

December 31, 2025 – Wednesday

Economy

India surpasses Japan to become world's 4th largest economy: Govt

India has surpassed Japan to become the world's fourth-largest economy with a size of $4.18 trillion, and is poised to overtake Germany to become the third-largest by 2030, the government has said. With continuing good growth numbers, India is also the world's fastest-growing major economy. India's real GDP grew 8.2 per cent in the second quarter of 2025-26, up from 7.8 per cent in the first quarter and 7.4 per cent in the fourth quarter of the last fiscal.
https://www.business-standard.com/economy/news/india-surpasses-japan-to-become-world-4th-largest-economy-govt-125123000804_1.html

Labour Min's flagship employment scheme logs 235K registrations in 2025

The government's Pradhan Mantri Viksit Bharat Rozgar Yojana (PMVBRY) scheme saw registrations of 235,459 establishments on the scheme's portal, according to a statement by the Ministry of Labour and Employment. The ministry estimates 2,070,135 beneficiaries who are first-time employees under the scheme, and 163,994 beneficiaries who are employers. The scheme remains applicable to jobs created between August 1, 2025, and July 31, 2027.
https://www.business-standard.com/industry/news/labour-ministrys-flagship-employment-scheme-gets-2-4-registrations-2025-125123000911_1.html

Budget Expectations

PM Modi hints at 'mission-mode' reforms in multiple sectors

Prime Minister Narendra Modi on Tuesday signalled that the Budget FY27 to be unveiled early February would carry the flavour of "Viksit Bharat" and underlined that a key priority for the government at this juncture would be to meet the aspirations of the 250 million people who have been lifted out of poverty in the last decade.Education, health and jobs will be accorded precedence in policy-making and fiscal allocations, Modi indicated, while interacting with a group of economists here on Tuesday.
https://www.financialexpress.com/business/news/pm-hints-at-mission-mode-reforms-in-multiple-sectors/4092758/

Budget 2026 measures can upgrade India's supply chain in its bid to match up with China

As Union Budget 2026 comes into view, India's supply-chain debate has sharpened into something more uncomfortable than a push for new factories or bigger incentives. Imports are rising, the merchandise trade gap is widening, and dependence on China remains deeply embedded across machinery, electronics, chemicals, and capital goods -- even in areas where India has domestic production.
https://economictimes.indiatimes.com/news/economy/policy/budget-2026-measures-can-upgrade-indias-supply-chain-in-its-bid-to-match-up-with-china/articleshow/126243701.cms

Funding for digital agriculture mission to get a boost

Finance Minister Nirmala Sitharaman is likely to announce a substantial hike in budgetary allocation for expanding the Digital Agriculture Mission in the forthcoming Budget for 2026–27. Sources told FE that the mission, launched last year with a budgetary allocation of Rs 2,817 crore valid till the end of FY26 — coinciding with the Fifteenth Finance Commission period — is likely to be expanded with a significantly higher allocation from FY27 onwards.
https://www.financialexpress.com/business/news/funding-for-digital-agriculture-mission-to-get-a-boost/4092838/

Finance

Public sector banks' staff count rises for first time in five years

Public sector banks' (PSBs') employee count grew for the first time in five years while private sector banks' staff strength saw a decline in 2024-25 (FY25), according to latest data released by the Reserve Bank of India (RBI). The employee count of state-owned lenders rose 0.22 per cent year-on-year (Y-o-Y) to 757,641 at the end of March 31, 2025 from 756,015 in FY24. On the other hand, private banks recorded a 0.86 per cent drop in their employee count to 838,150 in FY25 from 845,407 in FY24.
https://www.business-standard.com/industry/banking/psu-banks-employee-count-rises-first-time-five-years-private-banks-drop-125123000953_1.html

Select PSB digital playbooks picked for broader adoption

Government is promoting collaboration among state-run banks. Select digital initiatives from Canara Bank, Bank of Maharashtra, and State Bank of India are being identified for wider adoption. These include geospatial analytics for business development, digital co-lending systems, and comprehensive digital transformation frameworks. Banks will evaluate and adapt these proven solutions to their specific needs.
https://economictimes.indiatimes.com/industry/banking/finance/banking/select-psb-digital-playbooks-picked-for-broader-adoption/articleshow/126258281.cms

