

December 12, 2025 – Friday

Key Developments

Mexico imposes up to 50% tariff on imports from India and China

Mexico on Thursday imposed a tariff of up to 50 per cent on imports from its non-preferential trade partners, including India, a move that might hit New Delhi's annual $5.75 billion shipments to its third-largest car export market. The escalation by the North American country comes at a time when Indian exporters are already grappling with a 50 per cent tariff imposed by the US, which has severely impacted labour-intensive sectors. The tariffs range between 5 per cent and 50 per cent on more than 1,400 products from Asian countries, such as India, China and Thailand that do not have a trade deal with Mexico.
https://www.business-standard.com/economy/news/mexico-tariffs-impact-on-indian-exports-2026-125121101224_1.html

Mexico's auto tariff hike to hit $1 billion India car exports

Mexico's decision to raise tariffs as high as 50 per cent will affect $1 billion worth of shipments from major Indian car exporters, including Volkswagen and Hyundai, despite industry lobbying to persuade New Delhi to prevent such a move, according to two sources and a letter from an industry group reviewed by Reuters. Mexican President Claudia Sheinbaum's government approved on Wednesday raising import tariffs next year on hundreds of items from countries it does not have trade agreements with, including China and India, to protect local jobs and manufacturing.
https://www.thehindubusinessline.com/news/world/mexicos-auto-tariff-hike-to-hit-1-billion-india-car-exports/article70383876.ece

Economy

80% of Indian rural households consistently report higher consumption over the past year: NABARD survey

About 80 per cent of rural Indian households have consistently reported higher consumption over the last year, NABARD's Rural Economic Conditions and Sentiments Survey (RECSS) found, asserting the survey outcome as a hallmark of rising prosperity. The eighth round of NABARD's Rural Economic Conditions and Sentiments Survey (RECSS) presents the clearest evidence of a broad-based revival in rural demand, rising incomes and improved household well-being over the past year.
https://www.thehindubusinessline.com/economy/80-of-indian-rural-households-consistently-report-higher-consumption-over-the-past-year-nabard-survey/article70383480.ece

Finance

RBI eases transaction account norms for banks

The Reserve Bank of India (RBI) on Thursday eased bank norms related to opening and maintenance of cash credit, current and overdraft accounts, according to the amended master directions. The RBI had in October issued draft circular for transaction accounts for providing greater flexibility to lenders. "Feedback received on the drafts has

been examined and the consequent modifications, as decided by the Reserve Bank, have been suitably incorporated in the final directions.," the RBI said.
https://www.thehindubusinessline.com/money-and-banking/rbi-eases-transaction-account-norms-for-banks/article70385382.ece

RBI completes bond buys, takes FY26 total to a record high of ₹3.16 trn

The Reserve Bank of India on Thursday completed the first of two open-market bond purchases for December, taking its debt buys this financial year to a record ₹3.16 trillion. The central bank bought ₹50000 crore ($5.53 billion) of bonds at higher-than-expected cutoff prices, lifting secondary-market yields. It is slated to buy another 500 billion rupees next Thursday, and with nearly three-quarters of purchases concentrated in six- and seven-year maturities, traders expect the 10-year 6.33 per cent 2035 bond to be included in the next operation.
https://www.business-standard.com/industry/banking/rbi-ends-first-december-omo-fy26-bond-buys-record-3-16-trillion-125121100798_1.html

Fitch says most Indian firms shielded from rupee swings through hedging

The Reserve Bank of India (RBI) on Thursday issued revised norms to provide greater flexibility to banks for opening and maintaining three types of accounts: Cash credit, current, and overdraft. These accounts are predominantly used for business and commercial transactions. The revised direction has a new chapter — "Maintenance of Cash Credit Accounts, Current Accounts and Overdraft Accounts" — to strengthen credit discipline and monitor transactions and fund utilisation better.
https://www.business-standard.com/economy/news/indian-corporates-rupee-volatility-natural-hedge-fitch-125121101216_1.html

PSBs eye M&A market but face talent, pay and regulatory hurdles ahead

Mint Road's draft on "commercial banks: capital market exposure", has set the stage for a high-stakes business opportunity — financing of mergers and acquisitions (M&As) by banks. Thus far restricted to collateral-backed lending, it will call for rewiring banks (once operational guidelines are issued) when they step into the trade. Now link this with another year-ender: The bonuses in the investment banking (i-banking) circuit in India. It is small compared with the many millions that dealmakers in the global capital markets take home, but Santa does come visiting out here too — payouts run into a few crores.
https://www.business-standard.com/industry/banking/psbs-ma-financing-challenges-governance-talent-compensation-125112800952_1.html

