



FIPI

Federation of Indian Petroleum Industry

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ECONOMIC
REPORT**
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July 2026

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Impact on India's Oil & Gas Sector

The Indian oil and gas sector continues to operate in an increasingly complex global environment marked by geopolitical instability, persistent inflationary pressures, and rising import dependence. These developments have significant implications for India's energy security, fiscal stability, and long-term strategy of achieving energy self-reliance.

- **Geopolitical vulnerabilities & chokepoint risks:**

Continued Middle East disruptions and security threats around critical trade corridors (such as the Strait of Hormuz and the Bab-el-Mandeb/Red Sea) pose heavy risks to India's energy security, as the nation imports nearly 40% to 50% of its crude oil and a vast share of its LNG through these routes. Any disruption could lead to higher freight and insurance costs, supply delays, and increased crude oil price volatility.

Despite these challenges, India has demonstrated considerable resilience in managing its energy supplies. The Government, along with oil and gas companies, has successfully diversified crude sourcing across multiple geographies, maintained adequate strategic and commercial inventories, secured long-term supply contracts, and adopted flexible procurement strategies to mitigate supply disruptions. Consequently, India has largely avoided major physical supply shortages even during periods of heightened geopolitical uncertainty, underscoring the country's improving energy security framework and crisis management capabilities.

- **Wholesale cost pressures & high energy inflation:**

Energy continued to be the principal driver of wholesale inflation during June 2026. The Fuel and Power category registered the highest inflation among all commodity groups, recording a WPI inflation rate of 27.41%, largely driven by higher prices of mineral oils, petroleum products, electricity, and coal. Persistent energy inflation has widespread implications across the economy:

- Refiners and downstream marketing companies face higher procurement and inventory costs.
- Energy-intensive industries such as steel, cement, chemicals, fertilizers, transportation, and manufacturing experience higher production costs.
- Elevated input costs may compress corporate margins, particularly in sectors unable to fully pass on higher costs to consumers.
- Although retail fuel prices may not immediately reflect international price movements due to pricing mechanisms, sustained wholesale inflation can eventually influence broader consumer inflation and monetary policy decisions.

- **Contraction in Sub-Core Energy Outputs:**

The newly revised Index of Core Industries presents a contrasting picture of India's infrastructure performance. While sectors such as Electricity, Iron Ore, Steel, and Cement demonstrated healthy growth, the hydrocarbon sector continued to underperform. During June 2026:

- Natural Gas production contracted by 7.4%
- Refinery Products declined by 4.7%
- Crude Oil production fell by 4.2%

Declining domestic production increases dependence on imported crude oil and LNG, exposing the economy to greater external risks. It also places additional emphasis on accelerating exploration under the Open Acreage Licensing Programme (OALP), enhancing recovery from mature fields through Enhanced Oil Recovery (EOR) technologies, and promoting unconventional resources such as coal bed methane, shale gas, and deepwater hydrocarbons.

- **Import surge & trade deficit pressure:**

India's total imports increased by 26.85% to US\$88.76 billion during June 2026, primarily driven by higher imports of petroleum products, crude oil, natural gas, and industrial raw materials. The value of petroleum and crude oil imports increased significantly from US\$9.9 billion in June 2025 to US\$14.7 billion in June 2026, reflecting the combined impact of elevated international crude oil prices and import requirements. Higher energy import bills widen the merchandise trade deficit and increase the country's exposure to global commodity price volatility and external supply shocks.

- **Strong foreign exchange reserves provide a strategic cushion:**

India's foreign exchange reserves standing at a comfortable US\$ 676.24 billion as of July 18, 2026 (with Foreign Currency Assets at US\$ 574.76 billion) provide a vital buffer. This robust reserve position ensures the necessary liquidity to finance critical energy imports and cushions the economy against sudden external shocks stemming from elevated crude oil prices and geopolitical tensions. It provides confidence to global investors and credit rating agencies during periods of external volatility. Strong reserves effectively enhance India's resilience against external shocks, particularly during periods of geopolitical conflict or commodity market volatility.

Executive Summary

July 2026 was characterized by a delicate balance between resilience and uncertainty in the global economy. Geopolitical tensions, evolving trade policies and volatility in energy markets continued to pose significant risks to growth, while rapid technological advancement, particularly in artificial intelligence, semiconductors and digital infrastructure, emerged as an important driver of economic activity. Although global inflation moderated from the exceptionally high levels witnessed in recent years, renewed increases in energy prices and supply chain disruptions slowed the pace of disinflation, compelling policymakers to maintain a cautious approach. Against this backdrop, India remained well positioned, supported by resilient domestic demand, stable macroeconomic fundamentals, expanding manufacturing activity and a robust external sector.

Global economic activity remained resilient despite heightened geopolitical uncertainty and continued trade fragmentation. The International Monetary Fund (IMF) projects global growth at 3.0 per cent in 2026, improving to 3.4 per cent in 2027, with emerging market and developing economies expected to continue outperforming advanced economies. While business activity strengthened across major advanced economies, supported by improving services demand and technology-led investment, elevated input costs, supply chain disruptions and uncertainty surrounding global trade policies continued to weigh on the economic outlook. Inflationary pressures persisted across several economies due to higher energy and transportation costs, even as monetary tightening and easing commodity prices helped contain broader price pressures.

