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Economy

US reciprocal tariff may erode India's GDP by up to 50 bps, say experts

The reciprocal tariff announced by the Trump administration can shave off India's GDP growth rate by up to 50 basis points to 6 per cent and the country's exports to the US could fall by 2-3 percentage points in the current fiscal, experts said on Thursday. EY Chief Policy Advisor D K Srivastava said, "the maximum adverse impact on India's GDP growth will not be higher than 50 basis points. As per our earlier projection, the GDP growth estimate for current fiscal was 6.5 per cent, which may go down to 6 per cent without retaliation".

https://www.business-standard.com/economy/news/us-reciprocal-tariff-may-erode-india-s-gdp-by-up-to-50-bps-say-experts-125040300885_1.html

Calls grow louder for PLI scheme push to mitigate looming trade risks

As the United States (US) imposes reciprocal tariffs on India, expanding the production-linked incentive (PLI) scheme may be key to upholding the ambitious 'Make in India' initiative and mitigating the potential trade impact, say experts. Economists feel that the latest tariffs announced by the Trump administration could compel India to go faster on reforms and push the pedal further on its programmes such as 'Make in India' and the PLI scheme.

https://www.business-standard.com/economy/news/calls-grow-louder-for-pli-scheme-push-to-mitigate-looming-trade-risks-125040301491_1.html

Finance

Banks' NIM likely to have contracted in Q4, experts say

Banks' net interest margin (NIM), a key indicator of their profitability, is likely to have moderated in the quarter ending March, as lenders struggled to reduce deposit rates amid stiff competition in Q4 and were forced to cut interest rate on loans linked to external benchmark after the 25-basis points (bps) rate cut by the Reserve Bank of India (RBI) in February, experts say.

<https://www.thehindubusinessline.com/money-and-banking/banks-nim-likely-to-have-contracted-in-q4-experts-say/article69408445.ece>

Lenders urge RBI to return to daily overnight borrowing window to improve liquidity

Bankers have requested the Reserve Bank of India to reinstate the daily overnight borrowing window as the primary cash management tool to ensure better liquidity and quicker transmission of rate cuts. The RBI is expected to announce changes to the liquidity framework next week, coinciding with an anticipated repo rate reduction.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-urge-rbi-to-return-to-daily-overnight-borrowing-window-to-improve-liquidity/articleshow/119955335.cms>

RBI maintains FPI investment caps in govt securities, corp bonds for FY26

India's central bank on Thursday kept the investment limits unchanged for foreign portfolio investors (FPIs) in government and corporate bonds for the fiscal year 2025-26. The Reserve Bank of India (RBI) maintained the existing

caps of 6 per cent for government securities, 2 per cent for state government securities and 15 per cent for corporate bonds for the current year starting April 1, the central bank said in a press release.

https://www.business-standard.com/finance/news/rbi-maintains-fpi-investment-caps-in-govt-securities-corp-bonds-for-fy26-125040301232_1.html

Finance Ministry scraps fee for updating nominees in PPF accounts

"In the Government Savings Promotion General Rules, 2018, in Schedule II, under 'Fee to be charged for services,' the words and figures '(b) Cancellation or change of nomination – ₹50' shall be deleted," a notification by the Finance Ministry stated. The change has been made effective from April 2.

<https://www.thehindubusinessline.com/economy/finance-ministry-scraps-fee-for-updating-nominees-in-ppf-accounts/article69407327.ece>

UPS may be replicated to other stakeholders of NPS: Finance Secretary

Financial Services Secretary M Nagaraju on Thursday expressed hope that the Unified Pension Scheme (UPS), which promises an assured pension of 50 per cent of the average basic pay drawn over the last 12 months, may be replicated for other stakeholders under the New Pension System (NPS). Observing that NPS has emerged as a robust retirement savings mechanism in the country, he said, its growing assets under management and subscriber base is reflective of people's trust in the scheme.

https://www.business-standard.com/finance/news/ups-may-be-replicated-to-other-stakeholders-of-nps-finance-secretary-125040300841_1.html

Industry

Leather industry has a good opportunity to increase exports to the US

With the US being a significant market for Indian leather goods, the reciprocal tariffs present a unique opportunity for Indian exporters to increase their market share in the world's largest market, say exporters. India's total leather and leather manufactures' exports from April 2024 to February 2025 was \$4.1 billion. Of this, exports to the US was \$870 million, according to government data.

