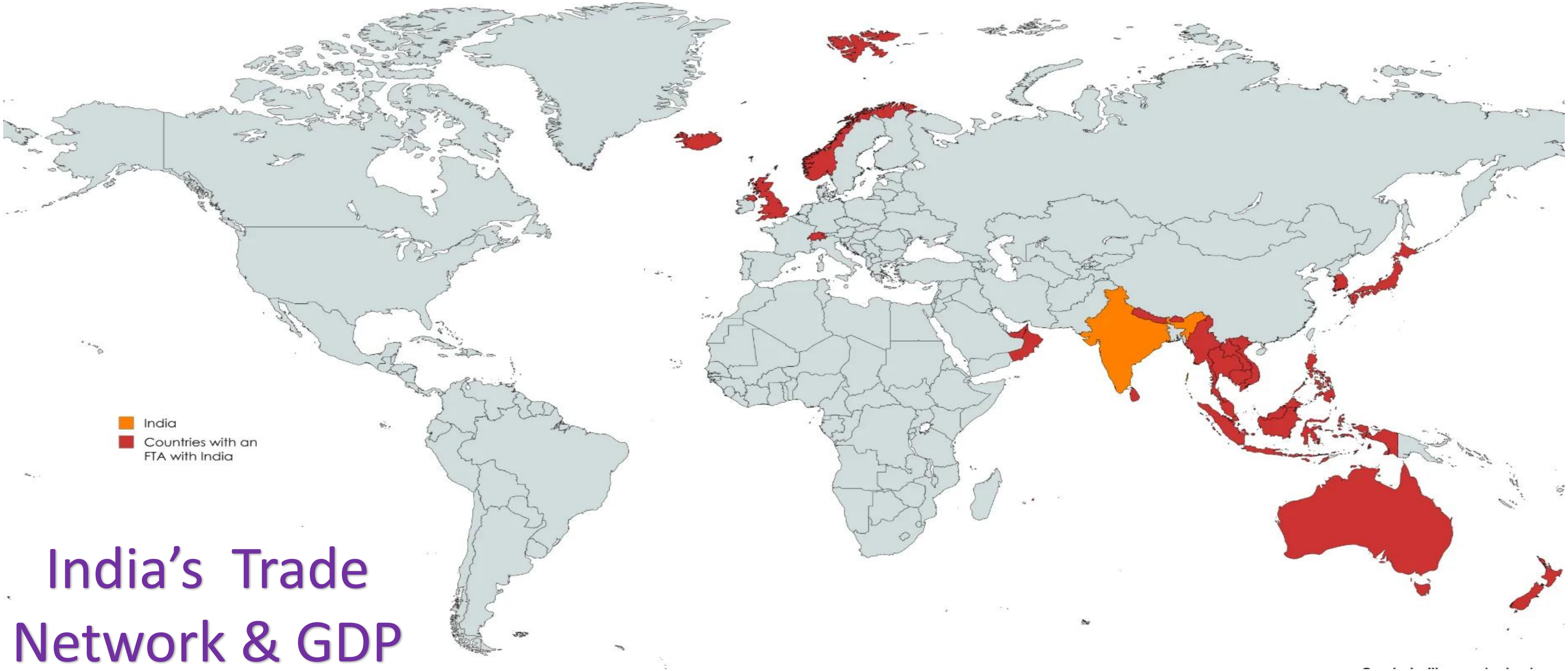
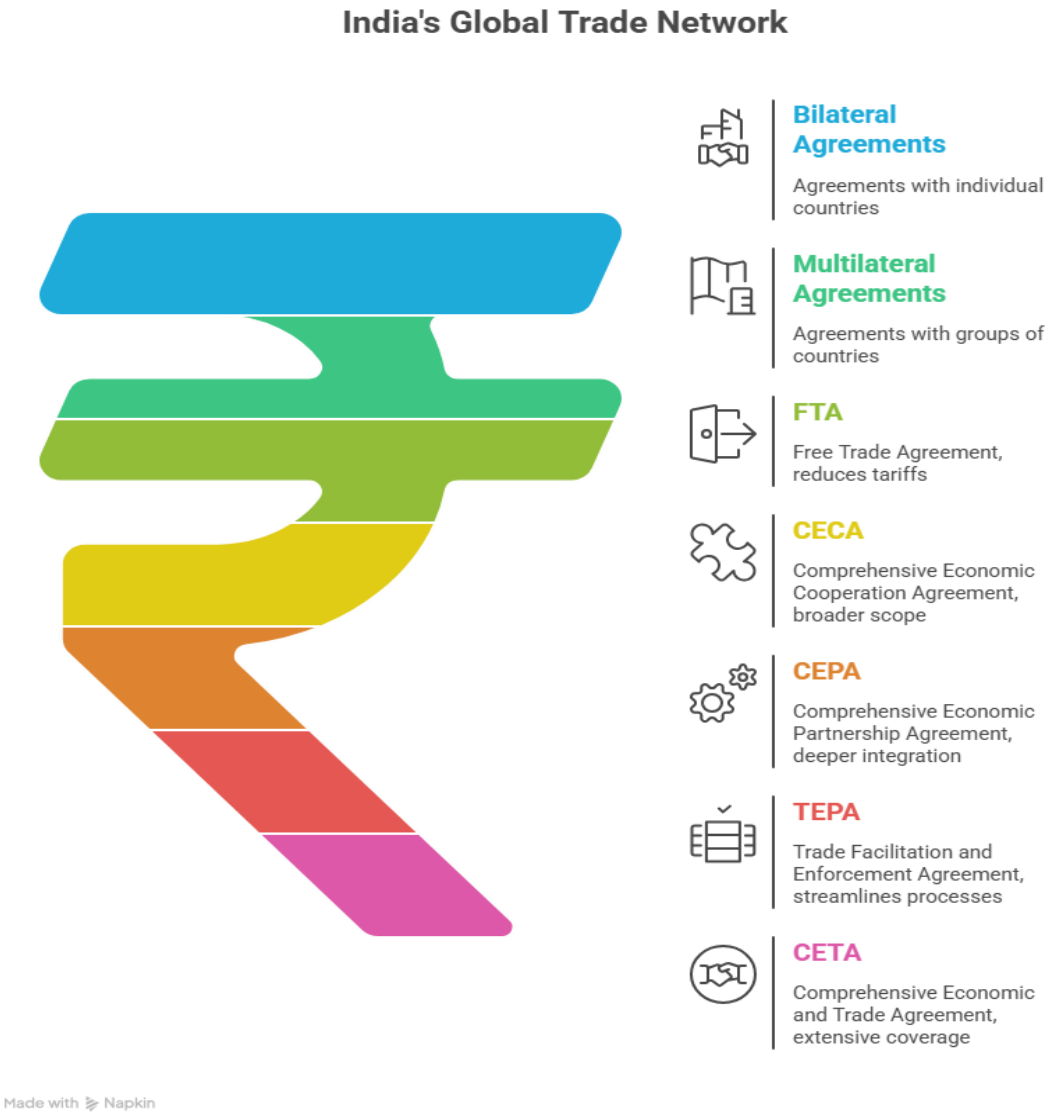