Several structural developments are reshaping the global economy. Artificial intelligence is increasingly emerging as a catalyst for productivity growth, investment and economic transformation, while also creating new challenges related to cybersecurity and financial stability. The changing geopolitical landscape continues to influence global trade and investment patterns, encouraging diversification of supply chains and greater regional economic integration. In addition, the issue examines the implications of evolving labour market dynamics, international trade cooperation and climate resilience in shaping long-term global growth.

India continued to reinforce its position as one of the world's fastest-growing major economies during July 2026. Economic activity remained supported by strong domestic demand, sustained public infrastructure investment and resilient manufacturing and services sectors despite a challenging global environment. Manufacturing activity maintained steady expansion, while services continued to record healthy growth, reflecting sustained business confidence and resilient domestic economic conditions. The Index of Core Industries also recorded improved performance, driven by strong growth in iron ore, electricity, cement and steel production, indicating continued momentum in industrial activity.

Inflation increased during June 2026, primarily due to higher food prices, while inflation across most non-food categories remained relatively moderate. Wholesale prices reflected continued cost pressures arising from higher fuel and manufactured product prices. Against this backdrop, the Reserve Bank of India maintained a balanced monetary policy stance, keeping the policy repo rate unchanged at 5.25 per

cent while continuing to support growth alongside its commitment to maintaining price stability and financial stability.

India's external sector remained resilient despite persistent global uncertainties. Merchandise and services exports continued to register healthy growth, supported by strong performance in engineering goods, electronics, chemicals, gems and jewellery and business services. Non-petroleum exports remained robust, highlighting the increasing diversification and competitiveness of India's manufacturing sector. Meanwhile, foreign exchange reserves remained at comfortable levels, providing an important buffer against external shocks and reinforcing confidence in India's macroeconomic fundamentals. The issue also highlights recent policy initiatives aimed at strengthening export competitiveness, attracting foreign exchange inflows and enhancing long-term external sector resilience.

Overall, while geopolitical tensions, energy market volatility and trade uncertainties continue to present challenges to the global economy, India's strong macroeconomic fundamentals, ongoing structural reforms, sustained infrastructure investment and expanding manufacturing and services sectors position the country favourably to sustain robust economic growth over the medium term. Continued policy support, digital transformation, industrial diversification and investment in strategic sectors are expected to further strengthen India's role as a leading driver of global economic growth.

As far as oil and gas industry is concerned, benchmark crude oil prices continued their downward trajectory in June, driven by the interim ceasefire agreement between the United States and Iran, which facilitated a significant recovery in oil flows through the Strait of Hormuz. North Sea Dated crude prices declined by approximately US\$31/bbl during the month, reaching US\$68/bbl by early July, the lowest level since January and approximately US\$2/bbl below pre-conflict levels. However, the escalation in hostilities on 7–8 July has introduced renewed uncertainty into the market outlook and could disrupt current forecasts that anticipate the market shifting into a surplus next year.

Following the United States' temporary easing of restrictions on Iranian exports and the provision of security support for non-Iranian shipments, tankers delayed in the Strait of Hormuz resumed their transit. Consequently, total Gulf oil exports, including volumes transported through alternative routes bypassing the Strait, increased by 6.5 mb/d in June to 16.1 mb/d. While this represents a substantial month-on-month increase, export volumes remained significantly below the 24 mb/d average recorded prior to the onset of the conflict.

Crude oil and condensates accounted for approximately 85% of the monthly increase, supported by the drawdown of floating storage and onshore inventories that had previously reached near-capacity levels. As a result, Gulf oil production increased by a comparatively more modest—but still significant—3.5 mb/d, although production remained 11.4 mb/d below pre-conflict levels.

Hedge funds and other money managers closed a large volume of speculative long positions in June, with the selling being more pronounced in the ICE Brent futures market. Between late May and the week of 30 June, hedge funds and other money managers sold an equivalent of 245 mb across Brent and WTI futures

and options. Speculators were increasingly betting on easing geopolitical risk premiums. At the same time, they sharply raised short positions to their highest level since December 2025, fuelling volatility and accelerating the decline in oil futures prices. Combined futures and options net long positions in ICE Brent and NYMEX WTI dropped to their lowest level since January 2026.

Natural Gas spot prices at the US Henry Hub benchmark averaged \$3.15 per million British thermal units (MMBtu) in June 2026. Henry Hub natural gas prices increased by 7.1%, m-o-m, in June. Prices rose on the back of stronger summer cooling demand and ongoing LNG-related support. Gains were limited by an ongoing buildup in US inventories amid the injection season. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 17.2%, m-o-m, in June, remaining well within the five-year historical average. Prices were up by 4.3%, y-o-y.

Economy in Focus

1. A snapshot of the global economy

Global Economic Outlook

The global economy remained resilient during July 2026 despite heightened geopolitical uncertainty, although the pace of growth continued to moderate. Economic activity was shaped by two opposing forces: the adverse impact of renewed geopolitical tensions in the Middle East on global energy markets and supply chains, and the continued acceleration of the global technology cycle driven by rapid advances in artificial intelligence (AI), semiconductors and digital infrastructure. While easing commodity prices following the reopening of the Strait of Hormuz temporarily moderated inflationary pressures, renewed hostilities, elevated geopolitical risks, trade policy uncertainty and weak public finances continued to cloud the global economic outlook.

