

July 31, 2025 – Thursday

Key Developments

India to pay 25% tariff plus penalty for Russian oil, defence buys: Trump

US President Donald Trump on Wednesday announced a 25 per cent tariff on Indian goods, citing high trade barriers and India's purchases of energy and military equipment from Russia. He also described India's trade policies as the 'most strenuous and obnoxious non-monetary trade barriers of any country'.
https://www.business-standard.com/economy/news/india-to-pay-25-tariff-penalty-for-russian-energy-defence-buys-trump-125073001253_1.html

India presses ahead with US trade talks despite looming Aug 1 tariffs

India is continuing efforts to secure a bilateral trade agreement with the United States (US) by this autumn (mid-September to December), even as concerns mount over threatened tariff hikes by US President Donald Trump. According to a report by Bloomberg on Wednesday, negotiators from India are preparing to proceed with talks regardless of whether Washington imposes new duties on Indian goods from August 1.
https://www.business-standard.com/economy/news/india-presses-ahead-with-us-trade-talks-despite-looming-aug-1-tariffs-125073001119_1.html

Indian textile industry in uncertainty, still sees edge over rivals

After the tariff announcement on Wednesday by American President Donald Trump, the textile industry in India called the 25 per cent rate a setback to its export ambitions, while expressing hope for a solution to the issue soon. However, India will still have an advantage of 10 per cent over Bangladesh and Cambodia, 5 per cent over Sri Lanka, and 20-25 per cent over China, the country's major competitors in the American market. Trump's not specifying the "penalty" amount, which is in addition to the tariff, also added to the sector's concern. The United States (US) is India's largest market for textile and apparel exports.
https://www.business-standard.com/economy/news/trump-tariffs-indian-textile-industry-faces-setback-retains-competitive-edge-125073001669_1.html

Trump tariff on Indian goods to raise drugs costs in US: Pharmexcil

Pharmaceuticals Export Promotion Council of India (Pharmexcil) on Thursday said President Donald Trump's imposition of a 25 per cent tariff plus unspecified penalty on all goods coming from India starting August 1, will result in increased costs for essential drugs in the US, ultimately harming consumers and healthcare systems in the country in the long term. The US market, heavily reliant on India for Active Pharmaceutical Ingredients (APIs) and low-cost generics, faces a daunting challenge in finding alternative sources that can match the scale, quality, and affordability that India offers, Pharmexcil Chairman Namit Joshi said in a statement.
https://www.business-standard.com/economy/news/trump-tariff-on-indian-goods-to-raise-drugs-costs-in-us-pharmexcil-125073100217_1.html

Seafood, basmati rice exporters to feel the pinch

India's exports of agricultural agricultureproducts including shrimp, basmati rice, coffee and tobacco to the US are likely to be hit with the US president Donald Trump on Wednesday announcing a 25% tariff on the country. Trade sources said while total exports of farm products to the US are estimated at $ 5 billion, the shipment of shrimp and rice which have a share of 60% in the export basket would be hugely impacted. These products don't attract any duties in the US now.
https://www.financialexpress.com/policy/economy/seafood-basmati-rice-exporters-to-feel-the-pinch/3931782/

US tariff same for all nations, auto parts cos in safe zone

Senior industry executives believe the new US tariffs and penalties are unlikely to affect India's $7 billion auto parts exports to the US. They anticipate the levy to be a 'reciprocal tariff,' not applicable to automobile and component manufacturers. Since auto component exports already face a 25% duty in the US, the new levy maintains existing competitiveness.
https://economictimes.indiatimes.com/news/economy/foreign-trade/us-tariff-same-for-all-nations-auto-parts-cos-in-safe-zone/articleshow/123005266.cms

India retains tariff-free access for electronics in US

The US will continue to allow duty-free imports of laptops, smartphones, and servers from India beginning August 1, thus shielding these products from the 25% reciprocal tariffs which will come into effect from that date. This is because the US continues its Section 232 investigation into the impact of these products on national security. Therefore, for now the zero-tariff treatment puts Indian electronics exporters in a strong position in the US market. On this front, though India stands shoulder to shoulder with China, as both countries' electronics remain outside the tariff net for now, India still has an advantage because there's a 20% duty Fentanyl duty on China. However, the zero duty is applicable on Vietnamese and Taiwanese electronics also.
https://www.financialexpress.com/policy/economy/india-retains-tariff-free-access-for-electronics-in-us/3931807/