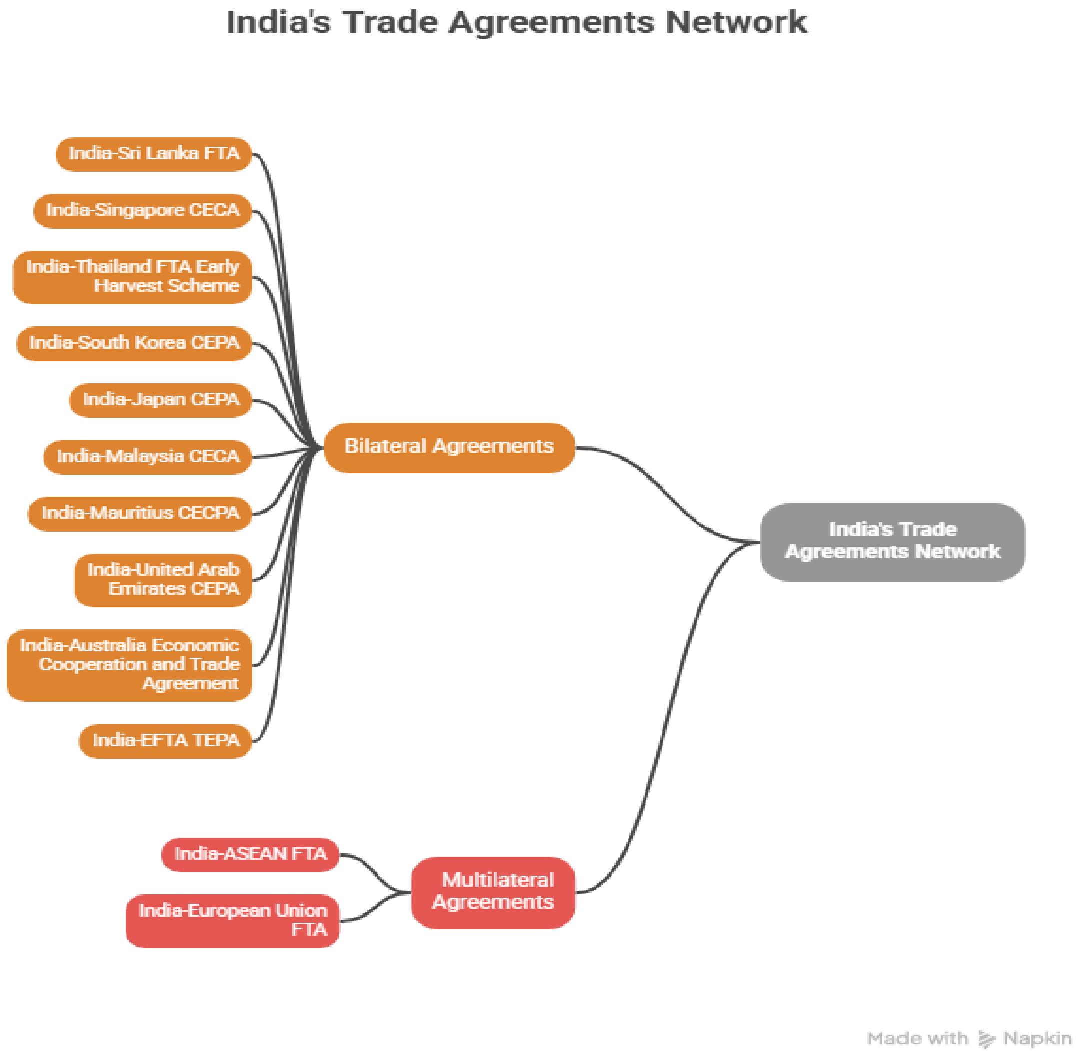
India’s Trade Network & GDP

CANARA BANK | ECONOMIC RESEARCH VERTICAL | HEAD OFFICE
10.02.2026

India’s Global Trade Network with its Different Form

India's total Trade Network covers bilateral and multilateral pacts with over 50 countries through various agreements :





Trade Agreement in Last 25 Years …

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Trade Agreements Since 2000				
Sr No	**Partner Country or Bloc**	**Agreement Name**	**Date Signed**	**Date of Active Implementation**
1	Sri Lanka	India–Sri Lanka Free Trade Agreement	28-12-1998	01-03-2000
2	Thailand	India–Thailand Free Trade Agreement	09-10-2003	01-09-2006
3	SAARC	South Asia Free Trade Area (SAFTA)	06-01-2004	01-01-2006
4	Mercosur	India–Mercosur PTA	25-01-2004	01-06-2009
5	Singapore	India–Singapore CECA	29-06-2005	01-08-2005
6	Chile	India–Chile PTA	08-03-2006	11-09-2007
7	South Korea	India–Korea CEPA	07-08-2009	01-01-2010
8	ASEAN	ASEAN–India Trade in Goods Agreement	13-08-2009	01-01-2010
9	Malaysia	India–Malaysia CECA	08-02-2011	01-07-2011
10	Japan	India–Japan CEPA	16-02-2011	01-08-2011
11	Mauritius	India–Mauritius CECPA	22-02-2021	01-04-2021
12	United Arab Emirates	India–UAE CEPA	18-02-2022	01-05-2022
13	Australia	Australia–India ECTA	02-04-2022	29-12-2022
14	EFTA	India–EFTA TEPA	10-03-2024	01-10-2025
15	United Kingdom	India–UK CETA	24-07-2025	Not yet implemented
16	Oman	India–Oman CEPA	18-12-2025	Not yet implemented
17	European Union	India–EU Free Trade Agreement	27-01-2026	Not yet implemented

- Additional older/multilateral ones often included:
  - SAFTA (South Asian Free Trade Area: Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka)
  - India-Nepal Treaty of Trade
  - India-Bhutan Agreement on Trade
  - India-MERCOSUR PTA (preferential, with Brazil, Argentina, etc.)

- Total FTAs signed/concluded (broad count): 13–16 active FTAs/equivalent agreements.
- **Recent surge (since 2021): 8 major** New/finalized FTAs (including with Mauritius, UAE, Australia, EFTA, UK, Oman, New Zealand, EU), covering dozens of countries and emphasizing developed economies.

Upcoming / Ongoing FTA Negotiations…

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As of early 2026, India is actively negotiating 11 trade agreements covering 24 countries. Focus areas include finalizing deals with remaining partners :

India-GCC FTA:

- ✓ Very recent development—India and the Gulf Cooperation Council (Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain) signed the Terms of Reference (ToR) on February 5/6, 2026, formally launching negotiations. This revives talks stalled since 2008.
- ✓ GCC is India's largest trading bloc ($179 billion in 2024-25), with 10 million Indians working there.

Others in pipeline/active:

- ❑ **India-Chile** FTA
- ❑ India-Peru FTA
- ❑ Upgraded India-Korea CEPA
- ❑ India-Sri Lanka ETCA (Economic and Technology Cooperation Agreement)
- ❑ Canada (mentioned in pipelines, with others like Chile)

Whether FTA Balance the Trade Imbalance ?

Post Trade Agreement Scenario : FTA Doesn't Guarantee Surplus Trade Balance yet

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Trade Agreements Since 2025		Trade Value Before Agreement (As on March of FY, $ Bn)				Recent Trade Status ($ Bn, As on 31st March 2025)				Outcome (% Increase/Decrease)			
Sr No	Agreement Name	Bilateral Trade	India's Export	India's Import	Trade Balance	Bilateral Trade	India's Export	India's Import	Trade Balance	Bilateral Trade	India's Export	India's Import	Trade Balance
1	India-Sri Lanka Free Trade Agreement	0.7	0.6	0.06	0.54	5.5	4.1	1.4	2.70	Increased	Increased	Increased	400.0
2	India-Thailand Free Trade Agreement	2.3	1.1	1.2	-0.10	17.1	5.1	12	-6.90	Increased	Increased	Increased	-6800.0
3	South Asia Free Trade Area (SAFTA)	6.96	5.55	1.41	4.13	30.19	26.35	3.84	22.51	Increased	Increased	Increased	445.0
4	India-Mercosur PTA (AG,BZ,PR,UR)	5.1	3.48	1.62	1.86	17.48	8.12	9.36	-1.24	Increased	Increased	Increased	-166.7
5	India-Singapore CECA	6.7	3.8	2.9	0.90	34.3	13	21.3	-8.30	Increased	Increased	Increased	-1022.2
6	India-Chile PTA	2.3	0.12	2.18	-2.06	3.76	1.16	2.6	-1.44	Increased	Increased	Increased	-30.1
7	India-Korea CEPA	12.4	3.9	8.5	-4.60	26.89	5.82	21.07	-15.25	Increased	Increased	Increased	-231.5
8	ASEAN-India Trade in Goods Agreement	45.34	19.14	26.2	-7.06	123.12	38.96	84.16	-45.20	Increased	Increased	Increased	-540.2
9	India-Malaysia CECA	9.56	3.56	6.00	-2.44	19.43	8.04	11.39	-3.35	Increased	Increased	Increased	-37.3
10	India-Japan CEPA	13.72	5.24	8.48	-3.25	22.84	5.15	17.69	-12.54	Increased	Decreased	Increased	-285.9
11	India-Mauritius CECPA	0.69	0.66	0.03	0.63	1.10	0.89	0.21	0.68	Increased	Increased	Increased	7.9
12	India-UAE CEPA	72.88	28.04	44.83	-16.79	100.04	36.64	63.40	-26.76	Increased	Increased	Increased	-59.4
13	Australia-India ECTA	12.29	4.04	8.25	-4.20	24.11	8.58	15.53	-6.95	Increased	Increased	Increased	-65.5
14	India-EFTA TEPA	*	*	*	*	24.41	1.97	22.44	-20.47	*	*	*	*
15	India-UK CETA	*	*	*	*	23.13	14.55	8.58	5.97	*	*	*	*
16	India-Oman CEPA	*	*	*	*	10.61	4.07	6.55	-2.48	*	*	*	*
17	India-EU Free Trade Agreement	*	*	*	*	136.54	75.85	60.68	15.17	*	*	*	*