The International Monetary Fund (IMF), in its World Economic Outlook Update (July 2026), projected global economic growth at 3.0 per cent in 2026, improving to 3.4 per cent in 2027, broadly unchanged from its April assessment. The IMF noted that while the global economy has weathered the Middle East conflict better than initially anticipated, the negative supply shock arising from disruptions to energy markets has only been partly offset by stronger technology-led investment and AI adoption. Economies integrated into the global technology value chain are expected to benefit from stronger demand, whereas energy-importing economies with limited participation in the technology sector continue to face relatively weaker growth prospects.

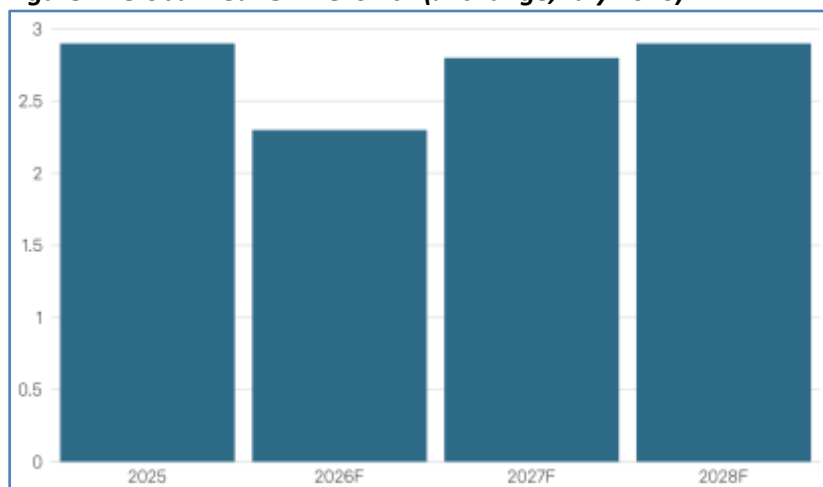
The Asian Development Bank (ADB) also revised its regional outlook downward, lowering the growth forecast for Developing Asia and the Pacific to 4.9 per cent in 2026 from 5.1 per cent projected earlier, while maintaining the 2027 forecast at 5.1 per cent. The downgrade reflects prolonged disruptions to global energy markets, higher freight and transportation costs, elevated geopolitical uncertainty and weaker external demand. South Asia's growth outlook was similarly revised downward due to higher oil prices, increased logistics costs and uncertainty surrounding remittance inflows, while downside risks continue to stem from prolonged geopolitical tensions, tighter financial conditions and further escalation of the Middle East conflict.

According to S&P Global Market Intelligence, geopolitical developments continued to represent the principal downside risk to the global economy. The United States and Iran entered a phase of sustained but calibrated confrontation, maintaining elevated risks to energy flows, maritime trade and commercial shipping through the Strait of Hormuz. At the same time, Ukraine accelerated governance and energy-sector reforms aimed at strengthening wartime resilience ahead of winter, while Venezuela shifted policy priorities towards humanitarian relief and post-earthquake reconstruction. These developments continued to influence commodity markets, investor sentiment, supply chains and financial market volatility. Although lower commodity price assumptions have marginally improved the outlook for several net oil-importing economies, renewed hostilities and volatile energy prices continue to pose significant risks to global growth and inflation.

Global trade continued to expand during the first half of 2026 despite rising geopolitical tensions. According to UN Trade and Development (UNCTAD), global goods trade reached approximately US\$13.7 trillion, registering a 12.5 per cent increase over the corresponding period of 2025, while services trade expanded by 10.5 per cent. Trade growth remained strongest in East Asia, supported by sustained demand for semiconductors, AI-related products, electrical machinery, batteries and electric vehicle components. However, a significant portion of the increase reflected higher trade prices resulting from elevated energy, transport and logistics costs rather than stronger trade volumes. Looking ahead, geopolitical uncertainty, evolving trade policies, shipping disruptions and increasing geoeconomic fragmentation are expected to make global trade growth more uneven across regions and sectors.

Overall, the global economy continues to demonstrate resilience despite an increasingly uncertain external environment. While easing commodity prices, resilient labour markets and continued investment in artificial intelligence are supporting economic activity, persistent geopolitical tensions, energy market volatility, elevated public debt, weakening investment momentum and trade fragmentation remain significant downside risks. The trajectory of global growth during the remainder of 2026 will largely depend on developments in the Middle East conflict, stability in energy markets, the pace of disinflation, central bank policy responses and the continued strength of technology-led investment and global trade.

Figure 1: Global Real GDP Growth (% change, July 2026)



Source: S&P Global Market Intelligence

Growth Forecast - Advanced Economies

Advanced economies are expected to record moderate economic growth in 2026 as higher energy prices, persistent geopolitical uncertainty, and tighter monetary conditions continue to weigh on domestic demand and investment. Nevertheless, resilient labour markets, fiscal support in selected economies, and continued investment in artificial intelligence, semiconductor manufacturing, and other advanced technologies are expected to provide important support to economic activity. According to the IMF, growth among advanced economies is projected at 1.7 per cent in 2026 and 1.8 per cent in 2027, with considerable divergence across countries depending on their exposure to energy markets and participation in technology-driven industries. The Asian Development Bank (ADB) similarly notes that higher energy costs, supply chain disruptions, and elevated geopolitical risks continue to weigh on growth

across Asia-Pacific economies, although investment associated with the global technology cycle remains an important source of resilience.