Economy

Business confidence among MSMEs improved in Q1 FY26: Sidbi survey

Business confidence among micro, small, and medium enterprises improved in the April-June quarter, backed by steady domestic demand and a supportive financial environment, according to the latest MSME Outlook Survey released by SIDBI on Wednesday. The Composite MSME Business Confidence Index (M-BCI) rose to 63.75 during the quarter under review from 60.82 in the previous quarter. A value above 50 suggests positive sentiment. Manufacturing and trading MSMEs drove the gains, while the services sector remained stable with a marginal decline, it showed.
https://www.business-standard.com/industry/sme/business-confidence-among-msmes-improved-in-q1-fy26-sidbi-survey-125073001339_1.html

Experts to parliamentary committee: ONOE can lead to 1.5 percentage point rise in GDP

N K Singh and Prachi Mishra presented an economic case for simultaneous elections to a parliamentary committee, projecting a potential 1.5% GDP growth, equivalent to ₹4.5 lakh crore. They highlighted increased capital expenditure and investment, but cautioned about a 1.3% rise in the fiscal deficit due to post-election spending.
https://economictimes.indiatimes.com/news/economy/finance/experts-to-parliamentary-committee-onoe-can-lead-to-1-5-percentage-point-rise-in-gdp/articleshow/123001614.cms

Tax, rate cuts to help India grow 6.5% in FY26: PwC

PwC India experts predict India's economic growth to reach approximately 6.5% in FY26, fueled by expected interest rate cuts of 25-50 basis points from the RBI, positive impacts of income tax reductions on urban demand, and sustained rural consumption supported by rising wages and a favorable monsoon.
https://www.financialexpress.com/business/industry/tax-rate-cuts-to-help-india-grow-6-5-in-fy26-pwc/3931836/

Finance

Key amendments to banking laws come into force from August 1, 2025

Major provisions of the Banking Laws (Amendment) Act, 2025 will come into effect from August 1, 2025, according to a government notification issued this week. The changes mark a significant push to strengthen governance standards, improve depositor protection and raise audit quality across India's banking sector. The Ministry of Finance, through Gazette Notification S.O. 3494(E) dated July 29, 2025, has notified the commencement of sections 3, 4, 5, 15, 16, 17, 18, 19 and 20 of the legislation, which was enacted on April 15, 2025.
https://www.business-standard.com/industry/banking/banking-laws-amendment-act-2025-key-provisions-to-take-effect-aug-1-125073001821_1.html

Retail mortgage loans by NBFCs, HFCs seen at ₹20 trn by FY28: ICRA

Retail mortgage-backed loans offered by non-banking financial companies (NBFCs) and housing finance companies (HFCs) are expected to reach ₹20 trillion by FY28, from ₹13 trillion as of FY25, according to a report by rating agency ICRA. Of the ₹20 trillion, the share of affordable housing finance companies (AHFCs) is projected to rise to ₹2.5 trillion from the current ₹1.4 trillion. The rating agency forecasts retail mortgage loans by NBFCs and AHFCs to expand at a compound annual growth rate (CAGR) of 17–19 per cent and 20–22 per cent, respectively, by FY28.
https://www.business-standard.com/industry/banking/retail-mortgage-loans-nbfcs-hfcs-to-cross-rs-20-trillion-by-fy28-125073001434_1.html

Industry

India bets on AI to build first $10 bn cybersecurity firm by 2030

India aims to build its first $10 billion cybersecurity company in the next few years, betting on artificial intelligence (AI) to help homegrown startups leapfrog established American and Israeli rivals, rather than copy their playbooks. The strategy is already showing results, with former security executives from Indian tech giants launching AI-powered startups that are winning contracts against well-funded US competitors, according to Prayank Swaroop, a partner at venture capital firm Accel.
https://www.business-standard.com/companies/news/india-bets-on-ai-to-build-first-10-billion-cybersecurity-firm-125073001444_1.html

India's smartphone market dials 8% volume growth in Q2 2025: Report

The Indian smartphone market saw an eight per cent year-on-year rise in volume and 18 per cent growth in wholesale value in Q2 2025, scripting a solid rebound after a muted Q1, according to Counterpoint.
The iPhone 16 was the most-shipped device in Q2 2025. "India's smartphone market grew 8 per cent YoY in volume and 18 per cent YoY in value in Q2 2025, marking a solid rebound following a muted Q1," Counterpoint's Monthly India Smartphone Tracker said.
https://www.business-standard.com/industry/news/india-s-smartphone-market-dials-8-volume-growth-in-q2-2025-report-125073000790_1.html

