

January 29, 2026 – Thursday

Economy

India's industrial output rises to 7.8% in Dec 2025 against 7.2% in Nov

India's industrial output, as measured by the Index of Industrial Production (IIP), stood at 7.8 per cent in December 2025, reaching its highest level in over two years, after registering a high growth of 7.2 per cent (revised estimate) in November 2025, data released by the Ministry of Statistics and Programme Implementation (MoSPI) showed on Wednesday. All three major sectors showed positive growth in December last year. Mining output increased by 6.8 per cent, while manufacturing recorded a growth of 8.1 per cent. Electricity generation also rose by 6.3 per cent during the month.
https://www.business-standard.com/economy/news/iip-december-2025-industrial-production-output-manufacturing-construction-126012800955_1.html

Government plans seasonally adjusted IIP for clearer data

Currently, India does not publish official seasonally adjusted IIP data. Adopting such a measure would bring India in line with global best practices, as countries like the United States, China, France, United Kingdom, South Africa and members of the European Union regularly release seasonally adjusted IIP figures.
https://economictimes.indiatimes.com/news/economy/policy/government-plans-seasonally-adjusted-iip-for-clearer-data/articleshow/127715946.cms

Budget Expectations

India set to push capex, ease business norms in budget amid US tariff risks

Prime Minister Narendra Modi's government is likely to announce measures to improve the ease of doing business and boost infrastructure spending, while sticking to fiscal consolidation in the upcoming budget, as punitive US tariffs cloud the outlook. In the budget due Feb. 1 — among India's most closely watched annual events — Finance Minister Nirmala Sitharaman is expected to push public spending as private investment remains muted amid lackluster earnings and foreign outflows. She is also expected to simplify import-duty regime and ease compliance for small businesses.
https://www.thehindubusinessline.com/economy/budget/india-set-to-push-capex-ease-business-norms-in-budget-amid-us-tariff-risks/article70563656.ece

Indian consumers express measured realism, expect further personal tax reforms ahead of Budget: Survey

Ahead of the upcoming Budget, inflationary pressures, job security worries and global uncertainties continue to influence household decision-making leading to a greater focus on financial stability According to the annual India Union Budget Survey released by Kantar, nearly 70 per cent of Indian consumers said that the 2025 Budget met their expectations, largely due to tax reliefs, a significant improvement over the last couple of years. However, demand for further personal tax reforms remains steady, particularly among middle-class households.

https://www.thehindubusinessline.com/companies/indian-consumers-express-measured-realism-expect-further-personal-tax-reforms-ahead-of-budget-survey/article70562014.ece

Centre should increase Budget allocation of health in line with promise of 2.5% of GDP: JSA

Civil society group Jan Swasthya Abhiyan (JSA) has called for an increase in the Centre's allocation for health in Union Budget 2026, as earlier outlined by the Centre. Commitments made in the National Health Policy (NHP) 2017 are not being met, the JSA said, pointing to the promise of total public health spending being upped to 2.5 per cent of GDP by 2025. "It remains alarmingly low at 1.15 per cent," it said.
https://www.thehindubusinessline.com/news/national/centre-should-increase-budget-allocation-of-health-in-line-with-promise-of-25-of-gdp-jsa/article70562118.ece

Budget 2026 wishlist: Manufacturing sector seeks tax relief, lower compliance costs

Indian manufacturing CXOs prioritize tax relief and reduced compliance costs in the upcoming budget, with over half flagging it as a top concern. The survey also highlighted the need for demand-side support, faster approvals, and improved logistics, with MSMEs identified as requiring the most policy assistance.
https://economictimes.indiatimes.com/news/economy/policy/budget-2026-wishlist-manufacturing-sector-seeks-tax-relief-lower-compliance-costs/articleshow/127728102.cms

Finance

India's credit growth to be 10-12% CAGR over next 5 yrs: Brickwork Ratings

India's credit growth is expected to be nearly 10–12 per cent CAGR over the next five years, with retail, MSMEs and the services sector being the key drivers of growth. This is expected to be faster than deposit growth, which is pegged at 9–11 per cent, according to Brickwork Ratings. According to the rating agency, housing, vehicle or consumer and cash-flow-backed SME lending will also support growth. Over the next five years, banking assets as a share of gross domestic product (GDP) are also expected to deepen.
https://www.business-standard.com/economy/news/india-s-credit-growth-to-be-10-12-cagr-over-next-5-yrs-brickwork-ratings-126012801295_1.html

