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GERMANY'S ECONOMY SHOWS TENTATIVE REBOUND AMID CHALLENGES

Germany introduced a large fiscal stimulus package aimed at reversing years of economic contraction and lifted growth expectations modestly for the year. While there are signs of improved industrial output and investor confidence, structural reforms remain slow and unemployment stays elevated, limiting broader economic momentum. Business sentiment also held steady but below expectations, reflecting persistent uncertainty in Europe's largest economy.



INDIA-EU FREE TRADE AGREEMENT NEARS COMPLETION

India and the European Union are close to finalizing a long-pending Free Trade Agreement, with a likely signing expected at a January 27 summit. This development comes after years of negotiations and could significantly boost trade, investment, and economic cooperation between India and the EU, marking a key milestone in international economic relations.



INDIA'S ECONOMIC PERFORMANCE AND STRATEGIC POLICY MOVES IN EARLY 2026

- **Budget 2026 Developments:** Preparations are underway for Budget 2026-27 with Finance Minister Nirmala Sitharaman set to present it on 1 February 2026 — a pivotal fiscal event that markets and investors are closely watching. Ahead of the budget, credit rating agencies expect the government to ease fiscal tightening to support growth amid global headwinds, instead of aggressive consolidation.

U.S. TRADE POLICY & MARKET IMPACTS

Tariff tensions and market volatility

- U.S. tariff threats earlier in January affected global markets and sparked political pushback from allies — contributing to economic uncertainty.
- In January 2026, the U.S. imposed very high tariffs on Indian imports, among the highest on any trading partner.
- **Many Indian exports faced tariffs of about 50%**, combining reciprocal and penalty duties.
- The penalty tariff was linked to geopolitical issues, especially India's continued purchase of Russian oil.
- The U.S. also authorized **tariffs up to 500%**, but these remained a **threat and were not fully implemented**.
- In response, diplomatic engagements at the World Economic Forum helped defuse some tensions, stabilizing financial markets.



ASSAM'S ECONOMY HAS EXPANDED BY MORE THAN 45% OVER THE PAST FIVE YEARS, ACCORDING TO CHIEF MINISTER HIMANTA BISWA SARMA.

Davos [Switzerland], January 21 (ANI): Assam's economy has recorded growth of over 45 per cent in the past five years, making it the fastest-growing economy in the country, Chief Minister Himanta Biswa Sarma told ANI while speaking at the World Economic Forum in Davos, Switzerland. He noted that the state's growth has far exceeded the national cumulative rate. The Chief Minister is leading Assam's first-ever delegation to the global summit to highlight the state's economic progress and attract international investment and partnerships.



The Chief Minister said Assam's growth is evenly spread across all major sectors of the economy. He pointed out that while the country recorded a cumulative growth of 29 per cent over the past five years, Assam achieved 45 per cent, making it the fastest-growing economy in India. Sarma added that the state is witnessing steady advancement in agriculture, manufacturing and services, noting that Assam has built a strong manufacturing base in recent years, while the service sector continues to grow as the state serves as the gateway to the Northeast.

Today, Assam stands as the fastest-growing economy in the nation, with development taking place across all three sectors. We are doing well in agriculture, and although manufacturing was once absent, the state has now established itself in that area as well," Sarma told ANI.

He added that Assam's economic role goes beyond a single state, noting that it represents all eight northeastern states and is therefore recording solid growth in agriculture, manufacturing and the service sector.

Guwahati Sees Major Push in Infrastructure and Food Processing Sector

- **Infrastructure Connectivity:** Work on the Rs 852-crore Maharaj Prithu Flyover is in its final stages, with inauguration planned for late February or early March. Additionally, a new tender has been floated for a toll plaza on the Guwahati-North Guwahati bridge.
- **Guwahati to host North-East FoodTech amid push for Food Processing and Bakery Expansion:** The fifth edition of North-East FoodTech will be held in Guwahati from January 29 to February 1, bringing more than 80 companies and an expected 7,000 business visitors to the city and underlining its growing importance in the region's food and hospitality economy.



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