Lenders to MSME units face concentration risk

MSME lenders face significant concentration risk as a small fraction of borrowers holds over half of the total outstanding loans. Despite this, the sector's portfolio quality improved, with the share of loans at risk declining. Public sector banks lead in the micro segment, while private banks dominate small and medium enterprises.
https://economictimes.indiatimes.com/industry/banking/finance/lenders-to-msme-units-face-concentration-risk/articleshow/125915848.cms

SEBI broadens strategic investor criteria to ease capital raising for REITs, InvITs

Market regulator Sebi has broadened the definition of "strategic investor" for REITs and InvITs, aimed at widening investor participation in their public issues. The expanded criteria will make it easier for these trusts to attract capital, support greater flexibility and improve the overall ease of doing business.
https://www.financialexpress.com/business/news-sebi-broadens-strategic-investor-criteria-to-ease-capital-raising-for-reits-invits-4073832/

GST cuts: Insurers still negotiating commission revisions with distributors

More than two months after rationalisation of goods and services tax (GST) on individual life-insurance premiums and the withdrawal of input-tax credit (ITC), life-insurance companies are still negotiating commission revision with distributors. While revision in commission for the agency channel has been finalised and put into effect, discussion with large bancassurance distributors is on, multiple sources aware of the development said. Smaller insurers have

passed it on to their channel partners, a source added. Sources in the know said a large part of negotiations with distributors had been completed, and the rest was in its final stages.
https://www.business-standard.com/finance/news/gst-cuts-insurers-still-negotiating-commission-revisions-with-distributors-125121101058_1.html

Pension parking lot expanded to gold and silver ETFs, AIFs, Invits

Unlocking the flow of annual retirement savings worth about ₹1 trillion into a wider range of assets, including alternative investment funds (AIFs), equities, gold and silver exchange traded funds (ETFs), infrastructure investment trusts (Invits) and Basel-III tier-I bonds issued by state-owned shadow banks, the Pension Fund Regulatory and Development Authority (PFRDA) has significantly liberalised its investment guidelines for the National Pension System (NPS).
https://www.business-standard.com/finance/news/pension-parking-lot-expanded-to-gold-and-silver-etfs-aifs-invits-125121101428_1.html

CPSE dividend income on track to achieve Budget target, outpaces disinvestment proceeds

Dividend from Central Public Sector Enterprises remains a reliable source of non-tax revenue for the Centre in FY26 as well. A businessline analysis of data from DIPAM shows that income from CPSE dividend was over five times higher than the disinvestment proceeds. Till December 4, FY26 disinvestment proceeds total just ₹7,348.6 crore, while ₹41,478 crore has been received from CPSEs as dividend. Income from dividend has consistently outpaced disinvestment proceeds since FY21. But the gap has widened considerably in FY 24 and FY25.
https://www.thehindubusinessline.com/data-stories/data-focus/cpse-dividend-income-on-track-to-achieve-budget-target-outpaces-disinvestment-proceeds/article70384556.ece

Niti Aayog pushes plan to double corporate bond market to Rs 100–120 lakh crore by 2030

Government think-tank NITI Aayog has proposed a phased roadmap to double India's corporate bond market size to ₹100–120 lakh crore ($1.4 Trillion) by 2030, a necessary step for achieving the Viksit Bharat 2047 vision.
https://www.financialexpress.com/business/news/niti-aayog-pushes-plan-to-double-corporate-bond-market-to-rs-100120-lakh-crore-by-2030/4073981/

Industry

Govt set to release second working paper on copyrightability of AI generated content

The epartment for Promotion of Industry and Internal Trade (DPIIT) is set to release a second working paper on the proposed India model for AI and copyright, focussing on `copyrightability' of AI generated works and their authorship, according to a government official.
https://www.thehindubusinessline.com/news/govt-set-to-release-second-working-paper-on-copyrightability-of-ai-generated-content/article70385277.ece

Reorient PLI scheme on labour-intensive sectors to create more jobs: NCAER

Reorienting the production-linked incentive (PLI) schemes by focusing on labour-intensive industries instead of the current focus on capital-intensive ones could help increase job creation, according to a report released by the National Council of Applied Economic Research (NCAER). The report states that increasing focus of PLIs on labour-intensive sectors such as textiles, garments, footwear, and food processing may lead to a higher job multiplier. A job multiplier indicates the number of jobs created in an economy for one job created in a particular industry as the current PLI schemes are mainly concerned with increasing the production of high value products, which require high skill and specialised labour with a lower focus on low and middle-skilled labour- intensive sectors.
https://www.business-standard.com/economy/news/reorient-pli-scheme-on-labour-intensive-sectors-to-create-more-jobs-ncaer-125121200017_1.html