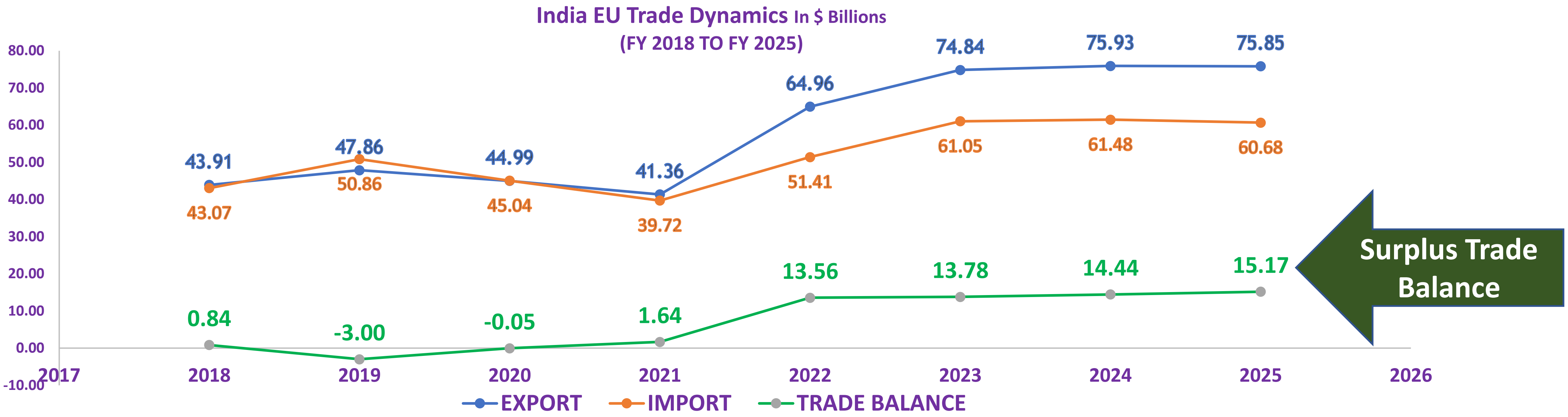
Increasing Trade Imbalance

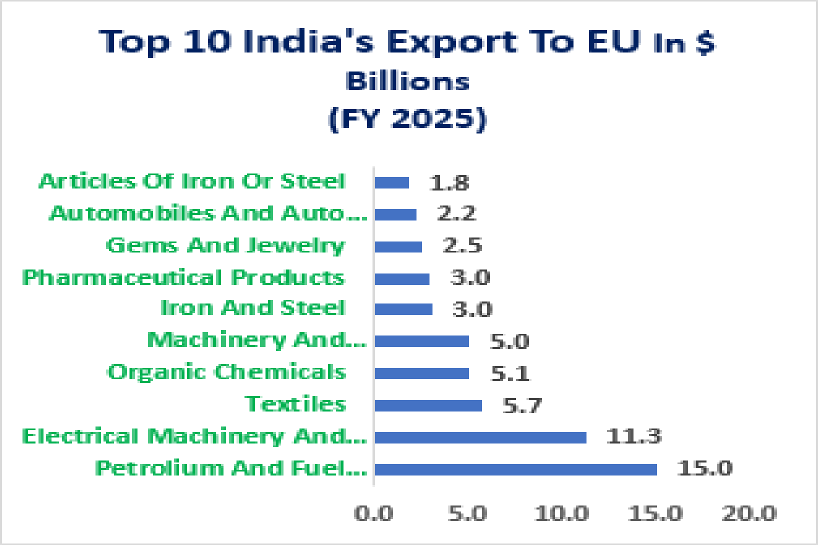
Trade Agreements Since 2000

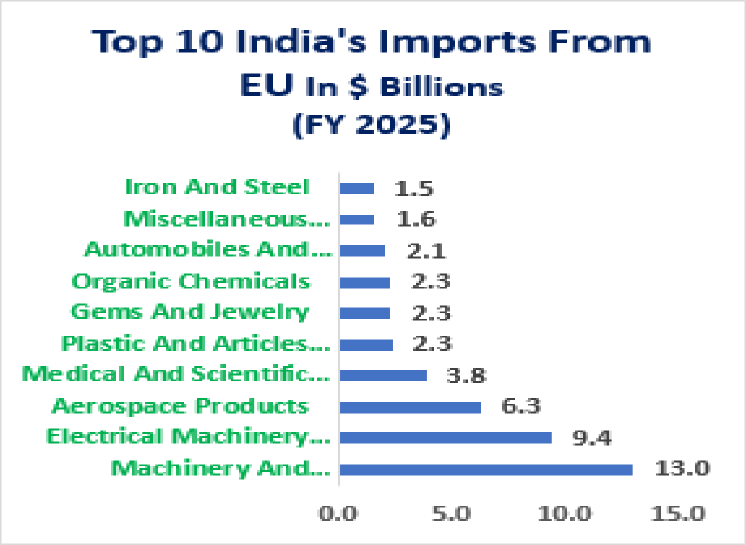
Sr No	Agreement Name	Trade Balance	What Led to Rise in Trade Deficit /Imbalance ?
1	India-Sri Lanka Free Trade Agreement	2.70	18.4% surge in exports of Petroleum Oils ($1.07 Billion) and Pharmaceuticals
2	India-Thailand Free Trade Agreement	-6.90	23.4% surge in imports of Gold & Precious Metals and Machinery/Electronics
3	South Asia Free Trade Area (SAFTA)	22.51	Exports to Bangladesh ($12.2B) and Nepal ($8.4B) across categories like Cotton, Electricity, and High-Speed Diesel
4	India-Mercosur PTA	-1.24	12.4% rise in imports of essential Soybean Oil and Crude Petroleum (collectively accounting for 65% of imports from the bloc)
5	India-Singapore CECA	-8.30	22% surge in imports of Electronic Components and Computer Hardware (India scaled its domestic server and mobile assembly.
6	India-Chile PTA	-1.44	A structural surge in imports of **Copper Ore & Concentrates** ($1.38 Billion) and Raw Copper as India intensified its green-energy transition
7	India-Korea CEPA	-15.25	A 153% surge in imports of high-value Electrical Machinery & Semiconductors (accounting for 28% of imports) and Iron & Steel (22%), which serve as critical inputs for Korean manufacturing units in India.
8	ASEAN-India Trade in Goods Agreement	-45.20	226% surge in imports of **Electrical Machinery & Electronics** (accounting for 24% of imports) and Palm Oil/Mineral Fuels (constituting 35
9	India-Malaysia CECA	-3.35	Demand for **Vegetable Oils (Palm Oil) and Electronic Integrated Circuits** (accounting for 31% of imports)
10	India-Japan CEPA	-12.54	6.8% rise in imports of high-precision Electrical Machinery and Iron & Steel (accounting for 45% of total imports) essential for India’s high-speed rail and automotive corridors
11	India-Mauritius CECPA	0.68	India’s consistent supply of Mineral Fuels (16% of exports) and **Motor Vehicles** (10%).
12	India-UAE CEPA	-26.76	138% surge in imports, where essential **Petroleum and Crude Oil (constituting** 31.59% of imports) and **Precious Metals/Gold** (accounting for 43% or $27.09 Billion) outweighed a robust 120% growth in exports.
13	Australia-India ECTA	-6.95	60 -75% Import of **Coal** Consist from Australia by adani Group
14	India-EFTA TEPA (NR,SWISS,ICE,LT)	-20.47	India's structural reliance on **Gold and Silver** (accounting for 80% of total imports from EFTA, primarily Switzerland) and high-precision Industrial Machinery

EU-India FTA : Why Mother of All Trade Deals ?

