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August 2026

GEO

(Global Economic Outlook)

ASSOCHAM Global Research & Strategy Centre

The Associated Chambers of Commerce and Industry of India

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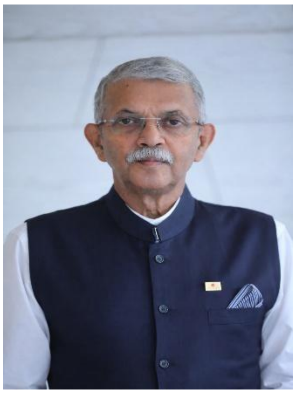
ASSOCHAM Leadership Viewpoints

Mr. Nirmal K. Minda, President, ASSOCHAM

India's economy continued to display strong resilience in July 2026, even as the global environment remained uncertain. Robust industrial growth, rising bank credit, and record GST collections reflect the underlying strength of domestic demand and enterprise. Government reforms across manufacturing, semiconductors, and clean energy are opening new avenues for industry. ASSOCHAM remains committed to supporting industry, deepening policy dialogue, and contributing towards India's journey of inclusive, sustainable, and long-term economic growth.



Mr. Saurabh Sanyal, Secretary General, ASSOCHAM

India's trade and investment landscape gained fresh momentum through July 2026, with the India–UK CETA coming into force and record exports of USD 863.1 billion recorded in FY2025-26. Continued progress on FTAs with the EU, Israel, and other partners is widening market access for Indian industry. States too remained focused on attracting investment and strengthening industrial development, reinforcing India's position as one of the world's fastest-growing major economies.

Dr. S.P. Sharma, Chief Economist, ASSOCHAM

Economic indicators for July 2026 remained encouraging. Industrial production grew 7.3%, bank credit expanded 18.6%, and GST collections rose 15.4% to ₹2.11 lakh crore, reflecting the strength of India's macroeconomic fundamentals. Forex reserves strengthened further to USD 692.87 billion, providing a healthy external buffer. Continued emphasis on manufacturing, infrastructure, digital transformation, and investment-friendly policies is expected to support sustained economic expansion.

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Part 1: Global Economic Monitor

1. Global Economy Outlook: Uneven Growth Amid War & Technology Crosscurrents

The IMF's **World Economic Outlook (WEO)** puts global growth at **3.0% in 2026**, rising to **3.4% in 2027**. That's down from the 3.5% average of 2024-25, though the two-year cumulative figure is essentially unchanged from the April WEO. Two forces are pulling in opposite directions: the war in the Middle East is a drag on supply, while AI-driven technology investment is adding to demand.

Table 1: World Economic Outlook: Real GDP Growth and Inflation Projections (Percent Change)

Economy / Aggregate	2024	2025	2026 (Proj.)	2027 (Proj.)	Diff. from Apr 2026 WEO (2026)	Diff. from Apr 2026 WEO (2027)
World Output	3.5	3.5	3.0	3.4	-0.1	0.2
Advanced Economies	1.9	1.9	1.7	1.8	-0.1	0.1
United States	2.8	2.1	2.3	2.2	0.0	0.1
Euro Area	1.0	1.4	0.9	1.2	-0.2	0.0
Japan	-0.2	1.1	0.6	0.7	-0.1	0.1
United Kingdom	1.0	1.4	1.0	1.3	0.2	0.0
Emerging Market & Developing Economies	4.5	4.5	3.8	4.5	-0.1	0.3
China	5.0	5.0	4.6	4.1	0.2	0.1
India*	7.1	7.7	6.4	6.7	-0.1	0.2
World Trade Volume	3.7	5.0	3.5	4.3	0.7	0.5
World Consumer Prices (Inflation)	5.8	4.1	4.7	3.9	0.3	0.2

*(**Source:** IMF World Economic Outlook Update, July 2026)*

*India data are presented by the IMF on a fiscal-year basis (FY2025-26 shown under 2026, FY2026-27 shown under 2027). On a calendar-year basis, the IMF projects India's growth at 7.0% for 2026 and 6.4% for 2027.

Energy exporters outside the conflict zone are gaining from better terms of trade, and economies plugged into the technology value chain (Korea, Taiwan Province of China, Malaysia, Thailand) are outperforming even where they still import energy. Countries with neither advantage, mostly low-income energy importers with little tech-sector exposure, are seeing growth weaken.

Global headline inflation is projected to rise from 4.1% in 2025 to **4.7% in 2026**, then ease to 3.9% in 2027. That's an upward revision from April, and it means the disinflation run that started in early 2024 has stalled. The pressure is coming mainly from commodities: crude oil averaging $89/barrel in 2026 (32% higher than last year), natural gas up 22%, fertiliser up 26%, and food up 8% on higher energy and transport costs.

Advanced economies are projected to grow 1.7% in 2026 and 1.8% in 2027. The US (2.3%/2.2%) is holding up on fiscal support and continued technology investment; the Euro Area (0.9%/1.2%) is weaker, dragged down by soft momentum, higher energy prices and weak consumer confidence. Among **emerging market and developing economies** (3.8% in 2026, 4.5% in 2027), China slows to 4.6% on higher oil prices and structural headwinds, while **India stays among the fastest-growing major economies**, on the back of consumption and services activity.

Risks are more balanced than in April, but still skew to the downside: a reescalation in the Middle East, faster trade fragmentation, or a pullback in technology valuations could each set growth back further. On the upside, energy markets could normalise faster than expected, or technology investment could keep surprising higher. The IMF wants central banks focused on price stability without political interference, fiscal buffers rebuilt through targeted rather than broad-based support, and structural reforms on energy security and AI readiness.

2. UNCTAD Global Trade Update — India in Focus

The Global Backdrop

Global goods trade reached around US$13.7 trillion in the first half of 2026, increasing 12.5% compared with the same period in 2025. Services trade also grew by 10.5%, though at a slower pace. UNCTAD expects trade to remain strong in Q2-2026, with goods trade rising by 6.4% and services trade by 2.1% compared with the previous quarter.

However, part of the increase in trade value is due to higher prices, rather than higher volumes. Trade prices rose by 3.6% in Q1-2026 and are expected to increase by 5.1% in Q2, mainly because of shipping disruptions around the Strait of Hormuz and higher energy costs.

East Asia remained the strongest-performing region. Trade in AI-related and electric-vehicle products, including semiconductors, batteries and critical minerals, continued to support global trade growth.

India's Q1-2026 Trade Performance

India's trade performance was weaker than that of many other major economies in Q1-2026. Goods exports declined by 8% quarter-on-quarter, the sharpest fall among the major economies covered in the report. However, the export trend over the past four quarters remained slightly positive at 1%.

Goods imports fell by 1% quarter-on-quarter, while the four-quarter trend showed a stronger 7% growth. In services trade, imports declined by 5%, while services exports increased by 1% during the quarter. Over the past four quarters, services exports recorded a healthy 9% growth.

Table 2: East Asian economies outperformed in goods trade in Q1-2026

Economy	Imports Growth (QoQ)	Imports Growth (T4Q)	Exports Growth (QoQ)	Exports Growth (T4Q)
Brazil	3%	4%	0%	5%
China	13%	7%	11%	8%
India	**-1%**	**7%**	**-8%**	**1%**
Japan	3%	2%	4%	5%
Republic of Korea	6%	3%	20%	13%
Russian Federation*	-2%	4%	-2%	-1%
South Africa	1%	5%	5%	9%
United States	-1%	-5%	7%	9%
European Union	2%	8%	0%	5%

Source: UNCTAD estimates based on national statistics.
Note: QoQ refers to quarter-on-quarter growth. T4Q refers to growth over the trailing four quarters. Data are seasonally adjusted and based on nominal trade values. *Estimates.

Table 3: Services trade growth was uneven across major economies in Q1-2026

Economy	Imports Growth (QoQ)	Imports Growth (T4Q)	Exports Growth (QoQ)	Exports Growth (T4Q)
Brazil	3%	4%	0%	5%
China	13%	7%	11%	8%
India	**-1%**	**7%**	**-8%**	**1%**
Japan	3%	2%	4%	5%
Republic of Korea	6%	3%	20%	13%
Russian Federation*	-2%	4%	-2%	-1%
South Africa	1%	5%	5%	9%
United States	-1%	-5%	7%	9%
European Union	2%	8%	0%	5%

Source: UNCTAD estimates based on national statistics.
Note: QoQ = quarter-on-quarter growth; T4Q = trailing four-quarter growth. Data are seasonally adjusted and based on nominal trade values. *Estimates. [1] Data are for Q4-2025.

India's Trade Position and Outlook

India's trade relationship with China remains significant, with the goods trade deficit at around US$122 billion over the last four quarters. The deficit increased by US$5 billion in Q1-2026. India's trade deficit with Russia, largely linked to energy imports, stood at US$57 billion, but narrowed by US$2 billion during the quarter.

Changing Trade Patterns

India's trade dependence on China increased by 1 percentage point over the past year, reflecting the evolving structure of global supply chains. At the same time, the changing trade landscape is creating opportunities for India to expand and diversify its trade partnerships and strengthen its position in emerging supply chains.

Opportunities in Key Sectors

Global trade recorded strong growth in several sectors that are important for India's industrial and export ambitions. Semiconductor trade grew by 25% quarter-on-quarter, while critical minerals increased by 38%, batteries by 15%, ICT goods by 14% and electric vehicles by 11%. These trends provide a supportive global environment for India's electronics, digital technology, EV and clean-energy sectors.

Outlook

- Global trade is expected to remain on a positive growth path in H2-2026, with AI, semiconductors, EVs and related technologies likely to remain key growth areas.
- India is well placed to benefit from the ongoing diversification of global supply chains, particularly in electronics, technology, critical minerals and clean-energy products.
- Continued global supply-chain adjustments can support India's efforts to diversify sourcing, strengthen manufacturing and expand export markets.
- The Q1-2026 movement in India's goods exports should be viewed in the context of quarterly fluctuations, while the four-quarter export trend remained positive. India's strong 9% four-quarter growth in services exports also highlights the continued resilience of its services trade.

3. IMF External Sector Assessment: India's Economy

Overall External Position

India's external position in FY2025/26 was assessed as moderately stronger than the level implied by medium-term fundamentals and desirable policies. Buoyant services exports and inward remittances contained the current account (CA) deficit at an estimated 0.9% of GDP, despite higher precious metal prices. The CA deficit is projected to rise to 2% of GDP in FY2026/27, reflecting higher commodity prices, before narrowing as commodity prices normalise.

Foreign Asset and Liability Position

India's Net International Investment Position (NIIP) improved to -6.7% of GDP at end-2025, from -9.8% in 2024. Gross foreign assets increased to 30.9% of GDP, while gross foreign liabilities declined to 37.6% of GDP. India's foreign assets were largely official reserves and outward FDI, while liabilities mainly comprised debt liabilities and inward FDI. External debt liabilities remain relatively low compared with peers, with limited short-term rollover risks.