Food Processing PLI Scheme attracts investment of ₹9,207 crore by 170 companies : Ministry

The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) has attracted cumulative investment of ₹9,207 crore by approved applicants, the Food Processing Ministry informed the Parliament on Thursday. The Central Sector scheme, with an outlay of ₹10,900 cror,e has so far approved 170 applications. In a written reply,

Minister of State for Food Processing Industries, Ravneet Singh, informed Lok Sabha, "The cumulative export sales of the PLISFPI beneficiaries from FY April, 2021 to FY September, 2025 is ₹89,053.44 crore for the approved products."
https://www.thehindubusinessline.com/companies/food-processing-pli-scheme-attracts-investment-of-9207-crore-by-170-companies-ministry/article70385165.ece

Easier audit norms for smaller units soon

The audit regulations for small and medium enterprises, especially the firms that have very little or no exposure to the public investors, have less complex structures and where the ownership is less dispersed, may ease substantially. The move is aimed at promoting ease of doing business, and facilitating speedy growth of these units without being disrupted by redundant audit interventions.
https://www.financialexpress.com/business/news/easier-audit-norms-for-smaller-units-soon/4073854/

Indian IT firms ramp up acquisitions to tackle slowing revenue growth and structural changes

Calendar year 2025 has seen a marked increase in acquisitions by Indian IT majors that are historically cash-rich but deploy it to return value to shareholders. TCS' $700 million buy of Coastal Cloud on Wednesday follows a slew of acquisitions by its peers Infosys and Wipro, all of whom have made large-ticket acquisitions over the past 12 months.
https://www.thehindubusinessline.com/companies/indian-it-firms-ramp-up-acquisitions-to-tackle-slowing-revenue-growth-and-structural-changes/article70385202.ece

Agriculture

Rabi sowing: Gram, barley surpass targets, wheat lags in Rajasthan

The sowing of gram and barley in Rajasthan has surpassed that of wheat and mustard during the current rabi or winter crop season. According to the state agriculture department data, 100 per cent of gram sowing was completed by the first week of December, and barley sowing reached 108 per cent. "In comparison, wheat sowing stands at 86 per cent and mustard at 94 per cent," an agriculture department official said.
https://www.business-standard.com/industry/agriculture/rabi-sowing-gram-barley-surpass-targets-wheat-lags-in-rajasthan-125121100834_1.html

Govt urges agri industry to ramp up capacity using sops

The government has urged the agriculture ancillary industry to use the available incentives to strengthen the food processing supply chain. Under flagship schemes such as the PM Kisan Sampada Yojana and the Pradhan Mantri Formalisation of Micro Food Processing Enterprises scheme, MoFPI provides extensive assistance including capital subsidies for small and micro enterprises, financial support of 35–50 per cent for setting up cold-chain facilities, food-testing labs, incubation centres and processing units in agricultural clusters, he said at the FICCI Annapoorna Inter Food Exhibition 2025 in Mumbai on Thursday.
https://www.thehindubusinessline.com/economy/agri-business/govt-urges-agri-industry-to-ramp-up-capacity-using-sops/article70384949.ece

Govt plans to accord 'permanent approval' to nano-fertilizers

The Indian government plans to issue permanent approval for nano-fertilizers in place of current three-year term as part of "ease of doing" business since the technology is getting adopted by farmers not only in India buy as many as 25 other countries. However, before issuing such an approval, even for new application, the Agriculture Ministry wants all the data from test results thoroughly get evaluated by experts.
https://www.thehindubusinessline.com/economy/agri-business/govt-plans-to-accord-permanent-approval-to-nano-fertilizers/article70385194.ece

Infrastructure

India's logistics costs have come down to 9%, says Nitin Gadkari

Alluding to India's traditionally high logistics costs, one of the challenges for micro, small, and medium enterprises (MSMEs) in the country, Union Road Transport and Highways Minister Nitin Gadkari on Wednesday said that while

logistics costs account for 8% of the gross domestic product (GDP) in China and about 12% in European countries and the US, they had been as high as 16% in India. That, he said, is now set to change. “We received the report from IIM Bangalore and IIT Kanpur. In the report, they clearly indicate that logistics costs have now reduced by 6% because of good roads,” Gadkari said in his keynote address at Amazon Smbhav 2025.
https://economictimes.indiatimes.com/small-biz/trade/exports/logistics/indias-logistics-costs-have-come-down-to-9-says-nitin-gadkari/articleshow/125890316.cms