SEBI sets January 2027 deadline for AIF compliance certification

Markets regulator SEBI on Tuesday mandated that compliance officers of managers of alternative investment funds must obtain a certification from the National Institute of Securities Markets (NISM). In a circular, SEBI said, "The Compliance Officer of Manager of an AIF (Alternative Investment Fund) shall obtain certification from the National Institute of Securities Market by passing the NISM Series-III-C: Securities Intermediaries Compliance (Fund) Certification Examination."
https://www.thehindubusinessline.com/markets/sebi-sets-january-2027-deadline-for-aif-compliance-certification/article70454735.ece

Govt plans to amend SARFAESI Act to include special situation funds

The Union government is considering amending the SARFAESI Act, 2002, to expand the definition of a financial institution by including special situation funds (SSFs), a senior government official said on condition of anonymity. The SARFAESI (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest) Act, 2002 provides an enabling legal framework for banks and financial institutions to recover dues exceeding ₹1 lakh by enforcing security interests against the borrower's or guarantor's secured assets without court or tribunal intervention.
https://www.business-standard.com/finance/news/centre-plans-to-amend-sarfaesi-framework-to-include-special-situation-funds-125123001004_1.html

DFS pushes digitisation, reforms to speed up recoveries through DRTs

Department of Financial Services (DFS) secretary M Nagaraju said on Tuesday that it has taken key initiatives like adoption of mandatory e-filing, use of video conferencing and hybrid hearings, among others, for deepening the digitisation process in debt recovery tribunals (DRTs) and boost recovery. He was addressing a meeting colloquium of chairpersons of debts recovery appellate tribunals (DRATs) and presiding officers of DRTs in New Delhi. The colloquium was attended by senior officers of the DFS, representatives of various public and private banks as well as Indian Banks' Association representatives.

https://www.business-standard.com/finance/news/dfs-pushes-digitisation-reforms-speed-up-drt-recoveries-125123000832_1.html

Insurance penetration remained unchanged in 2025, at about half of global average

Indian insurance penetration stays at 3.7 percent, lagging behind the global average. Life insurance penetration saw a slight dip, while non-life insurance remained steady. Insurance density, however, increased to 97 dollars per person. Experts predict a period of adjustment for the sector due to new regulations. Life insurance premiums are expected to grow moderately before a stronger recovery.
https://economictimes.indiatimes.com/industry/banking/finance/insure/life-insurance-penetration-remained-unchanged-in-2025-at-about-half-of-global-average-irdai-health-premium/articleshow/126259232.cms

NaBFID plans credit default swap product for infra bonds

The National Bank for Financing Infrastructure and Development (NaBFID) is planning to come out with a credit default swap (CDS) product for infrastructure bonds. The move intends to bolster and expand the corporate bond market. “We are working to launch CDS product for infra bonds. With CDS, we aim to develop corporate bond market at a large scale. We have started preliminary work and it is still in an early stage,” a senior official said. It is also expected to help increase participation in low-rated bonds, giving more confidence to investors.
https://www.financialexpress.com/business/banking-finance-nabfid-plans-credit-default-swap-product-for-infra-bonds-4092877/

Housing top reason for partial withdrawals under NPS in FY25: PFRDA

The highest number of requests was reported for the purchase or construction of residential houses, which stood at 172,625, of which 155,236 were settled, involving an amount of ₹1,327.91 crore partial withdrawals under the National Pension System (NPS) in FY 2024–25, according to data from the Pension Fund Regulatory and Development Authority (PFRDA) annual report released this month.
https://www.business-standard.com/finance/news/housing-leads-nps-partial-withdrawals-fy25-pfrda-annual-report-125123000943_1.html

Corporate lending to rebound as loan-bond rate gap narrows, RBI eases norms

Bank lending to companies is expected to go up in the coming quarters because the difference in interest rates between corporate bonds and bank loans has narrowed. In addition, recent policy reforms by the Reserve Bank of India (RBI), including allowing domestic banks to do acquisition financing, are expected to give further support to corporate lending, analysts said. Corporate lending by banks had lagged overall credit growth following deleveraging by companies after the pandemic waned because they increasingly shifted to debt sources such as capital markets and foreign borrowing.
https://www.business-standard.com/economy/news/corporate-lending-to-rebound-as-loan-bond-rate-gap-narrows-125123000867_1.html

Industry

Regulatory delays cripple Indian cos: Certifications disrupt FMCG, electronics sectors' performance

Businesses face significant delays due to slow regulatory approvals like BIS quality certifications and FSSAI licenses. This impacts production schedules, imports, and product launches. Companies report months of delays, missing crucial festive and peak sales periods. Sectors like electronics, telecom, FMCG, and consumer goods are most affected. Regulatory preparedness is key to business success in India.
https://economictimes.indiatimes.com/industry/cons-products/fmcg/regulatory-delays-cripple-indian-cos-certifications-disrupt-fmcg-electronics-sectors-performance/articleshow/126258894.cms