Current Account

The CA deficit increased to an estimated 0.9% of GDP in FY2025/26, from 0.6% in the previous year, mainly driven by precious metal imports. Merchandise exports remained broadly stable at around 11% of GDP, supported by export diversification and frontloading of exports to the United States. Gross domestic savings were estimated at 32.9% of GDP, while gross domestic investment stood at 33.9% of GDP. The EBA assessment estimated a CA gap of 1.6% of GDP, within a range of 1.0–2.2%.

Real Exchange Rate

The Indian rupee faced depreciation pressures amid US tariffs, commodity price pressures and portfolio equity outflows. The INR depreciated by more than 5% during January–March 2026. As of March 2026, the REER was 6.7% below its 2025 annual average, helping absorb balance of payments pressures. IMF staff assessed the REER gap in the range of -11.7% to -5.1%, with a midpoint of -8.4%.

Capital and Financial Accounts

Net FDI inflow remained muted at an estimated 0.3% of GDP in FY2025/26, as stronger gross inward FDI was offset by disinvestment and outward FDI. Net portfolio investment recorded an estimated outflow of 0.2% of GDP. Regulatory changes to relax the FDI regime and lower US tariffs are expected to support a rebound in FDI over the medium term.

Foreign Exchange Reserves

Official international reserves increased from US$668.3 billion at end-FY2024/25 to US$691.1 billion at end-FY2025/26, supported by valuation gains in gold. Reserves represented about 224% of short-term debt, 108% of the IMF's ARA EM metric, and close to eight months of import coverage. The IMF assessed India's official international reserves as adequate for precautionary purposes.

Key Policy Priorities

The IMF recommends further reducing import restrictions, particularly on intermediate goods, improving the business environment, boosting private investment and liberalising the FDI regime. It also emphasises transparent and predictable trade policies, stronger trade infrastructure and continued expansion of trade networks. Exchange rate flexibility should remain the main shock absorber, with FX intervention limited to periods of destabilising risk premiums.

Part 2: India's Current Economic Scenario

The global economy continues to operate in an uncertain environment, with the ongoing West Asia conflict, fresh US tariff measures, volatile crude oil prices and disruptions in global supply chains creating risks for growth and inflation. Against this backdrop, the RBI has adopted a cautious but flexible approach, keeping the policy repo rate unchanged at 5.25% and retaining a neutral policy stance. This allows monetary policy to respond to changing economic conditions while maintaining focus on price and financial stability.

India's domestic economy, however, continues to show resilience. Economic activity in the first quarter of FY2026-27 was supported by strong domestic demand, manufacturing, services and exports. Manufacturing companies recorded 21.9% growth in net sales and 15.7% growth in operating profits, while the Manufacturing PMI remained in expansion territory at 54.6 and the Services PMI improved to 58.7. Consumer demand also remained healthy, reflected in vehicle sales, GST collections, e-way bills and infrastructure activity.

Exports have also provided an important source of support to economic activity. Merchandise exports grew by 15.9%, while services exports increased by 9.6% during Q1 FY2026-27. Going forward, continued public infrastructure spending, robust credit growth, healthy services activity and diversification of India's export markets are expected to support growth. However, risks from deficient monsoon conditions, El Niño, geopolitical tensions and volatile energy prices remain. The RBI has projected real GDP growth at 6.7% for FY2026-27.

Inflation has shown some upward movement in recent months, with headline CPI inflation rising to 4.4% in June 2026, mainly due to higher food and fuel prices. At the same time, average inflation during Q1 remained at 3.9%, while core inflation excluding precious metals stayed around 2.3–2.5%, suggesting that underlying price pressures remain relatively contained. The RBI expects inflation to remain manageable, supported by adequate foodgrain stocks and supply-side measures, although weather conditions and crude oil prices remain key risks.

Liquidity conditions in the financial system remain comfortable, with average daily surplus liquidity of around ₹1 lakh crore since the previous policy meeting. Credit growth continues to remain healthy across sectors, supporting both consumption and investment. Government bond yields and money market rates also moderated in July, while the RBI continues to ensure adequate liquidity for the smooth functioning of financial markets.

The financial sector remains a key strength of the Indian economy. Scheduled Commercial Banks continue to maintain healthy capital adequacy, improved asset quality, adequate liquidity and stable profitability. While net interest margins have moderated somewhat from last year, the overall banking system remains well positioned to support economic activity. NBFCs have also maintained strong capital positions, with improving asset quality and profitability.

India's external sector remains resilient despite the challenging global environment. The current account deficit was contained at 0.6% of GDP in FY2025-26, while April–May 2026 recorded a current account surplus of USD 2.8 billion, supported by strong services exports and remittances. At the same time, the merchandise trade deficit widened to USD 86.6 billion in Q1 FY2026-27, largely due to higher imports of crude oil, electronic goods and gold.

Capital inflows and foreign exchange reserves continue to provide an important external cushion. Gross FDI inflows reached USD 30.7 billion during April–June 2026, while foreign exchange reserves stood at USD 692.9 billion as of July 31, 2026. FPI flows have also shown a turnaround, with net inflows of USD 7.1 billion during June–July 2026, mainly through the debt segment.

Overall, the August 2026 monetary policy reflects the RBI's effort to balance economic growth, inflation management and financial stability. While global risks and supply-side pressures remain, strong domestic demand, resilient financial institutions, healthy capital inflows and comfortable foreign exchange reserves provide India with a strong buffer. Continued policy flexibility and structural reforms will be important in sustaining growth while keeping macroeconomic stability firmly in place.

1. Important Statistics at a Glance

Table 4: Current Economic Indicators

Category	Indicator	Latest (Value / YoY Change)
Demand & Consumption	GST Collections	~Rs. 2.11 lakh crore (July 2026)
	UPI Transactions	23.6 billion transactions worth Rs. 29.8 lakh crore (July 2026)
	Vehicle Sales (Domestic)	~25.91 lakh units (July 2026)

Industrial Activity	Core Sector Growth	5.0% (June 2026)
	IIP Growth	7.3% (June 2026)
	Power Consumption	170.7 billion units / 11% growth (July 2026)
Inflation	CPI Inflation	4.38% (June 2026)
	WPI Inflation	9.87% (June 2026)
External Sector	Total Exports	USD 73.45 billion (June 2026)
	Total Imports	USD 88.76 billion (June 2026)
	Trade Deficit	USD -15.32 billion (June 2026)
	Forex Reserves	USD 692.87 billion (as on 31st July 2026)
Financial & Fiscal	Bank Credit Growth	18.6% (Total bank credit growth) (June 2026)
	ECB	USD 4.74 billion (May 2026) USD 6.08 billion (June 2026)
Energy & Commodities	Crude Oil	85.55 ($/bbl.) (Aug 2026)
	Natural Gas	USD 3.34-2.59 (July 2026) USD 2.81 (3rd Aug 2026)
	Domestic Gas Price	USD 7.00/MMBTU (for Aug 26)

(**Source:** Compiled from Various Sources)

2. Index of Industrial Production (IIP) for June 2026 Stood at 7.3%

The Index of Industrial Production (IIP) growth rate for June 2026 stood at 7.3%, compared to 5.1% in May 2026, indicating a strengthening in industrial activity. Among the four major sectors, Mining & Quarrying recorded growth of 1.0% while Manufacturing grew by 7.8%, Electricity & Gas Supply increased by 10.6% and Water Supply, Sewerage & Waste Management expanded by 6.1%. Within the Manufacturing sector, 19 out of 23 industry groups at the NIC 2-digit level recorded positive growth. The highest contributors were Manufacture of electrical equipment (34.0%), Manufacture of motor vehicles, trailers and semi-trailers (17.5%) and Manufacture of food products (10.8%). In electrical equipment, growth was supported by electrical apparatus for switching or protecting electrical circuits, UPS and solid-state drives, and end-face connectors for optical fibres and cables. In motor vehicles, auto components, spares and accessories, passenger cars and commercial vehicles were the key contributors, while tea, rice (other than basmati), and starch contributed significantly to growth in food products. Based on the Use-Based Classification, Capital Goods recorded the highest growth at 14.2%, followed by Intermediate Goods (9.3%), Infrastructure/Construction Goods (7.5%), Consumer Durables (7.7%), Primary Goods (4.9%) and Consumer Non-Durables (4.9%). Overall, Intermediate Goods, Primary Goods and Capital Goods were the leading contributors to industrial growth during the month.

Table 5: Growth Rate of Index of Industrial Production for June 2026

Component	Weight in IIP	2023-24	2024-25	2025-26	June 26*
Mining & Quarrying	11.05	2.2	2.8	3.7	1.0
Manufacturing	76.06	7.1	6.0	4.8	7.8
Electricity & Gas Supply	10.86	7.4	5.2	0.8	10.6
Water Supply, Sewerage & Waste Management	2.02	17.8	11.9	6.4	6.1
General	100	6.8	5.7	4.3	7.3

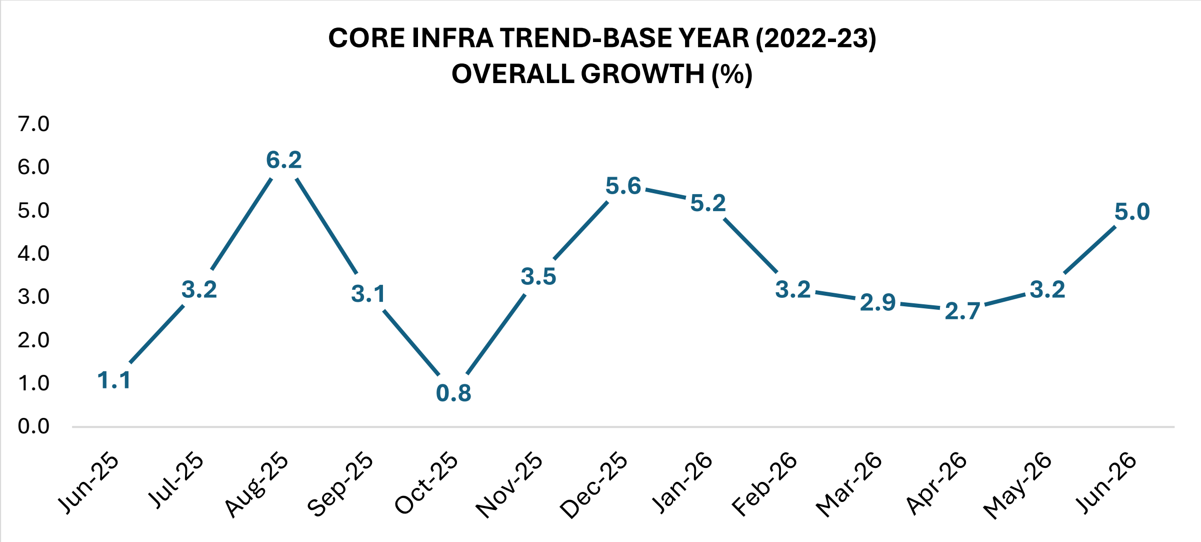
(**Source:** MoSPI, Government of India)

3. The Index of Core Industries (ICI) grew by 5% in June 2026

The Office of Economic Adviser (OEA), Department for Promotion of Industry and Internal Trade (DPIIT), has released the revised series of the Index of Core Industries (ICI) with Base Year 2022-23 replacing the earlier series with Base Year 2011-12. The revised series includes Iron Ore as a new core industry, taking the number of core industries from eight to nine, owing to its intensive use in the production process and significant contribution to industrial development. Under the revised series, the Index of Nine Core Industries increased by 5% in June 2026 compared to June 2025. Among the nine core industries, Iron Ore recorded the highest growth at 43.9%, followed by Cement and Electricity at 9.8% each, while Steel grew by 4.6% and Coal by 1.4%. On the other hand, Natural Gas declined by 7.4%, Refinery Products by 4.7%, Crude Oil by 4.2% and Fertilizers by 3.3%. During April–June 2026-27, the cumulative growth of the Index stood at 3.6%, compared to the corresponding period of the previous year.