Energy

India's crude oil loadings from Russia dip, but robust in December

India’s crude oil loadings from Russia have slumped, but remained fairly robust in December so far, despite the recent sanctions by the United States on two major Russian oil producers. India-bound crude oil loading from Russia stood at 1.25 million barrels per day (mbpd) until December 11, against an average of 1.68 million bpd in 2025 so far, according to data from shipping intelligence firm Kpler. This positions Russia as India’s top crude oil supplier for December.
https://www.business-standard.com/economy/news/india-s-crude-oil-loadings-from-russia-dip-but-robust-in-december-125121101080_1.html

Parl panel asks govt to scale up Bharat Small Modular Reactors platform

A parliamentary panel has asked the government to ramp up the development of the Bharat Small Modular Reactors (BSMR) platform and conduct a review of the roadmap for large-capacity reactors to ensure technological self-reliance and competitiveness, and alignment with India’s three-stage nuclear programme. The Committee on Public Undertakings, in its report on Nuclear Power Corporation of India (NPCIL), highlighted the need to enhance India’s nuclear reactor capacities to match global standards and reduce dependence on foreign technologies.
https://www.business-standard.com/economy/news/parl-panel-asks-govt-to-scale-up-bharat-small-modular-reactors-platform-125121100916_1.html

Govt mulls steps to put excess biofuel capacity into use

The ministry of petroleum and natural gas is formulating a mechanism to address the issue of excess ethanol capacity with the sugar and food grain processing industry, in consultation with the ministry of food. The options include easing export of ethanol and laying a road map for increasing the share of biofuel blended with petrol.
https://www.financialexpress.com/business/news/govt-mulls-steps-to-put-excess-biofuel-capacity-into-use/4074006/

India's new nuclear energy bill set to arrive with SHANTI

India's upcoming SHANTI Bill, or Atomic Energy Bill 2025, is set to revolutionize the nuclear landscape by integrating private investment into the once-closed sphere. This initiative will not only outline a structured approach for private ventures in mineral exploration and fuel fabrication but will also secure government oversight in core areas.
https://economictimes.indiatimes.com/industry/energy/power/indias-new-nuclear-energy-bill-set-to-arrive-with-shanti/articleshow/125918733.cms

Telecom

DoT dials regulator again for suggestions on telemarketers

The Department of Telecommunications is advocating for TRAI to expedite its recommendations concerning telemarketer regulations, a step deemed vital for the effective governance of telemarketing practices. Telecom operators are pushing for these rules to tackle the rising tide of spam calls by enhancing accountability within the industry. However, TRAI's delays are thwarting the implementation of these essential regulations.
https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-dials-regulator-again-for-suggestions-on-telemarketers/articleshow/125920277.cms

States

Uttar Pradesh govt funnels 11 new FDI proposals worth ₹13,610 crore

Uttar Pradesh has netted 11 fresh foreign direct investment (FDI) proposals worth more than ₹13,610 crore, aiming to emerge as a major investment destination. These proposals have been received under the Uttar Pradesh FDI/FCI (foreign capital investment), Fortune Global 500 & Fortune India 500 Companies' Investment Promotion Policy 2023. The US, Japan, Belgium, the United Kingdom, Poland, and Singapore are among the state's key global investment partners. While information technology, electronics, and manufacturing are gaining traction in UP's investment landscape, banking, finance, pharmaceuticals, life sciences, insurance, media and entertainment are also emerging high-potential areas.

https://www.business-standard.com/economy/news/uttar-pradesh-govt-funnels-11-new-fdi-proposals-worth-13-610-crore-125121100852_1.html

Chhattisgarh becomes first to bring second edition of Jan Vishwas Bill

The Chhattisgarh government will bring out the second edition of the Jan Vishwas Act, which decriminalises minor offences by replacing prison terms with fines to facilitate investment and a business-friendly atmosphere. The state in July last year had passed its first Jan Vishwas Act, decriminalising 163 provisions across eight Acts. Chhattisgarh will now introduce a second Bill Jan Vishwas (Amendment of Provisions) (Second) Bill, 2025, to amend 116 more provisions across 14 Acts, aiming for trust-based governance, reduced judicial burden, and better ease of doing business, by converting technical violations into administrative penalties, a state government spokesperson said.

