

INDIA GROWTH NEWS

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Week 35, 2025 (Aug 23 – Aug 29)

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India's outbound investments surge 67% in FY25, driven by ESG, GIFT City, global tax reforms: EY

August 25, 2025

India's outbound investments has jumped by 67.74 per cent to USD 41.6 billion in FY2024-25 from USD 24.8 billion in FY2023-24, as per a new EY report. The number of transactions also rose by 15 per cent, signalling a sharp uptick in global confidence, states the report titled "India abroad: Navigating the global landscape for overseas investment - 2025". It highlights that Indian companies are focusing on diversification, prioritising environmental, social, and governance (ESG) aspects, and leveraging technology-led growth to drive their global expansion strategies. The EY report highlights sectoral impacts across IT, energy, pharma, automotive, and hospitality. While intermediary jurisdictions like Singapore, the Netherlands, and Mauritius have long dominated outbound investment structuring, Indian companies are now broadening their horizons.

The report noted that the shift is being driven by changing global tax rules, tighter regulatory oversight, and evolving strategic priorities. Countries like the UAE, Luxembourg, and Switzerland are gaining ground, offering a mix of favorable tax regimes, progressive regulatory frameworks, and alignment with India's interests in sustainability, digital innovation, and trade expansion. The UAE is seeing rising investor interest beyond its traditional role in energy, spurred by the India-UAE Comprehensive Economic Partnership Agreement (CEPA) and new opportunities in infrastructure and technology. Meanwhile, Luxembourg's strength in fund management and green finance, along with Switzerland's IP-friendly environment and advanced infrastructure, are drawing attention as alternative gateways for Indian capital. Environmental, social and governance (ESG) priorities are now integral to overseas investment decisions. From carbon pricing implications in the EU to supply chain due diligence in the US, companies are embedding sustainability into investment design to meet rising stakeholder expectations and regulatory benchmarks. Indian companies are increasingly turning to GIFT City as a strategic gateway for outbound investments, with RBI data showing a 100 per cent surge (from 0.04 USD billion in 2022-23 to 0.81 USD billion in 2024-25) over the past two years.

Positioned as a cost-effective holding and treasury jurisdiction, GIFT City offers Indian multinationals regulatory clarity, tax advantages, and operational efficiency, helping manage global investments while retaining place of effective management (POEM) and tax residency in India.

India's Index of Industrial Production records growth of 3.5% in July 2025

August 29, 2025

India's Index of Industrial Production (IIP) experienced a robust growth of 3.5% in July 2025, driven primarily by a 5.4% growth in the manufacturing sector. This positive trend follows a 1.5% growth recorded in June 2025. The quick estimates for the IIP in July 2025 stand at 155.0, an increase from 149.8 in July 2024. Sector-specific growth rates for July 2025 show that Manufacturing grew by 5.4%, and Electricity grew by 0.6%. The Mining sector, however,

recorded a negative growth of 7.2%. Within manufacturing, 14 of the 23 industry groups at the National Industrial Classification (NIC) 2-digit level showed positive growth in July 2025 compared to July 2024. The top three contributors to this growth were "Manufacture of basic metals" (12.7%), "Manufacture of electrical equipment" (15.9%), and "Manufacture of other non-metallic mineral products" (9.5%).

A use-based classification also reveals a positive growth trajectory for key sectors. Infrastructure/Construction Goods saw a significant growth of 11.9%, while Intermediate Goods and Consumer Durables grew by 5.8% and 7.7%, respectively. The indices for Primary Goods, Capital Goods, Intermediate Goods, and Infrastructure/Construction Goods were 147.6, 119.7, 174.1, and 201.0, respectively, in July 2025. The report also highlights that the top three positive contributors to the IIP growth, based on this classification, were Infrastructure/Construction Goods, Intermediate Goods, and Consumer Durables. The quick estimates for July 2025 and the final revisions for June 2025 were compiled with weighted response rates of 89.5% and 93.1%, respectively.