Table 6: Major changes in the revised series

Earlier Series (2011–12)	Revised Series (2022–23)
Eight core industries	Nine core industries
Iron Ore excluded	Iron Ore included
Steel based on net production	Steel based on gross production
Included Raw Coal, Washed Coal and Coal Middlings	Only Raw Coal retained to avoid double counting
Old sector weights	Updated weights based on revised IIP
Base Year: 2011–12	Base Year: 2022–23



(**Source:** Ministry of Commerce and Industry, GoI)

The revised series now assigns the highest weight to Electricity (30.93%), followed by Refinery Products (22.57%) and Steel (17.58%). These three sectors together account for over 70 per cent of the overall index, making them the key drivers of monthly movements in ICI.

The revised methodology also introduces a linking factor of 1.47, enabling comparison between the old and new series while maintaining continuity in long-term analysis.

4. Consumer Price Index (CPI) for June 2026 Stood at 4.38%

Consumer Price Index (CPI) inflation stood at 4.38% (provisional) in June 2026 as compared to June 2025. The corresponding inflation rates for rural and urban areas were 4.74% and 3.92%, respectively.

The Consumer Food Price Index (CFPI) inflation stood at 5.32% (provisional) in June 2026 over June 2025, with rural inflation at 5.45% and urban inflation at 5.09%. The year-on-year Housing inflation rate stood at 2.10% (provisional) in June 2026, with rural and urban inflation rates at 2.66% and 1.90%, respectively.

The five key items with the lowest inflation at the All India combined level in June 2026 were Potato, Peas, Motor Car and Jeep, Cumin, and Motorcycle and Scooter. The five key items with the highest inflation were Silver Jewellery, Ginger, Gold/Diamond/Platinum Jewellery, Tomato, and Raisin and Monacca.

Table 7: CPI (General) and CFPI Rates in % (YoY)

		June 2026 (Provisional)			May 2026 (Final)		
		Rural	Urban	Combined	Rural	Urban	Combined
Inflation (%)	CPI (General)	4.74	3.92	4.38	4.25	3.53	3.93
	CFPI	5.45	5.09	5.32	4.85	4.66	4.78

(**Source:** MoSPI, GoI)

Table 8 : Division-wise inflation in the Combined sector for June 2026

Sectors	Inflation (%)
Food & Beverages	5.05%
Paan, Tobacco and Intoxicants	4.83%
Clothing and Footwear	3.23%
Housing, Water, Electricity, Gas and Other Fuels	1.99%
Furnishings, Household Equipment and Routine Household Maintenance	2.19%
Health	1.42%
Transport	4.31%
Information and Communication	0.43%
Recreation, Sport and Culture	1.75%
Education Services	3.34%
Restaurants and Accommodation Services	6.91%
Personal Care, Social Protection and Miscellaneous Goods and Services	16.72%

(**Source:** MoSPI, GoI)

5. Wholesale Price Index (WPI) for June 2026 at 9.87%

All India Wholesale Price Index (WPI) inflation for June 2026 stood at 9.87% on year-on-year (YoY) basis, compared to 9.68% in May 2026. The index for All Commodities for June 2026 stood at 110.2, whereas it was 109.9 in May 2026.

Across groups, Mineral Oils (containing Petroleum Products), Food Articles, Manufacture of Basic Metals, and Manufacture of Chemicals and Chemical Products, have been major drivers of WPI inflation in June 2026.

Inflation rates (YoY) for major groups, namely, Primary Articles, Fuel and Power, and Manufactured Products are 7.0 per cent, 27.41 per cent, and 7.48 per cent, respectively in June 2026, compared to 4.99 per cent, 30.33 per cent, and 7.48 per cent, respectively in May 2026.

The indices for Primary Articles, Fuel and Power, and Manufactured Products are 116.1, 111.1, and 107.8, respectively, in June 2026, whereas they were 113.7, 113, and 107.8, respectively, in May 2026.

The Food Index consists of 'Food Articles' from Primary Articles major group, and 'Manufacture of Food Products' from Manufactured Products major group. It observed a YoY inflation of 6.14 per cent in June 2026, compared to 4.49 per cent in May 2026.

Table 9: WPI Inflation (YoY in %)

Particulars	Apr-26 (Final)	May-26 (Provisional)	June-26 (Provisional)
All Commodities	8.36	9.68	9.87
Primary Articles	3.96	4.99	7.0
Fuel & Power	25	30.33	27.41
Manufactured Products	6.68	7.48	7.48
Food Index	3.29	4.49	6.14

(**Source:** Office of Economic Adviser, MoCI, GoI)

6. Bank Credit Growth Accelerates to 18.6% in June

Bank credit maintained its strong growth in June 2026 with total bank credit increasing by 18.6% year-on-year (YoY) to ₹219.3 lakh crore compared with 9.5% growth in the corresponding period last year. The continued increase in lending reflects healthy demand for financing in all major sectors. It supports investment, production and overall economic activity.

Among the major sectors, services continued to lead credit expansion with 21.4% YoY growth. Industry registered a robust 19.2% growth, with broad-based expansion across micro & small, medium and large industries, while credit to infrastructure, engineering, food processing, textiles and construction remained buoyant.

Agriculture and allied activities recorded healthy growth of 16.8% while personal loans increased 15.8% led by continued growth in housing and vehicle loans. The broad-based expansion in bank credit underscores sustained financing support across productive sectors of the economy.

7. Monthly Review of Accounts of GoI up to June 2026

1. Total Receipts

Total receipts during April–June 2026 stood at **₹10.49 lakh crore**, representing **28.7%** of the Budget Estimate of ₹36.52 lakh crore for 2026–27. This comprised revenue receipts of ₹10.14 lakh crore and non-debt capital receipts of ₹35,003 crore.

2. Total Expenditure

Total expenditure during April–June 2026 stood at **₹13.57 lakh crore**, accounting for **25.4%** of the Budget Estimate of ₹53.47 lakh crore for 2026–27. This included revenue expenditure of ₹10.17 lakh crore and capital expenditure of ₹3.40 lakh crore.

3. Fiscal Deficit

The Centre recorded a monthly fiscal deficit of ₹1,45,479 crore in June 2026 taking the cumulative fiscal deficit for April–June FY2026–27 to ₹3,07,833 crore.

This follows a fiscal deficit of ₹3,62,303 crore in April and a monthly fiscal surplus of ₹1,99,949 crore in May bringing the cumulative fiscal deficit down to ₹1,62,354 crore at the end of May.

The increase in June is in line with the Government's expenditure requirements, including continued capital spending and other developmental outlays. At the same time, steady revenue collections have helped keep the fiscal deficit under control.

Maintaining a balanced fiscal position while supporting growth-oriented expenditure will remain important for achieving the Government's fiscal consolidation targets during FY2026–27.

4. Revenue Deficit

The revenue deficit stood at ₹2,578 crore during April–June 2026, accounting for just 0.4% of the Budget Estimate of ₹5.92 lakh crore for 2026–27.

5. Primary Deficit

The primary balance recorded a deficit of ₹38,581 crore during April–June 2026, compared with a Budget Estimate of ₹2.92 lakh crore for the full year.

8. GST Collections Rise 15.4% YoY to ₹2.11 Lakh Crore in July 2026

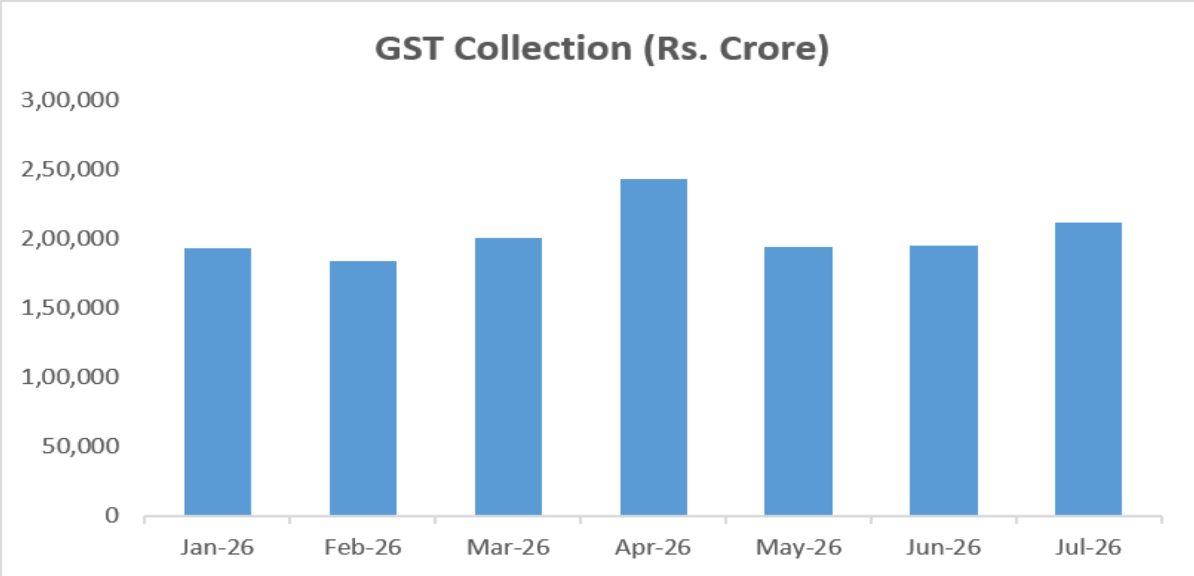
India's gross Goods and Services Tax (GST) collections reached ₹2.11 lakh crore in July 2026 registering a 15.4% year on year (YoY) increase as compared with ₹1.83 lakh crore in July 2025.

The growth was supported by 10% rise in domestic GST collections of ₹1.45 lakh crore and 28.8% increase in GST revenue from imports of ₹66,511 crore.

After accounting for refunds, net GST collections stood at ₹1.81 lakh crore, up 15.8% YoY. During the month, total GST refunds increased 13.1% to ₹29,968 crore including export refunds through ICEGATE, which rose 22.7% to ₹12,288 crore. Net domestic GST revenue increased 10.5% to ₹1.27 lakh crore while net GST revenue from imports recorded a strong 30.3% growth to ₹54,223 crore.

During April–July FY2026–27, gross GST collections reached ₹8.43 lakh crore recording 10.1% YoY growth while net GST collections increased 9.2% to ₹7.21 lakh crore.

