

July 25, 2025 – Friday

Key Developments

'Historic day' for India, UK as countries sign FTA that can double bilateral trade by 2030

India and the UK have signed a 'landmark' free trade pact — the India-UK Comprehensive Economic and Trade Agreement (CETA) —that is expected to double bilateral trade to over $110 billion by 2030, boost services trade and facilitate mobility. "It is a historic day for India-UK relations… The trade deal will especially benefit the youth, farmers, fishers and the MSME sector," Prime Minister Narendra Modi said in his joint address with UK PM Keir Starmer in London after the CETA was signed.
https://www.thehindubusinessline.com/economy/india-uk-ink-historic-free-trade-agreement/article69850374.ece

India-UK trade deal: India's Smartphones, optical fibre cables, inverters to attract zero duty in Britain

India UK Trade Deal: The Indian electronics sector is set to experience a significant surge, fueled by the free trade agreement with Britain. Zero import duties on smartphones, optical fibre cables, and inverters will boost exports. The inclusion of IT and IT-enabled services opens new avenues for Indian software firms, projecting a growth of 15-20% annually.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-trade-deal-indias-smartphones-optical-fibre-cables-inverters-to-attract-zero-duty-in-britain/articleshow/122881988.cms

India-UK FTA: Engineering goods export likely to reach USD 7.5 billion by 2029-30

The India-UK Free Trade Agreement eliminates the 18% duty on engineering goods, boosting export competitiveness. This move is projected to nearly double engineering exports to the UK, potentially exceeding USD 7.5 billion by 2029-30.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-fta-engineering-goods-export-likely-to-reach-usd-7-5-billion-by-2029-30/articleshow/122881302.cms

MSMEs in labour-intensive sectors to get an edge

Duty-free access to the UK's $23 billion market under the trade pact will give Indian micro, small and medium enterprises (MSMEs) an edge over competitors in labour-intensive sectors such as leather & footwear, textiles & clothing, gems & jewellery, furniture, and sports goods. Beyond labour-intensive industries, MSMEs in marine, agriculture, pharmaceuticals, chemicals, electronics, sports goods, engineering, gems and jewellery, oilseeds, soft plantations, and alcoholic beverages stand to benefit, scaling up production and innovation, officials said.
https://www.financialexpress.com/business/sme/msmes-in-labour-intensive-sectors-to-get-an-edge/3925680/

India-UK trade boost: 108 service sub-sectors opened to British firms, 137 to Indian companies

All key areas of India's interest, such as IT, management consultancy, advisory, accountancy, engineering, telecom, financial services, education and health are covered. "Both in terms of width and depth of coverage the UK's commitments (to India) are much deeper," according to an Indian commerce ministry note.
https://economictimes.indiatimes.com/news/economy/foreign-trade/services-subsectors-to-see-easy-mobility/articleshow/122890133.cms

New Delhi opens govt procurement to UK companies

India is set to open government contracts to companies from the UK. This move will allow UK firms to bid on projects in transport, green energy, and infrastructure. UK-origin goods with 20% domestic content will be treated as local suppliers. This decision marks a shift in India's procurement strategy.
https://economictimes.indiatimes.com/news/economy/foreign-trade/new-delhi-opens-govt-procurement-to-uk-companies/articleshow/122890137.cms

India-UK FTA: Over 95% Indian farm exports to get duty-free market access

India has safeguarded the interests of its farmers in the Free Trade Agreement (FTA) with the United Kingdom by ensuring that a range of agricultural items -- such as dairy products, edible oils, apples, and oats -- do not face import duties, according to a report by the Press Trust of India. As part of the deal, around 95 per cent of Indian agricultural and processed food exports will now enter the UK without import duties. This includes everyday staples such as turmeric, pepper, and cardamom, as well as processed foods like mango pulp, pickles, and pulses.
https://www.business-standard.com/economy/news/india-uk-fta-agriculture-food-exports-duty-free-farmers-benefit-125072401079_1.html

India-UK FTA: Tariff relief for whisky imports seen as industry win, but consumers may see limited benefit

The India-UK Free Trade Agreement (FTA) has halved import duties on Scotch whisky and gin. The alcohol industry has welcomed the move as a big opportunity to grow the premium spirits market, improve accessibility to BIO spirits, and boost global collaboration. Most Indian whisky producers import Scotch in bulk to blend with local spirits, so the reduced duty will mainly improve their profit margins. However, experts say big price cuts for consumers are unlikely, with state taxes and wide pricing gaps potentially limiting any drop in retail prices.
https://www.thehindubusinessline.com/economy/india-uk-fta-tariff-relief-for-whisky-imports-seen-as-industry-win-but-consumers-may-see-limited-benefit/article69850902.ece