https://www.business-standard.com/industry/news/chhattisgarh-becomes-first-to-bring-second-edition-of-jan-vishwas-bill-125121101000_1.html

Tamil Nadu a new GCC magnet with more than 250 centres

Tamil Nadu is metamorphosing into a prime Global Capability Center (GCC) magnet with over 250 centres already established across the State, says FICCI-Anarock report 'Real Estate & Infrastructure Driving Growth in Tamil Nadu.' Released at the FICCI Real Estate & Infrastructure Summit & Awards (REISA) in Chennai on Thursday, the report underscores that Chennai alone hosts 10 per cent of India's GCCs. After Chennai, Coimbatore in Tamil Nadu ranks among the top tier-2 cities for GCCs in India.

https://www.thehindubusinessline.com/info-tech/tamil-nadu-a-new-gcc-magnet-with-250-centres/article70383395.ece

India launches first indigenous hydrogen fuel-cell vessel in Varanasi

Union Minister Sarbananda Sonowal on Thursday flagged off India's first indigenous hydrogen fuel-cell vessel in Varanasi, marking a key milestone in the country's push towards clean and sustainable inland water transport. At a ceremony held at Namo Ghat, the Ports, Shipping, and Waterways minister inaugurated the vessel's commercial operations.

https://www.thehindubusinessline.com/economy/logistics/india-launches-first-indigenous-hydrogen-fuel-cell-vessel-in-varanasi/article70383705.ece

External

Oman's lower house approves trade pact with India; Union cabinet may take up on Fri

India's free trade agreement with Oman is moving forward. Oman's Shura Council has approved the pact. India's Union Cabinet is expected to review it soon. This agreement aims to boost trade in goods and services. It will reduce or eliminate customs duties on many products. India's exports to Oman are set to benefit significantly.

https://economictimes.indiatimes.com/news/economy/foreign-trade/omans-lower-house-approves-trade-pact-with-india-union-cabinet-may-take-up-on-fri/articleshow/125912406.cms?from=mdr

EU FTA declaration soon: India-Italy ties get further boost; Modi invited to visit Rome

India is enthusiastically enhancing its relationship with the European Union, with negotiations for a free trade agreement moving forward. The Republic Day celebrations are set to welcome EU leaders as prominent guests. Recently, India had the honor of hosting EU trade commissioner Maros Sefcovic and Italy's deputy prime minister Antonio Tajani, showcasing a commitment to collaboration.

https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-fta-declaration-soon-india-italy-ties-get-further-boost-modi-invited-to-visit-rome/articleshow/125919271.cms

No hard stop set in India-US trade discussions, says Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Thursday said India is not negotiating the trade deal with the US with a fixed deadline, and the US should sign on the dotted line if it is happy with India's offer. Goyal was responding to a query on a comment by United States Trade Representative (USTR) Jamieson Greer on Wednesday, saying that Washington has received the best-ever offer from New Delhi, though India is resisting market access for certain farm items.

https://www.business-standard.com/economy/news/no-hard-stop-or-fixed-deadline-for-us-trade-deal-says-piyush-goyal-125121101255_1.html

After Prada pact, Piyush Goyal says Kolhapuri chappal exports can touch USD 1 bn/yr

Kolhapuri chappal exports could reach USD 1 billion yearly. Italian fashion house Prada signed an MoU to create Kolhapuri chappal-inspired sandals. This collaboration recognizes Indian artisans. The limited edition collection debuts in February 2026. It will be manufactured in India, fostering skill exchange and cultural dialogue. This initiative highlights the global potential of Indian craftsmanship.

https://economictimes.indiatimes.com/news/economy/foreign-trade/after-prada-pact-goyal-says-kolhapuri-chappal-exports-can-touch-usd-1-bn/yr/articleshow/125916358.cms

Imports, weak demand weigh on tur prices as new crop hits market

Cheaper imports and weak demand are seen weighing on tur (arhar) prices as the new crop has started arriving in key producing states of Maharashtra and Karnataka. On Wednesday, the Agriculture Ministry has approved the purchase of 9.67 lakh tonnes at minimum support price (MSP) under the price support scheme (PSS) in Karnataka for the 2025-26 season. Prices of the new tur crop are ruling in the range of ₹6,700-7,700 per quintal in these States — below the minimum support price (MSP) level of ₹8,000.

https://www.thehindubusinessline.com/economy/agri-business/imports-weak-demand-weigh-on-tur-prices-as-new-crop-hits-market/article70384110.ece