Among major states, Haryana recorded the highest growth in GST collections at 25%, followed by Gujarat and Telangana (19% each), Punjab and Kerala (16% each), Uttar Pradesh (15%), Maharashtra (13%), Karnataka (12%), and Delhi (8%).



(**Source:** Ministry of Finance, GoI)

9. India's Total Trade for June 2026 Stood at USD 162.2 Billion

India's merchandise exports in June 2026 reached USD 40.41 billion, up from USD 34.98 billion in June 2025. Merchandise imports during June 2026 stood at USD 70.84 billion, compared to USD 54.08 billion in the same month last year.

During April-June 2026-27, merchandise exports totaled USD 129.32 billion, compared to USD 111.57 billion during April-June 2025-26. Merchandise imports during April-June 2026-27 were USD 216.18 billion, up from USD 180.31 billion in the corresponding period of 2025-26.

Table 10: India's Trade: June 2026

Trade	Particular	June 2026 (US$ Billion)	June 2025 (US$ Billion)
Merchandise	Exports	40.41	34.98
	Imports	70.84	54.08
Services*	Exports	33.03	32.11
	Imports	17.92	15.90
Total Trade (Merchandise +Services) *	Exports	73.45	67.09
	Imports	88.76	69.98
	Trade Balance	-15.32	-2.89

Source: Ministry of Commerce and Industry

The main contributors to merchandise export growth in June 2026 were Engineering Goods, Petroleum Products, Electronic Goods, Drugs & Pharmaceuticals, Organic & Inorganic Chemicals, Gems & Jewellery, Readymade Garments of all Textiles, etc.

India's total exports (merchandise and services combined) in June 2026 are estimated at USD 73.45 billion, recording a growth of 9.48% compared to June 2025. Total imports (merchandise and services combined) in June 2026 are estimated at USD 88.76 billion, reflecting a growth of 26.85% over June 2025.

In June 2026, exports of Other Cereals (244.29%), Handicrafts Excl. Hand Made Carpet (59.69%), Meat, Dairy & Poultry Products (54.63%), Iron Ore (49.97%), Gems & Jewellery (34.64%), recorded the highest growth rates compared to June 2025.

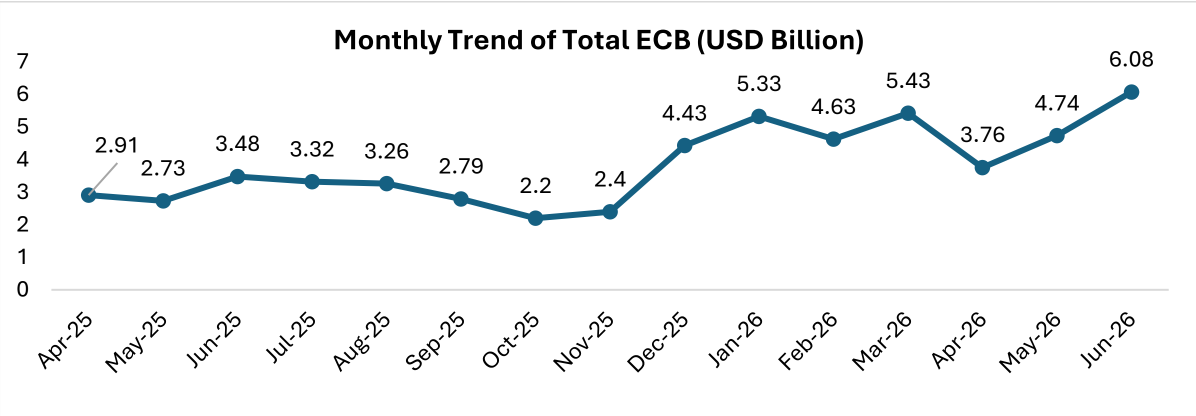
Imports of Project Goods (-85.44%), Silver (-73.62%), Pearls, Precious & Semi-Precious Stones (-16.83%), Chemical Material & Products (-12.13%), and Vegetable Oil (-2.58%) recorded negative growth during June 2026 over June 2025.

The USA remained India's largest export destination, although its share declined from 22.8% to 19.7%. The UAE and the Netherlands also recorded lower shares. Meanwhile, Singapore's share increased from 2.9% to 5.0%, while China's share rose marginally from 3.9% to 4.3%.

China remained India's largest import source, with its share increasing from 16.5% to 17.6%. Russia and the USA also recorded gains. In contrast, the UAE's share declined from 9.3% to 7.0%, while Saudi Arabia's share decreased slightly from 3.9% to 3.5%.

10. External Commercial Borrowings stood at USD 6.08 billion in June 2026

Indian companies proposed to raise USD 6.08 billion through ECBs and FCCBs in June 2026, up from USD 4.74 billion in May 2026. Around USD 5.94 billion of proposals were under the automatic route, while USD 133 million were approved through the approval route. The funds are proposed to be used for general corporate purposes, on-lending, new projects and refinancing of existing borrowings. Major companies and NBFCs also sought foreign funding during the month.



(**Source:** Reserve Bank of India)

11. Overview of the Indian Rupee for July 2026

The Indian rupee witnessed continued volatility in July 2026, with the currency weakening across major international currencies. The rupee averaged ₹95.82 per US dollar, with the exchange rate ranging between ₹94.73 and ₹96.54 during the month. Against the Pound Sterling and Euro, the average rates stood at ₹128.21 and ₹109.47, respectively, while the Japanese Yen averaged ₹58.97. The wider trading ranges against the Pound Sterling (₹125.42–₹130.36) and Euro (₹108.02–₹110.44) indicate relatively higher volatility compared with the Yen, which moved between ₹58.22 and ₹59.46. Overall, the July movement reflected persistent pressure and volatility in the rupee against major global currencies.

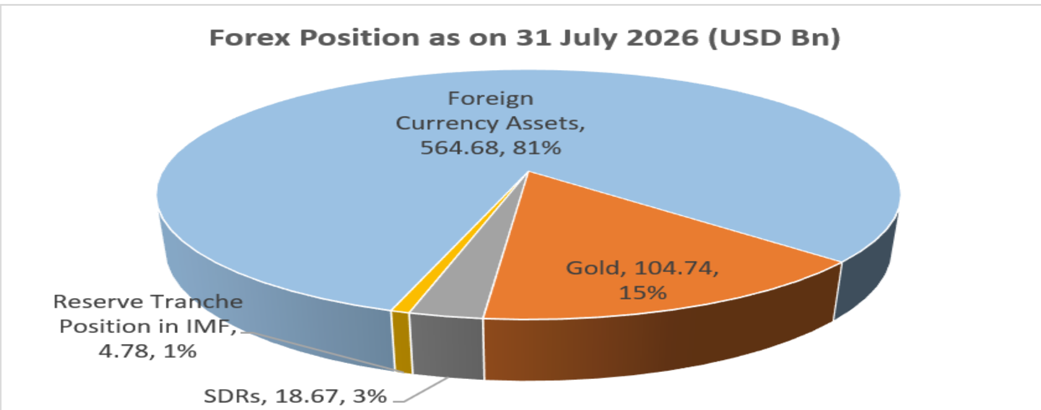
Table 11: Trend of Rupee for July 2026

Currency	High	Low	Average
US Dollar	94.73	96.54	95.82
Pound Sterling	125.42	130.36	128.21
Euro	108.02	110.44	109.47
Japanese Yen	58.22	59.46	58.97

(**Source:** Reserve Bank of India)

12. Forex Reserves as on 31st July 2026 Stood at USD 692.87 Billion

India's Forex reserves as on 31 July 2026 stood at USD 692.87 billion registering an increase of USD 10.51 billion compared to last week. Foreign currency assets which constitute a major part of forex reserves stood at USD 564.68 billion up by USD 8.75 billion. Gold, the second largest component, recorded a value of USD 104.74 billion. SDRs and reserve position at IMF also registered a slight increase in the week ending 31 July as against last week. Reserves have climbed for five straight weeks as the RBI's measures helped bring in USD40.8 billion through a mix of foreign currency deposits from its diaspora and overseas borrowings since early June.



(**Source:** Reserve Bank of India)

13. Markets Overview for July 2026

Global equity markets delivered a mixed performance in July 2026, with Indian and German markets recording notable gains. India's Sensex rose 2.11% to close at 78,094, while the Nifty 50 increased 2.17% to 24,383, reflecting positive momentum in domestic equities. In the US, the DJIA edged up 0.31% to 52,485, while the S&P 500 declined marginally by 0.1% to 7,489. The Nasdaq recorded a sharper decline of 3.2%, closing at 25,373. Japan's Nikkei 225 registered the largest fall among the markets covered, declining 8.1% to 64,362. In contrast, Germany's DAX gained 2.5%, ending at 25,629. Overall, Indian equities remained among the better-performing major markets, while Japan and US technology stocks witnessed comparatively weaker performance during the month.

Table 12: Overview of Markets (July 2026)

Market	Index	Open	High	Low	Close	% Change
India	**Sensex**	76,545	78,664	75,474	78,094	2.11 (↑)
India	**Nifty 50**	23,897	24,530	23,606	24,383	2.17 (↑)
USA	**DJIA**	52,231	53,289	51,542	52,485	0.31 (↑)
USA	**S&P 500**	7,483	7,575	7,316	7,489	-0.1 (↓)
USA	**Nasdaq**	26,040	26,281	24,442	25,373	-3.2 (↓)
Japan	**Nikkei 225**	70,474	70,474	61,434	64,362	8.1 (↓)
Germany	**DAX P**	25,040	25,900	24,651	25,629	2.5 (↑)

(**Source:** Compiled from Various Sources)

14. Recent Economic Developments

1) India-Seychelles Agricultural Cooperation To Boost Sustainable Growth

01 July 2026: India and Seychelles have signed an MoU to strengthen agricultural research, education, capacity building and technology transfer, alongside a five-year Work Plan for 2026–2031. The partnership will focus on climate-smart agriculture, horticulture, livestock development, post-harvest management and sustainable food and nutritional security.

The cooperation is expected to facilitate joint research programmes and the exchange of scientists, researchers and students, while promoting the adoption of advanced agricultural technologies and best practices. Economically, the initiative aims to support higher agricultural productivity, improved post-harvest management, technology adoption and capacity building, while strengthening sustainable food systems. The agreement also expands India's international agricultural partnerships and creates opportunities for greater knowledge sharing, innovation and technology-led agricultural development with Seychelles and the wider Global South.

2) India Advances Aviation Technology With PinS Navigation

01 July 2026: India has approved its first Private Point-in-Space (PinS) Instrument Approach Procedure for helicopter operations at Undavalli Heliport, marking a step towards modernising the country's aviation infrastructure. The satellite-based navigation system enables helicopters to undertake precise instrument approaches in adverse weather and remote areas where conventional navigation infrastructure is unavailable.