<https://www.thehindubusinessline.com/news/leather-industry-has-a-good-opportunity-to-increase-exports-to-the-us/article69408299.ece>

India's liquor sector seeks govt protection amid looming US tariff concerns

As uncertainty looms over potential US tariffs on spirituous beverages, industry leaders in India are calling for bilateral trade discussions to ensure a mutually beneficial and equitable outcome. The sector, which contributes over ₹3 lakh crore to State revenues and supports millions of livelihoods, is urging the Indian government to take necessary steps to protect its growth.

<https://www.thehindubusinessline.com/economy/indias-liquor-sector-seeks-govt-protection-amid-looming-us-tariff-concerns/article69409034.ece>

Indian steel sector dodges US reciprocal tariffs, but cheap import influx fears loom

India's steel heavyweights anticipated a new threat as the US unleashed a 27 per cent reciprocal tariff on Indian imports. But steel dodged an additional hit beyond the existing 25 per cent duty (in March). This move, however, could still disrupt the sector by triggering a surge of low-cost imports of nearly 5 million tonnes of the metal coming into the country from global competitors and limiting export opportunities.

<https://www.thehindubusinessline.com/economy/indian-steel-sector-dodges-us-reciprocal-tariffs-but-cheap-import-influx-fears-loom/article69407552.ece>

Gems & jewellery exporters jittery over steep hike in US reciprocal tariff

According to a late evening circular issued by the Gem & Jewellery Export Promotion Council (GJEPC) to its members, the US duty increase will occur in two phases. A 10 per cent duty increase on all items imported into the US will be effective from April 5, over and above the presently applicable duty. In the second phase, it will increase by another 17 percentage points effective April 9, due to country-specific import duty on Indian goods. Effectively, the duty rates will go up by 27 percentage points over and above the current rates.

https://www.business-standard.com/economy/news/gems-jewellery-exporters-jittery-over-steep-hike-in-us-reciprocal-tariff-125040301343_1.html

India's IT sector unfazed by US tariffs, but manufacturing and exports face hurdles, say experts

While India's IT services sector remains shielded from the latest US tariff hikes, industry experts warn of broader economic ramifications. Experts also stress that India's IT services sector, a major economic driver with \$205.2 billion in exports in FY24, remains resilient, buoyed by strong US-India collaboration and demand for AI, cybersecurity, and enterprise tech solutions. However, reciprocal tariffs may pressure industries reliant on IT spending, prompting businesses to optimise costs and automate processes.

<https://www.thehindubusinessline.com/info-tech/indias-it-sector-unfazed-by-us-tariffs-but-manufacturing-and-exports-face-hurdles-say-experts/article69407506.ece>

US tariff-driven inflation may hit Indian electronics exports, but smart supply chains offer edge

An ungainly US inflation spike spawned by tariffs could temporarily dent Indian electronics exports, industry executives said, but smart supply chains that can outflank harder-hit China and other East Asian rivals should offer New Delhi long-term competitive edge in the zero-sum game of commercial diplomacy.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/us-tariff-driven-inflation-may-hit-indian-electronics-exports-but-smart-supply-chains-offer-edge/articleshow/119954310.cms>

US tariffs not to have any material impact on India's passenger vehicle exports: ICRA

The recent US tariff measures on passenger vehicle exports from India will have minimal impact due to low export volumes, according to ICRA. However, increased tariffs on auto components, including aluminium and steel parts, could negatively affect revenues and earnings for Indian exporters in the US in the coming months.