- United States: Growth is projected at 2.3 per cent in 2026 and 2.2 per cent in 2027, remaining broadly unchanged from the April projections. Economic activity is expected to be supported by continued business investment in artificial intelligence and digital technologies, accommodative financial conditions, and fiscal support. As a net energy exporter, the United States is expected to remain relatively insulated from higher global energy prices.
- Euro Area: Growth is projected at 0.9 per cent in 2026 and 1.2 per cent in 2027. The 2026 forecast has been revised downward from April, reflecting weaker first-quarter momentum, subdued consumer confidence, and the adverse effects of higher energy prices despite fiscal support measures adopted by several member states.
- Japan: Growth is projected to moderate to 0.6 per cent in 2026, before improving slightly to 0.7 per cent in 2027. Fiscal support measures are expected to cushion the impact of higher energy prices, while growth is likely to strengthen gradually as energy market conditions normalise.
- United Kingdom: Growth is projected to moderate to 0.6 per cent in 2026, before improving slightly to 0.7 per cent in 2027. Fiscal support measures are expected to cushion the impact of higher energy prices, while growth is likely to strengthen gradually as energy market conditions normalise.
- Canada: Growth is expected to moderate to 1.1 per cent in 2026 before recovering to 1.7 per cent in 2027. Slower population growth, weak private investment, and continued trade uncertainty are expected to constrain economic activity, although resilient household consumption and improved terms of trade are likely to support the recovery.

Growth Forecast - Emerging Market and Developing Economies

Emerging Market and Developing Economies (EMDEs) are expected to continue growing faster than advanced economies, although growth is projected to moderate amid elevated energy prices, tighter global financial conditions, and persistent geopolitical uncertainty. According to the IMF, EMDE growth is projected to slow to 3.8 per cent in 2026 before strengthening to 4.5 per cent in 2027, reflecting significant variation across countries depending on commodity dependence, exposure to geopolitical developments, tourism and remittance inflows, and integration into global technology supply chains.

The Asian Development Bank presents a similar assessment for developing Asia and the Pacific, revising regional growth downward to 4.9 per cent in 2026 from the 5.1 per cent projected in April, primarily due to prolonged energy market disruptions, higher production costs, weaker external demand, and heightened geopolitical uncertainty. Growth is expected to improve to 5.1 per cent in 2027 as energy markets stabilise and supply-chain pressures gradually ease.

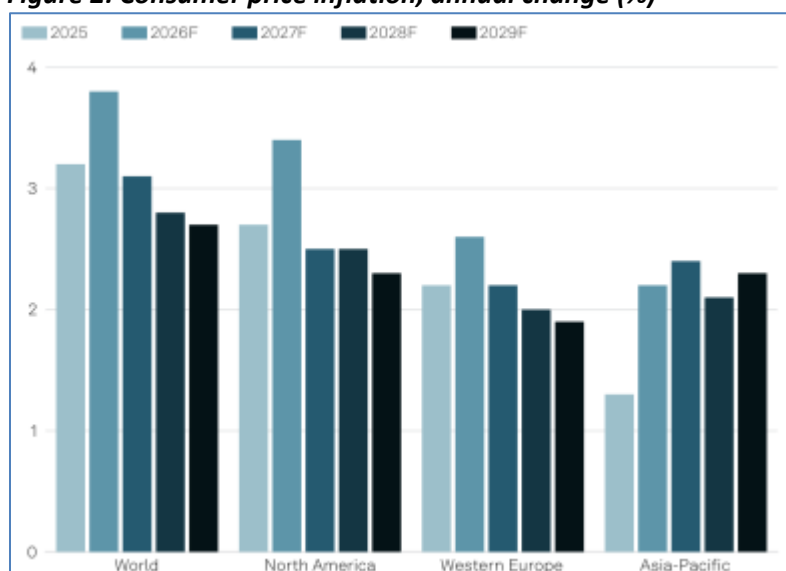
- China: Growth is projected to moderate to 4.6 per cent in 2026 as higher oil prices, subdued domestic consumption, and structural challenges continue to weigh on activity. Nevertheless, continued expansion in high-technology manufacturing and supportive industrial policies are expected to sustain economic growth.

- India: India is expected to remain among the world's fastest-growing major economies, with growth projected at 6.4 per cent in 2026, supported by resilient private consumption, robust services activity, and strong domestic demand.
- Malaysia: Growth is projected at 4.7 per cent in 2026, benefiting from continued investment in data centers, expanding semiconductor production, and stronger demand associated with the global artificial intelligence and digital technology cycle.
- Thailand: Growth is projected at 1.9 per cent in 2026, revised upward by 0.4 percentage point, supported by emergency fiscal measures, technology-related exports, and increased private investment.
- Vietnam: Growth is projected at 7.5 per cent in 2026, also revised upward by 0.4 percentage point, reflecting strong technology exports, expanding manufacturing activity, and resilient domestic demand.