Some Fundamentals of EU –India FTA







Source: Ministry of Commerce and Industry

Economic Magnitude of the Partnership:

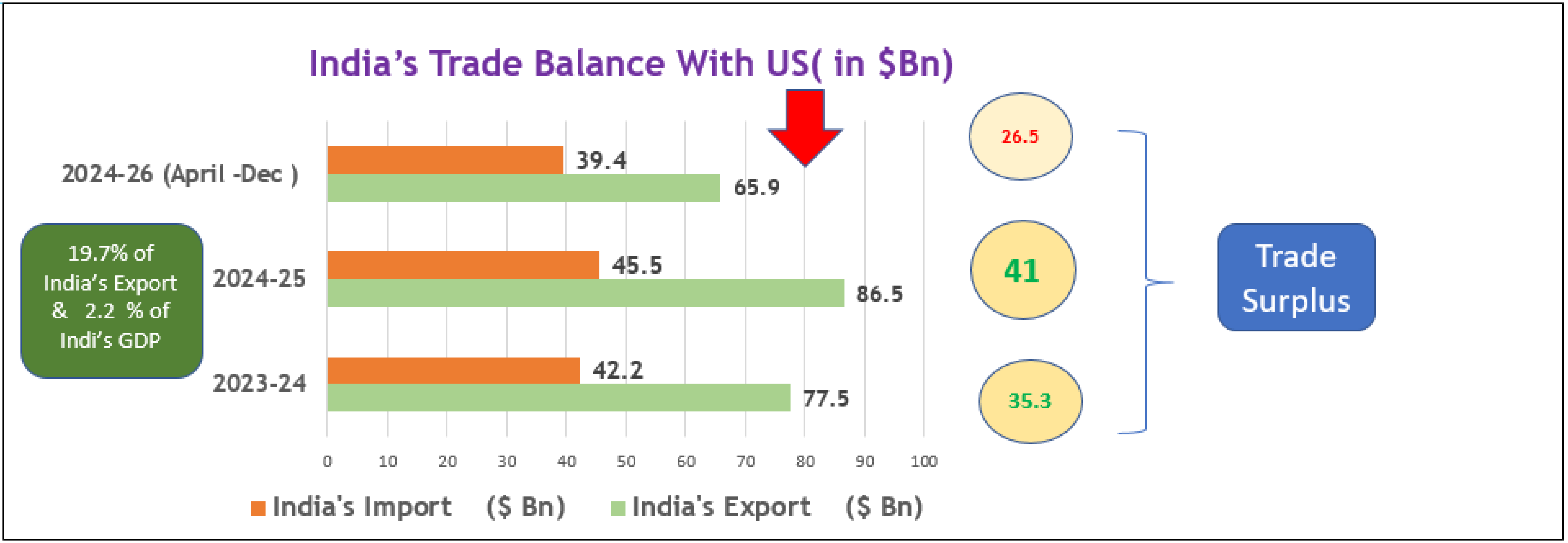
Metric	Details (2024-25 Data / Strategic Scope)
Combined Share of Global GDP	25%
Share of Global Trade	Approximately 33% (One-third)
Total Population Reached	2 billion People
Bilateral Trade (Goods)	$136.54 Billion (Exports: $75.85bn; Imports: $60.68bn)
Bilateral Trade (Services)	$83.10 Billion
Strategic Coverage	99% of Indian exports enter EU duty-free

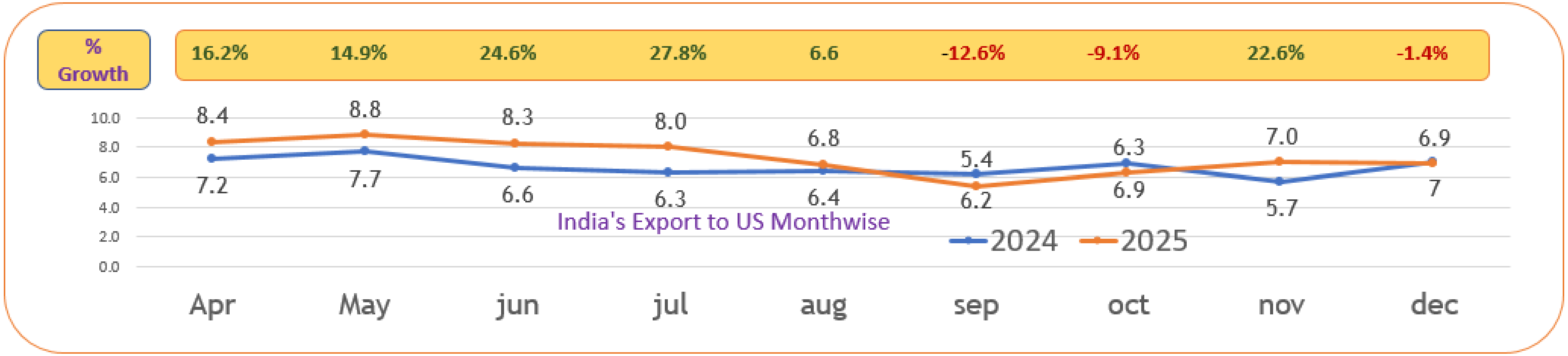
India-EU Free Trade Agreement (FTA) : Why it is Mother of All Deals ?

Aspect	India	EU	Combined (India+ EU)
Market Size	Access to EU's high-income bloc (27 wealthy nations, advanced consumers)	Entry to India's 1.45B consumers + 7-8% annual growth	○ 2B people ○ $24-27T (25% global GDP)
Trade Volume	○ Export surge (current ~$76B to EU) ○ zero/preferential duties on labour sectors	○ Double goods exports by 2032 (from €49B) ○ €4B annual duty savings	○ €180B base; ○ potential +41-65% surge
Investment Impact	○ Strong FDI multiplier (EU 15-16% of inflows; ○ >$119B cumulative)	○ Protection + access to India's growth; diversification	○ Deeper flows; ○ EU leading source for India
Technology	○ Cheaper EU machinery/tech imports (tariffs cut up to 44%) ○ semiconductors, clean tech, AI/R&D	Access to India's IT/talent + joint green/digital innovation	Tech flows + supply-chain integration
Geopolitics	○ Western alignment; ○ hedge vs US/China risks; ○ deeper democratic ties	○ De-risking from China; hedge vs US tariffs; ○ rules-based partnership	○ Shift to reliable alliances; security elements
Economic Impact	○ Jobs in MSMEs/labour sectors; ○ export boost (~$33B+ potential); ~0.12% GDP gain	○ 800K jobs supported + growth; export doubling; ○ 0.12-0.13% GDP (~€22B extra)	○ Mutual GDP uplift; ○ export/job surge
Overall	○ Exports/jobs/FDI/tech boost; ○ aligns with India@2047	○ Growth in fast-growing market; strategic diversification	Historic ~20-year pact; broadest concessions