Private banks step up write-offs despite benign NPA ratios in December quarter

Indian private banks increased loan write-offs by over 22% in the December quarter. This move aims to clean balance sheets. Despite low reported bad loan ratios, underlying stress persists, especially in retail and unsecured lending. Banks are proactively managing credit costs. This trend highlights ongoing asset quality pressures that observers are watching closely.
https://economictimes.indiatimes.com/industry/banking/finance/banking/private-banks-step-up-write-offs-despite-benign-npa-ratios-in-december-quarter/articleshow/127729848.cms

RBI should include liquid papers in OMOs for better yield signalling: SBI

For a meaningful impact on yields, the Reserve Bank of India should consider open market operations (OMOs) in liquid papers, preferably the current 10-year benchmark and the preceding 10-year paper, the State Bank of India said in a report. On Wednesday, the yield on the 10-year benchmark settled at 6.70 per cent, two basis points lower than the previous close.
https://www.business-standard.com/finance/news/rbi-should-include-liquid-papers-in-omos-for-better-yield-signalling-sbi-126012801306_1.html

SEBI sets up working group to redraw lines between mutual fund distributors and investment advisers

The Securities and Exchange Board of India (SEBI) has constituted a working group to resolve the long-running dispute between mutual fund distributors (MFDs) and registered investment advisers (RIAs), according to people familiar with the development. The group was formed toward the end of last week and is yet to formally begin its deliberations. The panel has been tasked with examining the scope of investment advice, regulatory overlaps between the two frameworks, alignment of compliance requirements and possible changes to licensing structures.
https://www.thehindubusinessline.com/markets/sebi-sets-up-working-group-to-redraw-lines-between-mutual-fund-distributors-and-investment-advisers/article70561201.ece

India allows European Union banks to open 15 branches in four years

India has allowed the European Union (EU) banks to open up to 15 branches over four years in the country once the trade pact takes effect, while Indian banks will face no cap on branch openings in the EU, a commerce ministry official said. India made a similar offer in its trade agreement with New Zealand, permitting up to 15 branches for New Zealand banks over a four-year period. However, India has not opened up its legal services to the EU, the official said.

https://www.business-standard.com/economy/news/india-allows-european-union-banks-to-open-15-branches-in-four-years-126012801479_1.html

Industry

PLI and improving demand to favour electronics MSMEs: SME Tracker

Consumption of electronics in India is expected to increase 11-13 per cent year-on-year (Y-o-Y) to ₹17-18 trillion this financial, riding on government initiatives to boost demand and broader policy moves such as rationalisation of goods and services tax rates and revision of income tax slabs. Mobile phones, consumer electronics and industrial electronics together account for 55-60 per cent of total electronic sales in India. Next financial, consumption growth is projected to improve to 12-14 per cent Y-o-Y, supported by benign inflation, affordable financing options, rising consumer aspirations and increasing industrial demand for electronic components.

https://www.business-standard.com/industry/news/pli-and-improving-demand-to-favour-electronics-msmes-sme-tracker-126012801723_1.html

Duty hikes to dent cigarette volumes by 6-8% in FY27: Crisil Ratings

The domestic cigarette industry is expected to see a 6-8 per cent volume contraction next fiscal following the imposition of additional excise duties and increase in goods and services tax (GST) rates from February 1, Crisil Ratings said on Wednesday. Currently, cigarettes are charged 28 per cent GST along with a varied compensation cess. From February 1, the compensation cess component will be removed and an additional excise duty (ranging from ₹2.05 to ₹8.5 per stick) will be levied, based on the length of the cigarettes.

https://www.business-standard.com/industry/news/duty-hikes-to-dent-cigarette-volumes-by-6-8-next-fiscal-says-crisil-126012801105_1.html

PM asks global investors to tap into India's expanding aviation market

Prime Minister Narendra Modi asked global investors to invest in India as the country is building a vibrant aviation industry ecosystem. He said India will have more than 400 airports by 2047 from the present 160 when it completes 100 years of Independence. The Maharashtra plane crash, which killed Deputy Chief Minister Ajit Pawar and others, cast a sombre shadow over the aviation show.