Specialised copper products exempted from QCOs for a year

The government has exempted imports of specialised copper products used in the automotive, electrical and consumer industry from quality control orders (QCO) for a year till December 2026. The copper products exempted from the Copper Products (Quality Control) Order, 2024 are high purity copper rods, strips and sheets and its alloys containing beryllium, zirconium and other rare metals.

https://www.financialexpress.com/business/news/specialised-copper-products-exempted-from-qcos-for-a-year/4091566/

India's EV penetration hinges on securing raw materials, key components

If there is one exponential growth story for the Indian economy, with ramifications across infrastructure, transport and clean energy uptake, it is the rapid rise of electric vehicles (EVs) in the mobility space within the past five to six years. EV penetration in the country has risen sharply from just 0.5 per cent in 2019–20 to over 6 per cent last financial year (2024–25), with total sales reaching around 1.5 million units. And yet, this growth could trip on a crucial affliction: the raw material supply chain.
https://www.business-standard.com/industry/auto/india-ev-penetration-securing-raw-materials-key-components-125123000952_1.html

Foreign tourists' arrival in India dips 12% in April-September 2025

It could end up to be a lacklustre year for foreign tourist arrivals (FTA) in India even as competing south eastern countries and China have shown a sharp surge in 2025, many of them because of liberalised as well as free visa schemes. According to the latest data, foreign tourist arrivals in India dropped to 6.18 million during the April-September 2025 period against 7.06 million during the same period last year, which was a drop of 12.4 per cent.
https://www.business-standard.com/industry/news/foreign-tourists-arrival-in-india-dips-12-in-april-september-2025-125123000662_1.html

Parliamentary panel urges inter-ministry coordination on critical minerals

A parliamentary panel has stressed the need for seamless coordination among ministries to bolster the country's self-reliance in critical minerals like lithium, graphite, cobalt, and rare earth that are vital for a technology-driven future global economy. In its report, the Committee noted that the "Atmanirbhar Bharat" initiative, with its strong emphasis on self-reliance, holds immense potential to secure a sustainable supply chain of these minerals and enhance the country's industrial competitiveness.
https://www.business-standard.com/industry/news/parliamentary-panel-urges-inter-ministry-coordination-on-critical-minerals-125123000629_1.html

Cement M&A to pause as majors focus on integration

Merger and acquisition activity in the cement sector is likely to remain muted through at least the first half of 2026, as the country's largest producers prioritise integration of earlier acquisitions over fresh deal-making, analysts and industry watchers said. After an intense two-year period of consolidation led by the Adani Group's cement arm and market leader UltraTech Cement, calendar 2025 saw a sharp slowdown in transaction activity. The only notable exception was Adani's acquisition of Jaypee Group's cement assets through the insolvency process, underscoring the broader pause in large-ticket deals.
https://www.financialexpress.com/business/industry-cement-mampa-to-pause-as-majors-focus-on-integration-4092829/

Food processing PLI may be extended

The government is considering extending and recalibrating the production-linked incentive (PLI) scheme for food processing beyond its current tenure, as a large part of the allocated outlay remains unutilised and several companies continue to fall short of revenue and capital expenditure targets, officials said. The five-year PLI scheme for the sector runs from 2021-22 to 2026-27. With the final year approaching, policymakers are assessing changes to eligibility thresholds and compliance conditions to improve utilisation and better align the scheme with industry realities.
https://www.financialexpress.com/business/news/food-processing-pli-may-be-extended/4092528/

Agriculture

Gross PMFBY premium falls in kharif 2025 as cup and cap model takes root

Gross premiums collected under the flagship Pradhan Mantri Fasal Bima Yojana (PMFBY) have dropped in the ongoing kharif 2025 season and, as per industry estimates, might end up somewhere around ₹14,000 crore, down

from almost ₹19,000 crore last year, a fall of nearly 28 per cent. So far, as per the PMFBY website, the gross premium collected is around ₹12,309 crore, but it will go up as states such as Karnataka, which is a major agricultural state and a large user of PMFBY, have yet to submit their data.
https://www.business-standard.com/industry/agriculture/gross-pmfby-premium-falls-in-kharif-2025-as-cup-and-cap-model-kicks-in-125123001005_1.html

