

News monitored for: PricewaterhouseCoopers

BUDGET INSIGHT OUT
2025-26


CHARTING A NEW GROWTH PATH

A PwC report

RETAIL

Key challenges

- High food inflation, increasing cost of rent, and conveyance expenditures, with tepid income growth
- Rapid urbanisation and the rise of e-commerce channels are disrupting higher-profit distribution models for brand owners
- Climate change-induced volatility in input costs of agricultural commodities is creating margin pressures across the supply chain
- Slowly expanding middle class, combined with 90% informal employment in the economy



Industry ask

- Measures to boost consumption via direct tax benefits, higher outlay on PM KISAN, MGNREGA along with increase in daily wage rates under MGNREGA
- Indirect tax rationalisations around palm oil Custom duties, excise on petroleum products
- Create a special fund to provide low-cost loans to independent retailers, MSMEs
- Clarity on key regulations such as BIS standards, National Retail policy, digital protection laws to enable ease of doing business

Snapshot

GROWTH PROJECTIONS

Retail and consumer sector growth trend (\$ bn)

■ E-commerce ■ Modern trade ■ General trade

Fiscal Year	E-commerce	Modern trade	General trade
FY24	89	111	880
FY25	107	128	958
FY26	130	148	1,042
FY27	157	170	1,130
FY28	190	196	1,225
FY29	230	226	1,324

Note: Growth figures from FY25 to FY29 are projections
Source: PwC research and insights hub

“STIMULATING CONSUMPTION BY BOOSTING CONSUMERS’ DISCRETIONARY CASH FLOWS, AND CONTINUED INVESTMENTS IN BOOSTING AGRICULTURAL PRODUCTIVITIES AND RURAL INCOMES WILL ENSURE 2025 BECOMES A STELLAR YEAR OF INCREASING CONSUMER CONFIDENCE”

RAVI KAPOOR, Partner and Leader – Retail & Consumer, PwC India