Business News – The India Boom Factor



India poised to reach milestone of exporting electric vehicles to 100 countries

August 25, 2025

Prime Minister Narendra Modi on Saturday said that India is set to achieve a milestone by exporting electric vehicles to 100 countries.

Addressing the World Leaders Forum 2025, PM Modi noted that research is a major pillar of the nation's progress.

He noted that while imported research may suffice for survival, it cannot fulfil India's aspirations.

He emphasised the need for urgency and a focused mindset in the field of research, highlighting that the government has worked swiftly to promote research and has continuously developed the necessary policies and platforms.

Pointing out that until 2014, India's automobile exports stood at approximately ₹50,000 crore (Rs.500 billion) annually, PM Modi highlighted that today, India exports automobiles worth ₹1.2 lakh crore (Rs.1.2 trillion) in a year. He remarked that India has now begun exporting metro coaches, rail coaches, and rail locomotives.

"I want to tell you about another success of India. India is now going to export electric vehicles to 100 countries of the world. A very big program related to this is also being held after 2 days on August 26," he said.

The Prime Minister emphasised that when the fundamentals of an economy are strong, its foundation is solid, then the impact is visible across all sectors. He recalled that he had discussed



this in detail during his address on 15th August, and while he would not repeat those points, he stressed that the developments around and after Independence Day exemplify India's growth story. Shri Modi also highlighted that the latest data shows 22 lakh formal jobs were added to the EPFO database in the month of June 2025 alone—marking the highest ever for any single month.

PM Modi noted that India's retail inflation is at its lowest level since 2017, adding that India's foreign exchange reserves have reached an all-time high.

The Prime Minister shared that in 2014, India's Solar PV Module Manufacturing Capacity was approximately 2.5 GW, and the latest figures show that this capacity has now reached the historic milestone of 100 GW.

He stated that Delhi Airport has joined the elite Hundred-Million-Plus Club of global airports with its annual passenger handling capacity now exceeds 100 million, placing it among only six airports worldwide in this exclusive group.

Underlining that a recent development has drawn significant attention—S&P Global Ratings has upgraded India's credit rating, the Prime Minister emphasized that such an upgrade has occurred after nearly two decades.

"India, through its resilience and strength, continues to be a source of global confidence. India, guided by the mantra of Reform, Perform, and Transform, is now in a position to help the world break free from the grip of slow growth," he added.

PM Modi said India is not a nation that enjoys throwing pebbles into stagnant waters, but one that has the strength to redirect fast-flowing currents.

"India, which follows the mantra of Reform, Perform, Transform, is today in a position to take the world out of slow growth rate. We are not the people who sit on the banks of stagnant water and throw pebbles. We are the people who can turn the fast-flowing stream," he said.

The Prime Minister concluded by recalling his address from the Red Fort, reaffirming that India now carries the capability to reshape even the course of time.

India's coal imports rise 1.5% to 76.4 MT in Q1 FY26 despite push for domestic output

August 26, 2025

India's coal imports rose by 1.5% to 76.40 million tonnes (MT) during April–June 2025, compared to 75.26 MT in the same period last year, according to mjunction Services Ltd, a B2B e-commerce platform jointly promoted by Tata Steel and SAIL.

The increase comes even as the government continues to push for higher domestic production to reduce import dependence.



In June 2025 alone, coal imports climbed to 23.91 MT, up from 22.97 MT in June 2024. Non-coking coal imports during the quarter were nearly unchanged at 49.08 MT, while coking coal imports rose to 16.37 MT from 15.45 MT a year ago. For June, non-coking coal imports stood at 14.85 MT (up from 14.19 MT), and coking coal imports were at 5.78 MT (up from 5.45 MT).