<https://economictimes.indiatimes.com/industry/auto/auto-news/us-tariffs-not-to-have-any-material-impact-on-indias-passenger-vehicle-exports-icra/articleshow/119951384.cms>

Indian startups should aim for global prominence, says Piyush Goyal

In a sharp critique on the Indian startup ecosystem, Union Minister of Commerce and Industry Piyush Goyal on Thursday urged the startups to reevaluate their purpose and true value, and try to rise to international prominence. He was speaking at the inaugural ceremony of the second edition of the three-day Startup Mahakumbh here at Bharat Mandapam.

https://www.business-standard.com/industry/news/indian-startups-should-aspire-for-international-prominence-piyush-goyal-125040301383_1.html

Parliament clears landmark aviation bill to support aircraft lessors

India's parliament on Thursday passed a landmark aviation bill that will make it easier for global aircraft leasing companies to repossess jets and engines when a carrier defaults on its payments, a big win for international lessors in a key market. India's "Protection of Interests in Aircraft Objects" bill will fully implement the Cape Town Convention and Protocol, an international agreement on asset-based financing.

https://www.business-standard.com/india-news/parliament-clears-landmark-aviation-bill-to-support-aircraft-lessors-125040301537_1.html

Rising costs to meet safety norms, demand push carmakers to hike prices

Rising input costs to meet mandatory safety requirements as well as growing consumer preference for features such as six airbags in all variants are making carmakers increase prices despite sluggish demand, according to industry players. "The price increase is purely on account of input costs of regulatory changes and that too a partial passing on of such costs," a spokesperson of Maruti Suzuki India said when asked why the company is hiking prices at a time when the overall passenger vehicle market is sluggish.

https://www.business-standard.com/industry/auto/rising-costs-to-meet-safety-norms-demand-push-carmakers-to-hike-prices-125040301098_1.html

Tech sector crucial for India's \$7 trn economy goal by 2030: Nasscom Prez

As India looks to become a USD 7-trillion economy by 2030, the tech sector is poised to play a pivotal role by contributing about USD 1 trillion to the GDP, driving innovation that solves both domestic and global problems, Nasscom's Rajesh Nambiar has said. The IT industry body President emphasised the critical role of technology in shaping India's future and noted that achieving this goal will require the tech sector to lead in innovation, particularly through deep tech, which will be instrumental in transforming various sectors such as healthcare and financial services.

https://www.business-standard.com/companies/people/tech-sector-crucial-for-india-s-7-trn-economy-goal-by-2030-nasscom-prez-125040300769_1.html

Rising costs to meet safety norms, demand push carmakers to hike prices

Rising input costs to meet mandatory safety requirements as well as growing consumer preference for features such as six airbags in all variants are making carmakers increase prices despite sluggish demand, according to industry players. Market leader Maruti Suzuki India on Wednesday announced that it will increase prices of various models by Rs 2,500-62,000, from April 8, the second hike this year after increasing by up to Rs 32,500 across various models from February 1. Similarly, BMW Group India has already increased by 3 per cent on select models from this month.

https://www.business-standard.com/industry/auto/rising-costs-to-meet-safety-norms-demand-push-carmakers-to-hike-prices-125040301098_1.html

Rural-urban divide in FMCG demand continues to widen

Marico observed stable demand and volume pick-up in Q1 2025 due to rural market improvement and easing consumer wallet stress. Dabur expects flat revenue growth and mid-single digit decline in India's FMCG business, citing inflation and urban slowdown impacts. Moderating retail and food inflation, normal monsoon forecasts, and firm input prices were crucial factors.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/rural-urban-divide-in-fmcg-demand-continues-to-widen/articleshow/119954636.cms>

