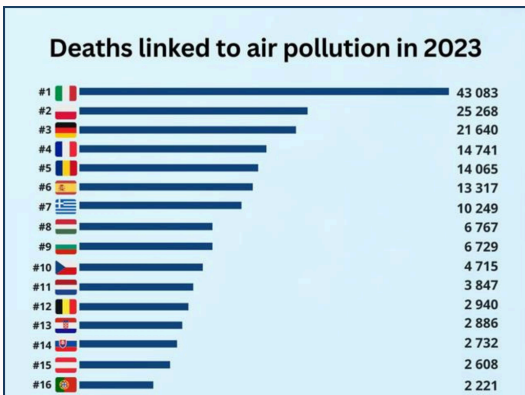


**EXPLAINED**

**Global Survey Reveals Mixed Adoption of AI in Developing Countries**



**Global Gas Market in Flux: Prices Diverging as LNG Trade Shifts**



**EU's Zero Pollution Action Plan: Aiming for a Toxic-Free Environment by 2050**



**ECONOMICS PERSPECTIVE**

MEMBERSHIP

FREE TO ACTIVATE MEMBERSHIP, AND ENJOY PREMIUM PERKS

www.economicsperspective

## India's Economic Resilience: A Beacon of Hope in Turbulent Times

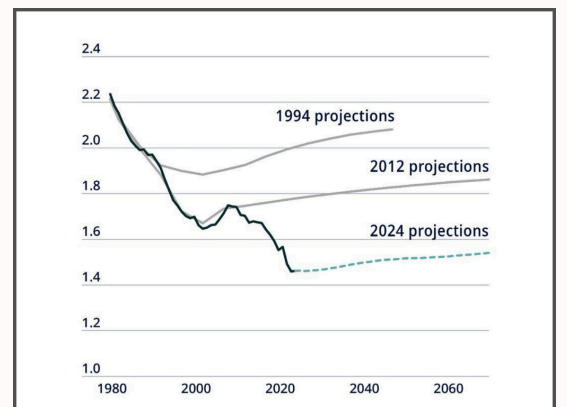


(Talk about how India handled its fiscal consolidation, spending on infrastructure, and macroeconomic stability according to best practices in the world)

Union Budget 2025-26 and the Economic Survey of India present a long-term economic plan that would enable the country to focus on internal development and make changes in the face of the unpredictable global world. The policy framework depicts a balance of fiscal discipline, structural reform, and increased involvement in international markets. According to the Economic Survey, the mid-term potential growth rate of India has risen to approximately 7 per cent, and this has been fueled by a consistent government investment, development of a rising network of infrastructure, and efficiency of logistics. This is a positive thinking that takes place at a time when the global economy is experiencing increased trade frictions, capricious capital movement, and declining investment rates. In spite of these external forces, India has still managed to exhibit resilience in terms of macroeconomic fundamentals and constant reform momentum. One of the main achievements of the Budget is the introduction of the National Mission on Manufacturing, whose purpose is to increase the manufacturing industry to 25 per cent of the GDP by 2035. The mission is also aimed at creating 143million jobs and growing the merchandise exports to USD 1.2 trillion. These plans are an indication that India aims to become closer to global value chains and to lessen reliance on external supply shocks.

In the investment front, the Survey reports that global foreign direct investment fell by 11 per cent in 2024, and India still received consistent inflows of foreign direct investment in the country because of policy stability and market potential. The latest trade and investment agreements, such as USD 100 billion through the India-EFTA partnership, shall result in an even greater leverage given to India as a favorable destination to invest in.

Sectoral trends are also positive. The growth in the agriculture and allied industries has been an average of 4.4 per cent in the last five years, with good contributions by livestock and fisheries. The growth of the financial sector has taken a new step with the International Financial Services Centre at GIFT City that currently accommodates more than a thousand international organizations and has a total of banking assets worth USD 100 billion and above. Generally, Budget 2025-26 has a policy roadmap that balances between domestic development priorities and global best practices. Through enforcing creativity, competitiveness in manufacturing, and financial prudence, India seeks to overcome the turbulence of the world while consolidating its position in the world economic development as a major energy source.