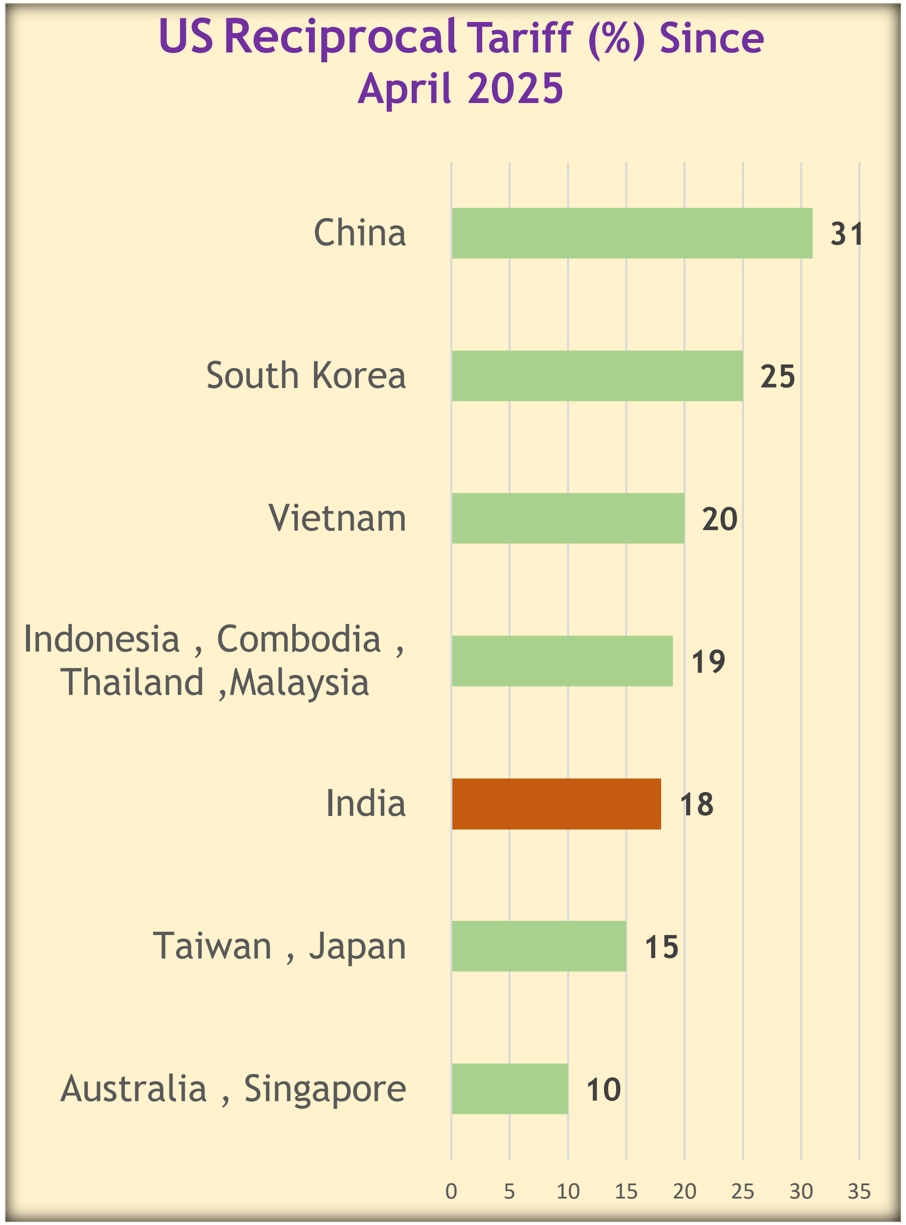
India -US Interim Trade Deal

Recap : India – US Trade Dynamics





A Comparison With Major Economies ..



Country/ Group	Pre-Trump (Before 2017) Tariff (Weighted Avg. Applied / MFN)	First Trump Term (2017-2021) Changes	Post-Trump 2025+ Reciprocal/Effective Tariff (%)	(2025-2026 Status)
Australia, Singapore	1.5-1.7% (low/free trade agreements)	Minimal changes	10%	✓ Baseline 10%, allies/FTAs keep low.
Taiwan	1.5-1.7%	Minimal	15-20%	Adjusted via deals; original higher.
Japan	1.5-1.7%	Some steel/alum 25%/10%	15%	Negotiated down from 24% original.
India	1.5-1.7% (but India had high barriers)	Minimal direct	18 % (50% on Steel Aluminum)	✓ Reduced via deal, ✓ extras for Russian oil.
Indonesia, Cambodia, Thailand, Malaysia	1.5-1.7%	Minimal	19%	Grouped SE Asia; reduced from higher initials (e.g., Cambodia 49% →19%).
Vietnam	1.5-1.7%	Minimal	20%	Reduced from 46% original via framework.
South Korea	1.5-1.7% (KORUS FTA)	Some steel/alum	15-25%	✓ Deal reduced to 15, ✓ some persist at 25%.
China	1.5-1.7% (pre-trade war)	Rose to 19-20% on 66% of imports (Section 301)	10-31% (effective often 20-30%; peaked 125-145% in escalations)	Highly variable: Baseline 10% + extras; truces reduced from highs; fentanyl/migration add-ons.

Internal

Who Gains & How ?

Where India Gains

Commodities	Value of Export ($Bn)	% Share in Export	Tariff Rate	
			Pre - Deal	Post - Deal
Textile , Leather , Chemicals & Marine Products	30	45.5%	MFN+ 50% Reciprocal	MFN+ 18% Reciprocal
Diamond ,Auto Part & Machinery , Aircraft parts ,Tea ,coffee , Spices ,Bananas ,Cocoa, Mushroom , Guava	14	21.2%	MFN+ 50% Reciprocal	0
Minerals , Agri Products	4	6.1%	0	0
Smartphones, pharma	26	39.5%	0	0
Steel, Aluminum , Copper	12	18.2%	50	50

Where US Gains

Commodities	Tariff Details
Over 90% Industrial goods	Tariff Elimination +duty cuts over 10 years+ reduction based on quota
Car Over 3000cc	Cut to 30% over 10 years with quotas
Alcohol	Duty cut with minimum import price
Apples, Cotton	Duty Cut for Specified quantities
Wheat, Rice, Corn, Soya been ,Polutry,Meat, Bananas, Strawberry ,Cherry Green Peas, Moong , Kabuli Chana ,Oil seeds, Tobacco, Ethanol, Dairy Products	No Concession

Zero tariff on $44b worth of exports constituting 66.8% share in total exports to US

An estimation of Impact of Reduced Tariff on GDP Growth

(Due to Reduced US Tariff & FTA with UK,EU) :

[Calculation Sheet]

Economic Research Vertical

Impact on GDP due to Reduced Tariff With US (1/4)

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Basic Information & *Static Assumptions

Sr.No	Descriptions	Value	Other Details
1	India's Nominal GDP 2026 ($ trillion)	4.1	GDP Figure
2	India's Goods Exports to US ($ billion, annual)	86.5	FY 2024-25
3	*Pre-deal US Tariff on Indian Goods (%)*	25	Existing Tariff rate
4	*Post-deal US Tariff on Indian Goods (%)*	**18**	Announced Tariff rate
5	Price Elasticity of Demand (absolute value)	1.7	*Conservative standard value used in trade analyses for diversified manufactured/consumer goods, ranges typically 1 to 2).*
6	Net Domestic Value Added Share (%)	80	
7	Export Multiplier**	1.4	A conservative, realistic estimate for emerging markets like India,

** Static Model of Trade Analysis : This is a simplified static model but actual impact depends on deal coverage (not all goods may be at exactly 18%), non-tariff barriers, reciprocal Indian concessions (e.g., on US goods or energy), global demand, and supply-chain responses.*

*** For every $1 of net additional export value added (after subtracting imported inputs), total GDP eventually rises by about $1.40 (direct + indirect/induced effects).*

Impact on GDP due to Reduced Tariff With US (2/4)