Government aims to make Indian auto industry world's No. 1: Nitin Gadkari

Union Minister Nitin Gadkari announced the government's ambitious goal to elevate India's automobile industry to the world's number one position. Currently valued at Rs 22 lakh crore, the industry has already generated 4.5 crore jobs, the highest in the nation.
https://economictimes.indiatimes.com/industry/auto/auto-news/government-aims-to-make-indian-auto-industry-worlds-no-1-nitin-gadkari/articleshow/123002138.cms

Green steel demand to reach 4.49 MnT in 2030 driven by construction, infra sectors: EY-Parthenon

India's green steel demand is set for substantial growth. A new report forecasts demand to hit 4.49 MnT by 2030. Construction, infrastructure, and automobiles will drive this surge. Demand could reach 73.44 MnT by FY40. Green hydrogen technology is crucial for meeting this demand. The initial price premium for green steel will decrease over time.
https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/green-steel-demand-to-reach-4-49-mnt-in-2030-driven-by-construction-infra-sectors-ey-parthenon/articleshow/123001198.cms

Q-comm expansion drives up dark store rents in top city markets

As quick commerce companies push ahead with ambitious expansion plans, demand for dark store locations in major cities is intensifying, thus pushing rental costs sharply higher – by around 35% – in some areas. Companies such as Blinkit, Zepto, Flipkart's Minutes, and Swiggy Instamart are opening hundreds of new dark stores across the country this year. But the bulk of their expansion is concentrated in a handful of high-demand urban markets, where customer adoption of rapid grocery delivery has been strongest.
https://www.financialexpress.com/business/industry/q-comm-expansion-drives-up-dark-store-rents-in-top-city-markets/3931908/

Agriculture

PM Modi to release Rs 20,500 crore PM-Kisan installment for 9.7 crore farmers on Aug 2

Narendra Modi will release the 20th PM-Kisan installment from Varanasi on August 2. This will benefit 9.7 crore farmers nationwide with Rs 20,500 crore. The direct benefit transfer scheme completes five years. Over Rs 3.69 lakh crore has been transferred through 19 installments. Farmers must complete e-KYC and link Aadhaar to receive the benefit.
https://economictimes.indiatimes.com/news/economy/finance/pm-modi-to-release-rs-20500-crore-pm-kisan-installment-for-9-7-crore-farmers-on-aug-2/articleshow/122993764.cms

ICRISAT, ICAR launch AI-based personalised agri advisory services

The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), in association with some other organisations like the Indian Council of Agricultural Research (ICAR), to launch personalised and real-time climate advisory services, powered by artificial intelligence (AI) and machine learning (ML). The initiative will provide farmers with timely, actionable recommendations for critical decisions such as sowing, irrigation, and pest management. These advisories will be delivered through user-friendly digital channels, including an AI-powered WhatsApp bot, ensuring easy access even in remote farming communities.
https://www.thehindubusinessline.com/economy/agri-business/icrisat-icar-launch-ai-based-personalised-agri-advisory-services/article69874402.ece

India's sugar output falls 18 pc to 25.82 mn tonnes till July of this season: NFCSFL

Sugar production in India has seen a decrease. The decline is about 18.38 percent, totaling 25.82 million tonnes until July. This season's end is in October. Major producing states reported lower output. Uttar Pradesh and Maharashtra saw significant drops. Reduced sugarcane availability and weather are factors. India achieved 20 percent ethanol blending with petrol ahead of schedule.
https://economictimes.indiatimes.com/news/economy/agriculture/indias-sugar-output-falls-18-pc-to-25-82-mn-tonnes-till-july-of-this-season-nfcsfl/articleshow/122992155.cms

Farmers urge Indian govt to curb imports of pulses as prices plunge

An association of farmers and traders has urged the Indian government to curb cheaper imports of pulses to ensure stable prices and farmers will be motivated to increase the area under pulses. Sunil Kumar Baldeva, President of the Agri Farmer and Trade Association, said that there is currently an oversupply of pulses in India, as ports are flooded with consignments from Russia and Canada for yellow peas.
https://www.thehindubusinessline.com/economy/agri-business/farmers-want-govt-to-cap-pulses-imports-as-prices-plunge/article69873318.ece