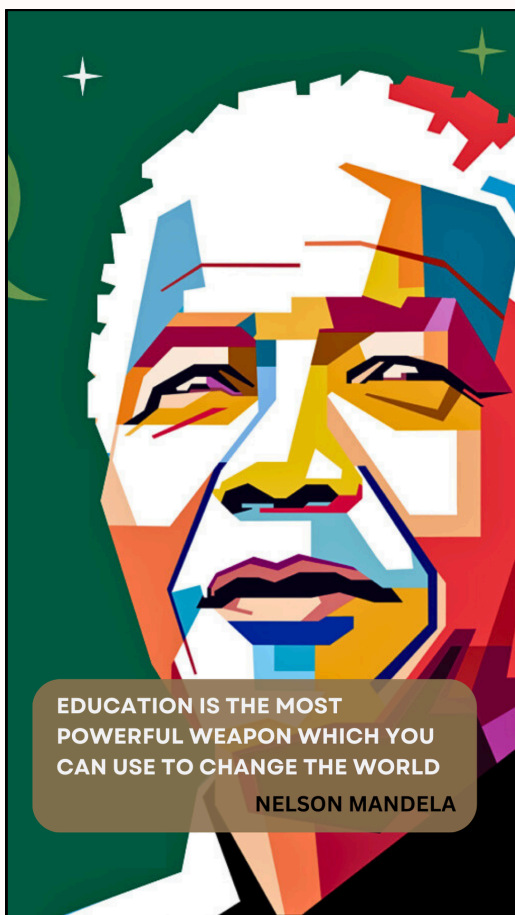
## Pension Systems in Crisis: OECD Report Reveals Challenges and Opportunities for Reform

The OECD's Pension at a Glance 2025 looks at reforming pensions in OECD Countries over the period between 2023 -2025 and provides new indicators of pension systems and projections of pensions for retirees. It reports on rapid population ageing, where the ratio of people aged over 65 to people aged 15 to 64 is expected to rise sharply from 2023 to 2050 due to declining birth rates and increasing life expectancy, now means there is a significant challenge to the sustainability of pension systems. There are a number of important changes to policy that countries are implementing in response to demograph

**SDG**

Nearly 300M workers live in extreme working poverty, earning under \$3/day. In low-income countries, almost 70% of workers remain in extreme or moderate working poverty

Nearly **300 million** workers live on less than **US\$3 per day**

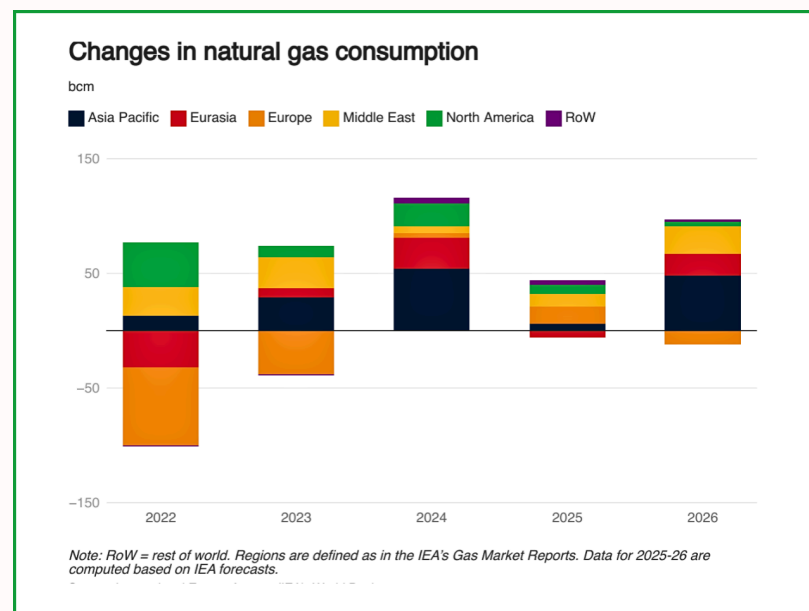
**EDUCATION IS THE MOST POWERFUL WEAPON WHICH YOU CAN USE TO CHANGE THE WORLD**

NELSON MANDELA

-ic shifts, including increasing retirement ages in the Czech Republic and Slovenia, as well as reforms in both Chile and Mexico aimed at achieving better pension adequacy for women. Many countries are reviewing contributions and calculating pensions so that they can ensure that the short- and long-term financial stability of their pension system will be maintained.