Global Inflation Trends

Global inflationary pressures remained elevated across major economies despite some moderation in commodity prices earlier in the year. According to the International Monetary Fund (IMF), global headline inflation is projected to increase from 4.1 per cent in 2025 to 4.7 per cent in 2026, before easing to 3.9 per cent in 2027, indicating that the global disinflation process has temporarily stalled. The renewed escalation of geopolitical tensions in the Middle East has pushed up crude oil prices, transportation costs and shipping insurance premiums, resulting in higher production costs and renewed inflationary pressures across both advanced and emerging economies. The Asian Development Bank (ADB) similarly notes that higher fuel prices, transportation bottlenecks and supply-chain disruptions are increasingly feeding into food prices, manufacturing costs and core inflation across Developing Asia and the Pacific, demonstrating the continued transmission of energy price shocks through the global economy.

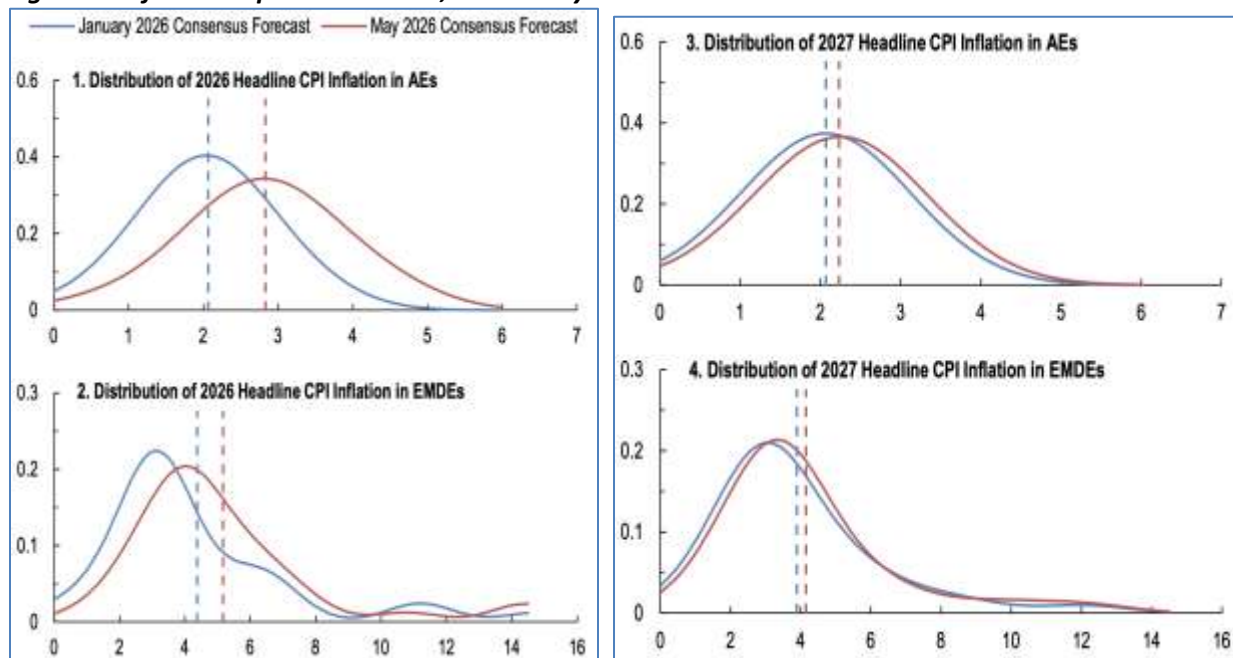
Figure 2: Consumer price inflation, annual change (%)



Source: S&P Global Market Intelligence

Although energy prices remain the principal driver of recent inflationary pressures, the transmission of these costs has become increasingly broad-based. According to S&P Global Ratings, higher fuel prices have raised transportation and logistics costs, while elevated fertilizer prices are expected to place additional upward pressure on agricultural production costs and food prices over the coming months. Since food constitutes a significant share of consumer expenditure across many emerging market economies, second-round effects from higher food prices are expected to remain an important source of inflationary risk. Climate-related disruptions, including the expected emergence of El Niño conditions, could further intensify food inflation by affecting agricultural output, water availability and hydropower generation in several emerging economies.

Figure 3: Inflation Expectations Rise, but Mostly in the Short Term



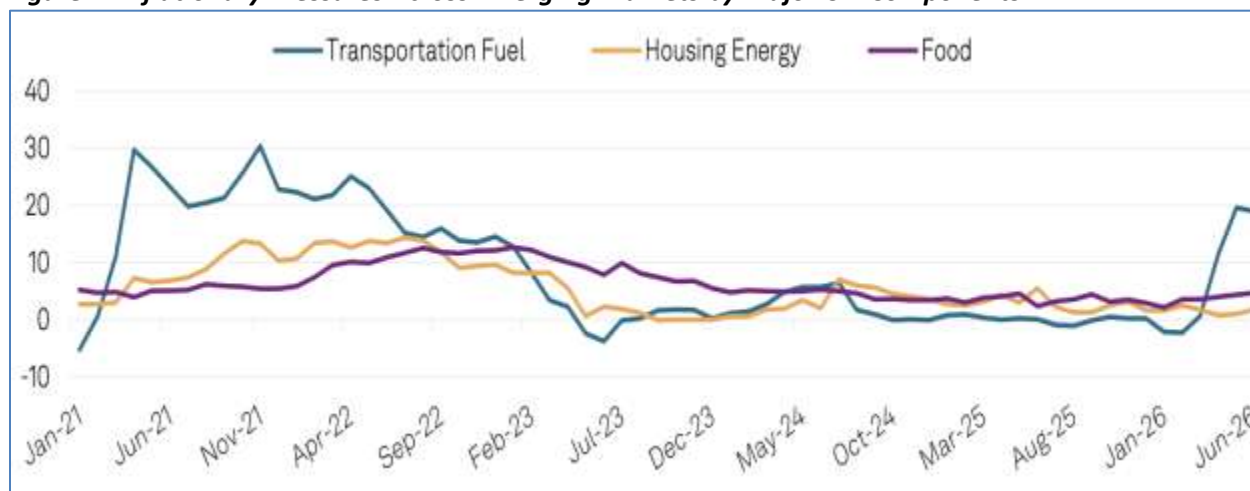
Source: IMF World Economic Outlook Update, July 2026

