



# GST Reforms for Youth and Everyday Mobility

*Making Fitness, Lifestyle, and Transport More Affordable for Every Indian Youth*

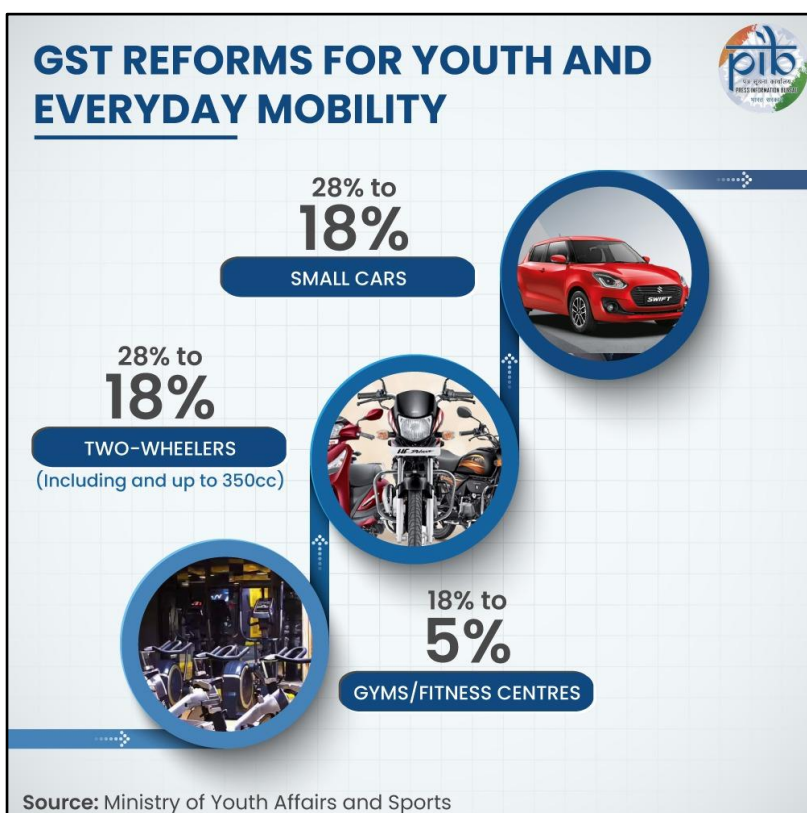
September 14, 2025

## Key Takeaways

- GST on **gyms/fitness centres** slashed from **18% to 5%**, making fitness more affordable and accessible.
- GST on **two-wheelers** (including and up to 350cc) reduced from **28% to 18%**, boosting rural mobility and supporting gig workers.
- GST on **small cars** cut from **28% to 18%**, benefiting middle-class families and stimulating auto sector demand.
- Reforms **promote affordability, healthier lifestyles, and improved ease of living** for youth and households.

## Introduction

The GST reforms announced at the 56<sup>th</sup> GST Council Meeting on September 3, 2025, highlight a people-centric approach focused on **affordability, accessibility, and inclusivity**. By lowering GST rates on gyms/fitness centres, two-wheelers, and small cars, the Government has not only reduced the financial burden on households but also advanced its long-term vision of promoting healthier lifestyles, affordable transportation, and improved ease of living. These steps will directly benefit the middle class, youth, and working professionals, while also stimulating demand in key sectors of the economy.



## Government Initiatives to Boost Youth Fitness and Ease of Living

The Government is highly focused on strengthening the fitness ecosystem through various schemes, including the **Fit India Movement**, which encourages citizens to adopt healthier lifestyles by promoting regular physical activity and running awareness campaigns across schools, workplaces, and communities. Additionally, schemes like **Khelo India** expand access to sports infrastructure and training, fostering mass participation and nurturing grassroots talent among youth. In addition to this, the Government is improving the ease of living for youth through schemes like **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)** for skill development and the **National Youth Corps (NYC)** for structured civic engagement. For gig and platform workers, measures include registration on the **e-Shram Portal**, social security and pension coverage under the **Code on Social Security, 2020**, and health insurance under **Ayushman Bharat – PMJAY**.

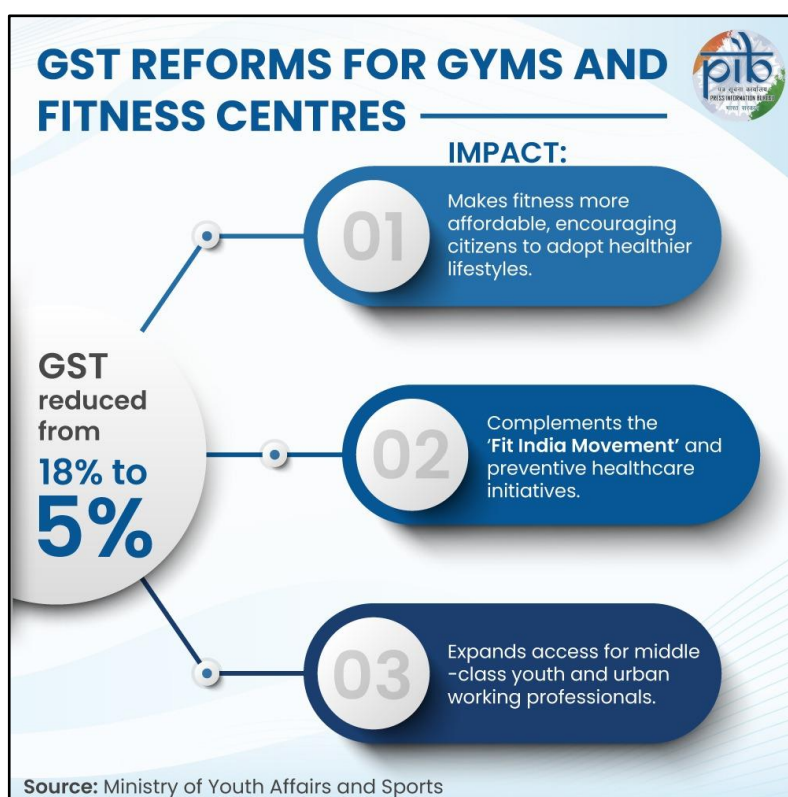
## Gyms and Fitness Centres

### GST reduced from 18% to 5%

The reduction of GST on fitness centres marks a decisive step towards building a healthier and more active India. Fitness, which was earlier considered a luxury by many, is now being made accessible to wider sections of society. This aligns with the broader public health agenda of preventive care and wellness promotion.