The technology is expected to support the expansion of helicopter operations across emergency medical services, disaster relief, tourism, pilgrimage, offshore activities and regional connectivity. Wider adoption of PinS procedures could improve operational reliability, reduce weather-related disruptions and enhance access to remote locations. The initiative also supports the adoption of Performance-Based Navigation and indigenous satellite-based technologies, strengthening India's aviation technology ecosystem and creating potential for greater connectivity and economic activity in underserved regions.

3) India–Japan Economic Partnership outcomes

02 July 2026: India and Japan agreed to deepen economic cooperation by strengthening resilient supply chains and project-based collaboration in semiconductors, critical minerals, AI, clean energy and pharmaceuticals. The partnership on batteries aims to expand business opportunities and build a trusted, sustainable battery supply chain, while cooperation in pharmaceuticals will strengthen APIs and key starting materials, supported by bilateral investment, technical collaboration and industry-academia linkages. The Next Generation Mobility Partnership will accelerate private-sector investment across rail, automotive, road infrastructure, aviation, shipbuilding, ports, logistics and urban development, with India positioned as a hub for "Make in India for the World" exports. Cooperation in AI will support joint projects and technology development. The two countries will also promote FinTech, RegTech, deep-tech and life-sciences innovation. A joint CBG initiative targets 1,000 biogas and organic fertiliser plants across India, supporting clean energy and sustainable growth.

4) India Strengthens Global Consumer Protection Leadership

05 July 2026: India chaired the 9th Session of UNCTAD's Intergovernmental Group of Experts on Consumer Protection Law and Policy in Geneva from 6–8 July 2026, reinforcing its role in global consumer protection policy. The session covered consumer product safety, sustainable consumption, consumer education, cross-border consumer protection and enforcement. India also participated in the launch of the United Nations Principles for Consumer Product Safety. Domestically, the National Consumer Helpline facilitated refunds exceeding ₹91.77 crore across 36 sectors by resolving more than 1.47

lakh refund-related grievances over the preceding 14 months. The e-Jagriti digital platform has further strengthened consumer dispute resolution through online complaint filing, virtual hearings and electronic case management, including access for NRIs and consumers abroad.

5) India–Indonesia Economic Partnership: Expanding Trade, Investment and Supply Chains

07 July 2026: India and Indonesia identified economic and trade cooperation as a key pillar of their bilateral partnership, with a focus on deeper economic integration and improved market access. Both sides stressed the importance of concluding the ASEAN–India Trade in Goods Agreement (AITIGA) review and addressing tariff and non-tariff barriers. Cooperation in critical minerals and rare earths was prioritised to build resilient supply chains, while a proposed SAIL–Krakatau Steel joint venture will explore stainless-steel slab manufacturing in Indonesia. Progress on Local Currency Transactions is expected to facilitate trade and investment. The partnership also covers energy security, LNG, green hydrogen, renewable energy, digital economy, MSMEs and cross-border QR payments. India's potential partnership in Sabang Port development could support investment, employment and regional connectivity.

6) Visit of Prime Minister Shri Narendra Modi to Australia

09 July 2026: The India–Australia visit resulted in several outcomes with significant economic implications, including cooperation on energy security, civil nuclear energy, critical technologies and resilient supply chains. Finalisation of the administrative arrangement for the Civil Nuclear Agreement enables uranium supplies from Australia to India. A Centre of Excellence in Mining Equipment, Technology and Services (METS) will strengthen skills and capabilities in mining. The operationalisation of a Rooftop Solar Training Academy will train 2,000 women and youth as solar technicians. Agreements on critical technologies, geological sciences and innovation will support technological upgradation, research and capacity building. Australia also approved campuses of Flinders University in Bengaluru and Victoria University in Gurugram.

7) Prime Minister's Official Visit to New Zealand

11 July 2026: Prime Minister Narendra Modi's visit to New Zealand elevated bilateral ties to a Strategic Partnership and resulted in the signing of the India–New Zealand Free Trade Agreement (FTA). The two countries aim to double bilateral trade in goods and services to NZ$7 billion (about ₹35,000 crore) by 2030. Bilateral merchandise trade stood at US$1.16 billion in FY2025-26, compared with a peak of US$1.30 billion in FY2024-25. The partnership also focuses on agriculture, agri-tech, logistics, clean energy, infrastructure, digital economy, fintech, innovation and emerging technologies.

8) India–UK CETA Boosts Trade And Market Access

18 July 2026: The India–UK Comprehensive Economic and Trade Agreement (CETA) entered into force on 15 July 2026, providing zero-duty access for nearly 99% of India's exports to the UK, covering almost 100% of trade value. Over 50 export consignments worth more than US$140 million were flagged off from 20+ locations on the first day. The agreement benefits labour-intensive sectors including textiles, leather, gems and jewellery, engineering goods, marine products, chemicals and processed foods, along with MSMEs and services. India–UK bilateral trade is currently around £48 billion annually. The agreement is expected to increase bilateral trade by over £25 billion annually in the long term. Digital self-certification of Certificates of Origin through eCoO 2.0 is also expected to reduce compliance burdens and transaction costs for exporters.

9) India's Commercial Space Economy Enters A New Era

18 July 2026: The successful launch of Vikram-1, India's first privately developed orbital launch vehicle, marks a major milestone in the expansion of the country's commercial space economy. The mission demonstrates the growing capabilities of India's private space industry and public-private partnership ecosystem, with over 400 space startups now operating in the sector. India's space economy is currently estimated at nearly USD 9 billion, with a national vision to expand it to around USD 44 billion over the next decade. The successful orbital mission strengthens India's potential in the global commercial launch market, while validating indigenous propulsion, avionics, navigation and flight-control technologies. The achievement also highlights the impact of space-sector reforms in encouraging private investment, technology development, entrepreneurship and globally competitive space enterprises, strengthening India's position in the international space economy.

10) India-Europe Economic Ties Gain Fresh Momentum

20 July 2026: During the five-day visit, India advanced discussions on the India-EU FTA, including investment protection, regulatory cooperation and agricultural market access.

With Spain, India proposed a "10×10×10" vision to increase bilateral trade, investment and tourism tenfold over the next decade, alongside cooperation in automobiles, pharmaceuticals, renewable energy and infrastructure. Finland discussions focused on AI, 6G, quantum technologies, clean energy and advanced manufacturing, with Indian manufacturing and R&D expansion encouraged. Engagements with Estonia covered digital governance, fintech, UPI integration, cybersecurity and emerging technologies. The visit also sought to attract European investment into India, strengthen supply chains and position India as a manufacturing, innovation and export hub.

11) President of India in Moldova; Holds Bilateral Meeting with President of Moldova and Leads Delegation-Level Talks

20 July 2026: President Droupadi Murmu highlighted economic cooperation as an important pillar of India–Moldova relations, with emphasis on expanding trade and investment, strengthening resilient supply chains, improving connectivity and enhancing business-to-business engagement. The two countries agreed to deepen cooperation across key sectors including agriculture, logistics and infrastructure, healthcare and pharmaceuticals, renewable energy, Digital Public Infrastructure, Artificial Intelligence and innovation. India also announced its decision to double ITEC training slots for Moldovan professionals, including specialised courses in AI and emerging technologies. The discussions are expected to support greater economic engagement and create new opportunities for collaboration across emerging and strategic sectors.

12) President of India in North Macedonia; Holds Bilateral Meeting with President of North Macedonia and Leads Delegation-Level Talks

21 July 2026: Economic cooperation was highlighted as a key pillar of the India–North Macedonia bilateral relationship. Both sides emphasised greater collaboration in IT/ITES, agriculture, food processing, pharmaceuticals, textiles, biotechnology, tourism, hospitality and film-making. The discussions focused on expanding economic engagement and identifying opportunities for stronger sectoral partnerships. India also announced a decision to double ITEC training slots for North Macedonia, including courses in Artificial Intelligence, aimed at enhancing skills and capacity building. The two countries reaffirmed their commitment to further strengthen bilateral cooperation and explore new avenues for economic and business collaboration across priority sectors.

13) President of India in Romania; Holds Bilateral Meeting with President of Romania and Leads Delegation-Level Talks

23 July 2026: India and Romania agreed to strengthen economic cooperation by promoting trade and investment, building resilient supply chains and deepening business-to-business collaboration. The two countries aim to double bilateral trade over the next three years, reflecting growing economic engagement. President Droupadi Murmu highlighted Romania's importance as an EU partner and noted that the India–EU Free Trade Agreement could create significant opportunities for Indian industries and skilled professionals. The two sides also agreed to expand cooperation in science and technology, including joint R&D. The partnership is set to gain further momentum with the proposed "India–Romania Year of Innovation" in 2028.

14) India's Private Space Economy Gains Momentum

23 July 2026: India's private space sector is witnessing strong expansion, with cumulative private investment reaching USD 618.5 million by March 2026, nearly six times the level recorded in 2021-22. Private investment of USD 187 million was reported in 2026 up to

July 14. The sector has also seen rapid entrepreneurial growth, with over 400 active space startups, compared with just one in 2014. The Government has strengthened the investment ecosystem through the ₹1,000 crore Venture Capital Fund, ₹500 crore Technology Adoption Fund, FDI reforms, seed funding, technology transfer and concessional access to ISRO facilities. An Earth Observation PPP has attracted a private investment commitment of around ₹1,200 crore. These measures are supporting innovation, commercialisation, technology development and greater private participation in India's growing space economy.

15) India's WTO Review Highlights Stronger Global Trade Integration

23 July 2026: India concluded its Eighth Trade Policy Review at the WTO, with 68 WTO Members participating and 1,094 written questions received from 44 Members. The review highlighted India's progress in tariff reforms, customs and trade facilitation, digital public infrastructure, innovation, startup development and regional trade agreements.

India reaffirmed its commitment to an open, transparent and predictable trade and investment regime, while ensuring policy space for domestic development. The Government highlighted its expanding FTA strategy, logistics modernisation, services trade, investment facilitation and efforts to integrate MSMEs into global value chains. WTO Members broadly appreciated India's economic resilience and constructive engagement in the multilateral trading system. The review also underscored India's growing role in global trade and demand, with expectations for continued contribution to a rules-based, inclusive and resilient global trading system.

16) BHAVYA Rasayan: ₹3,030 Crore Push for Chemical Industry Growth

24 July 2026: The Union Cabinet approved the BHAVYA Rasayan Scheme with a total outlay of ₹3,030 crore for establishing three dedicated Chemical Parks during FY2026-27 to FY2030-31. The Centre will provide grants of up to ₹1,000 crore per park, subject to a minimum ₹500 crore contribution from the respective State Government. The parks will provide plug-and-play infrastructure, including effluent treatment, waste management, water systems, logistics, warehousing and interconnected pipelines. The scheme aims to enhance the cost competitiveness and global integration of India's chemical industry, supporting higher exports and import substitution. It is also expected to attract domestic and foreign investment, expand production capacity, generate employment and strengthen downstream sectors including agriculture, textiles, pharmaceuticals, construction, automobiles and electronics.

17) India-Israel FTA Talks Advance Bilateral Trade Prospects

24 July 2026: India and Israel have concluded the second round of negotiations for the proposed Free Trade Agreement (FTA), with discussions covering goods, services, rules of origin, intellectual property, customs, trade facilitation and economic cooperation.