https://www.thehindubusinessline.com/info-tech/pm-asks-global-investors-to-tap-into-indias-expanding-aviation-market/article70561925.ece

Defence startup funding doubles to record $247 million in 2025: Tracxn

India's defence technology sector attracted $247 million in funding in 2025 — its highest annual inflow to date and nearly double the $125 million raised in 2024 — driven largely by a funding round of over $100 million secured by drone manufacturer Raphe mPhibr, according to a report released by data intelligence platform Tracxn on Wednesday. The increase came despite a decline in the number of funding rounds in 2025, which fell to 30 from 42 in 2024, the report said. It noted that the near doubling of total capital raised was largely driven by Raphe mPhibr's Series B round.

https://www.business-standard.com/industry/news/defence-startup-funding-doubles-to-record-247-million-in-2025-tracxn-126012801538_1.html

India-EU trade deal: Only native EU carmakers may get import tariff relief

India has reserved the right to restrict the gains from lower import tariffs and quotas for European automobiles, offered under its free trade agreement (FTA) with the European Union (EU) finalised on Tuesday, for eight EU native automakers. This is aimed at ensuring that non-native automakers from other countries will not exploit the

concessional tariffs to dump four wheelers into India through the EU. “We have kept the right to deny these benefits to non-traditional automobile manufacturers of the EU,” a government official said on Wednesday.
https://www.business-standard.com/economy/news/india-eu-trade-deal-only-native-eu-carmakers-may-get-import-tariff-relief-126012801507_1.html

India-EU trade pact: India offers 30% duty reduction on imported wine

India’s free trade agreement (FTA) with the European Union (EU) protects the country’s alcoholic beverages (alcobev) industry and will help it to become competitive as import duties are gradually reduced on select wines, said industry officials on Wednesday. Final duties will be reduced over seven years, pegged at 30 per cent for wines priced between €2.50 and €10. For wines costing more than €10, final duties will be at 20 per cent.
https://www.business-standard.com/industry/news/india-eu-trade-pact-india-offers-30-duty-reduction-on-imported-wine-126012801302_1.html

India gets a foot in Europe's footwear supply-chain door after trade pact

From German sportswear brands like Adidas and Puma to France’s lifestyle brand Kickers and Denmark’s ECCO, almost all European footwear and leather majors may soon turn to India not just as a consumption market but also as a sustainable sourcing base, driven by the proposed trade deal. According to industry sources, major brands such as Kickers, ECCO, and Adidas are already in the process of increasing their sourcing from India. Indian exporters will have an advantage over competitors such as Vietnam and Indonesia, as duties will come down from 8 per cent for leather and 17 per cent for non-leather products to zero. Around 85 per cent of the European market is in the non-leather segment.
https://www.business-standard.com/economy/news/india-gets-a-foot-in-europe-s-footwear-supply-chain-door-after-trade-pact-126012801359_1.html

Agriculture

India to import 50K tonnes of EU apples at 20% duty under FTA: Govt

Seeking to downplay any fears of surge in apple imports from EU following the free trade agreement (FTA), the Centre on Wednesday clarified that only around 50,000 tonnes of apples will come from the European Union (EU) at 20 per cent duty, with a minimum import price (MIP) of Rs 80 per kg. This means apples from the EU will continue to face a minimum effective landed price of Rs 96 per kg, which will preserve domestic price stability and safeguard farmer incomes, the government clarified.
https://www.business-standard.com/economy/news/india-to-import-50k-tonnes-of-eu-apples-at-20-duty-under-fta-govt-126012801343_1.html

India’s pulses imports likely to drop by 30% during FY26 to 5 million tonnes

India’s pulses will likely decline by about a third to around 5 million tonnes during the current financial year against 7.3 million tonnes the previous fiscal year on higher carried forward stocks, weakening rupee against the dollar and levy of duty on yellow peas. “India imported 7.3 million tonnes last year. I think this year we will end up with around 5 million tonnes. The imported quantity has come down significantly. A lot of quantity got carried over the last year and I think that is also a reason for decline in imports,” said Bimal Kothari, Chairman, India Pulses & Grains Association (IPGA), the apex trade body for the sector.
https://www.thehindubusinessline.com/economy/agri-business/indias-pulses-imports-likely-to-drop-by-30-during-fy26-to-5-million-tonnes/article70561170.ece