#### Key Benefits:

- **Affordable fitness for all:** The reduced GST makes gyms and fitness memberships more affordable, encouraging more people, especially youth and middle-class families, to access structured health and wellness services.
- **Support to preventive healthcare:** This measure complements national preventive health initiatives such as the **Fit India Movement**, which encourages citizens to prioritise regular exercise and lifestyle changes to prevent chronic illnesses.
- **Expanded access for working professionals:** Urban employees and students who rely on gyms for regular exercise will benefit from lower costs, enabling them to balance fitness with busy lifestyles.
- **Cultural shift towards wellness:** By making fitness centres more accessible, the Government is encouraging a societal shift from curative healthcare to preventive health, ultimately reducing long-term health expenditure for families.



## Two-Wheelers (Bikes up to and including 350cc)

### GST reduced from 28% to 18%

Two-wheelers are more than just vehicles, they are a **lifeline of mobility** for millions of Indians, especially in rural and semi-urban areas. The reduction in GST brings meaningful relief to lower-middle-class

households, young professionals, and gig workers who depend on affordable transport for their livelihood and daily needs.

#### Key Benefits:

- **Reduced ownership cost:** With lower GST, the overall price of two-wheelers decreases, making them more affordable for the youth, students, and first-time buyers, especially belonging to the lower-middle-class households.
- **Boost to rural and semi-urban mobility:** In small towns and villages, bikes are often the primary mode of transport. Cheaper bikes will enhance accessibility and improve daily commuting options.
- **Support for gig economy workers:** Delivery agents, ride-hailing service providers, and other gig workers rely heavily on two-wheelers. Lower GST reduces their purchase costs, EMIs, and maintenance burden, increasing their monthly savings.
- **Improved productivity and efficacy:** By reducing commuting costs, this reform helps workers save more, improves mobility for job opportunities, and strengthens the overall workforce efficiency.
- **Promotion of self-reliance:** Affordable transport empowers youth to seek education, employment, and entrepreneurship opportunities without being held back by mobility challenges.

### GST Reforms for Two-Wheelers (Up to and Including 350cc)

#### GST reduced

From  
**28% to 18%**

#### Impact

Makes two-wheelers more affordable to youth, professionals, and lower-middle-class households.

Expected to help gig workers and boost the savings of the gig workers.

Source: Ministry of Youth Affairs and Sports



## Small Cars

### GST reduced from 28% to 18%

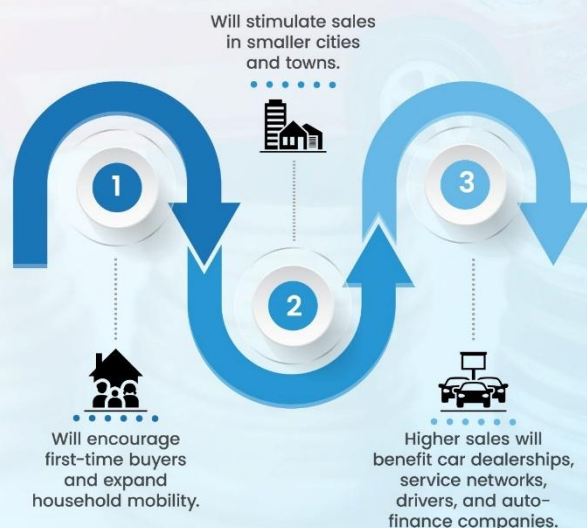
Small cars form the backbone of India's automobile market, especially in tier-2 and tier-3 cities. By lowering GST on this segment, the Government is directly addressing the aspirations of middle-class families while also giving a significant boost to the automobile industry.

#### Key Benefits:

- **Cheaper cars for households:** The reduction in GST makes small cars more affordable, encouraging first-time buyers to invest in personal mobility solutions.
- **Stimulus to demand in smaller cities:** Compact cars are most popular in semi-urban and rural markets. Lower GST will accelerate sales in these regions, strengthening the auto industry's rural footprint.

### GST Reforms For Small Cars

GST Reduced From **28% to 18%**



Source: Ministry of Youth Affairs and Sports

- **Strengthening allied industries:** Higher car sales will benefit not just manufacturers but also dealerships, service centres, drivers, and auto-finance companies, creating a positive ripple effect across the economy.
- **Ease of living for families:** Affordable small cars expand mobility options for young professionals, working parents, and students, making daily commuting easier and more reliable.
- **Employment and growth impact:** By boosting the auto sector, the move also supports job creation in manufacturing, sales, services, and financing, reinforcing India's growth momentum.

## Conclusion

These GST reductions are more than tax changes—they are **transformational enablers** that improve affordability, enhance mobility, promote healthier lifestyles, and strengthen key industries. Together, these measures represent a significant push towards the Government's vision of **economic self-reliance, citizen empowerment, and improved ease of living** for every Indian.

## References

Ministry of Youth Affairs and Sports

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<https://www.india.gov.in/people-groups/life-cycle/youth/>

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