The United Nations World Economic Situation and Prospects (WESP) further observes that although inflation has eased considerably from the exceptionally high levels recorded during the post-pandemic period, the global cost-of-living challenge remains unresolved because overall price levels continue to remain elevated. Households, particularly in developing economies where food and energy account for a larger share of consumption, continue to experience pressure on purchasing power. The report also highlights that geopolitical fragmentation, climate-related disruptions, recurring supply-chain shocks and trade restrictions are increasingly making inflation more structural in nature, thereby posing continued challenges for monetary authorities and long-term economic growth.

The inflation outlook also differs significantly across advanced and developing economies. According to the UN WESP Mid-year Update, inflation in developed economies is projected to increase from 2.6 per cent in 2025 to 2.9 per cent in 2026, while inflation in developing economies is expected to accelerate from 4.2 per cent to 5.2 per cent, reflecting the stronger pass-through of higher energy, transportation

and import costs into domestic prices. Similarly, the ADB projects inflation in Developing Asia and the Pacific at 4.3 per cent in 2026, before moderating to 3.4 per cent in 2027 as energy markets gradually stabilise and supply-chain disruptions ease.

Figure 4: Inflationary Pressures Across Emerging Markets by Major CPI Components

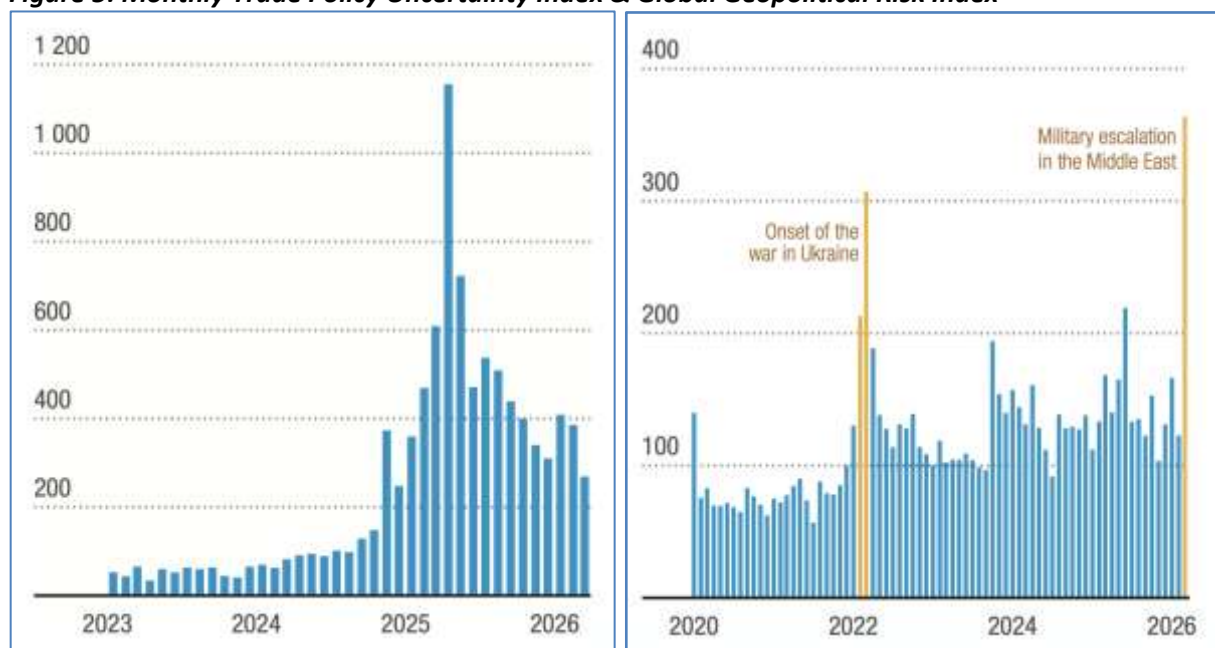


Source: S&P Global Ratings

Global Trade and Supply Chains

Global trade continued to expand during mid-2026 but remained constrained by heightened geopolitical tensions, rising trade policy uncertainty and persistent disruptions to global supply chains. While resilient domestic demand and continued investment in technology-intensive industries supported merchandise trade, escalating tensions in the Middle East, higher transportation costs and evolving trade policies increased uncertainty for businesses and investors. According to the International Monetary Fund (IMF), global trade is expected to recover gradually; however, the pace of expansion remains vulnerable to geopolitical developments, energy market volatility and increasing trade fragmentation. The Asian Development Bank (ADB) similarly notes that higher oil prices, increased freight charges and supply-chain bottlenecks have raised trade costs across Asia, particularly for energy-importing economies.