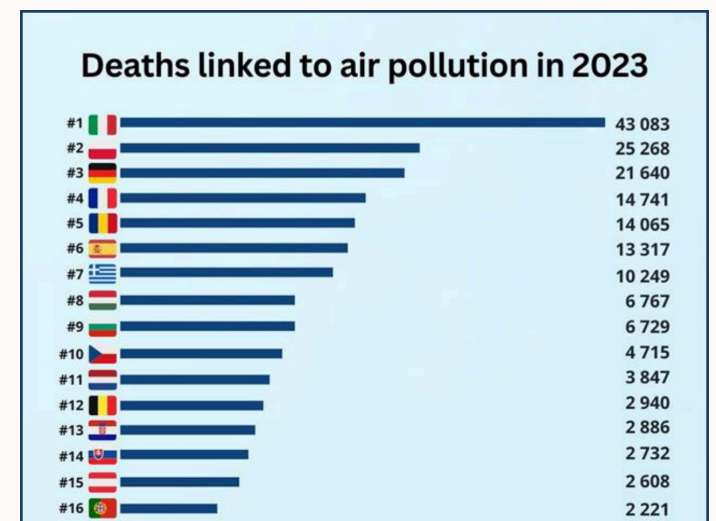
Pension payments offered to future workers are estimated to be about 63% of net wage earnings on average across the world, but there are significant variations between different countries. Women continue to receive monthly pension payments that are roughly 25% lower than the amounts received by men. Imbalances in employment availability for jobs, hours worked per week, or base salary are major contributors to the lifecycle earnings differentials that create the overall pension gap. Such disparities tend to compound over time and result in lower overall pension benefits received at retirement (especially applicable to women). The report includes various policy measures to address these differences through increased participation in the workforce (labour market) and to improve equity in terms of salary. Closing these gaps will help create a more equitable pension system while ensuring the financial viability of the pension system for many years into the future.

## Global Gas Market in Flux: Prices Diverging as LNG Trade Shifts



The world market for natural gas is diversifying as the LNG trade changes how and when things are moved around. In late 2025, the World Bank's gas price index went up slightly, but the trend in prices looks very different depending on where you live. In the United States, natural gas prices kicked up above \$5/mmbtu for the first time in three years due to cold temperatures and, on top of other things, increased LNG shipping over to Europe. Throughout Europe, prices for natural gas fell again this week, reaching an all-time low since early 2024 based on declining demand and increasing volumes of LNG imports. In 2025, there was a sizable decline in gas consumption due to decreased consumer purchases (s) due to an increase in unit cost for natural gas and economic conditions affecting consumer spending. Europe saw the majority of the increase in consumption driven by colder temperatures and limitations on renewable energy production, as well as storage needs. In Asia, natural gas consumption was flat, with a drop in China's LNG imports because of greater domestic production and lower industrial activity. It is expected that gas consumption will again increase at a slow rate (e.g., regain some market share) as industrial and electrical demand grows from the Asia Pacific region in 2026. On the supply side, North America produced large volumes of natural gas and pushed global production growth; however, Russian pipeline and LNG supply dropped due to sanctions and curtailed exports. Going forward, gas prices will continue to diverge further due to increased geopolitical tensions, severe weather events, and growth in energy demand resulting from data centers.

## EU's Zero Pollution Action Plan: Aiming for a Toxic-Free Environment by 2050



By 2050, the European Union's "Zero Pollution Action Plan" will strive to achieve an environment without toxins by decreasing air, water, and soil pollution to levels that have no effect on human health or the ecosystems' ability to function properly and provide vital services (e.g., storing carbon or filtering pollution). Pollution is associated with a large number of diseases and early deaths, and the loss of biodiversity and decreases ecosystems' capacity to provide essential services. Given the urgency to act on public health, the environment, economies, and moral obligation, in May 2021, the EU adopted this plan as an integral component of its Green Deal, with a report to be issued in January 2026 as part of the plan's mid-term review.

The plan includes significant targets for progress toward 2030, including a 55% decrease in premature deaths caused by air pollution; substantial reductions in plastic/microplastic pollution; reducing nutrient loss and the use of chemical pesticides by one-half; reducing threats to biodiversity caused by air pollution; lowering noise pollution from transportation; and drastically reducing waste generation and residual municipal solid waste. The Action Plan helps to promote pollution prevention or reduction throughout all EU policies, improves existing legislation where necessary, and identifies any policy gaps. It supports innovation through the use of digital solutions, investment, and international cooperation while building the EU's leadership role for green and sustainable development. The EU monitors progress towards achieving the goals set out in the Action Plan via regular reporting, dashboards, and using various stakeholder platforms. The 2026 review will be a comprehensive overview of successes achieved, challenges yet to be overcome, and practical solutions in support of the EU's goals for clean air, clean water, clean soil, and a healthier/fairer future for people and nature.

