

# Newsletter

## POLITY & GOVERNANCE

### INDIA AND EUROPEAN UNION EXCHANGE HISTORIC FREE TRADE AGREEMENT



India and the European Union formally exchanged the historic India-EU Free Trade Agreement (FTA), marking a major milestone in bilateral economic relations. The agreement, concluded after prolonged negotiations, aims to significantly enhance trade, investment, and supply-chain integration between the two economies, at a time of growing global trade fragmentation. The FTA opens up wide-ranging opportunities across manufacturing, services, digital trade, and green technologies, while also reducing tariffs and non-tariff barriers. Officials from both sides described the agreement as a strategic step to deepen economic resilience, diversify markets, and reinforce rule-based global trade.

**READ MORE: [INDIA AND EUROPEAN UNION EXCHANGE HISTORIC FREE TRADE AGREEMENT](#)**

### IMF CALLS INDIA-EU FREE TRADE AGREEMENT A POSITIVE DEVELOPMENT AMID GLOBAL TRADE UNCERTAINTY

The International Monetary Fund (IMF) has welcomed the India-EU Free Trade Agreement, describing it as a positive development against the backdrop of rising global trade uncertainty and geopolitical tensions. The IMF noted that such bilateral and regional trade arrangements can help stabilise growth by fostering predictable market access. According to the IMF, the agreement is expected to strengthen India's export competitiveness while providing European businesses with expanded access to one of the world's fastest-growing major economies.

**READ MORE: [IMF ON INDIA-EU FREE TRADE AGREEMENT](#)**



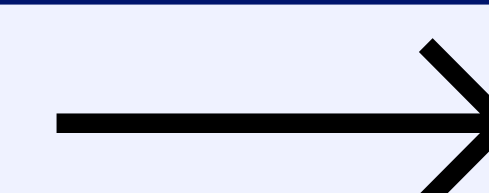
### INDIA CALLS FOR EARLY ACTION ON UNSC REFORM, WARNS DELAY RISKS MORE HUMAN SUFFERING



The G4 nations have presented a model for early action to restructure the United Nations Security Council. The grouping warned that delaying reforms in the UN's highest decision-making body will cause more human suffering and misery. India's Permanent Representative stated this on behalf of the G4 at the Inter-Governmental Negotiations (IGN) for UN Security Council reforms at the United Nations Headquarters in New York City. India stressed that status-quoists have been posing hurdles and impeding forward movement for decades and in doing so they are contributing to the failure of the Security Council.

The G4 consists of India, Brazil, Germany, and Japan, which jointly advocate for reform of the Council and mutually support one another's bids for permanent seats on a reformed body.

**READ MORE: [INDIA CALLS FOR EARLY ACTION ON UNSC REFORM](#)**





## INDIA DELIVERS 7.5 TONS OF LIFE-SAVING CANCER MEDICINES TO KABUL

India has delivered 7.5 tonnes of life-saving cancer medicines to Kabul, reaffirming its commitment to humanitarian assistance. The medicines are intended to support cancer patients in Afghanistan amid ongoing healthcare challenges. This humanitarian outreach reflects India's people-centric approach to regional engagement and its continued support for the welfare of the Afghan people through medical aid and essential supplies.



**READ MORE: [INDIA DELIVERS 7.5 TONS OF LIFE-SAVING CANCER MEDICINES TO KABUL](#)**

## ECONOMY & DEVELOPMENT

### ECONOMIC SURVEY 2025-26 TABLED; INDIA'S REAL GDP GROWTH PROJECTED AT 7.4%



India's Finance Minister Nirmala Sitharaman tabled the copy of the Economic Survey 2025-26 in the Lok Sabha (Lower House of the Parliament), projecting real GDP growth at 7.4% for the coming fiscal year. The survey highlighted strong macroeconomic fundamentals, robust domestic demand, and sustained public investment. Key drivers identified include infrastructure expansion, digital transformation, manufacturing growth, and financial sector stability. The survey also emphasised India's resilience amid global economic headwinds.

The Economic Survey is a comprehensive review of the country's current economic state and future outlook prepared by the Finance Ministry's Department of Economic Affairs under the guidance of the Chief Economic Advisor.

**READ MORE: [ECONOMIC SURVEY 2025-26 TABLED; INDIA'S REAL GDP GROWTH PROJECTED AT 7.4%](#)**

### IMF RAISES INDIA'S ECONOMIC GROWTH FORECAST TO 7.3% FOR CURRENT FISCAL

The International Monetary Fund has raised India's economic growth projection for 2025 by 0.7 percentage point to 7.3%. In the World Economic Outlook update, the IMF said the upward revision reflects strong momentum in the fourth quarter of this fiscal year. Meanwhile, the IMF projected 6.4% growth in the next financial year of 2026-2027, adding that despite the expected moderation, India remains a key driver of growth among emerging market and developing economies.

It said global growth is projected to hold steady at 3.3% in 2026, supported by easing trade tensions, accommodative financial conditions and a surge in investment linked to technology, particularly artificial intelligence. The IMF said the inflation in India is expected to go back to near target levels after a marked decline in 2025, driven by subdued food prices, offering additional support to domestic demand.