Meanwhile, state-run Coal India Ltd (CIL), which accounts for over 80% of domestic output, reported an 8.5% decline in production in June at 57.8 MT, compared to 63.1 MT a year earlier. The decline is attributed by industry experts to seasonal disruptions during the monsoon, which typically hampers mining and dispatch to power plants.

Despite the dip, Coal Minister G Kishan Reddy has assured that India will face no coal shortage during the ongoing monsoon, with the government taking measures to ensure adequate supply to power plants and other key sectors.

The coal ministry reiterated its commitment to sustainable growth, improving coal availability, and gradually reducing reliance on imports. With demand continuing to remain strong, the sector is expected to play a pivotal role in powering India's economic growth.

India-EU trade remains stable, surpasses \$135 billion in goods during FY24

August 28, 2025

India's trade with the European Union has grown steadily, reaching \$135 billion in goods during 2023-24. The EU is India's largest trading partner, with Indian exports valued at around \$76 billion and imports from the EU at nearly \$59 billion.

Services trade added another \$59 billion in 2023, led by information technology and business services. Investments are also significant, with European companies holding \$117 billion in India and Indian firms investing about \$40 billion in the EU.

Talks on an India-EU free trade agreement are underway, covering tariffs, investment rules, and market access. The negotiations restarted in 2021 after being stalled for eight years. At the same time, India and the United Kingdom are advancing a separate trade agreement on a fast track. Despite progress, major differences remain.

India is concerned about the EU's new carbon border tax, which from January 2026 will impose additional costs on steel, aluminium, and cement exports. Another challenge is the EU's deforestation regulation, which will require proof that goods imported into Europe are not linked to deforested land after December 2020.

Other issues under negotiation include investment protection, data transfer rules, professional mobility, agricultural market access, and intellectual property. India seeks recognition as a data-secure country and easier temporary work permits for skilled professionals in the EU.

The EU wants India to reduce restrictions on professional services and provide stronger protection for intellectual property.



Alongside these policy discussions, logistics capacity between India and Europe is expanding. FedEx has added direct flights from Bengaluru and Delhi to Europe, building on existing services from Mumbai. The new connections increase cargo space and reduce transit times for exporters. FedEx also provides an express road and air network covering 46 European countries, allowing shipments from India to move quickly across the region.

The additional capacity is expected to benefit sectors such as pharmaceuticals, electronics, automotive, and speciality chemicals. These industries rely on reliable and fast transport to serve European customers. Indian exporters can also draw on government support schemes, including Production Linked Incentives, Remission of Duties and Taxes on Exported Products, and Export Promotion Capital Goods.

The combination of improved logistics and ongoing policy negotiations is likely to shape the future trajectory of India's exports to the EU.

India-Africa trade surpasses USD 100 billion in FY 2024-25

August 28, 2025

Union minister Kirti Vardhan Singh on Wednesday said India-Africa trade has crossed USD 100 billion and New Delhi has emerged as one of the top-five investors in the continent.

Addressing the inaugural session of the 20th CII India-Africa Business Conclave in the national capital, Singh said India has extended concessional loans worth over USD 12 billion and USD 700 million in grant assistance for projects across Africa, apart from offering 50,000 scholarships for African youth, of which more than 42,000 have already been utilised.

"This year's theme is different as we have decided to move from project partnership and growth partnership to the spirit of 'Co-creating a Shared Future', which signifies the sentiment attached to this remarkable journey," the minister said.

"India's bilateral trade with Africa has crossed the magical figure of USD 100 billion in 2024-25 compared to USD 56 billion in 2019-2020. With cumulative investments over USD 75 billion from 1996-2024, India is among the top five largest investors in Africa," he said.

He stressed that Africa continues to play an important role in India's foreign policy and recalled that the African Union was given permanent membership of the G20 during India's presidency.

"We put emphasis on Africa's rightful place at the global high table," he said.

