

# India UNWRAPPED WEEKLY



## NEWSFLASH

15<sup>th</sup> December- 21<sup>st</sup> December

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## INDIA'S SUGAR OUTPUT JUMPS 28% IN THIS SEASON, MILLS URGE TO RAISE MSP



India's sugar production this season has risen sharply by about 28% to 7.79 million tonnes, with major increases in Maharashtra and Uttar Pradesh compared to last year. Despite strong output, the National Federation of Cooperative Sugar Factories (NFC SF) is urging the government to raise the minimum selling price (MSP) to ₹41/kg as falling market rates and rising costs threaten mills' cash flows and farmers' payments. The federation also wants additional sugar diverted to ethanol and broader policy support to ease liquidity pressures.

## WORLD BANK APPROVES \$700 MILLION FOR PAKISTAN'S ECONOMIC STABILITY

The World Bank has approved \$700 million in financing for Pakistan to support economic stability and public service delivery. The funding is part of the Public Resources for Inclusive Development (PRID) programme, aimed at strengthening fiscal management and revenue mobilisation. Of the total amount, \$600 million will support federal reforms, while \$100 million is allocated to Sindh province to improve governance and service outcomes.



## INDIA'S TEXTILE, APPAREL EXPORTS RISE 9.4% TO \$2.86 BN IN NOVEMBER: GOVT



India's textile and apparel exports rose 9.4% year-on-year in November 2025, reaching \$2.86 billion, government data shows. Key segments such as ready-made garments, man-made fabrics, cotton products, and handicrafts recorded notable gains, with handicrafts up nearly 30%. The US remains the sector's largest market despite high tariffs. For 2024-25, the overall textile and apparel industry is estimated at \$179 billion, with exports contributing \$37 billion. Cumulative exports from January–November also saw a marginal increase.

## INDIA, JORDAN AIM TO DOUBLE BILATERAL TRADE TO \$5 BN IN 5 YEARS: MEA

India and Jordan have set a goal to double their bilateral trade to USD 5 billion over the next five years, aiming to strengthen economic ties and expand cooperation across sectors like energy, digital tech, water management, and culture. The initiative was highlighted during Prime Minister Narendra Modi's visit to Amman, coinciding with the 75th anniversary of diplomatic relations. Several MOUs and agreements were finalised to deepen engagement and boost commerce between the two nations.



## EXPORTS JUMP 23% AT \$38.13 BILLION IN NOVEMBER, IMPORTS DOWN 1.88%



India's exports touched a 10-year high in November, rising around 23% year-on-year to \$38.13 billion, driven by strong performance in engineering goods, electronics and select manufacturing segments. At the same time, imports declined 1.9% to \$62.66 billion, leading to a narrower trade deficit of \$24.53 billion. The improved trade balance offers some macroeconomic relief for India, reflecting export resilience despite weak global demand and ongoing geopolitical uncertainties affecting international trade flows.

## RBI GOVERNOR BACKED RATE CUT CITING LOW INFLATION TO SUPPORT GROWTH: MPC

The Reserve Bank of India's Monetary Policy Committee (MPC) cut the repo rate by 25 basis points to 5.25% in December, citing benign inflation and signs of emerging economic weakness. Governor Sanjay Malhotra and MPC members said low inflation provided room to ease policy and support demand while retaining a neutral stance to remain data-dependent. Although GDP growth remains robust, officials noted possible softening ahead and used the rate cut to stimulate economic activity without stoking price pressures.



## CHARTING THE GLOBAL ECONOMY: ECB, UK, BOJ DIVERGE ON RATE MOVES



The European Central Bank kept interest rates unchanged as inflation nears target and growth remains fragile. The Bank of England cut rates to cushion a slowing economy and weakening demand. In contrast, the Bank of Japan raised rates as inflation stays elevated and wage growth strengthens. The divergence shows how global central banks are adjusting policy differently based on domestic inflation trends, growth risks, and labor-market conditions across major economies.

## INDIA SIGNS TRADE PACT WITH OMAN AS IT EXPANDS MIDDLE EAST TIES

India and Oman signed a Comprehensive Economic Partnership Agreement (CEPA) to deepen trade and investment cooperation, granting near-universal duty-free access for Indian exports to Oman and reduced tariffs on most Omani imports. The deal is designed to boost bilateral trade, enhance economic ties, and facilitate goods and services flows. It marks a milestone in relations and is expected to expand commercial engagement across key sectors.



## **UNEMPLOYMENT RATE AT 8-MONTH LOW OF 4.7% IN NOVEMBER, SHOWS PLFS**



India's unemployment rate fell to 4.7% in November 2025, the lowest in eight months, according to the Periodic Labour Force Survey (PLFS). The decline was driven by stronger rural employment linked to rabi sowing and improved job conditions across sectors. Both rural and urban jobless rates eased, with a notable drop in female unemployment. The overall labour force participation rate also increased, suggesting more people entered the workforce, reflecting strengthening labour market conditions.

## **INDIA'S EXPORTS TO CHINA EXPLODE 33% DURING TRUMP'S TARIFF WAR**

India's exports to China surged nearly 33% between April and November 2025, rising from \$9.20 billion to \$12.22 billion, despite ongoing border tensions. The increase was driven by disruptions from former US President Donald Trump's tariff war, which altered global trade flows. November alone recorded a sharp year-on-year jump. Key export drivers included petroleum products, electronics, marine items and oil meals, reflecting supply-chain realignments.



## INDIA'S FLASH PMI FALLS TO 58.9 IN DEC, GROWTH AT SOFTEST PACE SINCE FEB



India's flash PMI fell to 58.9 in December 2025 from 59.7 in November, marking the slowest expansion since February, though the index remained above the neutral 50 level, indicating continued growth. Both manufacturing and services sectors saw muted output and new orders. Export orders rose to a three-month high, but business confidence weakened and employment growth remained subdued. Despite slower momentum, the private sector continued to expand heading into year-end.

## MARINE EXPORTS SEE 20% GROWTH IN PAST FEW MONTHS: PIYUSH GOYAL

India's marine exports have grown about 20% in recent months, the government told Parliament, despite anti-dumping duties by some countries. Commerce Minister Piyush Goyal said efforts to expand marine fish exports include registering Indian export establishments in key markets like the European Union and Russia. With more regulatory approvals underway, marine export growth is expected to continue, reflecting resilience and expanded access for India's seafood industry amid global trade challenges.





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