Figure 5: Monthly Trade Policy Uncertainty Index & Global Geopolitical Risk Index



Source: UNCTAD – Trade and Development Foresights 2026

Trade policy uncertainty remained one of the principal risks to the global outlook. According to UNCTAD, uncertainty surrounding tariffs, industrial policies and geopolitical developments has remained significantly above historical norms, prompting firms to reassess sourcing strategies and diversify production networks. Businesses are increasingly pursuing regionalization, friend-shoring and supplier diversification to reduce dependence on vulnerable trade routes and improve resilience against future geopolitical shocks. These structural adjustments are reshaping global value chains and influencing long-term investment decisions across manufacturing and logistics.

Global trade patterns are also being reshaped by the rapid expansion of technology-intensive industries. Continued investment in artificial intelligence (AI), semiconductors, cloud computing infrastructure and data centers has supported strong demand for advanced electronics, machinery and critical minerals, partially offsetting weaker trade in several traditional manufacturing sectors. Economies integrated into global technology value chains have continued to outperform, while businesses increasingly prioritize resilient sourcing strategies and investment in digital infrastructure to strengthen long-term competitiveness.

Global Manufacturing and Business Activity

Global manufacturing and business activity remained resilient during June–July 2026, despite continued geopolitical tensions, elevated trade uncertainty and renewed volatility in energy markets. According to the J.P. Morgan Global Composite PMI, global business activity accelerated to a four-month high, with the Global Composite Output Index rising to 52.0 in June, marking the 41st consecutive month of expansion. Growth was supported by stronger new business, improving business confidence and continued expansion in both manufacturing and services, indicating that the global economy remained on a steady

growth path despite recent geopolitical disruptions. Emerging market economies generally outperformed advanced economies, with India recording the strongest expansion among all economies covered by the survey, followed by Ireland, China and Japan, reflecting the continued resilience of domestic demand in several Asian economies.

Figure 6: J.P. Morgan Global Composite PMI Output Index

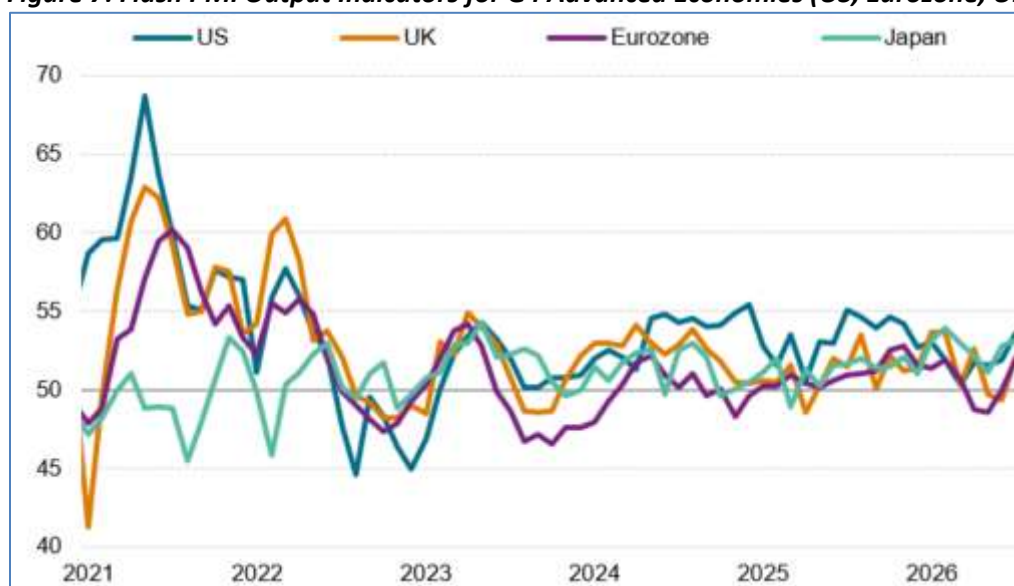


Source: J.P. Morgan; S&P Global PMI

The latest S&P Global Flash PMI surveys indicate that business activity across the four largest advanced economies—the United States, Eurozone, Japan and the United Kingdom (G4)—accelerated for the second consecutive month during July, reaching its fastest pace since November 2025. Growth recovered from the slowdown experienced during March–June following the escalation of the conflict in the Middle East, supported by resilient domestic demand and improving services activity. Although manufacturing continued to outperform services for the seventh consecutive month, the gap narrowed as services activity strengthened, suggesting a gradual rebalancing of global business activity after manufacturing had led the recovery during the initial stages of the Middle East conflict.

Among the advanced economies, the United States remained the strongest performer, recording the fastest expansion in business activity since November 2025. Japan followed closely, registering its strongest manufacturing production growth since 2014. The Eurozone and the United Kingdom also returned to expansion after weak or stagnant conditions in June, reflecting improving domestic demand and business confidence. At the global level, however, the survey also showed that international trade remained subdued despite stronger domestic demand, indicating that the recovery continued to be driven primarily by local market conditions rather than external demand. New business increased at the fastest pace in four months, with investment goods producers recording the strongest expansion among the sectors covered by the survey.