The negotiations aim to establish a balanced and comprehensive framework to expand bilateral trade and investment.

India-Israel merchandise trade stood at US$3.93 billion in FY2025–26, highlighting significant scope for further economic integration. The proposed FTA is expected to strengthen market access, facilitate trade and investment, and deepen cooperation across complementary sectors. Both countries have reiterated their commitment to maintaining negotiation momentum and working towards the early conclusion of the agreement, which could create new opportunities for businesses and support greater integration between the two economies.

18) India's Toy Industry Emerges As A Global Exporter

28 July 2026: India's toy industry has recorded strong growth in manufacturing and exports, with toy exports rising 89.1% to USD 384.7 million in FY2025–26, compared with USD 203.5 million in FY2018–19. During the same period, toy imports declined 37.5% to USD 232.3 million, enabling India to emerge as a net exporter of toys.

Government measures have supported domestic manufacturing, quality improvement and market access, including the National Action Plan for Toys, higher customs duties, Quality Control Orders, BIS certification and cluster-based support. More than 1,800 BIS licences have been issued to domestic toy manufacturers, while over 2,200 exporters have received support under RoDTEP. India also has preferential or zero-duty market access for toys in several trade-partner markets. Quality compliance has improved significantly, with 95% of toy samples meeting prescribed standards in 2025, compared with 33% in 2019.

19) India's Record Exports Gain Momentum Through FTA-Led Market Access

28 July 2026: India recorded its highest-ever exports of US$863.1 billion in FY2025–26, comprising US$441.8 billion in merchandise exports and US$421.3 billion in services exports. Free Trade Agreements (FTAs) are contributing to greater market access and export diversification, particularly across labour-intensive sectors.

Merchandise exports to key FTA partners included US$37.36 billion to the UAE, US$13.44 billion to the UK, US$11.86 billion to Singapore and US$7.28 billion to Australia. The India-UAE CEPA has expanded the number of product lines exported from 7,546 to 8,053, while the India-Australia ECTA increased tariff lines from 5,396 to 5,668. The India-Oman CEPA provides duty-free access to 99.38% of India's exports by value. These agreements are creating opportunities for textiles, leather, gems and jewellery, marine products, handicrafts and agricultural exports, supporting diversification and integration into global value chains.

20) Banking Sector Strengthens With Strong Profitability And Credit Growth

28 July 2026: Public Sector Banks (PSBs) recorded a historic improvement in financial health in FY2025–26, with Gross NPAs declining to a multi-decadal low of 1.9%, while net profit reached a record ₹1.98 lakh crore. Aggregate business expanded to ₹283.3 lakh crore, with total loans rising to ₹127 lakh crore. Credit growth remained robust, led by retail loans (19.8%) and MSME loans (19.6%), while agriculture credit grew 16.2%.

Regional Rural Banks (RRBs) also posted their highest-ever net profit of ₹10,177 crore, with deposits reaching ₹7.69 lakh crore and loans outstanding ₹5.78 lakh crore. Their CRAR improved to 15%, supporting stronger rural credit delivery and financial inclusion.

21) India Becomes Global Maritime Talent Hub

28 July 2026: India has emerged as the world's second-largest supplier of seafarers, providing 311,936 maritime professionals, or 12.16% of the global workforce, according to the BIMCO-ICS Seafarer Workforce Report 2026. India's share has more than doubled from 5.2% in 2015, when it ranked fifth globally. Indian officers account for 13.41% of the global officer workforce, highlighting the country's skilled maritime talent base. With global seafarer demand at 2.55 million against supply of 2.57 million, and a continuing shortage of qualified officers, India is well positioned to meet future manpower needs in global shipping. The Government's Mission 20% aims to raise India's global seafarer share to 20%, creating greater employment and exportable skilled manpower opportunities.

22) India's Floating Solar Push: ₹5,070 Crore Investment for 5 GW Capacity

31 July 2026: The Union Cabinet approved the Pradhan Mantri Surya Sarovar Yojana (PM-SSY) with a total outlay of ₹5,070 crore to develop 5,000 MW of floating solar PV projects with 10,000 MWh of energy storage capacity during FY2026-27 to FY2030-31. Central Financial Assistance of ₹1 crore per MW will support eligible projects, along with up to ₹50 lakh per project for feasibility studies. The scheme will utilise reservoirs and industrial ponds, reducing pressure on land resources and strengthening grid reliability through energy storage. It is expected to generate 16,000–17,000 employment opportunities, reduce around 10 million tonnes of CO_2 emissions annually, and promote domestic manufacturing of PV cells, modules, floating systems and energy storage equipment.

23) India Climbs Global Competitiveness Rankings On Reform Progress

30 July 2026: India has improved its global ranking in structural and pro-competitive reforms from 82nd in 2010 to 57th in 2023, gaining 25 positions, according to a Competere Foundation report. The improvement reflects progress in reducing market distortions and strengthening domestic and international competitiveness.

The report assesses India across three key pillars: property rights protection, domestic competition and international competition. Key reforms highlighted include the implementation of GST and the Insolvency and Bankruptcy Code (IBC), improvements in the regulatory environment and modernisation of trade facilitation systems. The report also examines developments in investment conditions, digital markets and competition policy. Going forward, it emphasises evidence-based competition policy, reviewing sector-specific investment restrictions and strengthening cooperation with trading partners to address regulatory barriers. These reforms can support productivity, investment, market efficiency and deeper integration with the global economy.

24) Brics Advances Common Standards To Boost Trade And Economic Cooperation

16 July 2026: Under India's 2026 BRICS Chairship, the Heads of National Standardization Bodies of the 11 BRICS countries reached a common understanding on a MoU for cooperation in standardization. The framework aims to harmonize standards, strengthen quality infrastructure, reduce technical barriers to trade and enhance consumer protection. With BRICS accounting for 49.5% of global population, around 40% of global GDP and 26% of global trade, greater alignment of standards can facilitate cross-border trade, technology cooperation and investment. The initiative will also strengthen collective engagement with international bodies such as ISO and IEC. A dedicated workshop on AI standardization will explore cooperation on safe, responsible and trustworthy AI technologies. The agreement represents a step towards a more integrated and resilient quality ecosystem across major emerging markets.

25) Auto PLI Drives Investment, Production And Employment

21 July 2026: The PLI-Auto scheme, with a budgetary outlay of ₹25,938 crore, has strengthened India's advanced automotive manufacturing ecosystem. As of March 2026, approved applicants reported ₹44,326 crore investment, exceeding the target of ₹42,500 crore for the period, with ₹52,414 crore incremental sales and 67,820 jobs generated. Incentives of ₹2,386.36 crore have been disbursed. The scheme mandates 50% Domestic Value Addition (DVA) to promote localisation, with 18 applicants receiving DVA certificates covering 154 products/variants. Under the PLI-ACC Battery Storage scheme, ₹5,180 crore investment and 1,277 direct jobs have been reported, with 40 GWh of awarded capacity.

Part 3: States' Economy Updates

1. Top Economic Updates Across Indian States

1) ₹1,264 Crore Rail Push: Boosting Connectivity and Freight Efficiency

The Cabinet Committee on Economic Affairs approved the 3rd and 4th railway lines on the Ballari–Guntakal section across Karnataka and Andhra Pradesh at an estimated cost of ₹1,264 crore. The project will add around 46 km to the railway network and enhance connectivity across three districts and approximately 99 villages with a population of about seven lakh. The capacity expansion is expected to facilitate additional freight traffic of 16.22 MTPA, particularly for iron ore, steel, coal, fertilizers, food grains and other commodities. Aligned with the PM Gati Shakti National Master Plan, the project is aimed at improving multimodal connectivity, logistics efficiency and operational reliability. It is also expected to reduce logistics costs, save 1.32 crore litres of oil imports and lower CO_2 emissions.

2) Railway Multitracking Projects To Strengthen Connectivity And Logistics

The Cabinet Committee on Economic Affairs has approved two railway multitracking projects in Odisha and Jharkhand at an estimated cost of ₹3,907 crore, adding about 145 km to the Indian Railways network. The projects—Paradeep–Haridaspur doubling and Rajkharsawan–Dangoaposi fourth line—are targeted for completion by 2030–31. The projects will enhance rail capacity, reduce congestion and improve logistics efficiency, particularly for the movement of coal, iron ore, limestone and other minerals. Capacity augmentation is expected to facilitate an additional 44 MTPA of freight traffic. The projects will also improve connectivity to 1,526 villages covering around 14 lakh people, while supporting tourism and regional economic activity. The shift towards rail transport is projected to reduce oil imports by 6 crore litres and CO_2 emissions by 29 crore kg.

3) Ganga Elevated Corridor to Transform Varanasi Connectivity

The Cabinet Committee on Economic Affairs has approved a 46.039-km six-lane Greenfield Elevated Corridor connecting NH-19 with the Varanasi Ring Road at a total capital cost of ₹14,447.64 crore. The project will be implemented under the Hybrid Annuity Model (HAM). The corridor is expected to significantly improve urban mobility and logistics efficiency by reducing average travel time in the project influence area from about 60 minutes to 20 minutes, a reduction of nearly 67%. Travel time between NH-19 and Kashi Railway Station is projected to fall from around 50 minutes to 25 minutes. Aligned with the PM Gati Shakti National Master Plan, the project will strengthen multimodal connectivity with major highways, railway stations, Lal Bahadur Shastri Airport and Ramnagar IWAI Port. It is expected to reduce congestion, lower vehicle operating costs, improve freight movement and support tourism and regional economic growth in eastern Uttar Pradesh.

4) Kanpur-Kabrai Highway To Strengthen Regional Economic Connectivity

The Cabinet Committee on Economic Affairs has approved the 117.7-km Kanpur–Kabrai Access-Controlled Greenfield Highway in Uttar Pradesh at a total capital cost of ₹7,145.14 crore. The four-lane corridor, designed for future six-laning, will be developed under the BOT (Toll) mode as part of the Bhopal–Kanpur Economic Corridor.

The project will reduce travel time between Kanpur and Kabrai from 3.5 hours to 1.5 hours, a reduction of nearly 58%, while lowering vehicle operating costs and improving freight movement. It will strengthen connectivity between Uttar Pradesh and Madhya Pradesh, including industrial, agricultural and mineral-producing regions.

The corridor will improve access to 16 economic nodes and 10 logistics nodes, including industrial areas, railway stations and airports. It is expected to generate nearly 1.2 crore person-days of direct and indirect employment during construction, supporting logistics efficiency and regional economic growth.

5) Odisha Accelerates Digital Justice Infrastructure

Odisha's e-Courts digitisation is strengthening digital public infrastructure and improving judicial efficiency. Under Phase III, 817 of 845 courts and 203 of 215 court complexes have been equipped with ICT hardware. As of June 2026, 42.96 lakh legacy case records covering 24.17 crore pages have been digitised, while 1.31 lakh cases have been e-filed and 7.61 lakh virtual hearings conducted. All courts have video-conferencing facilities, and 184 eSewa Kendras support access to justice in remote areas. From FY2023-24 to FY2026-27, ₹91.45 crore was sanctioned to the Orissa High Court, of which ₹74.56 crore has been utilised, supporting the transition towards a paperless, technology-enabled justice system.