Fertiliser imports rise as local production falls this fiscal year

India significantly boosted fertilizer imports this fiscal year. Urea imports rose 85%, DAP 46%, and NPK 122%. This helped meet demand for key crop nutrition months. Urea sales increased despite lower domestic production. DAP sales saw a slight dip, but imports ensured availability. Complex fertilizer production grew, with imports more than doubling.
https://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/fertiliser-imports-rise-as-local-production-falls-this-fiscal-year/articleshow/127727349.cms

Infrastructure

Civil Aviation Minister holds meetings with UAE, Saudi Arabia, Russia & Dominican Republic on sidelines of Wings India 2026

Union Civil Aviation Minister Ram Mohan Naidu Kinjarapu met with delegations from the UAE, Saudi Arabia, Russia, and the Dominican Republic at Wings India 2026. India is becoming a global aviation hub, attracting partnerships and collaborations. The minister emphasized manufacturing, skills development, and sustainability. India aims to be a global exporter in civil aviation within a decade.
https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/civil-aviation-minister-holds-meetings-with-uae-saudi-arabia-russia-dominican-republic-on-sidelines-of-wings-india-2026/articleshow/127749422.cms

Modi invites global investors to partner India's aviation rise, bets on green fuel exports

Prime Minister Modi invited global investors to India's expanding aviation sector, emphasizing sustainability and self-reliance. He highlighted the sector's historic transformation, with passenger traffic and fleet growth making India the world's third-largest domestic market. The government is focused on aircraft manufacturing, MRO, and green aviation fuel, positioning India as a major global hub.
https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/modi-invites-global-investors-to-partner-indias-aviation-rise-bets-on-green-fuel-exports/articleshow/127707077.cms

Energy

India could order more homegrown reactors as nuclear push grows

India is set to order a third fleet of locally designed reactors as part of an ambitious effort to expand nuclear power capacity at a manageable cost, according to people familiar with the plan. The government is considering seeking bids to build as many as 10 pressurized heavy water reactors with a capacity of 700 megawatts each — a third such bulk order, the people said, asking not to be named as the discussions are still private. The bulk format is intended to improve the government's negotiating capacity and bring down prices, they said.
https://economictimes.indiatimes.com/industry/energy/power/india-could-order-more-homegrown-reactors-as-nuclear-push-grows/articleshow/127678309.cms

States

Centre sets up high level committee to strengthen FPOs in Tamil Nadu

The government on Wednesday announced the formation of a high-level committee to strengthen Farmer Producer Organisations (FPOs) in Tamil Nadu, where over 460 FPOs have been set up under the government scheme and more than 1,000 producers' groups operate overall. The committee has been asked to submit its report within two months.
https://www.thehindubusinessline.com/economy/agri-business/centre-sets-up-high-level-committee-to-strengthen-fpos-in-tamil-nadu/article70560713.ece

Healthcare

Centre scraps prior approval system for BA/BE studies of low-risk drugs

In a bid to reduce regulatory burden for medicine exporters and clinical research, the Union Ministry of Health and Family Welfare has notified an amendment removing the requirement of prior approvals for low-risk bioavailability or bioequivalence (BA/BE) tests meant to generate data for export purposes. BA/BE studies are used in the pharmaceutical industry to demonstrate that a generic drug is therapeutically equivalent to a branded drug, or that a new formulation performs comparably to a standard dose.
https://www.business-standard.com/industry/news/industry-pharma-centre-removes-prior-approval-ba-be-studies-low-risk-drugs-126012801487_1.html

Govt eases drug R&D norms, allows pharma firms to skip test licences

Pharma companies will no longer be required to seek a test licence and may proceed with pharmaceutical development upon submitting an online intimation to CDSCO, except in certain cases, as part of broad simplication notified by the Union Health Ministry. Union Health Ministry has notified key amendments to the New Drugs and Clinical Trials (NDCT) Rules, 2019, aimed at simplifying regulatory processes, reducing approval timelines, and enabling faster conduct of clinical research and pharmaceutical development in the country.
https://www.business-standard.com/industry/news/govt-notifies-norms-to-skip-test-licences-for-drug-r-d-to-boost-ease-of-doing-business-126012800655_1.html