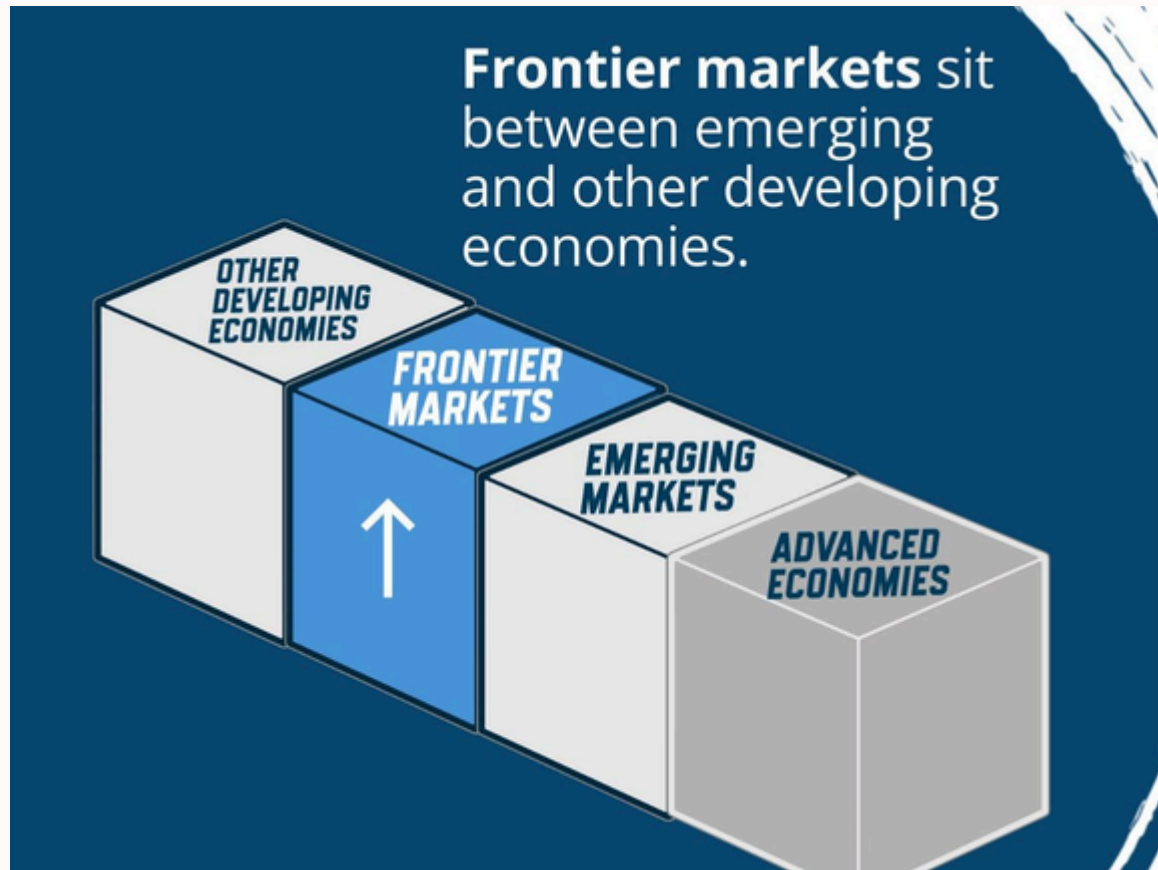


**UN environment programme**

**75%**

of the Earth's land surface has been significantly altered by human actions

# Frontier Markets: A Tipping Point for Global Development



Frontier-market economies are uniquely and more and more significant in the global economic environment. These countries are placed between the advanced emerging markets and low-income developing countries, characterized by low yet significant access to international financial markets. New analysis in the World Bank Global Economic Prospects (GEP) 2026 report shows that frontier markets present huge potential and a huge threat to the global economy. With almost 1.8 billion inhabitants, approximately a fifth of the global population, the frontier markets at present contribute approximately 5 percent of the global gross domestic product. Although this is a small percentage, their population impact is still growing fast. The greater part of the world population growth in the next quarter century is predicted to be in these economies, and therefore the development process in these economies would not only be critical in the prosperity of these economies, but also to the stability of the world and the creation of employment.