6) Delhi Tunnel Project To Boost Urban Connectivity And Employment

The Cabinet Committee on Economic Affairs has approved an 8.1-km six-lane road tunnel project connecting the Dwarka Expressway with Nelson Mandela Marg, Vasant Kunj, at a total capital cost of ₹6,969.67 crore.

The project will be implemented under the Hybrid Annuity Model (HAM). The corridor will provide faster connectivity between West and South Delhi, while improving access for traffic from Gurugram, Dwarka, IGI Airport and West Delhi. It is expected to strengthen connectivity with East Delhi, Ghaziabad and Noida through integration with existing and proposed elevated corridors.

The project includes a 3.14-km tunnel and elevated road components, helping reduce surface-level traffic disruption. Construction is estimated to generate approximately 7.54 lakh person-days of direct employment and 9.80 lakh person-days of indirect employment, while supporting additional economic activity along the corridor.

7) Medicinal Plants To Drive India's Bioeconomy

The Ministry of Ayush has signed an MoU with the University of Delhi's Bhaskaracharya College of Applied Sciences to strengthen research, innovation and sustainable utilisation of India's medicinal plant resources. The partnership will focus on product development, value addition, post-harvest technologies, sustainable packaging, technology transfer and capacity building.

The collaboration aims to enhance the commercial potential of medicinal plants while supporting farmer incomes, entrepreneurship and livelihood generation. Development of eco-friendly packaging and value-added products could create new opportunities for technology commercialisation and green enterprises. The initiative is also expected to strengthen industry-academia linkages, translational research and India's bioeconomy, while promoting biodiversity conservation and sustainable cultivation of medicinal plants.

8) Maharashtra Accelerates Agricultural Investment Through RKVY

Maharashtra has become the first State to qualify for the second installment under the Rashtriya Krishi Vikas Yojana (RKVY) after utilising over 75% of the funds released in the first installment. Against ₹335 crore released earlier, the State has utilised approximately ₹260 crore, making it eligible for another ₹335 crore.

The funding is supporting agricultural development across areas including Digital Agriculture, horticulture, seeds, oilseeds, agroforestry and agricultural extension. The Government has also highlighted Maharashtra's progress in generating Farmer IDs, strengthening digital delivery and implementation of agricultural programmes. In a separate measure, around ₹14,000 crore was transferred directly to farmers affected by floods, providing timely financial support. Faster utilisation under key RKVY components is expected to support farm-sector investment, productivity and rural economic activity.

9) Gwalior Telecom Manufacturing Zone To Drive Investment And Jobs

The Department of Telecommunications and Madhya Pradesh Government have signed an MoU to establish India's first integrated 350-acre Telecom Manufacturing Zone (TMZ) in Gwalior.

The Central Government will provide ₹493 crore for Phase-I infrastructure, while Madhya Pradesh has allocated around 170 acres of land worth ₹596 crore free of cost. The zone is expected to attract ₹12,000–15,000 crore in total investment and generate around 14,000 direct skilled jobs, alongside substantial indirect employment. Industry has committed ₹3,500 crore investment and 14,000 job opportunities. The TMZ will integrate telecom manufacturing, R&D, testing and certification, covering products such as routers, antennas, optical fibre and semiconductor technologies. The initiative aims to reduce import dependence, strengthen domestic supply chains, boost exports and position India as a global telecom manufacturing hub.

10) Bharat Taxi Expands Cooperative Mobility And Employment

'Bharat Taxi' was launched in Jaipur, expanding India's cooperative-based mobility model to Rajasthan. Nearly 8 lakh Sarathis and 41 lakh customers have registered nationally, with around ₹77 crore directly credited to Sarathis so far. About 11,000 trips are completed daily, while the service is planned for expansion to around 500 cities. In Jaipur, over 30,000 Sarathis and nearly 7 lakh customers have joined. The model provides drivers with membership, ownership, profit-sharing and direct earnings, alongside ₹5 lakh accident insurance cover. The initiative is expected to generate employment opportunities for Rajasthan's youth and support the State's tourism and mobility sectors through improved last-mile connectivity. The service will be expanded across Rajasthan's cities and tourism destinations in phases.

11) Mission Golden Spice To Unlock Meghalaya's Premium Turmeric Potential

The Government launched Mission Golden Spice, a ₹175.45 crore, five-year (2025–2030) initiative to develop Meghalaya's GI-tagged Lakadong turmeric into a globally competitive premium spice. With 7–10% curcumin content, nearly four times the global average, the mission aims to strengthen processing, branding, exports, cold-chain infrastructure and market linkages. The initiative targets an increase in turmeric cultivation from around 2,500 hectares to 7,500 hectares by 2030 and aims to nearly double farmers' remuneration from ₹30–40/kg to around ₹80/kg. An integrated organic turmeric processing and curcumin extraction facility is also envisaged, supporting higher-value products and export opportunities. The mission brings together agriculture, food processing, commerce and allied agencies to build an integrated value chain and enhance farmer incomes, value addition and Meghalaya's position in global premium spice markets

12) Chandigarh's ₹4,700 Crore Development Push

Chandigarh received a ₹4,700 crore-plus investment push covering healthcare, education and road infrastructure. Over ₹2,500 crore has already been invested in making the city more technology-enabled through initiatives such as smart traffic management, integrated command and control systems and digital governance. Healthcare infrastructure is being expanded with a Neuroscience Centre, Mother and Child Centre and Critical Care Hospital Block, strengthening Chandigarh's role as a regional medical hub. The city is also receiving major connectivity projects, including a six-lane greenfield highway from IT City to Kurali and the PR-7 Spur, expected to improve mobility and support business activity. The expansion of research facilities, hostels and advanced infrastructure is also aimed at strengthening innovation, startups and technology-driven economic growth.

13) Jind's ₹14,700 Crore Infrastructure And Green Mobility Push

Jind and Haryana received a ₹14,700 crore development push spanning railways, highways, healthcare and cultural infrastructure. India's first hydrogen-powered train was launched on the 90-km Jind–Sonipat route, marking a major step in green mobility and domestic manufacturing. Major connectivity projects, including the Delhi–Amritsar–Katra Expressway, Jind–Gohana National Highway and Ambala–Kala Amb four-lane project, are expected to strengthen logistics, market access and regional economic activity. Nearly 100% of Haryana's railway network is electrified, supporting energy resilience. Around ₹8,000 crore has been transferred to Haryana farmers under PM-KISAN, including over ₹600 crore to farmers in Jind.

14) India's Semiconductor Push Gains Momentum

India's semiconductor ecosystem is gaining momentum with the inauguration of the CG Semi OSAT facility in Sanand, Gujarat, marking the country's third major semiconductor facility. The plant has begun commercial production with a capacity of 20 crore units annually, with plans to scale up to 500 crore units. The emerging semiconductor cluster is expected to attract supporting industries, startups, testing labs and design centres, generating investment and employment opportunities. India's electronics production has increased nearly 7-fold since 2014, while electronics exports have risen 11-fold. The initiative aims to build an integrated domestic value chain spanning chip design, fabrication and packaging, strengthening technological self-reliance.

15) Rajasthan's ₹1.06 Lakh Crore Development Push

Rajasthan received a ₹1.06 lakh crore development push covering energy, aviation, connectivity and water infrastructure. The Rajasthan Refinery was dedicated to the nation, expected to support industrial activity and employment. The new Jodhpur Airport terminal and Jaipur Metro Phase-2 are set to strengthen tourism, trade and urban connectivity. During the energy crisis, domestic refinery adjustments increased LPG production from 35,000 MT to 54,000 MT within seven days, while India expanded its fuel import sources from 25–26 to over 40 countries. A ₹34,000 crore Rajasthan-Haryana water agreement will support water supply to the Shekhawati region, alongside investments in renewable energy and irrigation infrastructure.

2. Economic Data of States: States' Exports Analysis (2026-27- April to June)

The top five exporting states account for **72.37% of the total exports in 2026-27**, with Gujarat leading at **32.29%**, followed by Maharashtra (**14.40%**), Tamil Nadu (**13.07%**), Karnataka (**7.66%**) and Uttar Pradesh (**4.95%**). Together, these states continue to form the major pillars of India's export ecosystem, supported by their diversified industrial base, manufacturing capabilities, infrastructure and strong connectivity.

Gujarat continues to maintain its position as India's leading exporting state, with exports of USD 27,929.87 million in 2026-27 and a share of 32.29%. Its strong industrial ecosystem, extensive port connectivity and diversified manufacturing base continue to support its role as a major contributor to India's global trade.

Maharashtra ranks second, recording exports of USD 12,456.78 million and contributing 14.40% of total exports. The state's diversified industrial base, well-developed logistics network and strong presence across manufacturing and services continue to support its significant role in India's export landscape. **Tamil Nadu**, the third-largest exporting state, recorded exports of USD 11,304.47 million, accounting for 13.07% of the total. With strong infrastructure, a skilled workforce and a well-established manufacturing ecosystem, the state remains a major hub for export-oriented industries, particularly automobiles and auto components, electronics, textiles and garments, leather products and engineering goods.

Karnataka ranks fourth with exports of USD 6,623.08 million, contributing 7.66%. The state's strengths in technology, electronics, engineering, manufacturing and services continue to enhance its contribution to India's export economy. **Uttar Pradesh** ranks fifth with exports of USD 4,280.61 million and a share of 4.95%. Its expanding manufacturing base, industrial clusters and improving connectivity are supporting the state's growing participation in the national export ecosystem. Among the other leading states, **Haryana** contributed **4.15%**, followed by **Andhra Pradesh (3.67%)**, **West Bengal (2.81%)**, **Telangana (2.77%)** and **Odisha (2.41%)**. These states further strengthen the geographical diversification of India's export base, with their contributions spanning manufacturing, engineering, agriculture, pharmaceuticals, electronics and other key sectors.

Table 13: Exports of Top 10 States (FY2026-27 April to June)

Sr. No.	State Name	Export (USD million) 2025-26	Export (USD million) 2026-27	Share (%) 2026-27
1	Gujarat	1,10,634.15	27,929.87	32.29
2	Maharashtra	70,113.74	12,456.78	14.4
3	Tamil Nadu	59,306.26	11,304.47	13.07
4	Karnataka	34,397.91	6,623.08	7.66
5	Uttar Pradesh	22,771.42	4,280.61	4.95
6	Haryana	20,566.56	3,587.57	4.15
7	Andhra Pradesh	19,979.71	3,173.06	3.67
8	West Bengal	12,884.50	2,430.01	2.81
9	Telangana	13,874.40	2,393.48	2.77
10	Odisha	10,790.82	2,082.62	2.41

(**Source:** MoCI, GoI)

Part 4: Policy Developments

1. Top Policy Developments

1) Modified UDAN To Accelerate Regional Aviation Growth

04 July 2026: The Government has launched the next phase of UDAN (Modified UDAN) with an overall outlay of approximately ₹29,000 crore over 10 years, aimed at expanding regional air connectivity and supporting aviation-led economic development. Since 2016, UDAN has operationalised 669 routes and connected 95 airports, heliports and water aerodromes, benefiting over 1.66 crore passengers.