Singh added that India has stood with Africa in times of need, recalling relief operations in Mozambique, Madagascar, Mauritius and several other countries and invited African nations to join the Coalition for Disaster Resilient Infrastructure as well as the International Solar Alliance to strengthen cooperation in climate and clean energy.

"India and Africa are shaping a strong partnership to co-create a shared future, built on mutual trust and collaborative efforts," he said.





MSC launches new North India–Middle East shipping loop

August 26, 2025

Mediterranean Shipping Company (MSC) has announced the launch of a new weekly shipping service connecting North India with the Middle East, set to commence by the end of September 2025. This service aims to enhance trade connectivity between key ports in India and the Middle East, providing exporters and importers with more reliable and efficient shipping options.

Service Details:

Vessel Deployment: Three vessels, each with a capacity of approximately 2,500 TEUs.

Port Rotation: The service will operate on a loop connecting Hazira, Mundra, and Nhava Sheva in India; Sohar in Oman; Abu Dhabi in the UAE; and return to Hazira.

This new loop is expected to strengthen trade connections between India and the Middle East, offering more reliable shipping schedules and supporting the growing cargo demand in the region.

Additionally, the Saudi Ports Authority (Mawani) has confirmed that King Abdulaziz Port in Dammam will be included in this service. The port is equipped with 43 berths and has a total capacity of up to 105 million tons of cargo and containers, making it a key hub for regional and international trade.

MSC's expansion of services in this region aligns with its broader strategy to enhance connectivity between Asia and the Middle East, offering more direct and efficient shipping routes to meet the growing demands of global trade.



Vande Bharat parcel train set to roll out in two months, promising faster and more cost-efficient freight movement

August 26, 2025

The Vande Bharat parcel train is set to be launched within two months, officials at the Integral Coach Factory (ICF) in Perambur said.

The train has been built with 16 coaches and can carry up to 264 tonnes of goods. It is designed to operate at a maximum speed of 160 kmph and an average speed of 90 kmph, compared with the current average of 50 kmph for goods trains, according to ICF officials.

The service is aimed at expediting the movement of goods, particularly processed food items, which are often transported via costly cargo flights.

Officials said the new service will provide companies with a safer and more economical alternative.

The Vande Bharat parcel train will initially run on the Mumbai–Kolkata route.

Companies signing long-term contracts with the railways for parcel transport will be eligible for discounts.

Construction of the train at ICF has been underway for a year. Before operations begin, the train will undergo cargo inspections, including checks by the Research Design and Standards Organization (RDSO) next month, to ensure compliance with safety standards, officials said.



Vizhinjam International Seaport achieves historic milestone: handles 1 million TEUs in first year

August 26, 2025

The Vizhinjam International Seaport, India's first transshipment hub developed in Kerala, has achieved a landmark feat by handling 1 million Twenty-foot Equivalent Units (TEUs) within its very first year of commercial operations.

Since its official launch in December 2024, the port has witnessed robust activity with 456 vessels berthing at its state-of-the-art terminals, underscoring its strategic location and world-class infrastructure.

Positioned along the southern tip of India, Vizhinjam offers a natural draft of over 18 meters, making it one of the few ports in the world capable of accommodating the largest container vessels. The port's proximity to major international shipping lanes has positioned it as a preferred hub for transshipment traffic, reducing India's dependence on foreign ports for cargo handling.

Kerala Chief Minister and senior state officials hailed the milestone as a "testament to Kerala's vision and commitment to maritime excellence." They highlighted that the port is not just a logistics gateway but also a growth engine that will boost trade, generate employment, and strengthen India's global standing in shipping and logistics.

Industry experts have noted that achieving 1 million TEUs in the first year reflects strong confidence among global shipping lines in Vizhinjam's capabilities. The port has already begun attracting some of the world's largest container carriers, reinforcing its role as a future hub for South Asia.

With this achievement, Vizhinjam International Seaport has firmly placed Kerala on the global maritime map, signaling a new era of connectivity, competitiveness, and economic opportunity for the region and the country.