Indian tea industry grappling with challenges: ITA

Indian Tea Association (ITA), a leading body of planters, on Wednesday said that the industry is grappling with multiple challenges and stands at a critical crossroad in 2025. ITA said in a statement that the industry is facing significant headwinds in production shortfall, decline in price realisation and influx of imports, which is having a bearing on the growth trajectory.
https://www.thehindubusinessline.com/economy/agri-business/indian-tea-industry-grappling-with-challenges-ita/article69872598.ece

Infrastructure

Around 489 road projects face delays over land and clearance issues: Nitin Gadkari

Numerous road projects, initially slated for completion by March 2025, face delays due to land acquisition hurdles and pending clearances. The government is actively collaborating with states and stakeholders to resolve these issues. Cost overruns have occurred due to increased compensation, price escalation, and design changes, leading to contract terminations and re-awarding in some cases.
https://economictimes.indiatimes.com/news/economy/infrastructure/around-489-road-projects-face-delays-over-land-and-clearance-issues-nitin-gadkari/articleshow/122996573.cms

India manufacturing 17,000 general and non-AC coaches over 5 years: Ashwini Vaishnaw

Indian Railways is set to manufacture 17,000 general and non-AC coaches. This will happen over the next five years. The railways currently operates many general and AC coaches. Kavach technology is being deployed on key routes. Vande Bharat trains show high occupancy. Amrit Bharat trains with general and sleeper coaches are also being produced.
https://economictimes.indiatimes.com/industry/transportation/railways/india-manufacturing-17000-general-and-non-ac-coaches-over-5-years-ashwini-vaishnaw/articleshow/122997827.cms

Railways' land monetisation crosses Rs 3,100 crore in FY25

The Indian Railways has earned Rs 3,129 crore in FY25 from monetising its land bank for commercial purposes, which is 16% higher than the previous year, railways minister Ashwini Vaishnaw told Parliament on Wednesday. Over the past three years, the Railways recorded compounded annual growth rate (CAGR) of 21.5% from its land usage.
https://www.financialexpress.com/business/industry/railways-land-monetisation-crosses-rs-3100-crore-in-fy25/3931892/

Energy

US sanctions 6 Indian firms over Iran oil trade, $220 million in deals under scrutiny

The United States has sanctioned six Indian companies for allegedly engaging in significant transactions involving Iranian petrochemical and petroleum products, breaching US sanctions. The firms, which include some of India's key petrochemical traders, are now blocked from accessing US assets and barred from dealings with American companies. These sanctions are part of a wider crackdown involving 20 entities across multiple countries, aimed at cutting off Iran's oil-based revenue streams.
https://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/us-sanctions-6-indian-firms-over-iran-oil-trade-220-million-in-deals-under-scrutiny/articleshow/123009297.cms

Tripling renewables by 2030 remains distant goal 2 yrs after COP28: Report

National targets have barely made progress two years after countries agreed to tripling global renewable energy capacity by 2030, with the total global ambition increasing by just 2 per cent since the pledge, according to a new analysis published on Thursday. The analysis by energy think tank Ember warned that this gap between global ambition and national planning risks undermining climate progress as well as the energy security and economic resilience of countries.
https://www.business-standard.com/world-news/tripling-renewables-by-2030-remains-distant-goal-2-yrs-after-cop28-report-125073100088_1.html

Second list of solar models & manufacturers likely in 10 days

The Indian government will soon release ALMM-II for solar cells. This list specifies manufacturers for solar cells in India. It aims to promote local solar module and cell usage in projects. The ALMM-I already supports domestic capacity and restricts imports. The new list's release was delayed due to lower domestic solar cell capacity than demand.
https://economictimes.indiatimes.com/industry/renewables/second-list-of-solar-models-manufacturers-likely-in-10-days/articleshow/123004747.cms

Solar cell capacity may reach 42 GW by 2026

India's solar cell manufacturing capacity is projected to surge to 42 GW by June 2026 from the current 27 GW, with the Approved List of Models and Manufacturers (ALMM) for solar cells expected within days. At present, India has 27 GW of solar cell capacity Gensol, Waaree Energies, Premier Energies, ReNew, Tata Power Renewables and Adani Solar are the top players.
https://www.financialexpress.com/business/industry/solar-cell-capacity-may-reach-42-gw-by-2026/3931832/