## Losing Building Momentum with Big Potential-

The report points out that frontier markets have a number of structural advantages. Most of these economies are well endowed with natural resources such as minerals needed in the global energy transition. They usually have relatively better institutions, healthier populations, and better-educated workforces compared to the other developing economies. International access to capital markets offers more financing opportunities, which can be used to finance investment and growth. However, even with these positive factors, there has not been a complete economic performance. The frontier market growth has dropped sharply to approximately 2 percent/year in the 2020s, less than half of the growth in the early 2000s. Meanwhile, such economies enjoy the dividends of only 3.1 percent of world capital inflows, and this is yet another indicator of their ongoing marginalization in the global financial system. There is also a weakened growth in per capita income. The growth in output per capita in the usual frontier market has grown at a slower rate than in the emerging markets, increasing the income disparity between the two. Though the rates of poverty have reduced since 2000, the progress has slowed down during the last few years, and living standards are fragile in most frontier economies.

The fact that frontier markets are increasingly globalizing their financial systems is one of their distinguishing features. Some of them have opened their capital accounts, issued international bonds, and allowed foreign portfolio investment during the past two decades. Its appearance in the major equity and bond indexes has helped to draw the attention of foreign investors who are seeking better returns. Nevertheless, this is yet to be fully integrated and balanced. Many frontier markets have poor domestic financial systems. The access and limited credit, poor regulatory measures, and high lending rates limit the business expansion capabilities. This means that capital inflows are not necessarily productive investments. Moreover, they have

been exposed to international financial cycles, and this has been increasing, thereby making them vulnerable. Growth in the short run is normally enhanced by an inflow of capital, which is usually characterized by abrupt reversals. As the world interest rates increase or there is a shift in the sentiments of the investors, the frontier markets might experience sudden stops resulting in currency pressures, increased cost of borrowing, and reduced economic growth.

Risks associated with debts have turned into a rather acute issue- About 40 percent of the frontier markets have defaulted on sovereign commitments at least once since 2000. These economies recorded the greatest number of defaults over the five years since the beginning of the COVID-19 pandemic, as compared to the rest of the countries. Their debts are mostly coded in foreign currencies, thus being very vulnerable to exchange rate fluctuations and external shocks.

## The Question of Why Some Frontier Markets Work-

Regardless of these complications, the GEP report points out that frontier markets do not all perform in the same manner. Many nations have been able to experience sustained growth and development through proper policies as well as strategic investments. The frontier markets that have been expanding at a faster pace since 2000 are likely to have a number of common features. They have registered high levels of investment growth, specifically in the field of infrastructure and human capital. They have also significantly enhanced their governance and institutional quality, which has served to create confidence in investors. Notably, effective actors have been able to contain government debt and have had more stable macroeconomic conditions. The report shows that there are different ways in which development can take place by citing case studies. Kazakhstan used its energy resources to attract investment and modernize its infrastructure. Vietnam had embarked on export-led industrialization, which was built on deep integration into the global supply chains. Rwanda specialised in the development of the service sector and tourism, with a significant investment in reforms in the area of public administration and business climate. These diverse experiences demonstrate that there is no exact formula of success, but that disciplined policy choices can be able to make a decisive difference.