VOC Port showcases growth in LPG

August 27, 2025

VOC Port, the vibrant seaport in southern India, has registered significant growth in LPG handling. In the current financial year 2025-26, the Port has handled 1,33,520 tonnes of LPG up to July, marking a growth of 40.01 percent compared to the 95,364 tonnes handled during the same period of the previous financial year 2024-25.

Over the past five years, LPG handling at the Port has demonstrated strong performance with steady year-on-year growth. The volumes have steadily increased from 0.58 lakh tonnes in 2020-21, to 0.70 lakh tonnes in 2021-22, 0.94 lakh tonnes in 2022-23, 2.98 lakh tonnes in 2023-24, and reached a largest 4.02 lakh tonnes in 2024-25.

All LPG operations are being efficiently carried out at the Oil Jetty, ensuring smooth cargo movement and reliable service to stakeholders. The Oil Jetty is equipped with a berth having a quay length of 150 metres and a draft of 13 metres, capable of handling vessels with a Length Overall (LOA) ranging from 150 to 230 metres. At present, the Oil Jetty can accommodate vessels up to 40,000 DWT. To further enhance its capacity, the Port is upgrading the facility by constructing new berthing dolphins within the existing structure, enabling it to handle vessels up to 55,000 DWT.

The major companies that handle LPG through Port include SHV Energy Pvt. Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. (Tuticorin), and SHV Gas Supply & Risk Management.

Alongside LPG, Port has also recorded a steady increase in overall liquid cargo handling. Volumes have steadily risen from 15.24 lakh metric tonnes in 2022-23, to 16.29 lakh metric tonnes in 2023-24, and further to 18.79 lakh metric tonnes in 2024-25. Cargo operations are undertaken through VOC Berths 1 to 7, 10, 17, and the Coastal Berth.

The major companies handling liquid cargo through the Port include Greenstar Fertilizers Limited, Southern Petrochemical Industries, DCW Ltd., K.T.V. Health Food Pvt. Ltd., and Indian Oil Corporation Ltd., all of which play a key role in ensuring smooth and efficient cargo operations.

Speaking on the development, Shri Susanta Kumar Purohit, IRSEE, Chairperson, said that the steady growth in LPG and liquid cargo handling shows the Port's strong commitment to meeting the nation's energy and industrial needs. He further added that the oil jetty is being upgraded by strengthening the berth so that it can handle both smaller and larger ships.

Port improvement strategy emerges as game-changer for India's economy

August 29, 2025

India's ambitious port improvement strategy, combining landmark legislation, mega infrastructure projects, and a trillion-dollar investment roadmap, is being hailed as a transformative force for the nation's economy.

Union Minister for Ports, Shipping and Waterways Sarbananda Sonowal recently unveiled a \$1 trillion maritime investment plan to modernize ports, shipping, and waterway infrastructure. The move is expected to cut logistics costs, boost export competitiveness, and position India as a global maritime hub.

Adding to this momentum, Parliament has passed the Indian Ports Bill, 2025, replacing the outdated colonial-era Act of 1908. The new framework introduces digitization, uniform safety and environmental standards, and transparent tariff structures—aligning India's port operations with benchmarks set by Singapore and Europe.

Vizhinjam Sets New Records

India's youngest major port, Vizhinjam in Kerala, has already surpassed expectations by handling over 10.12 lakh containers in its first year of operations—against the projected 3 lakh. The Kerala government has sanctioned funds to prepare a detailed plan for port-led industrial growth, including logistics parks, industrial land development, and connectivity projects.



Mega Projects on the Horizon

Two upcoming projects are set to redefine India's maritime map:

Vadhavan Port in Maharashtra, a ₹76,000-crore (Rs.760 billion) deep-draft facility capable of handling 23 million TEUs, is expected to emerge as a major gateway for the India-Middle East-Europe Corridor (IMEC).

