

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Diwali Sales Lit Up Indian Consumer Market in 2025

**Country:** India

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**Report Category:** Market Development Reports

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**Report Highlights:**

One of India's most celebrated festivals, Diwali (Festival of Lights) saw unprecedented sales in 2025. The total Diwali spending climbed to approximately \$69 billion, with food and grocery purchases accounting for a significant share. Robust consumer sentiment, rising disposable incomes, and the expansion of digital retail platforms drove growth across both traditional and modern trade channels. Additionally, record food and grocery sales were supported by lower Goods and Services Tax (GST) rates and a growing consumer preference for high-quality and versatile products. The growth presents opportunities for U.S. agriculture.

**Introduction:** India's September–December festival season is the country's most dynamic retail period, with Diwali standing out as the most prominent festival nationwide. In 2025, India's retail sector entered a new phase of growth, driven by robust consumer sentiment, rising disposable incomes, and the rapid expansion of digital retail platforms. The Fast-Moving Consumer Goods (FMCG) sector played a pivotal role, blending traditional consumption with modern purchasing behaviors and resulting in record-breaking sales.

**Macroeconomic Context:** India's macroeconomic indicators provide an encouraging environment for further growth. The World Bank already raised its FY26 GDP growth forecast to 7.2 percent from 6.3 percent, citing resilient domestic demand, robust private consumption, and rising rural incomes. Additionally, the United Nations projects India's GDP to grow at 6.6 percent in 2026, maintaining its status as one of the world's fastest-growing major economies. This growth is underpinned by strong public investment, recent tax reforms, and a stable inflation environment, with consumer price inflation averaging 4.1 percent—close to the central bank's target. Employment indicators remain stable, and the rupee, while facing some depreciation pressures, is supported by India's monetary policies.

**Diwali 2025: Record-Breaking Retail Performance:** In this positive macroeconomic environment, Diwali 2025 saw unprecedented retail sales, with total spending reaching nearly \$69 billion—a 25 percent year-on-year (YoY) increase from \$48 billion in 2024. Food and grocery purchases led the surge, accounting for 12 percent of total Diwali retail sales, surpassing gold and jewelry (10 percent) and electronics (8 percent). (See Figure 1.) Further, the modified Goods and Services Tax (GST) rates, reduced from 12 percent to 5 percent during the festival season, eased input costs and boosted demand that played a factor into some of the following key retail and consumer trends:

**Figure 1: Example of branding by top retailers, ecommerce platform during Diwali festival**



- **E-grocery and Quick Commerce:** Online grocery platforms such as [Big Basket](#), [Amazon](#), [Flipkart](#), and [JioMart](#) reported a 500 percent increase in orders. Quick commerce services ([Blinkit](#), [Instamart](#), [Zepto](#)) saw a 120 percent (YoY) rise in order volumes, especially in metropolitan areas.
- **Premiumization and Tradition:** Consumers balanced value-seeking with indulgence, driving demand for premium packaged foods, gourmet sweets, and artisanal snacks, while traditional sweet shops also saw strong footfall and demand.
- **Vocal for Local:** Sales of Indian-made food products rose by 25 percent over 2024, benefiting local and regional suppliers. Notably, many local producers are increasingly seeking high-quality, versatile ingredients, creating opportunities for U.S. exporters.
- **Rural and Non-Metro Growth:** Tier-II and Tier-III cities saw 28 percent and 23 percent year-on-year increases in online orders, respectively, reflecting broad-based consumption growth and higher digital adoption.
- **Hybrid Shopping:** Consumers combined offline traditions with digital convenience, supporting both physical and online retail channels.
- **Sustainability and Health:** Urban and millennial buyers showed a preference for eco-friendly packaging and health-oriented products, including organic and functional foods.

**Sectoral and Regional Dynamics:** As demand stabilizes, competition is intensifying. Food, grocery, apparel, beauty, electronics, and home improvement are all positioned for expansion, with new formats, private labels, and digital-first brands entering the market. Urban India is adopting organized retail and digital shopping rapidly, while rural markets remain anchored in local relationships and affordability. For U.S. agricultural exporters to optimize these growth opportunities, strategies must be tailored to local contexts, as what works in metro areas may not translate directly to smaller Tier-II or Tier-III cities.

**Opportunities and Challenges for U.S. Food Exporters:** Looking ahead, the following opportunities and challenges are of note in the Indian retail sector:

**Opportunities:**

- Diwali accounts for 60–65 percent of annual gifting sales, with a shift toward healthier, premium options that could favor U.S. agriculture.
- There's a growing premium consumer base in major cities that would also look to procure quality U.S. products.
- There's growing demand for snacking items, health and wellness products like whey proteins, and specialty beverages.
- There's a trend of brand-conscious youth favoring international brands.

**Challenges:**

- High tariffs and import duties.
- Limited consumer awareness in smaller towns.
- Distribution and infrastructure hurdles.

**Top U.S. Food Export Categories and Recommendations**

- **Tree Nuts:** 33 percent YoY growth in U.S. exports; expand reach in gifting and snack segments.
- **Processed Fruit:** 37 percent YoY growth; offer healthier, low-sugar options and expand product range.
- **Seafood:** 53 percent YoY growth; partner with hotels and specialty restaurants.
- **Chocolate & Cocoa:** 35 percent YoY growth; promote high-quality mainstream brands.
- **Distilled Spirits:** 31 percent YoY growth; increase awareness in Tier-I/II cities.

**Key Trade Shows in 2026**

- [MEWA](#), Delhi (Jan 23–25): Nuts and dried fruits
- [AAHAR](#), Delhi (Mar 10–14): All food and beverage
- [Food Ingredients India](#), Mumbai (Aug 26–28): All food and beverage
- [World Mithai & Namkeen Convention & Expo](#) (Dec 20–22): Nuts, dried fruits, and snack items

**Conclusion**

Diwali 2025 underscored the centrality of food and grocery spending in India's festive economy. The convergence of tradition and technology has created a resilient retail ecosystem, with food and FMCG at its core. As consumer confidence remains high and digital adoption expands, the sector is poised for continued growth through 2026. U.S. exporters should engage closely with Indian partners, importers, and retailers to tailor strategies for this diverse and rapidly evolving market.

**Attachments:**

No Attachments.