Economy

New national cooperative policy aims to cover 500 million people

The Centre on Thursday unveiled a new National Cooperative Policy, the first since 2002, which calls for creating a task force to bring 500 million people under the ambit of cooperatives, up from the 300 million. It also aims to ensure autonomous functioning and democratic member control of cooperatives. The policy, which seeks to triple the sector's contribution to the Indian economy over the next 10 years, also proposes raising the number of cooperative societies by 30 per cent from the current 830,000.
https://www.business-standard.com/industry/news/new-national-policy-coops-democratic-control-50-crore-membership-125072401613_1.html

Private sector remains robust in July amid persisting inflation, job worries: PMI

India's private sector showed robust growth in July, primarily fuelled by strong manufacturing performance and international demand, the latest HSBC Flash India Composite Purchasing Managers' Index (PMI), compiled by S&P Global, showed on July 24. The index recorded a score of 60.7 in July. While slightly down from June's 61.0, it remained firmly above the 50-mark, indicating continuous expansion for the fourth consecutive year.
https://economictimes.indiatimes.com/news/economy/indicators/indias-private-sector-shrugs-off-inflation-and-job-worries-shows-robust-growth-in-july-pmi/articleshow/122872744.cms

Number of employed people in India rose to 64.33 cr in FY24 from 47.5 cr in FY18

India's employment landscape shows positive trends. Shobha Karandlaje informed Parliament about the rise in employed individuals. The number increased significantly between 2017-18 and 2023-24. Female Worker Population Ratio also saw growth during 2019-24. The Labour ministry dismissed doubts on official jobless data. Labour Force Participation Rate and Worker Population Ratio increased. Unemployment Rate and youth unemployment rate declined.
https://economictimes.indiatimes.com/news/economy/indicators/number-of-employed-people-in-india-rose-to-64-33-cr-in-fy24-from-47-5-cr-in-fy18/articleshow/122883069.cms

IT companies' export potential to see 15-20% annual growth

The India-UK trade deal is poised to significantly boost Indian software exports, potentially increasing them by 15-20% annually. Indian IT professionals working in the UK will benefit from exemptions on social security contributions, leading to substantial savings. Moreover, Indian companies will gain from a three-year exemption from the UK's Jobs Tax, resulting in benefits exceeding ₹4,000 crore.
https://economictimes.indiatimes.com/news/economy/foreign-trade/it-companies-export-potential-to-see-15-20-annual-growth/articleshow/122890044.cms

Finance

India's BFSI sector sees hiring boom in fraud, KYC and compliance roles

As financial regulations tighten globally, India's banking and financial services (BFSI) sector is witnessing a steady rise in demand for professionals in financial crime (FinCrime) roles. According to a July 2025 report by talent solutions provider firm Careernet, India now hosts an active FinCrime talent pool of 25,543 professionals, with skills spanning anti-money laundering, sanctions compliance, and fraud prevention.
https://www.business-standard.com/industry/banking/india-bfsi-fincrime-jobs-surge-bengaluru-leads-says-careernet-report-125072401094_1.html

NBFCs' fundraising via perpetual bonds zooms 69% in FY25

Fund raise by Non-Banking Financial Companies (NBFCs) through perpetual bonds jumped 69 per cent last fiscal (FY25) to ₹16,185 crore against ₹9,549 crore in FY24 with the Reserve Bank of India (RBI) last year tightening bank fund flow to NBFCs due to their run-away growth. And the fund raising continues into FY26. The RBI had increased the risk weights on unsecured consumer credit and bank credit to NBFCs on November 16, 2023 to pre-empt build-up of any potential risk in these segments.
https://www.thehindubusinessline.com/money-and-banking/nbfcs-fund-raise-via-perpetual-bonds-zoom-69-in-fy25/article69846432.ece

Once bitten, twice shy: Banks wary of parking funds with RBI after rate jolt

Indian banks will likely be cautious at the Reserve Bank of India's reverse repo auction. A recent cash crunch forced banks to borrow overnight at high rates. Banks had earlier parked Rupees Two Lakh Crore at the seven-day variable rate reverse repo auction. Now, lenders may re-evaluate parking funds in the seven-day VRRR.
https://economictimes.indiatimes.com/industry/banking/finance/banking/once-bitten-twice-shy-banks-wary-of-parking-funds-with-rbi-after-rate-jolt/articleshow/122875296.cms