Agriculture

India's shrimp exports to US seen badly hit due to high reciprocal tariffs

Even though high reciprocal tariffs levied in the US by the Donald Trump Administration are likely to put a dent on exports of some Indian agricultural products, such as shrimps, going forward, several experts say the fact that the tariffs are still lower as compared to many of India's competitors might signal that all is not lost. India exported around \$1.9 billion worth of seafood to the US in the financial year 2023-24 (FY24). Bulk of India's seafood exports to the US is in the form of "Vannamei Shrimp", and some estimates said that in FY24, almost 41 per cent of India's shrimp exports went to America, which was by far one of its largest markets.

https://www.business-standard.com/economy/news/india-s-shrimp-exports-to-us-seen-badly-hit-due-to-high-reciprocal-tariffs-125040300312_1.html

US tariff: Spices exporters say buyers may shift sourcing pattern

The All-India Spices Exporters' Forum has voiced concern over the US tariff hike, saying that it could negatively impact the sector's export competitiveness, supply chain economics, and long-term trade relationships. The US has long been a key destination for Indian spices, with total spice exports to the US reaching 111,484 tonnes valued at ₹5,127 crore in 2023-24. The US government's decision to impose higher tariffs on Indian exports is a significant development for the industry, said Emmanuel Nambusseril, Chairman, AISEF.

<https://www.thehindubusinessline.com/economy/agri-business/us-tariff-spices-exporters-say-buyers-may-shift-sourcing-pattern/article69408678.ece>

Trump tariffs: Indian cashew set to gain in US as Vietnam faces higher duty

The 26 per cent Trump tariff is expected to make Indian cashew more competitive in the US market in the short term, but exporters anticipate increased competition in the long run from African producers, who face a lower duty. Bola Rahul Kamath, President, All India Cashew Association, said the US has levied a tariff of 46 per cent on Vietnam, while it has levied 26 per cent on India. As a result, Indian cashew will be 20 per cent cheaper compared to that of Vietnam in the US.

<https://www.thehindubusinessline.com/economy/agri-business/trump-tariffs-indian-cashew-set-to-gain-in-us-as-vietnam-faces-higher-duty/article69407357.ece>

Artificial intelligence - a game changer for Indian agri, says BCG report

Artificial Intelligence (AI), is no longer an emerging trend, but a game-changer for India's agriculture and healthcare sectors, unlocking new frontiers in efficiency, accessibility, and economic growth, according to a new report by the Boston Consulting Group (BCG). The report titled 'Unlocking AI's Potential in India: Transforming Agriculture and Healthcare', explores how AI-driven innovation can address critical challenges in food security, healthcare access, and resource optimisation.

<https://www.thehindubusinessline.com/economy/agri-business/artificial-intelligence-a-game-changer-for-indian-agri-says-bcg-report/article69408285.ece>

Infrastructure

Realty sector slowdown: Recalibration of launch pipelines in the works

Real estate majors in India have turned cautious with their project pipelines to prevent a buildup of inventories in the residential space as buyers and investors are holding off their realty expenditure amid a market tumble. Developers and market watchers said the market was preparing for a cooling-off period in the coming months in Mumbai, Gurugram, and some others that had seen rapid growth in residential projects and sales in 2023 and 2024, due to post-pandemic demand. Insiders expect developers to take stock of capacities and ensure that inventories that can be absorbed goes into the market.

https://www.business-standard.com/industry/news/realty-sector-slowdown-recalibration-of-launch-pipelines-in-the-works-125040301014_1.html

Energy

India lead in new coal proposals in 2024, says Global Energy Monitor

India accounted for one-third of new global coal proposals in 2024, with 38.4 GW capacity — the highest since 2015 — according to the latest report by the Global Energy Monitor (GEM) released on Thursday. The 10th edition of the Boom and Bust Coal report said 10 countries are now responsible for 96 per cent of coal power capacity development, with China and India representing 87 per cent of it.

https://www.business-standard.com/economy/news/india-lead-in-new-coal-proposals-in-2024-says-global-energy-monitor-125040300949_1.html