India-EU free trade pact set to redraw growth map for Indian CDMOs

The proposed India-EU Free Trade Agreement (FTA) could mark a structural turning point for India's contract development and manufacturing organisation (CDMO) industry, strengthening its role in European pharmaceutical supply chains and accelerating the shift of complex manufacturing to India. Industry executives and analysts say the agreement goes beyond incremental export gains, addressing long-standing cost, regulatory and access barriers that have shaped outsourcing decisions by European pharma companies. Phased elimination of tariffs on pharmaceuticals, currently ranging between 2 per cent and 11 per cent, is expected to significantly improve the landed cost economics of India-made drugs and intermediates in Europe's tightly regulated euros 300 billion medicines market.
https://www.business-standard.com/industry/news/india-eu-free-trade-pact-set-to-redraw-growth-map-for-indian-cdmos-126012801481_1.html

India-EU trade deal likely to help GLP-1 therapies become cheaper

Multinational pharmaceutical players like Danish major Novo Nordisk stand to gain from India's free-trade agreement (FTA) with the European Union (EU) because prices of their specialty drugs and biologics, especially in fast-growing therapies like glucagon-like peptide-1 (GLP-1), which is for weight loss and diabetes, are set to come down. Under the new framework, the EU will cut duties of up to 12.8 per cent to zero, a move expected to catalyse growth in bulk and specialty chemicals. Similarly, 90 per cent of medical and surgical equipment will see tariffs fall from 27.5 per cent to zero.
https://www.business-standard.com/industry/news/glp-1-therapies-likely-to-become-cheaper-thanks-to-india-eu-fta-126012801557_1.html

External

India, US close to trade deal after very significant progress in talks

India and the US have made "very significant" progress in their negotiations for a trade deal, with New Delhi maintaining steady momentum in talks with Washington for a positive outcome even during the final stages of concluding its free trade pact with the European Union, official sources said on Wednesday. India's mega trade deal with the EU should not be seen as a response to offset the current state of trade relations with the US as the American market is equally crucial for the Indian exporters, they said.
https://www.business-standard.com/economy/news/india-us-close-to-trade-deal-after-very-significant-progress-in-talks-126012801603_1.html

Turkish products excluded from India, EU FTA benefits

Indian products can enter Turkiye via Europe, but Turkiye cannot send goods to India under the India-European Union free trade agreement (FTA) terms, officials said. Under the EU-Turkey Customs Union, Turkiye has to match the EU's common external tariff. So, when the EU lowers its tariffs for an FTA partner such as India, Turkiye would have to extend the same benefit to India.
https://economictimes.indiatimes.com/news/economy/foreign-trade/turkish-products-excluded-from-india-eu-fta-benefits/articleshow/127728985.cms

South Africa weighs steep tariffs on Chinese, Indian autos

South Africa is considering imposing tariffs of as much as 50 per cent on vehicles from China and India as it moves to protect its automotive industry from a flood of imports. An internal review is being conducted by the Department

of Trade, Industry and Competition to assess potential measures to stem inbound shipments, which policymakers say are undermining domestic manufacturing.
https://www.thehindubusinessline.com/news/world/south-africa-weighs-steep-tariffs-on-chinese-indian-autos/article70560596.ece

India's smartphone exports cross ₹1 lakh crore in Apr-Aug FY26: President

President Droupadi Murmu on Wednesday said government efforts have led to an unprecedented growth in electronics manufacturing space with India becoming the second-largest nation globally in the field smartphone production and recording exports worth over ₹1 lakh crore in the first five months of the current fiscal. In a joint address to Parliament, she said that over 25 lakh new jobs have been created in the electronics manufacturing sector alone during the last 11 years and more than one crore youth have also been employed in IT services, electronics manufacturing, and Global Capability Centres with efforts of the government.
https://www.thehindubusinessline.com/info-tech/mobiles-tablets/indias-smartphone-exports-cross-1-lakh-crore-in-apr-aug-fy26-president/article70560661.ece