Credit costs, gross NPA ratio of affordable housing financiers seen going up

A recent report forecasts a rise in credit costs and gross non-performing assets for affordable housing finance companies due to weaker borrower profiles, particularly among the self-employed. While policy initiatives may offer some support, asset under management growth is expected to slow down. Conversely, prime HFCs are projected to experience increased AUM growth and a decrease in gross NPA.
https://economictimes.indiatimes.com/industry/banking/finance/banking/credit-costs-gross-npa-ratio-of-affordable-housing-financiers-seen-going-up/articleshow/122880554.cms

Net ECB inflows rise to $4.4 billion in April-May 2025, shows RBI data

Net inflows of foreign resources via External Commercial Borrowings (ECBs) grew 158 per cent to $4.4 billion in April-May 2025 from $1.7 billion in the year-ago period, according to Reserve Bank of India (RBI) data. However, ECB registrations declined 31.32 per cent to $5.7 billion during April-May 2025 from $8.3 billion in the same period of 2024. In its July monthly bulletin, the RBI said nearly 48 per cent of total ECBs registered during this period were intended for capital expenditure (capex), including on-lending and sub-lending for capex.
https://www.business-standard.com/economy/news/net-ecb-inflows-rise-4-4-billion-april-may-25-125072401290_1.html

Industry

Consumer goods companies bank on festivals for urban demand revival

Fast-moving consumer goods (FMCG) companies, retail firms, and producers of consumer durables are witnessing stable urban demand. However, people in the trade are waiting for clearer signs of revival closer to the festival season, starting in September. The first signs are expected in August. While FMCG companies say that demand remains steady for urban, Colgate Palmolive India said in its earnings release that urban demand remained subdued in April-June.

https://www.business-standard.com/industry/news/consumer-goods-companies-bank-on-festivals-for-urban-demand-revival-125072401799_1.html

B2B platforms race to deliver faster, not just cheaper

Platforms like Moglix, Udaan, and Flipkart Wholesale are making speed a strategic lever, investing heavily in fulfilment capabilities to cater to the growing expectations of kiranas, HoReCa businesses, and MSMEs. Platforms like Moglix, Udaan, and Flipkart Wholesale are overhauling their supply chains to enable next-day and same-day deliveries, betting that faster fulfilment can drive loyalty, improve cash cycles, and differentiate them in a highly commoditised market.

https://www.thehindubusinessline.com/companies/b2b-platforms-race-to-deliver-faster-not-just-cheaper/article69851213.ece

PVC pipes, fittings manufacturing companies to see recovery this fiscal: Crisil Ratings

PVC pipe manufacturers are poised for a revenue recovery this fiscal year, fueled by strong demand from government initiatives like the Jal Jeevan Mission and Pradhan Mantri Awas Yojna. Increased budgetary allocations for these schemes will further drive the need for PVC pipes and fittings. Improved profitability and reduced inventory levels will also support capacity expansion for these companies.

https://economictimes.indiatimes.com/industry/indl-goods/svs/paper-/-wood-/-glass/-plastic/-marbles/pvc-pipes-fittings-manufacturing-companies-to-see-recovery-this-fiscal-crisil-ratings/articleshow/122879187.cms

Domestic air traffic rises to 1.36 crore passengers in June: DGCA data

Indian airlines saw a rise in passengers in June. They carried over 1.36 crore passengers, more than last year. IndiGo's market share slightly decreased. Air India Group's share increased. Flight cancellations were mainly due to technical issues, operational reasons, and weather. Airlines compensated passengers for delays, cancellations, and denied boarding. Directorate General of Civil Aviation released the data.

https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/domestic-air-traffic-rises-to-1-36-crore-passengers-in-june-dgca-data/articleshow/122887057.cms

India's concert economy to create 1.2 cr temporary jobs by 2030-2032, says NLB Services

India's live event scene is booming. NLB Services reports nearly 12 million temporary jobs are expected by 2030-2032. Over 100 large concerts will happen yearly. Tier II and III cities are becoming hotspots. Concerts boost local economies. Coldplay's Ahmedabad show added Rs 641 crore. Many temporary roles become full-time. The concert economy will cross Rs 15,000 crores soon.

https://economictimes.indiatimes.com/industry/media/entertainment/indias-concert-economy-to-create-1-2-cr-temporary-jobs-by-2030-2032-says-nlb-services/articleshow/122881221.cms

Govt gets investment proposal worth Rs 16,000 cr under electronic component scheme

The government has received investment proposals worth Rs 16,000 crore under the Electronics Component Manufacturing Scheme. The scheme aims to reduce the demand-supply gap in the electronics component sector. Approval process has started and shortlisted projects are expected to be announced in September. Tata Electronics, Dixon Technologies, and Foxconn have shown interest in the scheme.

https://economictimes.indiatimes.com/industry/cons-products/electronics/govt-gets-investment-proposal-worth-rs-16000-cr-under-electronic-component-scheme/articleshow/122886062.cms