The scheme includes ₹12,159 crore for developing 100 aerodromes, ₹3,661 crore for 200 modern helipads, ₹2,577 crore for airport operations and maintenance, and ₹10,043 crore in continued Viability Gap Funding for regional airline operations. The programme also promotes indigenous aircraft and helicopters. Separately, the new Jodhpur Airport terminal, built at a cost of ₹480 crore, will handle up to 20 lakh passengers annually, strengthening tourism, trade and regional economic activity.

2) Footwear Reforms Ease Compliance And Support Manufacturing

09 July 2026: DPIIT has amended two Footwear Quality Control Orders (QCOs) to improve ease of doing business and strengthen domestic footwear manufacturing. The legacy stock clearance deadline has been extended by one year to 31 July 2027, giving manufacturers, distributors and retailers additional time to liquidate existing inventories and reducing compliance disruptions.

Manufacturers can now also import up to 4,500 pairs of footwear samples annually for research and development and other non-commercial purposes. The samples must be marked "Not for Sale" and disposed of after use. The measures are aimed at reducing compliance costs, supporting product development and innovation, facilitating domestic manufacturing, and strengthening India's quality ecosystem while ensuring continued adherence to BIS standards.

3) Mobile Phone Manufacturing: ₹62,500 Crore Push for Global Electronics Leadership

15 July 2026: The Union Cabinet approved the Mobile Phone Manufacturing Scheme (MPMS) with a budgetary outlay of ₹62,500 crore for FY2026-27 to FY2030-31. The scheme aims to scale up domestic production, deepen value addition, strengthen supply-chain resilience and enhance India's global competitiveness. Incentives of 2.25%–5% on eligible sales will be provided, with additional incentives for domestic sourcing of components and for Indian brands undertaking design and R&D.

Cumulative mobile phone production is expected to reach approximately ₹39 lakh crore during the scheme period, alongside higher exports. The scheme is expected to generate around 60,000 direct jobs and strengthen India's position in global electronics manufacturing. India currently manufactures 99.2% of mobile phones used domestically and is the world's second-largest mobile phone manufacturer by volume.

4) Semicon 2.0: ₹1.28 Lakh Crore Push for India's Semiconductor Ecosystem

15 July 2026: The Union Cabinet approved Semicon 2.0 with a total outlay of ₹1,27,500 crore to strengthen India's semiconductor design and manufacturing ecosystem. The initiative focuses on six pillars: chip design, machines and materials, fabrication units, ATMP/OSAT, R&D, and talent development.

It aims to attract more semiconductor fabs, promote domestic manufacturing of critical materials and equipment, advance chip technologies and strengthen India's position in global semiconductor value chains. Under Semicon 1.0, 12 manufacturing units with cumulative investment exceeding ₹1.64 lakh crore have been approved, including one silicon fab and nine packaging units. 105 startups/MSMEs have also received access to industry-standard EDA tools, while 24 semiconductor design projects have been approved for financial support.

5) Urea Investment Policy to Boost Domestic Production

15 July 2026: The Cabinet Committee on Economic Affairs has approved the National Investment Policy for Urea-2026 (NIPU-2026) to encourage fresh investments in gas-based urea manufacturing and strengthen India's domestic production capacity. The policy introduces greater transparency by separating fixed and variable costs and provides a Return on Equity (RoE) band of 12%–16%. It also seeks to reduce foreign exchange risk by converting fixed costs into rupees after four years at prevailing exchange rates.

These measures are estimated to generate savings of over ₹250 crore per plant compared with NIP-2012. India currently has 33 operational urea manufacturing units with a reassessed/installed capacity of 269.42 LMT. NIPU-2026 aims to attract new investments and expand indigenous production, thereby reducing the gap between domestic supply and demand and supporting greater self-sufficiency in urea.

6) Fintech Ecosystem Gains Stronger Regulatory And Cybersecurity Framework

20 July 2026: The Government and RBI are strengthening India's fintech ecosystem through enhanced regulation, digital security and consumer protection. RBI's SRO-FT framework promotes ethical conduct, transparency, market integrity and accountability among fintech entities. Digital payment security controls require banks to implement common safeguards, while AI/ML-based fraud monitoring is used for UPI transactions. The DPDP Act, 2023 and DPDP Rules, 2025 strengthen protection of personal data. RBI's Regulatory Sandbox supports controlled testing of innovative financial products and services. The National Cybercrime Reporting Portal and 1930 helpline enable citizens to report cyber fraud and illegal loan apps, supporting safer digital financial services.

7) PM-KISAN Extension to Strengthen Rural Economic Activity

31 July 2026: The Union Cabinet has approved continuation of the PM-KISAN Scheme from 2026–27 to 2030–31, with a total financial outlay of ₹3.15 lakh crore. Under the scheme, eligible farmer families receive ₹6,000 annually through Direct Benefit Transfer (DBT) in three instalments. Since its launch in 2019, more than ₹4.47 lakh crore has been transferred to farmers through 23 instalments, benefiting over 9.49 crore farmers under the 23rd instalment alone. Independent evaluation found that over 92% of beneficiaries used the assistance for agricultural activities and investment, while around 85% reported improved agricultural income and reduced dependence on informal credit. The continued support is expected to strengthen farm investment, rural household incomes, agricultural productivity and the rural economy.

8) Totapuri Mango Value Chain Set For Major Revamp

22 July 2026: The Government has announced measures to strengthen the Totapuri mango value chain across Andhra Pradesh, Tamil Nadu and Karnataka, focusing on farmer incomes, price stability, processing and market access.

Key recommendations include a Central Coordination and Price Stabilisation Committee to assess crop, processing and export demand and provide indicative procurement price signals before each season. The initiative proposes making 22–25% real mango pulp mandatory in mango-based beverages, with related GST and food-safety measures under consideration to boost demand for mango pulp. Around 23,333 hectares of Totapuri orchards in Andhra Pradesh are proposed for fruit-bagging to improve quality and market prices.

Orchard rejuvenation through top-working, FPO-based processing, zonal procurement and value-added products are also being promoted. An integrated export strategy is planned to expand domestic and international markets for fresh and processed mango products.

9) Strengthening Human Capital Through Transparent Examinations

29 July 2026: The Public Examinations (Prevention of Unfair Means) Amendment Bill, 2026 strengthens the legal framework for credible and merit-based public examinations, covering leaks, answer-sheet tampering, system manipulation and fake examination credentials. India's higher education ecosystem has expanded, with universities rising from 760 to 1,293 and higher education institutions from 51,534 to 64,896.

Recognised startups have increased to nearly 2.4 lakh, supporting entrepreneurship and employment. Government appointments rose from 7.22 lakh in 2004–14 to 10.96 lakh in 2014–24. Of 46 recommendations of the expert committee on examination reforms, 35 have been implemented, including biometric authentication, AI-based face authentication, CCTV surveillance and stronger cybersecurity.

10) Coal Exchange Rules To Strengthen Market Efficiency

29 July 2026: The Coal Exchange Rules, 2026 establish a regulatory framework for transparent and efficient trading of coal, lignite and processed coal products. The rules provide for electronic trading, competitive price discovery, standardised contracts and quality-based price adjustments, enabling buyers and sellers—including captive and commercial miners and small and medium consumers—to participate in delivery-based transactions.

The Coal Controller Organisation will regulate exchanges, including registration, bidding mechanisms, contract specifications and market oversight. The framework includes safeguards against market manipulation, cartelisation, insider trading and abuse of dominant position. Coal Exchanges will also maintain a Settlement Guarantee Fund, market surveillance systems, automated audit trails and grievance-redressal mechanisms.

The regulated exchange is targeted for operationalisation within 12 months of receiving an application, with the online application platform opened on 15 July 2026. The framework is expected to improve market transparency, price discovery and efficiency in coal trading.

11) PM Shri Scheme Expands Investment In School Transformation

29 July 2026: The PM SHRI (Pradhan Mantri Schools for Rising India) scheme aims to strengthen more than 14,500 schools nationwide, with 13,092 schools already selected across States/UTs, KVS, NVS and NCERT.

The scheme's implementation period is 2022-23 to 2026-27, with funding initiated from FY 2023-24. PM SHRI schools are being developed as exemplar institutions aligned with NEP 2020, focusing on modern infrastructure, quality education, inclusivity and 21st-century skills. Selection is undertaken through a transparent Challenge Mode, following MoUs between States/UTs and the Centre. The initiative also supports adoption of the 5+3+3+4 curricular structure under the National Curriculum Framework, with flexibility for state-specific needs.

Part 5: Conclusion & Economic Outlook

1. Conclusion

India's economy continued to demonstrate resilience during July 2026 amid an uncertain global environment marked by geopolitical tensions, volatile energy prices and evolving global trade conditions. Domestic economic activity remained supportive, with industrial production growing by 7.3% in June, bank credit expanding by 18.6%, and GST collections rising 15.4% year-on-year to ₹2.11 lakh crore in July. Strong domestic demand, healthy financial-sector conditions and continued infrastructure activity provided important support to economic momentum.

External-sector developments remained mixed but broadly supportive. Total exports of goods and services reached US$73.45 billion in June 2026, while services exports continued to show resilience. Foreign exchange reserves stood at US$692.87 billion as of 31 July, providing a substantial external buffer. At the same time, higher imports, particularly of crude oil, electronics and gold, contributed to a wider merchandise trade deficit.

Policy and investment initiatives during the month continued to strengthen the foundations for medium- to long-term growth. Measures covering manufacturing, electronics, chemicals, renewable energy, infrastructure, digitalisation, trade agreements, innovation and emerging technologies are expected to support investment, productivity and employment. India's expanding trade partnerships and FTAs are also creating opportunities for greater market access and export diversification.

2. Economic Outlook

India's economic outlook remains positive, supported by resilient domestic demand, improving industrial activity, strong credit growth, robust services activity and continued public infrastructure spending. The RBI has projected real GDP growth at 6.7% for FY2026-27, while manufacturing and services activity remain in expansion territory. Continued investment in infrastructure, electronics, chemicals, renewable energy, transport and emerging technologies is expected to support productive capacity and economic activity in the coming months.

Export diversification and deeper trade partnerships are likely to provide additional growth opportunities. The India–UK CETA, expanding engagement with Europe and other trading partners, and growing global demand for semiconductors, electric vehicles, critical minerals and clean-energy products can support India's integration into global supply chains.

Inflation and external conditions will remain important factors shaping the near-term outlook. CPI inflation increased to 4.38% in June, while WPI inflation stood at 9.87%, reflecting higher food, fuel and commodity prices. Weather conditions, crude oil prices, geopolitical developments and global trade disruptions could influence inflation and growth in the coming months. Nevertheless, comfortable liquidity, a well-capitalised financial system, strong foreign exchange reserves and continued structural reforms provide important support for maintaining macroeconomic stability and sustaining growth.

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