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Estimation of Increase in GDP When USA Tariff is fixed @ 18 %			
Sr .No	**Descriptions**	**Value**	**Other Details**
8	Old Price Factor (1 + tariff) @ 25% Tariff	1.25	Pre-deal
9	New Price Factor (1 + tariff)@ 18% Tariff	1.18	Post-deal
10	Relative Price Reduction (decimal)	-0.056	Prices fall by 5.6% for US buyers (assuming full pass-through)
11	Relative Price Reduction (%)	(-) 5.60 %	Format as %
12	Probable (%) Increase in Export (Ed*P)	9.52 %	Elasticity × price reduction magnitude (Sr.No 11* Sr. No 5)
13	Additional Export Value ($ billion)	8.23	Volume growth applied to baseline exports (Sr. No.12 * Sr. No.2)
14	Net Domestic Value added (Direct GDP Addition ($ billion)	6.59	Only net domestic value counts toward GDP (Sr. No 13* Sr. No.6)
15	Total GDP Impact ($ billion)	9.22	Direct + Export multiplier effects (Sr No.14 * Sr No 7)
16	GDP Growth Boost* (percentage points)	0.22	Converting to % points (dividing by GDP in billions)

A Combined effect on GDP Due to :

Reduced Tariff with US @18%
+ FTA with EU
+ FTA with UK

Basic Information & *Static Assumptions

Sr. No	Descriptions	(US)	(EU)	(UK)
1	India's Nominal GDP 2026 ($ trillion)	4.51	(same)	(same)
2	Goods Exports to Partner ($ billion, annual)	85	76	14.5
3	*Pre-deal Avg. Tariff (%)*	25	12	10
4	*Post-deal Avg. Tariff (%)*	18	0	0
5	Price Elasticity of Demand (abs value)	**1.7***	**1.1***	**1.5***
6	Net Domestic Value Added Share (%)	80	(same)	(same)
7	Export Multiplier	1.4	(same)	(same)

** Price Elasticity of Demand varies countrywide (based on previous study of major economies)*

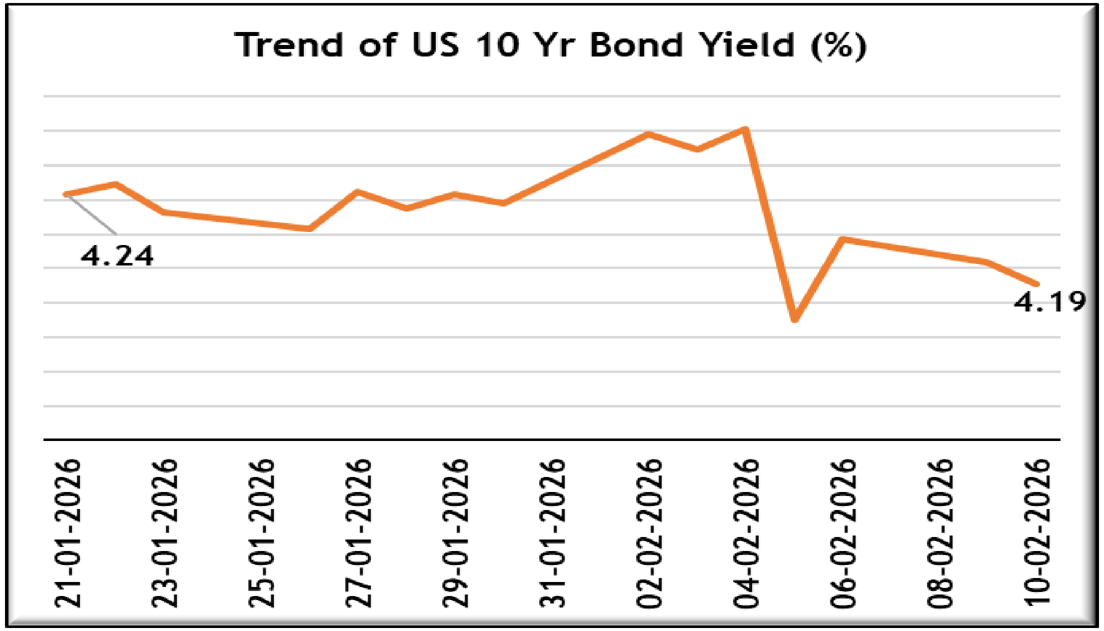
Combined Impact on GDP (4/4)

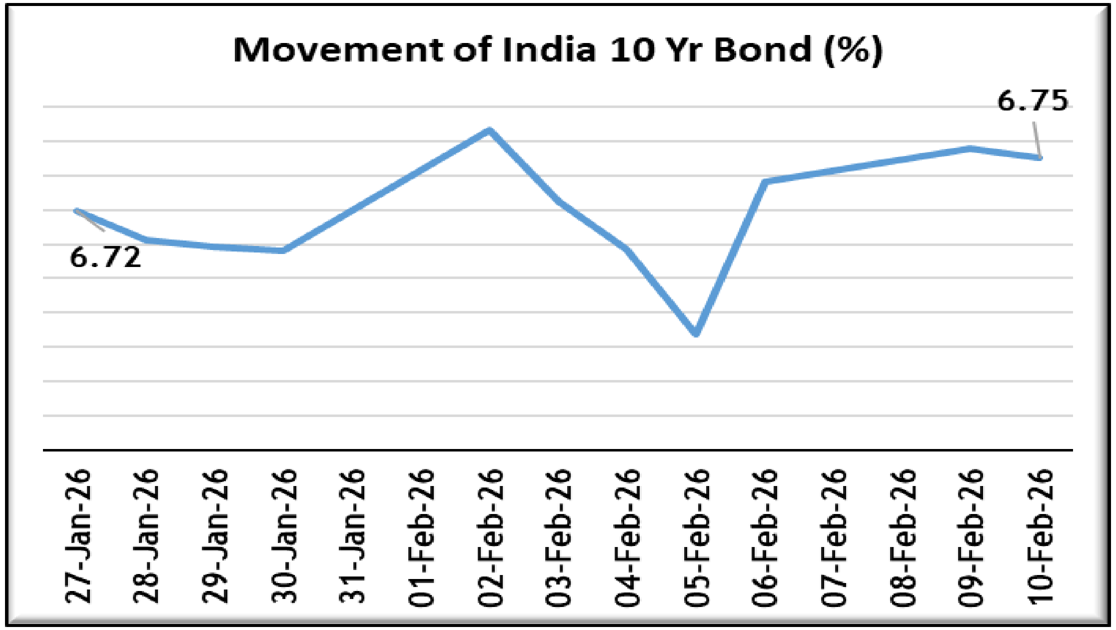
Estimation of Increase in GDP after Execution of Trade Deal With US + EU+ UK				
Sr. No	**Descriptions**	**US**	**EU**	**UK**
8	Old Price Factor (1 + tariff) @ 25% Tariff	1.25	1.12	1.1
9	New Price Factor (1 + tariff) @ 18% Tariff	1.18	1	1
10	Relative Price Reduction (decimal)	-0.056	-0.107	-0.091
11	Relative Price Reduction (%)	-5.60	-10.71	-9.09
12	Probable (%) Increase in Export	9.5	11.8	13.6
13	Additional Export Value ($ billion) = Pd * Ed	8.09	8.96	1.98
14	Net Domestic Value added (Direct GDP Addition ($ billion)	6.47	7.17	1.58
15	Total GDP Impact ($ billion)	9.06	10.03	2.21
16	GDP Growth Boost* (percentage points)	0.22	0.24	0.05
17	**Total combined impact**		**0.52**	

ASSET MARKET – BOND YIELD MOVEMENT

- **Last day (9th February)**:Indian bond yields increased as pressure persisted on concerns over heavy state debt supply and soured mood from the absence of any additional measures to provide liquidity support by the central bank in its monetary policy announcement last week.

❑ Today 10 yr benchmark bond yield is trading at 6.75%.