States

Govt expands Oil Palm Scheme to Assam's tea estates, say planters

The Union Ministry of Agriculture and Farmers Welfare will extend the NMEO-OP scheme to Assam's tea estates for oil palm cultivation. This decision follows NETA's appeal due to land classification issues. The initiative will support growing oil palm on five percent of tea garden land, aiding economic challenges in the tea industry.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-expands-oil-palm-scheme-to-assams-tea-estates-say-planters/articleshow/119950831.cms>

Healthcare

Indian medical devices industry calls USA's 27% tariff challenge for growth

Indian medical device manufacturers expect challenges for their growth in the United States (US) after President Donald Trump announced imposing a 27 per cent reciprocal tariff on imports from India. The new tariffs may impact India's medical devices exports, said Rajiv Nath, forum coordinator for the Association of Indian Medical Device Industry (AiMeD).

https://www.business-standard.com/industry/news/medtech-manufacturers-say-26-tariff-may-pose-challenge-for-sector-s-growth-125040300310_1.html

External

Govt examines US tariff move, seeks feedback from exporters: Commerce Dept

The government is carefully examining the implications of the 27 per cent reciprocal tariffs that the United States (US) plans to impose on India, and is in discussion with industry and exporters — to take feedback of their assessment of the tariffs and the evolving situation, the department of commerce said on Thursday.

https://www.business-standard.com/industry/news/govt-examines-us-tariff-move-seeks-feedback-from-exporters-commerce-dept-125040300856_1.html

India, Thailand support rules-based order in Indo-Pacific: PM Modi

India and Thailand on Thursday decided to elevate their relations to the level of a strategic partnership with Prime Minister Narendra Modi asserting that both the countries support a free, open, inclusive, and rules-based order in Indo-Pacific, and believe in a policy of development, not expansionism. "We have emphasized cooperation in the fields of tourism, culture, and education between India's northeastern states and Thailand. We discussed enhancing mutual trade, investment, and exchanges between businesses," Modi said about his talks with Shinawatra.

https://www.business-standard.com/external-affairs-defence-security/news/india-thailand-support-rules-based-order-in-indo-pacific-pm-modi-125040300952_1.html

India urges Brics to mobilise \$1.3 trillion to achieve climate goals

India on Thursday urged the Brics (Brazil, Russia, India, China and South Africa) to mobilise \$1.3 trillion to strengthen climate financing mechanisms and achieve global sustainable commitments. Stressing the urgent need for equitable carbon budget utilisation, India, at the 11th Brics Environment Ministers' meeting in Brazil, focused on the Baku to Belem Roadmap and called for a balanced transition that prioritises developing nations' growth while ensuring sustainability.

https://www.business-standard.com/economy/news/india-urges-brics-to-mobilise-1-3-trillion-to-achieve-climate-goals-125040301498_1.html

Exporters fear demand hit, China dumping after US slaps 27% tariff on India

Washington's decision to impose a 27 per cent reciprocal tariff on India not only threatens short-term demand but also intensifies fears of dumping from China, exporters said. Until now, American buyers had already been holding off on orders due to a lack of clarity on reciprocal tariffs. Now that the levy has been announced, Indian suppliers will reach out to them to discuss the way forward, they said.

https://www.business-standard.com/industry/news/exporters-fear-demand-hit-china-dumping-after-us-slaps-27-tariff-on-india-125040301408_1.html

Agri, plastics, textiles to face over 30 pc tariff in US from Apr 9: GTRI

From April 9, multiple sectors including agriculture, meat, processed food, textiles, and clothing from India will face import duties over 30 percent in the US. This includes country-specific tariffs reaching up to 35.99 percent for certain goods. Currently, these exports face much lower tariffs averaging between 0.41 to 8.99 percent.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/agri-plastics-textiles-to-face-over-30-pc-tariff-in-us-from-apr-9-gtri/articleshow/119953087.cms>