

NewsLetter

August Recap

FINANCE FORWARD: WHERE FINANCE MEETS INNOVATION



"SHOCKWAVE ripples across small exporters"

India's suspension of postal services to the U.S. may look like paperwork, but it's a gut punch to livelihoods. Nearly 40% of India-U.S. small trade flows through postal routes—fueling artisans, SMEs, and families. With Washington's 50% tariff hike, those low-cost channels vanish, replaced by couriers charging multiples more.

This isn't just about packages; it's about fragility. Global trade breaks not only at container ports but also at doorsteps—care parcels, legal files, handmade goods caught in tariff crossfire.

Over 600 million parcels worth **\$64 billion once slipped duty-free each year.** That lifeline is gone. Tariff politics has turned daily life into collateral damage.



The Janmashtami Economy: From Makkhan to Market



As India celebrates the birth of Shri Krishna, the festival also reveals the **economic heartbeat of dairy, crafts, and small enterprises**. Behind the butter and the Dahi Handi lies a story of how tradition sustains livelihoods.

India leads the world in milk production, with women-led cooperatives and farmers powering the supply of milk, butter, curd and sweets that see a surge during Janmashtami. **The Confederation of All India Traders (CAIT) pegged festive sales at over ₹25,000 crore this year.**

Dahi Handi celebrations add their own **micro-economy** with prizes up to ₹12 lakh, brisk business in uniforms and safety gear, and work for caterers, musicians, and logistics providers.

Policy is catching up with tradition too, schemes like the **PM Vishwakarma Yojana, Rashtriya Gokul Mission and ONDC** are bridging heritage with modern finance and digital markets. Janmashtami, then, is not just a cultural spectacle, it's a reminder of how devotion can drive development.

Raksha Bandhan: Where Should You Invest?

Raksha Bandhan isn't just cultural, it's commercial. **Handcrafted rakhis** boost artisans and SMEs, while **gifts, sweets, and e-commerce sales spike consumption.** Logistics players, too, cash in on festive deliveries.

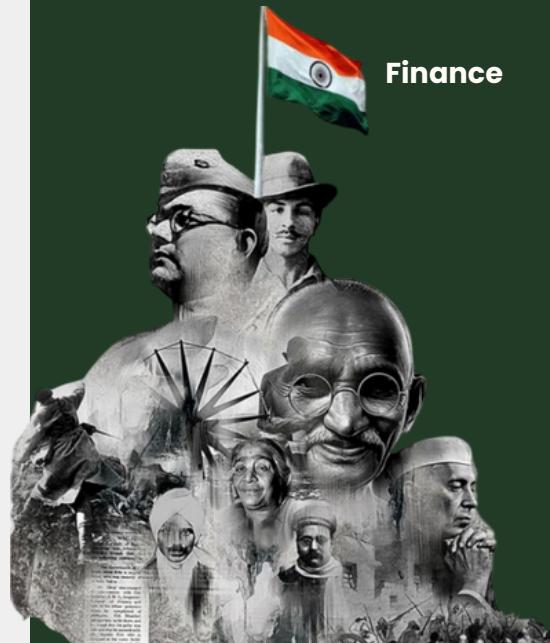
The festival underscores a larger trend: India's festivals are powerful demand multipliers, turning tradition into a driver of economic growth.



Ganpati Bappa & The Gold Rush: How Faith Fuels India's Festive Economy

As Ganpati Bappa arrived, devotion turned into one of India's brightest economic surges. **Gold sales jumped 20-25% this Chaturthi**, with prices soaring past ₹1 lakh per 10 grams. Mumbai's grandeur matched the moment, the **Ambanis gifted Lalbaugcha Raja a 20-kg gold crown worth ₹15 crore**, while the GSB Mandal insured its ornaments for a record ₹474 crore.

But the festival economy goes far beyond bullion. **Idols and décor form a ₹3,000-₹5,000 crore market**, sweet shops thrive on modaks, tourism boosts hotels and cabs and pandals power jobs in logistics, sound and stage setups. For small artisans, it's a make-or-break season. Ganesh Chaturthi shows how faith fuels finance, where devotion isn't just spiritual, but an engine of growth.



Independence Day 2025: How Faith Fuels India's Festive Economy

India's 78th Independence Day was less about ceremony and more about economic intent. From the Red Fort, PM Modi sketched a **Self-Reliance 2.0**, anchored in record-breaking ₹25 lakh **crores GST revenues**, a manufacturing push, green hydrogen and AI-driven advances in semiconductors and fintech.

The pitch was clear, shift from import dependence to export power, with jobs spreading beyond metros into rural hubs. As Modi declared, "The next 25 years are India's golden era, we will write it with our own hands". Independence, then, is not just political freedom, it is **economic empowerment**.