Real Estate

Mid-segment set to anchor housing market in 2026 as premium cycle peaks

As India's premium and luxury housing cycle shows early signs of peaking, the mid-segment (homes priced between Rs 80 lakh and Rs 1.5 crore) is expected to emerge as the primary growth driver of the residential market in 2026, according to a report by proptech platform Square Yards. With housing inflation moderating and price growth stabilising in several saturated micro-markets, affordability for mid-income buyers is set to improve, prompting a visible shift in demand.
https://www.business-standard.com/industry/news/mid-segment-set-to-anchor-housing-market-2026-premium-cycle-peaks-125123000760_1.html

Energy

Gas prices set to fall as unified tariff kicks in from January 2026

India's natural gas market is starting to show tangible benefits for consumers from the Petroleum and Natural Gas Regulatory Board's (PNGRB) recent overhaul of pipeline tariffs, with city gas operators beginning to reduce CNG and piped natural gas (PNG) prices. While Think Gas has already announced reductions in CNG and domestic PNG prices across multiple states ahead of the new tariff regime taking effect on January 1 2026, other city gas operators are likely to announce rate cuts in the coming days.
https://www.financialexpress.com/business/news-gas-prices-set-to-fall-as-unified-tariff-kicks-in-from-january-2026-4092429/

Import of Russian oil hits 3-year low in Dec amid tighter Western sanctions

India's intake of Russian crude oil slid to a three-year low in December, as refiners grew increasingly cautious amid tightening western sanctions on Moscow's petroleum sector. Even so, Russia remained India's largest oil supplier by a wide margin compared with November. Crude oil imports from Russia fell by about 38 per cent in December from the previous month to 1.14 million barrels a day, according to data from maritime intelligence firm Kpler. India had imported 1.83 million bpd of Russian crude in November.
https://www.business-standard.com/economy/news/indias-crude-oil-imports-from-russia-dip-three-year-low-tighter-west-scrutiny-125123001032_1.html

Telecom

Centre releases National Frequency Allocation Plan 2025 to allocate spectrum for 5G, 6G, Satcom

The government on Tuesday released the National Frequency Allocation Plan 2025 (NFAP-2025) — in which it will allocate the 6425–7125 MHz band for International Mobile Telecommunications (IMT) -- significantly enhancing mid-band spectrum availability for 5G, 5G Advanced, and future 6G networks. It is a key policy document that governs the management and allocation of radio-frequency spectrum in India. NFAP-2025 will come into effect from Tuesday (30 December 2025), the Department of Telecommunications (DoT), Ministry of Communications, said.
https://www.thehindubusinessline.com/info-tech/centre-releases-national-frequency-allocation-plan-2025-to-allocate-spectrum-for-5g-6g-satcom/article70452782.ece

TRAI recommends light-touch authorisation on sale of foreign Sims/ eSims for use in export IoT devices

The Telecom Regulatory Authority of India (TRAI) on Tuesday said the sale of foreign telecom service providers' Sim/ eSim cards for use in machine-to-machine/ Internet of Things (M2M/ IoT) devices meant for export should be regulated. In its recommendations on 'the Regulatory Framework for the Sale of Foreign Telecom Service Providers' SIM/ eSIM Cards for use in M2M/ IoT Devices Meant for Export', the regulator said such Sim cards should be

regulated through a light-touch service authorisation under the Telecommunications Act, 2023, and this new service authorisation should be termed 'International M2M SIM Service Authorisation'.
https://www.thehindubusinessline.com/info-tech/trai-recommends-light-touch-authorisation-on-sale-of-foreign-sims-esims-for-use-in-export-iot-devices/article70454235.ece

States

Bihar govt commissions 1st phase of Rs 2,800 crore Kajra Solar Project

Bihar's renewable energy goals received a significant push as the first phase of the Rs 2,800 crore Kajra Solar Power Plant in Lakhisarai district was commissioned. This phase includes a 185 MW solar plant and a 254 MW-hour battery storage system, enabling uninterrupted power supply for 4-5 hours. The entire project is slated for completion by January 2027.
https://economictimes.indiatimes.com/industry/renewables/bihar-govt-commissions-1st-phase-of-rs-2800-crore-kajra-solar-project/articleshow/126251193.cms

UP asked to look at area-specific, evidence-based interventions in agriculture

Uttar Pradesh State Agriculture Council (UPSAC), a private body of entrepreneurs and agriculture scientists, has asked the state government to consider area-specific, evidence-based interventions and the replication of proven models on a mass scale to improve success rates. In its first board meeting, the UPSAC passed a few resolutions that are designed at converting scale into value, production into prosperity, and growth into sustainability, a company statement said.
https://www.thehindubusinessline.com/economy/agri-business/up-asked-to-look-at-area-specific-evidence-based-interventions-in-agriculture/article70453598.ece