## The Road Ahead: Policy Priority-

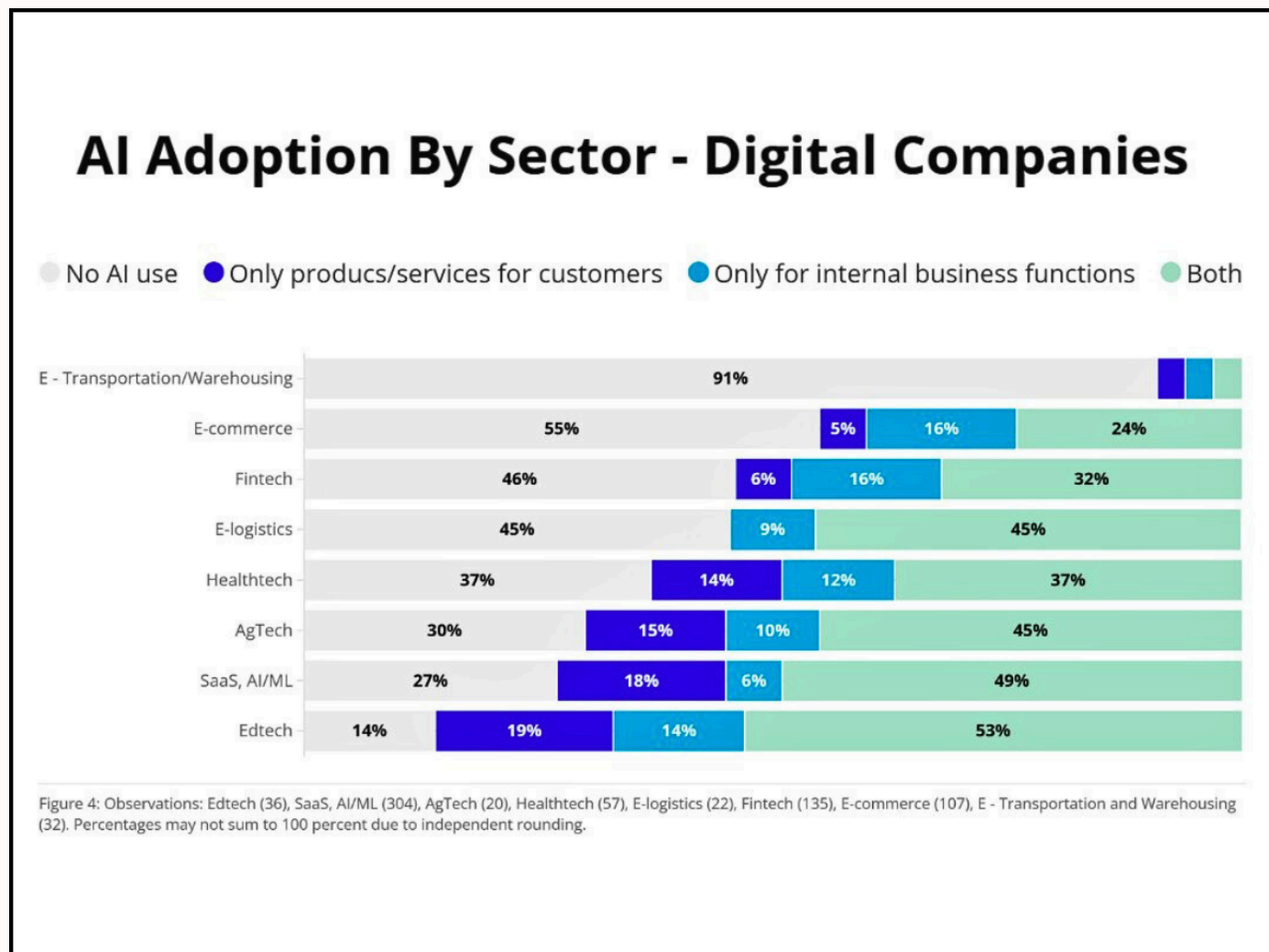
Frontier markets will require a holistic and well-balanced policy agenda in order to realize their potential. Some priorities are identified by the World Bank. To begin with, the financial and trade integration should be accompanied by increased oversight and risk management. The evolution of richer domestic financial markets can be used to minimize reliance on unstable foreign financing sources as well as to supply domestic businesses with more stable funding. The export bases would have to be diversified in an attempt to cushion these economies against fluctuations in world prices rather than focusing on primary commodities. Second, it is necessary to have macroeconomic stability. Plausible fiscal and monetary policies, sustainable debt management, and sufficient foreign exchange reserves can reduce borrowing costs and create shock resilience. The predictable nature of the policies, especially in areas of long-term investment, is relevant. Third, the increase in productivity and investment is a major factor in long-run growth. Various frontier markets have massive infrastructural lapses in transportation, power, and internet connectivity. Sealing such gaps would help spur activity in the private sector and reduce unemployment. The additional investment in education and skills training will be critical to make sure that growing working-age populations become a demographic dividend as opposed to an increase in unemployment. Lastly, it is essential to reform governance and institutionalize it. The business environment can be improved by having transparent regulatory systems and effective

public administration, as well as the rule of law, to promote investment, both local and foreign. Global Implications Frontier market performance is important much more than its borders. With the working-age populations in the advanced economies declining, the countries will become an even more significant source of labor in the world, consumer demand, and investment opportunities. Their success or failure will define the migration trends, commodity markets, and the overall wave of global development. There is also the role of the international partners. Frontier markets can be fostered by multilateral institutions, development banks, and private investors with concessional finance, technical advice, and investment in essential infrastructure. Co-ordinated debt relief efforts and better access to international capital markets would also enhance success in the achievement of sustainable development.