❑ Today Gold per Troy Ounce (USD)- 5024.93

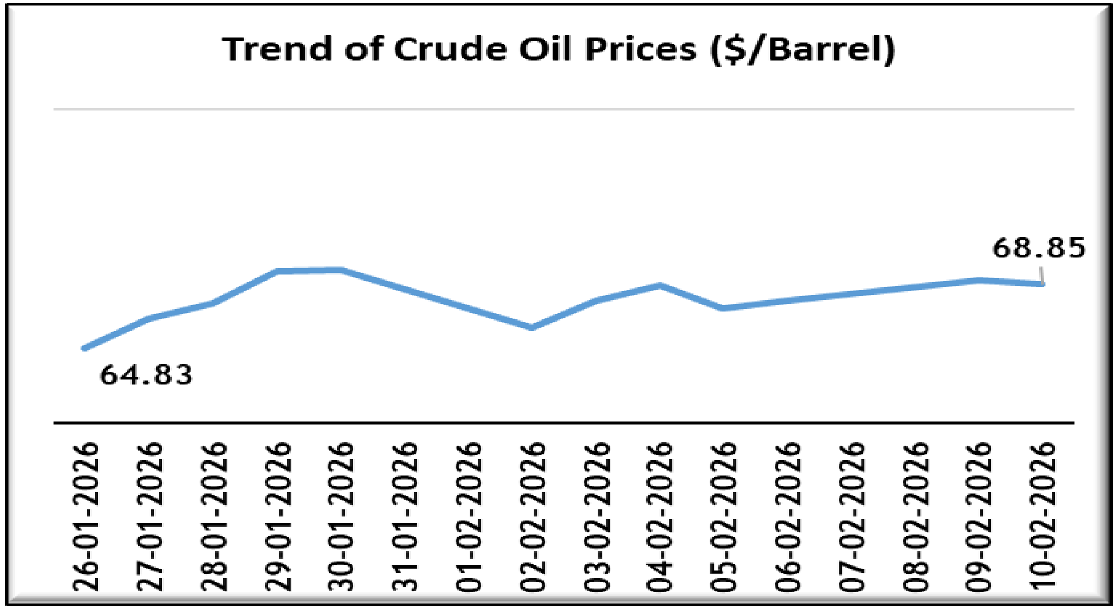
❑ Today Silver per Troy Ounce (USD)- 81.17

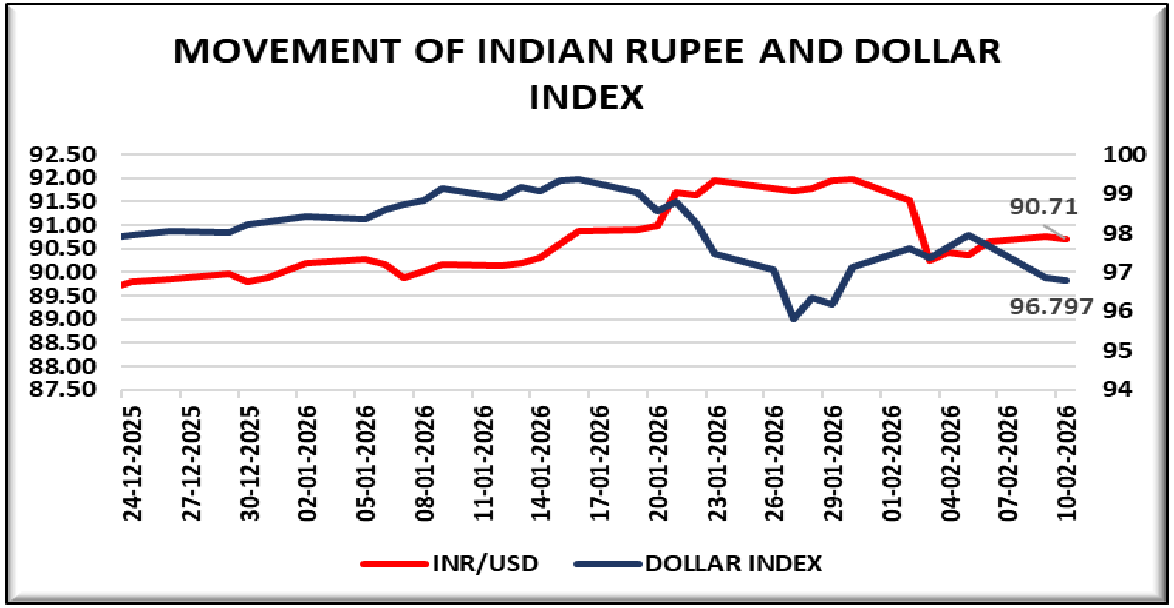
ASSET MARKET – RUPEE MOVEMENT

Canara Bank

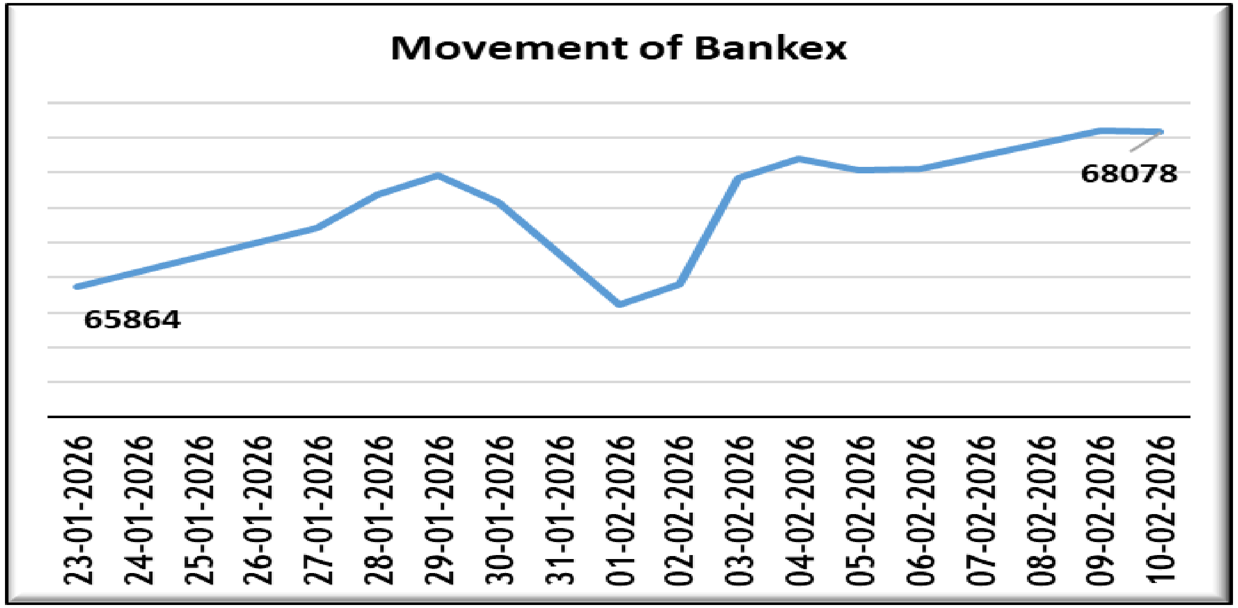
- **Last day (09th February)** :The Indian rupee depreciated against US dollar, driven mainly by surging precious metal prices fueling importer dollar demand. Rupees witnessed high volatility as the support from positive domestic equities and foreign fund inflows was negated by risk-off sentiment among investors.