Galathea Bay Port in Great Nicobar, strategically located near the Malacca Strait, will serve as a transshipment hub for South Asia, further reducing India's reliance on foreign ports.

World-Class Efficiency

India has dramatically improved its port turnaround time—from nearly 4 days to less than 1 day—outperforming even global leaders like Singapore and the U.S. This leap in efficiency is a major boost for global supply chains, especially as multinationals shift manufacturing away from China under the “China+1” strategy.

Driving Economic Growth

Flagship initiatives like the Sagarmala Programme continue to fuel port-led development, with integrated road, rail, and inland waterway connectivity. Together, these reforms and projects are expected to unlock unprecedented trade opportunities, attract foreign investment, and accelerate India's march toward becoming a \$5 trillion economy.

Experts say India's port strategy is no longer just about improving logistics—it's about reshaping global trade flows in India's favor.

Kolkata Port to redevelop Hooghly riverbanks, set up new river cruise terminal

August 29, 2025

Syama Prasad Mookerjee Port-Kolkata (SMPK), formerly known as the Kolkata Port, has hired IIT-Kharagpur to help develop the Hooghly riverbanks and the ghats in Kolkata as part of a project to boost tourism.

The port authority is also working on a master plan to develop a terminal to promote river cruises in Bengal, similar to Varanasi and Assam.

“In order to start a river cruise, we need a world-class river cruise terminal...We are building a river cruise terminal in Bengal with the help of the Inland Waterways Authority of India,” SMPK chairman Rathendra Raman said.

A tender will soon be floated for this, he said, speaking at a tourism conclave organised by the Merchant Chamber of Commerce & Industry (MCCI).

SMPK is developing the riverbanks in Kolkata and Howrah as part of a Riverbank Masterplan. “We have 357 acres of land along Kolkata riverbanks and 290 acres across the Howrah riverbanks. We have roped in IIT-KGP for this. They have come up with a plan,” Raman said. “A tender has been floated to develop a 1-km riverbank stretch at Jorabagan. We will introduce dynamic lighting in Howrah Bridge and a tender has been floated.”



“Unlike other parts of the country, tourism in West Bengal, despite immense diversity, is less explored,” he said. “The port can be instrumental in driving tourism in the state through river cruise,” Raman said.

Bengal minister of state for tourism Indranil Sen said “chief minister Mamata Banerjee is interested in this project and has instructed us to proceed with discussion. We are eager to join hands with SMPK and work on this project.”

Raman said the Hooghly River formed a natural corridor for river cruises, connecting Kolkata and other historical towns. “Our intention is to make the riverbanks as hubs of activity...After the KMDA (Kolkata Metropolitan Development Authority) developed Millennium Park 1 and 2, we are going to develop Millennium Park 3, a tourism destination on the River Hooghly,” he said.

“An iconic project will be taken up in the Armenian Ghat in four acres...A Museum will also be set up,” he said. “Around five-six ghats will be developed by corporates under CSR projects.”

