

Top Story 1

India-EFTA trade pact may come into force before end of 2025

The implementation process of free trade agreement (FTA) between India and the four-nation European bloc EFTA is progressing fast and is expected to come into force before the end of this year. The two sides signed the Trade and Economic Partnership Agreement (TEPA) in March, 2024. Under the pact, India has received an investment commitment of USD 100 billion in 15 years from the grouping while allowing several products such as Swiss watches, chocolates and cut and polished diamonds at lower or zero duties. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland. The Swiss Council of States has approved the agreement and now will go to their National Council for approval. The bloc committed an investment of USD 100 billion -- USD 50 billion within 10 years after the implementation of the agreement and another USD 50 billion in the next five years -- which would facilitate the creation of 1 million direct jobs in India. This is a first-of-its-kind pledge agreed upon in any of the trade deals signed by India so far.

Top story 2

UPI transactions surge to record 16.73 bn in Dec; value at Rs 23.25 trn

Unified Payments Interface (UPI) transactions saw an 8 per cent month-on-month increase in volume to 16.73 billion in December, the highest volume for the digital system since it became operational in April 2016. The value also increased by 8 per cent to Rs 23.25 trillion, up from Rs 21.55 trillion in November. According to data from the National Payments Corporation of India (NPCI), for the year 2024, the volume increased by 46 per cent to around 172 billion transactions against 118 billion in 2023. In value terms, transactions increased by 35 per cent to around Rs 247 trillion during the entire year compared with Rs 183 trillion in 2023. The transactions increased during the year due to a rise in person-to-merchant transactions (for buying goods or services). In October, UPI recorded 16.58 billion transactions worth Rs 23.5 trillion, its previous high in terms of volume and highest

so far in value. In September, the volume was 15.04 billion, and the value stood at Rs 20.64 trillion.

Investment

India's Alternative Investment Funds Set to Quintuple, Projected to Surpass USD 2,000 Bn by 2027

The alternative investment landscape in India is experiencing remarkable growth, fueled by a surge in high-net-worth individuals (HNIs). The report highlights a paradigm shift, with investors increasingly moving away from traditional assets like real estate and gold to embrace alternative investments that promise higher returns. This shift is driven by the need for better alpha generation as public equity markets face challenges in delivering substantial gains. Rising HNI and UHNI wealth, expected to reach USD 2,000 billion by 2027, will significantly boost demand for innovative products like Alternative Investment Funds (AIFs), unlocking superior growth opportunities. This growing appetite for differentiated investment solutions is poised to elevate India's position in the global alternative investment market, fostering a robust ecosystem for wealth creation.

Banking

India's Public Sector Bank Enhances Digital Rupee App with Accessibility Features

India's Public sector bank has set a milestone in digital accessibility by integrating new features into its Central Bank Digital Currency (CBDC) application, popularly known as the Digital Rupee (e₹). As the first Public Sector Bank (PSB) to introduce such inclusive functionality, Union Bank is paving the way for greater financial inclusion and innovation. The Digital Rupee, issued and regulated by the Reserve Bank of India, serves as a digital version of fiat currency, enabling wallet-based transactions, interoperability with UPI QR codes, auto-load capabilities, and real-time settlements. Union Bank's newly added accessibility features aim to empower individuals with different abilities, particularly those who are visually challenged, by enhancing the user experience.

Market

Indian economy in robust spot globally in 2025 with high frequency indicators picking up growth

As 2025 begins on a note of heightened global uncertainties ahead of the US President-elect Donald Trump's inauguration, India continues to be in a much stronger position with high frequency indicators showing a pick up in the pace of growth in the third quarter of current fiscal (Q3 FY25), according to a report. GST collections, services purchasing managers' index (PMI), air passenger growth, and vehicle registrations saw a notable improvement in Q3 versus Q2. On the other hand, in China, while the manufacturing sector is expanding slowly, lifting domestic consumption and reviving the real estate sector is proving to be a task for the administration.

Finance

Finance Ministry enhanced India's global integration, ease of doing business in 2024

The Finance Ministry's Department of Economic Affairs (DEA), spearheaded successful initiatives to enhance India's economic resilience and global integration in 2024, according to a year-end review released on Wednesday. Notably, the Union Cabinet approved the new Framework on Currency Swap Arrangements for SAARC Countries (2024-27), fostering financial cooperation and regional integration. This framework introduced an INR Swap Window worth Rs 25,000 crore, supplementing the USD/Euro Swap Window, and aimed to promote the internationalization of the Indian Rupee. These measures underscore India's commitment to strengthening ties with SAARC nations and providing financial stability in the region. Further solidifying India's international partnerships, the signing and enforcement of the India-UAE Bilateral Investment Treaty (BIT) marked a new chapter in fostering investor confidence and economic collaboration, while the India-Uzbekistan BIT emphasized investor protection and dispute resolution mechanisms.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	85.75	0.066	NIFTY 50	24,062.65	126
EURINR	88	0.008	BSE Sensex	79,452.07	492.68
GBPINR	106.26	0.013			
JPYINR	0.5452	0.0007			