India & ASEAN: A Partnership for the Asian Century

India's ties with the **Association of Southeast Asian Nations (ASEAN)** are fast becoming a defining force in Asia. Together, the two represent over 2 billion people and a **\$5 trillion economy**, making their partnership hard to ignore.

This relationship is about more than trade. From building road and sea corridors to boosting digital links, startups, and fintech, India and ASEAN are laying the groundwork for deeper integration.

Why it matters:

- **Trade:** ASEAN is already among India's largest trading partners.
- **Strategy:** Stronger ties give both sides more weight in Asia's shifting power balance.
- **Youth:** Cross-border opportunities in IT, finance, and innovation promise a brighter future for young talent.

As India and ASEAN step up collaboration, the partnership looks set to shape not just markets, but the very balance of Asia's growth story.



Trump's Tariff Hypocrisy: When U.S. Trade Walls Outdo India's

Trump once branded India the "**Tariff King**". Yet **WTO** data shows **America's** walls are higher, **350%** on **tobacco**, **200%** on **dairy**, **130%** on **fruits and cereals**. While Washington slams India's protectionism, it shields its own farms, steel, and autos.

India's **\$725M retaliatory tariff plan** at the WTO is a reminder, trade wars are a two-way street. So who really wears the crown of Tariff King? Perhaps both, but the hypocrisy remains hard to ignore.



Red Sea Attacks & Houthi Crisis:

Why Did Your Phone Get More Expensive?



Why is your online order slower than your crush's reply? Blame geopolitics.

Houthi attacks have pushed ships out of the Suez Canal and onto a **4,000-mile detour** around Africa, adding up to two weeks in transit. The result, higher fuel and insurance costs, delayed electronics, clothes, even food and rising prices for consumers.

Global trade is fragile, one chokepoint can ripple into global inflation. From your smartphone to your instant noodles, almost everything you buy has a maritime story. And right now, that story is sailing the long way around.

India in BRICS: Can the Bloc Challenge the Dollar?

BRICS (Brazil, Russia, India, China, and South Africa) wants to loosen the US dollar's grip on global trade. The bloc is pushing local currencies and even floating a common BRICS tender to make finance less **dollar-dominated**.

For India, this opens a window: **stronger rupee trade, reduced exposure to dollar shocks, and a chance to woo investors.** But political fault lines within BRICS and the greenback's entrenched dominance keep the road steep.



War & Inflation: How Conflicts Abroad Raise Prices at Home

Global conflicts are hitting Indian households, from grocery bills to petrol pumps. Disrupted oil routes push fuel costs up, grain blockades inflate bread and metals shortages stall industry, turning battlefields into balance-sheet crises.

Governments scramble with reserves, rate hikes, and new trade ties. But the lesson is blunt, in a globalized world, wars fought thousands of miles away land right on your dinner plate.



Why India Walked Out of RCEP Smart Move or Missed Opportunity?

When the world's **biggest trade pact, RCEP (Regional Comprehensive Economic Partnership)**, was sealed in 2020, India walked away. The fear? **Cheap Chinese imports** swamping local markets, farmers losing out, and a ballooning trade deficit.

Supporters call it a smart shield, protecting industry, backing **Atmanirbhar Bharat**, and limiting China's leverage. Critics see a missed chance, India sidelined from a **\$26 trillion market** and key supply chains.

The question lingers, did India dodge a blow or step out of the room where Asia's future trade is being written?



Currency as a Weapon: Sanctions, Swift Bans & India's Rupee

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Currencies are power and the dollar has long ruled. Sanctions and SWIFT bans, like those on Russia, show how financial dominance can cripple economies. India's answer: promote the rupee in global trade.

By settling in INR, New Delhi seeks economic autonomy, insulation from dollar shocks, and a stronger global profile for its currency. The move is bold but making the rupee truly global will be the harder test.





The China Factor: Competition or Co- Dependency?

Asia's two giants are locked in a paradox. India and China compete fiercely in manufacturing, tech, and global influence, yet remain deeply tied through trade. They compete for investments and influence in international markets.

India imports **electronics, machinery, and raw materials from China**, while exporting minerals, chemicals, and textiles. Even as Atmanirbhar Bharat pushes for reduced dependence and supply-chain shifts, the **economic umbilical cord is hard to cut**.



GST Simplification Ahead: From 4 Slabs to Just 2

India's **four-tier GST** (Goods and Services Tax), **5%, 12%, 18%, 28%**, which was designed to balance affordability and revenue, has long bred confusion. But here's the good news, the government plans to cut it down to just **two slabs**.

The shift promises simpler billing, fewer disputes and a more business-friendly system. For consumers, it means clarity and for the economy, better compliance and fresh investment. Sometimes, **less really is more**.



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