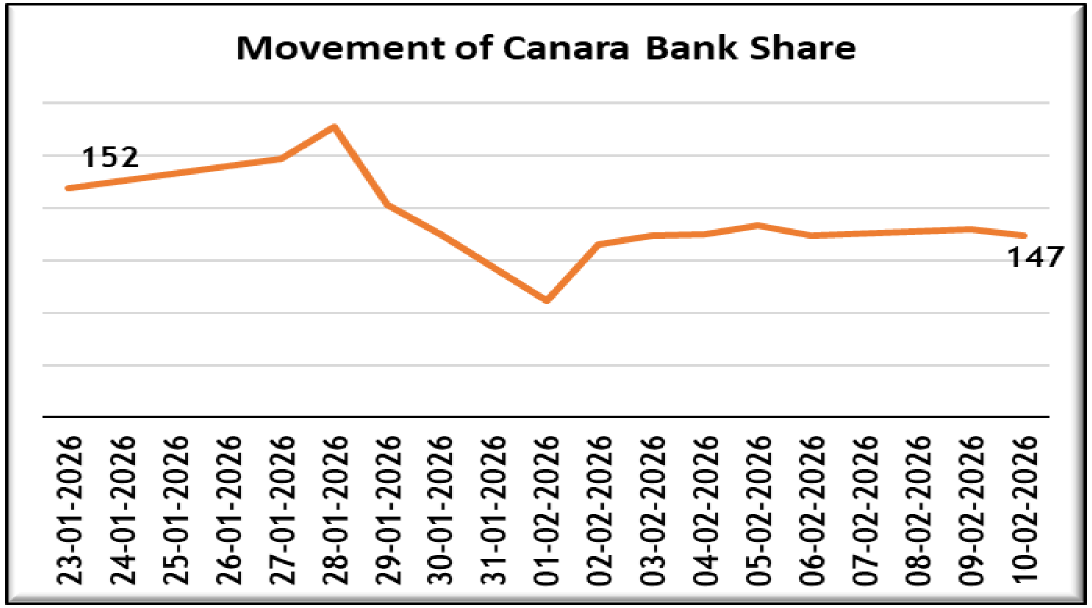
❑ Today rupee is trading at **90.71$.**





- Depreciation bias for INR expected and INR outlook depends on
  - ❑ US rates and dollar Index, India's GDP outlook, RBI intervention, Year end dollar demand by importers





- Last day (09th February):Indian equity market closed in positive territory, supported by encouraging global cues and optimism around an interim India-US trade framework coupled with return of FIIs fueled a risk -on sentiment in the market.

- ❑ Bankex closed at 68,105, Canara Bank closed at 147.93.
- ❑ Today Bankex is trading at 68,078 and Canara Bank share is trading at 147.36

NEWS IN FOCUS (INDIAN BANKING)

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Sr No	News	Detailed Analysis (Reasons/Outcomes/Implications)
1.	Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026 dated February 09, 2026	• Banks are mandated not to accept collateral security in the case of loans up to ₹20 lakh extended to units in the MSE sector. • Banks are also advised to extend collateral-free loans up to ₹20 lakh to all units financed under the Prime Minister Employment Generation Programme (PMEGP) administered by KVIC. • Banks may, on the basis of good track record and financial position of the MSE units, increase the limit to dispense with the collateral requirement for loans up to ₹25 lakh as per their internal policy. • Banks may avail the benefit of Credit Guarantee Scheme cover, where applicable. • However, accepting gold and silver as collateral pledged voluntarily by borrowers for loans sanctioned by the banks upto the collateral free limit, will not be construed as a violation of the above mandate". • The above amendment shall come into force for all loans to MSE borrowers sanctioned or renewed on or after April 01, 2026.
2.	New EPFO app to allow members to withdraw EPF money via UPI & EPFO to appoint new partner agencies, change custodian after 15 years	• Currently, the member uses either the Universal Account Number (UAN) portal or the UMANG app to access their EPF accounts and avail of their services. • A certain proportion of the EPF will be frozen, and a large chunk will be available for withdrawal. • Subscribers will be able to withdraw their EPF directly into their bank accounts through UPI payment gateway using its newly designed mobile application to be launched in April this year. • This facilitates a large number of EPFO members to access their EPF money within three days for illness, education, marriage, and housing purposes. • The limit of this auto-settlement mode has already been raised to Rs 5 lakh from the existing Rs 1 lakh. • EPFO is preparing to empanel new partner agencies and appoint a fresh custodian, as it revamps investment, audit and management arrangements. • Presently, Standard Chartered Bank is the custodian of the EPFO, operating as the agency that holds and safeguards the social security organisation's ₹31 trillion corpus.
3.	Public sector banks post 18% growth to record ₹52,603 cr profit in Q3 FY26	• All 12 PSBs together made a profit of ₹44,473 crore in Q2FY26,increase in profit in absolute terms was ₹8,130 crore as compared to Q3FY25. • SBI alone contributed 40 % to the total earnings of ₹52,603 crore, • IOB reported the highest net profit growth of 56 % to ₹1,365 crore, followed by CBI with a 32% rise to ₹1,263 crore. • All 12 public sector banks (PSBs), except Bank of Baroda, Union Bank of India, Indian Bank, and Bank of India, reported profit growth in single digits. • Banks reported more than 20% improvement in profit aside from SBI are BOM with 27% increase and Canara Bank with 26% rise in their profits. • For the nine months ended December 2025, the aggregate profit of PSBs crossed ₹1,45,000 crore for the first time. Together, the PSBs have earned ₹1,46,277 crore as compared to ₹1,29,994 crore in the April-December period of FY25, registering nearly a 13% growth and expected to cross Rs 2 lakh crore in this FY26.

NEWS IN FOCUS (DOMESTIC ECONOMY)

केनरा बैंक Canara Bank
सिंडिकेट Syndicate

Sr N	News Details	Detailed Analysis (Reasons/Outcomes/Implications)
1	PLI 1.2 Scheme For Speciality Steel: 55 Companies Commit Over Rs 13,000-Crore Investment	• These projects are expected to **add 8.7 million tonnes (MT) of specialty steel capacity by FY2031**, significantly expanding India's capabilities in high-end steel segments such as electrical steel, alloy and stainless steels, coated products, and grades required for strategic sectors. • Around **85 MoUs were signed between 55 companies,** including SAIL's Salem Steel plant and the Ministry, under the **PLI 1.2, committing Rs 13,203 crore** worth of investments. • With incentive rates ranging **from 4% to 15% over a five-year period**, the scheme is designed to promote investment, technology upgradation and value addition while integrating Indian manufacturers into global value chains. • Across **PLI 1.0 and 1.1, committed investments of Rs 43,874 crore** have already translated into substantial on-ground progress, including significant capacity creation and employment generation.
2	India Needs $22.7 Trillion Investment to Achieve Net Zero Target by 2070: Niti Study	India will need investments **totalling USD 22.7 trillion to reduce greenhouse gas emissions and achieve the net zero target by 2070.** On an annualised basis, this cumulative requirement translates into average flows of **approximately USD 500 billion per year,** compared with actual annual investment of **around USD 135 billion in 2024**, of which only USD 70–80 billion currently supports clean energy, said the Niti Aayog's study report on 'Scenarios Towards Viksit Bharat and Net Zero. Of the total, approximately **USD 8 trillion must be front-loaded by 2050**, including nearly USD 5 trillion in the power sector, given the capital-intensive nature of most low-carbon technologies. Domestically, this entails deepening the corporate bond market, increasing the financialisation of household savings and enabling institutional investors to invest in new areas, while safeguarding returns through diversified, high-quality corporate and green assets, the study said. Externally, scaling FDI (foreign direct investment) and FPI (foreign portfolio investment), supported by credible transition roadmaps, a strong pipeline of bankable projects and deeper financial markets, would anchor sustained foreign capital inflows. Against the **Net Zero Scenario investment requirement of USD 22.7 trillion and estimated aggregate flows of USD 16.2 trillion, a financing gap of USD 6.53 trillion remains**. Given domestic constraints and the risk of crowding out and higher interest rates, this gap is expected to be met largely through external sources, raising the share of international sources to 42 per cent of total capital needs by 2070, rising from 17 per cent in 2022–23.
3.	Decline in Fundraising through the corporate bond market in India experienced a downturn	✓ Fundraising through the corporate bond market has remained relatively subdued in FY26, as elevated yields, **driven by persistent geopolitical tensions, have dampened issuer appetite.** ✓ During the nine of 2025-26 (April-December period), funds raised through this **route declined 6 per cent year-on-year to ₹6.76 trillion, compared with ₹7.19 trillion in the year-ago period.**

THANK YOU !