Tamil Nadu extends 100% road tax exemption for EVs for two more years

In a boost to electric vehicles adoption, the Tamil Nadu government has extended by two years - from January 1, 2026 to December 31, 2027 - the 100 per cent tax exemption granted for all Battery-Operated Vehicles (Electric Vehicles) covered in all Transport and Non-Transport vehicles. This has been a strong request from EV manufacturers and other industry stakeholders to the State government.
https://www.thehindubusinessline.com/news/tamil-nadu-extends-100-road-tax-exemption-for-evs-for-two-more-years/article70453310.ece

Healthcare

Govt bans sale, use of oral formulations of nimesulide for human use

The Union Health Ministry has banned the manufacture, sale and distribution of all oral formulations containing the popular painkiller nimesulide above 100 milligrams (mg) for human use, citing health risks. This follows a similar recommendation made in a report by the Indian Council of Medical Research (ICMR) amid concerns that the drug could cause liver damage, which could turn life-threatening in some patients. "The Central Government is satisfied that it is necessary and expedient in the public interest to prohibit the manufacture, sale and distribution of the said drug in the country for human use," a government notification released late on December 30 stated.
https://www.business-standard.com/health/nimesulide-oral-formulations-ban-health-ministry-icmr-125123100061_1.html

Weak compliance could force govt to extend the deadline for new pharma manufacturing rules

With nearly 75% of the pharma units yet to begin upgradation work for their manufacturing facilities, the government might be forced to extend the deadline to implement revised Schedule M guidelines for the small and medium-sized pharma units, sources close to the development told FE. Even the 1,700-odd units which had applied for extension with Central Drugs Standard Control Organisation (CDSCO) this year, 20-30% of the upgradation work is still pending.
https://www.financialexpress.com/business/industry-weak-compliance-could-force-govt-to-extend-the-deadline-for-new-pharma-manufacturing-rules-4092775/

External

Govt imposes tariff on certain steel products for 3 years to limit imports

India has imposed a three-year import tariff of between 11 per cent and 12 per cent on some steel products, according to a finance ministry order published on Tuesday, as the government aims to curb cheap shipments from China. The levy, locally known as a safeguard duty, will be imposed at 12 per cent in the first year followed by 11.5 per cent in the second year and then 11 per cent in the third year. The measure, which was published on the official government gazette, excludes imports from certain developing countries, though China, Vietnam, and Nepal will be subject to the levy. It also will not apply to specialty steel products such as stainless steel.
https://www.business-standard.com/economy/news/govt-imposes-tariff-on-certain-steel-products-for-3-years-to-limit-imports-125123100015_1.html

Government allows export of organic sugar up to 50,000 tonnes per year

The government has allowed exports of organic sugar up to 50,000 tonnes per fiscal year, according to a notification. The exports are subject to the provisions of APEDA (Agricultural and Processed Food Products Export Development Authority). "Export of organic sugar... is allowed subject to an overall ceiling of 50,000 tonnes per financial year as per the modalities prescribed by APEDA separately," the Directorate General of Foreign Trade (DGFT) said in a notification.
https://www.thehindubusinessline.com/economy/agri-business/government-allows-export-of-organic-sugar-up-to-50000-tonnes-per-year/article70454727.ece

India stands firm against inclusion of investment pact in WTO framework

India will continue to put up a strong fight at the WTO against the proposed inclusion of an investment agreement — endorsed by 128 countries till now — into the main framework at the upcoming fourteenth WTO Ministerial Conference (MC14) in Cameroon in March 2026. While South Africa has shifted its stance opposing the Investment Facilitation for Development (IFD) Agreement, India maintains its refusal to endorse the pact citing that it was a “non-mandated” initiative pushed as a plurilateral agreement without full consensus.
https://www.thehindubusinessline.com/economy/india-stands-firm-against-inclusion-of-investment-pact-in-wto-framework/article70453687.ece

China boosts domestic demand with $9 billion consumer subsidy plan

China will provide nearly $9 billion to subsidize its consumer goods trade-in drive next year, extending a stimulus program aimed at shoring up domestic demand and countering external headwinds faced by the world’s No. 2 economy. The government plans to raise 62.5 billion yuan ($8.9 billion) to fund the first tranche of subsidies by selling ultra-long special sovereign bonds, the National Development and Reform Commission, China’s top economic-planning agency, said in a statement Tuesday.
https://www.thehindubusinessline.com/news/world/china-boosts-domestic-demand-with-9-billion-consumer-subsidy-plan/article70455588.ece