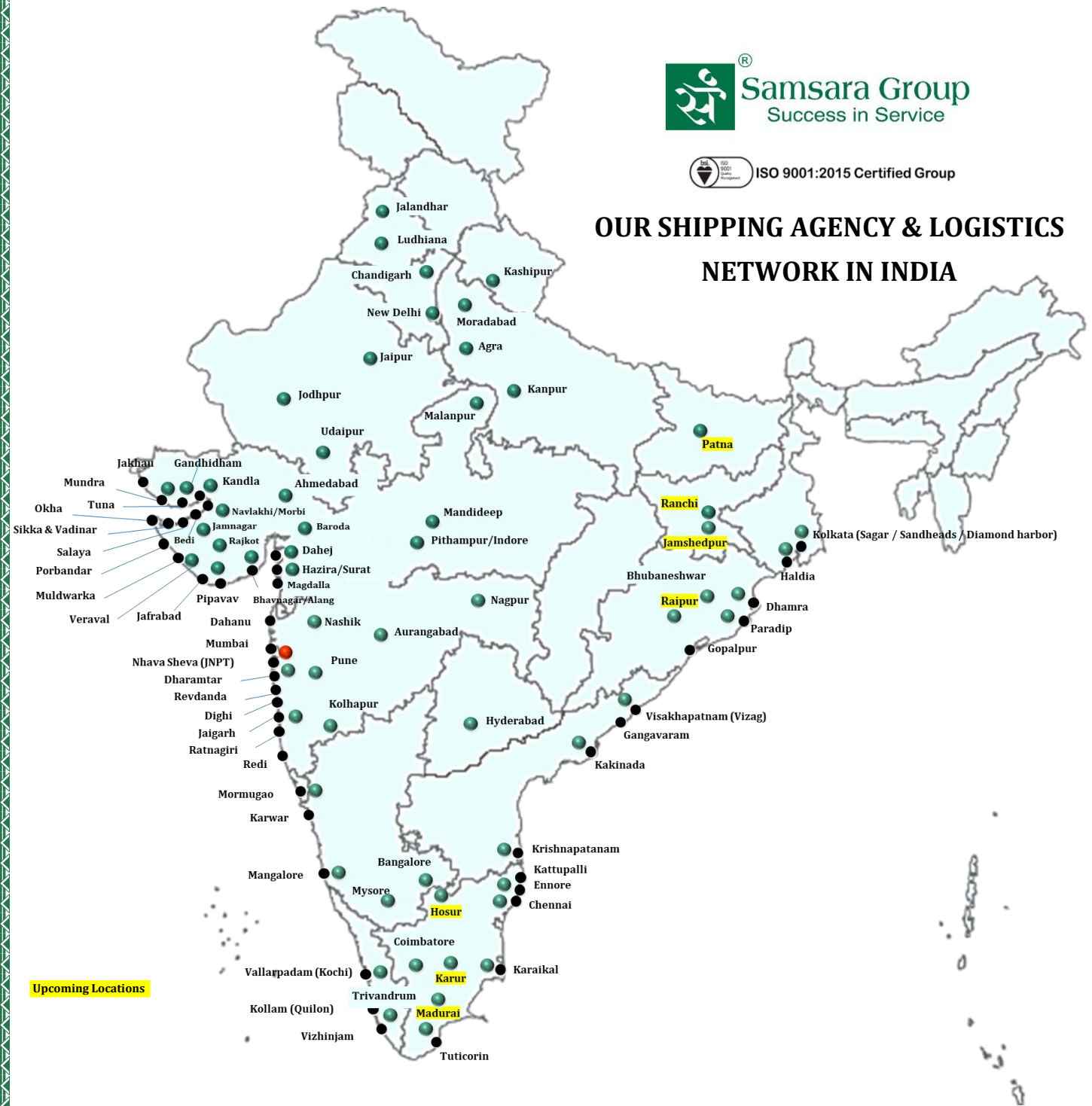
Additional chief secretary-Departments of Home & Tourism Nandini Chakravorty, MCCI chairman (Council on Hospitality & Tourism) Naresh Kumar Agarwal, and chamber president Amit Saraogi were among those present at the event.

The SMPK chairman was speaking at a Tourism Conclave organized by the Merchant Chamber of Commerce & Industry (MCCI). SMPK, was formally known as Kolkata Port Trust. Additional Chief Secretary- Departments of Home & Tourism Nandini Chakravorty, MCCI Chairman (Council on Hospitality & Tourism) Naresh Kumar Agarwal, Amit Saraogi , President of the Chamber were also present.

Debjit Dutta, Chairman of Indian Association of Tour Operators (WB chapter) emphasized on the need of sustainable tourism. Responsible Tourism Mission 2025 has been floated by a National Task Force to give policy recommendations for sustainable tourism.



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