**A Moment of Decision: Frontier markets are at a critical position -**

They have young populations, resource endowments, and growing financial linkages with vast opportunities. However, the deceleration in investment, increased vulnerability to debts, and exposure to turbulent flows of capital will be the factors that hold them back. The policy choices that they make now will determine whether these economies will live up to their promise. Frontier markets can be growth engines and sources of opportunities in the next few decades, provided they are reformed, invested in, and supported by the global community. In their absence, they stand to lose their positions on the fringes of the world economy. The future of global development, as the GEP 2026 analysis reveals, not only affects the 1.8 billion inhabitants of these economies but also the future of the entire world's development.

## Global Survey Reveals Mixed Adoption of AI in Developing Countries



Business operations around the world are being transformed through the use of Artificial Intelligence (AI) technology. The production process, decision-making, and customer engagement are all being revolutionized by AI Technology. Advanced economies are widely reported to be using AI technology; however, there is not much information available on how companies in developing countries are adopting the use of AI technology. It is essential to increase understanding about how developing countries intend to use AI, due to gains in productivity and competitiveness. A global survey was conducted by the International Finance Corporation (IFC) in June 2025 with 2,200 companies from more than 85 countries in their investment portfolio. (companies that either received direct investments from IFC or funding from venture capital and private equity firms). This survey is one of the first comprehensive analyses of the use of AI in emerging markets. The results of the survey show that there is a mixed and inconsistent picture: a number of companies that are early adopters have started testing their capabilities with AI technology, while many companies are unengaged with AI technology. To find missing data, IFC surveyed 2,200 businesses in June 2025 from more than 85 countries. The survey's results offer readers a first view of AI usage globally for developing economies with limited uptake (e.g., a few early adopters piloting), while most businesses have no actual engagement with AI systems. The intensity of AI usage across firms that implement AI varies immensely. Less than 25% of the companies polled rely only on AI for outreach and external operations, and less than 25% utilize it entirely for core functions. Conversely, approximately 25% use AI internally and externally, demonstrating a greater degree of integration and utilization of AI across multiple areas of business. Companies that embed AI into multiple activities will have a much greater chance of realizing cumulative productivity improvements and greater business value than those that use AI in isolation or for very narrow purposes alone.

A clear distinction appears to be drawn between digital versus non-digital businesses. Digital-first companies (having technology at the core of their business model) are far more likely to implement and use AI than those with traditional, analogue-based businesses. A little more than half of businesses that do not operate digitally use artificial intelligence-based technologies, compared to nearly six in ten businesses that do. The reason for this disparity is due to the capabilities of today's AI technology (particularly conversational AI and large-language models), as they are much easier for companies to enact within an online environment and as part of their digital workflows. In contrast, embodied AI (robotics and computer vision) used in manufacturing has significantly higher barriers to integrating/distributing as compared to other forms of AI, thereby limiting the spread of such technologies among traditional businesses. The age of a business also has a major influence on AI integration. Younger businesses are much more likely to employ AI than their older counterparts. Businesses established after 2000 are more likely to use AI than those established before 2000; however, just under half of those that incorporated AI before 2000 are still using it. This indicates a shift in generational behavior, as "digital-born" and "AI-native" businesses are established to leverage AI as part of their total operational strategy at inception, versus trying to integrate AI into established practices/systems later on.

Different industries have different rates of AI use. Within the digital economy, businesses related to software or that have many data transactions (such as financial services, education, agriculture, and health care) have the highest adoption of AI. In comparison to other sectors, EdTech is the most active user of AI, especially when referring to customer-facing functions. This would indicate that companies in EdTech are already leveraging AI to deliver more personalized and adaptive learning through their products; in turn, they are drastically changing the way that educational services are provided in developing nations. Companies in these industries have access to a lot of data, are complicated at the operational level, and have strong motivations to automate processes and improve the accuracy of forecasting. On the other hand, when we look at traditional (non-digit