States

Google to invest $6 billion in 1-GW data centre project in Andhra Pradesh

Google will invest $6 billion to develop a 1-gigawatt data centre and its power infrastructure in the southern Indian state of Andhra Pradesh in the Alphabet unit's first such investment in India, government sources said on Wednesday. Due to be built in the port city of Visakhapatnam, the data centre investment includes $2 billion in renewable energy capacity that will be used to power the facility, two Andhra Pradesh government sources with direct knowledge of the matter told Reuters. The search giant's data centre will be the largest in capacity and investment size in Asia and is part a multi-billion-dollar expansion of its data centre portfolio across the region in countries including Singapore, Malaysia and Thailand.
https://www.business-standard.com/technology/tech-news/google-to-invest-6-billion-in-1-gw-data-centre-project-in-andhra-pradesh-125073001562_1.html

Healthcare

Medtech firms flag inflated MRPs on imported devices

Indian medical device manufacturers have raised concerns that private hospitals and retailers are favoring imported devices with inflated prices or missing MRPs to gain higher margins. This practice disadvantages domestic manufacturers, who offer similar products at lower costs. The industry has urged the government to investigate unfair trade practices and duty evasion related to excessive MRPs on imported devices.
https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/medtech-firms-flag-inflated-mrps-on-imported-devices/articleshow/123004872.cms

External

A major milestone in Indo-US Space ties as GSLV-F16 successfully launches NISAR

A milestone was achieved in the Indo-US Space ties with Indian Space Research Organisation (ISRO) successfully launching the NASA-ISRO Synthetic Aperture Radar (NISAR), an earth observation satellite from Satish Dhawan Space Centre, Sriharikota on Wednesday. The launch at 5:40 pm, from the second launch pad, was on a GSLV-F16 rocket.
https://www.thehindubusinessline.com/news/science/a-major-milestone-in-indo-us-space-ties-as-gslv-f16-successfully-launches-nisar/article69873785.ece

India, UAE pledge stronger defence ties, ink MoU on maritime cooperation

India and the United Arab Emirates (UAE) have reaffirmed their commitment to deepening defence ties during the 13th meeting of the India-UAE Joint Defence Cooperation Committee (JDCC), held at the Secretary level for the first time in the national capital on Wednesday. According to a release by the Ministry of Defence, the meeting was co-chaired by Defence Secretary Rajesh Kumar Singh and the UAE's Under Secretary of Defence Lt General Ibrahim Nasser M Al Alawi, who is currently leading a high-level defence delegation on a two-day official visit to India.
https://www.business-standard.com/external-affairs-defence-security/news/india-uae-pledge-stronger-defence-ties-ink-mou-on-maritime-cooperation-125073100097_1.html

India’s refined petroleum export earnings from EU may slip below $14 billion, a first since FY23

India’s annual export earnings of $14-15 billion, or roughly ₹1.2-1.3 lakh crore, from the supply of refined petroleum products to the European Union (EU) is expected to decline in the current financial year — a first since FY23. ICRA in its latest report projected that the 18th sanctions package may restrict Indian refiners access to the EU market. This is due to a sanction clause which restricts products made from Russian crude oil that are processed in a third country.

https://www.thehindubusinessline.com/economy/indias-refined-petroleum-export-earnings-from-eu-may-slip-below-14-billion-a-first-since-fy23/article69872597.ece

Trump signs order to impose 50% tariffs on Brazil over Bolsonaro probe

President Donald Trump signed an executive order Wednesday to impose his threatened 50 per cent tariffs on Brazil, setting a legal rationale that Brazil's policies and criminal prosecution of former President Jair Bolsonaro constitute an economic emergency under a 1977 law. Trump had threatened the tariffs on July 9 in a letter to President Luiz Inacio Lula da Silva. But the legal basis of that threat was an earlier executive order premised on trade imbalances being a threat to the US economy. But America ran a $6.8 billion trade surplus last year with Brazil, according to the US Census Bureau.

https://www.business-standard.com/world-news/trump-signs-order-to-impose-50-tariffs-on-brazil-over-bolsonaro-probe-125073100036_1.html

Trump ends $800 duty-free rule, targeting China's e-commerce industry

US President Donald Trump has ordered an end to the $800 duty-free exemption on imports, a sweeping trade enforcement move that targets Chinese e-commerce giants like Shein and Temu. The new rule, effective August 29, will eliminate tariff-free entry for low-value goods, disrupting billions in cross-border sales and affecting millions of US online shoppers.

https://www.business-standard.com/world-news/trump-ends-duty-free-800-rule-targets-china-shein-temu-imports-125073100244_1.html