Agriculture

Govt to notify new vegetable oil regulation order next week: Food secretary

India's government is set to introduce the 2025 Vegetable Oil Products Regulation Order, replacing the 2011 order, to enhance edible oil monitoring through digital tools. The new regulation mandates industry reporting on production, sales, and pricing, aiming for real-time tracking and improved compliance. https://economictimes.indiatimes.com/news/economy/policy/govt-to-notify-new-vegetable-oil-regulation-order-next-week-food-secretary/articleshow/122881652.cms

Significant rise in acreage of oilseeds, pulses in Uttar Pradesh

Uttar Pradesh's Lucknow is experiencing a surge in oilseed and pulse cultivation during the Kharif season. Sesame, groundnut, and soybean acreage have expanded significantly, with sesame cultivation witnessing the most striking increase. Pigeon pea remains a popular choice among farmers, while paddy, maize, and cotton cultivation have also seen substantial growth, contributing to an overall increase in Kharif crop area. https://economictimes.indiatimes.com/news/economy/agriculture/significant-rise-in-acreage-of-oilseeds-pulses-in-uttar-pradesh/articleshow/122877176.cms

Infrastructure

Renewables helped India save Rs 4 lakh cr in fossil fuel, pollution-related costs in 2024: Pralhad Joshi

India's renewable energy sector has achieved significant milestones, saving Rs 4 lakh crore in fossil fuel and pollution costs in 2024. The nation has reached 50% non-fossil fuel power capacity ahead of schedule, exceeding 245 GW of renewable energy. https://economictimes.indiatimes.com/industry/renewables/renewables-helped-india-save-rs-4-lakh-cr-in-fossil-fuel-pollution-related-costs-in-2024-pralhad-joshi/articleshow/122887220.cms

Duty concessions to UK only on large petrol, diesel vehicles, high-priced EVs: Official

India's trade agreement with the UK offers duty concessions on large petrol/diesel vehicles and high-priced EVs, safeguarding its domestic automotive industry, particularly small and mid-sized cars, and affordable EVs. The pact implements phased tariff reductions over several years, prioritizing local expansion and competitiveness. Market access for EVs is primarily for high-end models, while protecting the mass-market EV segment in India. https://economictimes.indiatimes.com/industry/renewables/duty-concessions-to-uk-only-on-large-petrol-diesel-vehicles-high-priced-evs-official/articleshow/122887087.cms

Energy

Oil companies' captive pipelines may come under regulator's ambit

The oil ministry plans to amend the PNGRB Act, bringing oil companies' dedicated pipelines under the regulatory board's purview. This move aims to enhance monitoring, ensure safety compliance, and potentially convert these pipelines into common carriers. The goal is to foster fair competition and protect consumer interests by enabling third-party access and regulating transportation tariffs.
https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-companies-captive-pipelines-may-come-under-regulators-ambit/articleshow/122889643.cms

States

Rajasthan hikes royalties on minor minerals by up to 30% after 4 years

The state government has increased the royalties on minor minerals by 10–30 per cent per tonne. These rates have been revised after four years, an official from the Mining Department said. “Before this, royalties on minor minerals were increased in 2021,” he added. Royalties on minor minerals can be increased only after three years. “This increase will have a direct impact on people, because products like sandstone, bajri (sand), masonry stone, and limestone will become costlier,” a trade expert said.
https://www.business-standard.com/economy/news/rajasthan-hikes-royalties-on-minor-minerals-by-up-to-30-after-4-years-125072401131_1.html

Kashmiri researchers design smart boat for fire and water monitoring

Designed by the faculty and students from the university's Departments of Electronics and Instrumentation Technology and Geoinformatics, the innovation received a patent from the UK Intellectual Property Office on July 8, 2025. The vessel, named 'Self-Navigating Boat for Fire Mitigation and Aquatic Ecosystem Monitoring', is designed to measure both the quality and volume of lake water. It will also be deployed in firefighting operations on water bodies.
https://www.thehindubusinessline.com/news/kashmiri-researchers-design-smart-boat-for-fire-and-water-monitoring/article69851239.ece

External

Govt opposes EU plan for capital flow checks, cites sovereignty issues

India has pushed back against a proposal by the European Union as part of free trade agreement talks which would give the 27-nation bloc a say in decisions related to capital flows, two Indian government sources said. The proposal, unusual in most free trade agreements, has raised concerns in New Delhi over limiting its ability to act unilaterally during crises, as both sides aim to conclude the deal by the end of 2025. India has in the past imposed restrictions on outflows, including during a currency crisis in 2013.
Govt opposes EU plan for capital flow checks, cites sovereignty issues | Economy & Policy News - Business Standard