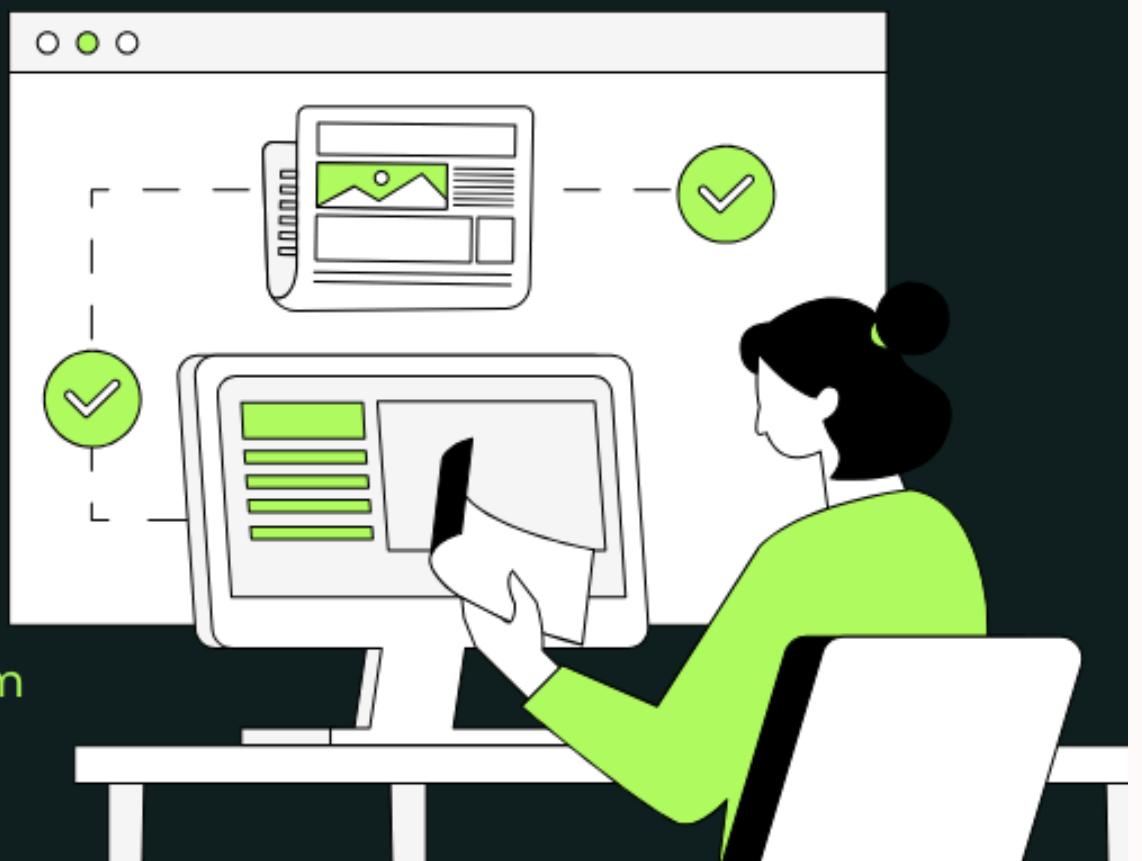
-al) industries, professional services exhibit the greatest level of AI usage compared to other traditional industries. More than one-third of all companies in this industry currently utilize AI; this is significantly higher than the rates seen in the remaining traditional industries. This finding supports prior research that professional services are characterized by tasks like document review, forecasting, and consulting, all of which lend themselves well to automation and augmentation through AI tools. The geographical distribution of artificial intelligence (AI) use is significantly different between regions of the world. Businesses in Sub-Saharan Africa and the Middle East, for instance, reported relatively low levels of AI adoption when compared to South and East Asia. Similarly, businesses in Europe, Central Asia, Latin America, and the Caribbean adopt AI at a rate that is close to 50% of all businesses worldwide. A deviation is East Asia, which did not have as many digital centers in the IFC's study when compared to other published research, and therefore might appear to have a low level of AI use because of this exclusion. These trends show that businesses play a crucial role when it comes to taking new technology and using it to create economic value. As firms produce most of the world's products and services, the adoption of new technologies like AI will impact productivity levels, international trade competitiveness, and growth over the long term. While the survey was conducted to evaluate current levels of AI, it highlights the barriers to and opportunities for the adoption of AI technologies by firms in emerging economies. Although AI adoption has been at an early stage in developing economies (through the few firms that have experienced productivity benefits and/or innovation benefits), the extent to which it will be adopted across industries will depend on the extent to which the structural, technological, and skill-related limitations or barriers can be overcome.

# Economics perspective



## GROW YOUR BRAND ONLINE

Boost your brand with us! We're welcoming ads on our Economics Perspective news website. let's connect and reach your your target audience.



team.economicsperspective@gmail.com  
8438339089