**READ MORE: [IMF RAISES INDIA'S ECONOMIC GROWTH FORECAST TO 7.3% FOR CURRENT FISCAL](#)**

## INDUSTRY & SECTORAL INSIGHTS

### INDUSTRIAL PRODUCTION GROWTH HITS TWO-YEAR HIGH OF 7.8% IN DECEMBER 2025

India's industrial production growth, as measured by the Index of Industrial Production (IIP), surged to its highest level in over two years at 7.8% in December 2025 on an annual basis. The IIP continued its rising trend last month, edging higher from the upwardly revised rate of 7.2% in November. According to the data released by the Ministry of Statistics and Programme Implementation, growth in industrial output was driven by across the board surge in its major components. Manufacturing output, which carries the largest weight in the index, grew 8.1%, led by a significant rise in industries including computer, electronic and optical products, motor vehicles, trailers and semi-trailers, and other transport equipment.



Mining activity also strengthened, expanding 6.8%. Meanwhile, Electricity staged a rebound, climbing 6.3% in December, from a contraction of 1.5% in November.

**READ MORE: [INDUSTRIAL PRODUCTION GROWTH HITS TWO-YEAR HIGH OF 7.8% IN DECEMBER 2025](#)**





## ENVIRONMENT & SUSTAINABILITY

### INTERNATIONAL SOLAR ALLIANCE HIGHLIGHTS INDIA'S SUCCESS IN DELIVERING AFFORDABLE SOLAR POWER TO MILLIONS AT WORLD ECONOMIC FORUM



The International Solar Alliance (ISA) highlighted India's success in delivering affordable solar power to millions of homes and farmers at the World Economic Forum (WEF) in Davos. Speaking at the event, ISA Director General Ashish Khanna said India's Surya Ghar rooftop solar scheme, which aims to reach 10 million households, and Government schemes which promotes solar-powered irrigation for farmers, offer practical models that other countries can adopt to expand electricity access and boost agriculture at low cost.

ISA is also focusing on the future of energy through AI and digital technologies, which can reduce costs, improve efficiency, and create new jobs. Discussions are underway to launch a global AI mission for energy, to be hosted by the ISA. Another key issue raised was financing. While 2.1 trillion US dollars was invested in energy globally last year, Mr Khanna said this must rise to 3 to 4 trillion US dollars, with more long-term and affordable funding directed toward renewable energy.

**READ MORE: [INTERNATIONAL SOLAR ALLIANCE HIGHLIGHTS INDIA'S SUCCESS AT WORLD ECONOMIC FORUM](#)**

### NITI AAYOG RELEASES THREE REPORTS ON GREEN TRANSITION IN CEMENT, ALUMINIUM AND MSME SECTORS

India's premier policy think tank NITI Aayog released three reports outlining pathways for green transition in the cement, aluminium, and MSME sectors. The reports focus on decarbonisation, efficiency, and sustainable industrial growth.

**READ MORE: [NITI AAYOG RELEASES THREE REPORTS ON GREEN TRANSITION](#)**

## SCIENCE, TECHNOLOGY & INNOVATION

### INDIA TO SHOWCASE AI IMPACT, SOVEREIGN MODELS AND SAFETY FRAMEWORKS AT AI IMPACT SUMMIT

India is positioning itself as a trusted global partner in artificial intelligence and deep-tech innovation, with a strong emphasis on impact, accessibility, safety, and sovereignty. Speaking at the World Economic Forum 2026 in Davos, India's Union Minister Ashwini Vaishnaw outlined the vision for the upcoming AI Impact Summit, which will focus on real-world outcomes, affordable and scalable AI for India and the Global South, and robust safety and regulatory frameworks built in India.



AI Impact Summit 2026, to be held in New Delhi in February 2026 will feature global leaders, investment announcements, and the rollout of India's own AI models, reflecting the country's ambition to shape responsible and inclusive AI governance while showcasing sovereign, efficient and application-driven AI capabilities.

India has charted a clear semiconductor roadmap, focusing first on high-volume 28nm-90nm chips used in automobiles, EVs, telecom and defence, while advancing towards 7nm technology by 2030 and 3nm by 2032. Indigenous chip production at four units is set to begin this year, supported by global partnerships, a strong talent base, and expanding electronics manufacturing, positioning India among the top semiconductor nations globally.

**READ MORE: [INDIA TO SHOWCASE SOVEREIGN MODELS AND SAFETY FRAMEWORKS AT AI IMPACT SUMMIT](#)**

**[THANK YOU FOR READING](#)**

**Follow us:**

**Embassy of India, Ankara: [Twitter \(X\)](#), [Instagram](#), [Facebook](#)**

**Consulate General of India, Istanbul: [Twitter \(X\)](#), [Instagram](#), [Facebook](#), [Linkedin](#)**

**Feedback: [pic.istanbul@mea.gov.in](mailto:pic.istanbul@mea.gov.in)**