Figure 7: Flash PMI Output Indicators for G4 Advanced Economies (US, Eurozone, UK and Japan)



Source: S&P Global PMI

2. Developing Economies must invest now to harness the benefits of Artificial Intelligence - IMF

Artificial intelligence (AI) is emerging as a transformative force for developing economies, with the potential to accelerate productivity growth, improve public service delivery and create higher-quality employment. According to the International Monetary Fund (IMF), while advanced economies currently enjoy significant advantages in AI adoption, many developing countries still have an opportunity to harness the technology by investing in the essential foundations required for widespread deployment. The IMF argues that AI should be viewed not merely as a technological innovation, but as a long-term development strategy capable of supporting inclusive economic growth and narrowing productivity gaps.

The IMF highlights Sub-Saharan Africa as an example of both the opportunities and challenges associated with AI adoption. At current levels of digital readiness, AI is expected to contribute only 0.2 per cent to the region's GDP over the next decade. However, with accelerated investment in electricity infrastructure, affordable broadband connectivity, digital skills and supportive policy frameworks, AI could increase regional output by approximately 4 per cent, representing a twenty-fold improvement over the current trajectory.

Realizing these gains will require substantial investment in the digital ecosystem. Reliable electricity remains one of the most significant constraints, with a large share of the region's population still lacking dependable power supply. Internet access also remains well below the global average, limiting the ability of businesses, governments and households to adopt AI-enabled solutions. The IMF emphasizes that developing economies do not necessarily need to build frontier AI models, but rather develop the capacity to adopt, adapt and deploy existing technologies at scale through improved infrastructure, regional data centers and enhanced digital connectivity.

The report also underscores the importance of human capital and institutional preparedness. Expanding digital literacy, strengthening education and workforce training, and developing practical regulatory frameworks for data governance, cybersecurity, competition and consumer protection will be essential to ensuring that AI adoption is both inclusive and secure. Regional cooperation can further help developing economies overcome limitations arising from small domestic markets by facilitating common digital standards, shared infrastructure and integrated technology ecosystems.

Encouragingly, investment in AI-related infrastructure has already begun to accelerate across several African economies. Major international technology companies are investing in data centres, cloud computing infrastructure and graphics processing capabilities, reflecting growing confidence in the region's long-term digital potential. However, the IMF cautions that without broader improvements in infrastructure and skills, the benefits of these investments could remain concentrated in a few countries, widening rather than narrowing regional disparities.

The IMF concludes that the AI revolution presents a narrow but significant window of opportunity for developing economies. Countries that invest early in reliable power supply, digital infrastructure, human capital and sound governance frameworks will be better positioned to enhance productivity, attract private investment and improve public services. Conversely, delayed action risks widening existing productivity gaps and reducing competitiveness in an increasingly digital global economy.

3. Geopolitical shocks reshape economic prospects across regions - IMF

The economic consequences of geopolitical conflicts are increasingly becoming uneven across countries, reflecting differences in energy dependence, trade structures, fiscal capacity and external financing needs. According to the International Monetary Fund (IMF), the conflict in the Middle East has altered the economic outlook across the Western Hemisphere, demonstrating how the same external shock can generate markedly different outcomes depending on a country's economic structure. While higher commodity prices have benefited several energy-exporting economies, energy-importing and tourism-dependent countries continue to face rising inflation, tighter financial conditions and weaker economic activity.

Oil-exporting economies, including Canada, the United States, Brazil, Colombia, Guyana, Ecuador, Trinidad and Tobago, Argentina and Venezuela, are expected to benefit from higher oil prices through stronger export earnings, improved current account balances and higher fiscal revenues. Although these economies also face tighter financial conditions and higher domestic inflation, the positive effects of improved terms of trade are expected to outweigh the adverse impacts in the short term. Nevertheless, the IMF cautions that vulnerable households within these economies will continue to face rising fuel and food prices despite the broader macroeconomic gains.

In contrast, tourism-dependent Caribbean economies are among the most vulnerable to the current geopolitical environment. High dependence on imported energy, elevated public debt and limited fiscal space have increased their exposure to higher oil prices and transportation costs. Similarly, several Central

American economies face mounting inflationary pressures as higher fuel import costs raise production expenses and household energy bills. Countries that have invested significantly in renewable energy generation are expected to experience relatively lower exposure to these shocks, highlighting the importance of energy diversification in enhancing economic resilience.

The IMF also notes that countries with large current account deficits and greater reliance on international capital markets remain particularly vulnerable to shifts in global financial conditions. Rising investor risk aversion has increased borrowing costs and reduced access to external financing for several economies, placing additional pressure on fiscal balances and investment. Even some energy-exporting economies with weaker macroeconomic fundamentals may find it difficult to fully benefit from higher commodity prices if financing conditions continue to tighten.

While the impact on economic growth varies considerably across countries, the effects on inflation are far more uniform. Higher oil prices, transportation costs, food prices and industrial input costs are expected to increase inflation across almost all economies. The IMF therefore emphasises that maintaining credible monetary policy frameworks, preserving fiscal discipline and providing targeted support to vulnerable households are critical for managing the inflationary consequences of geopolitical shocks. Rather than broad-based fuel or food subsidies, governments are encouraged to prioritise well-targeted social protection measures while preserving fiscal sustainability.

The report underscores a broader policy lesson that extends beyond the Western Hemisphere. As geopolitical fragmentation becomes more frequent, countries with diversified energy sources, stronger macroeconomic institutions, credible policy frameworks and greater fiscal buffers are likely to be better positioned to absorb external shocks. Conversely, economies that remain highly dependent on imported energy, tourism revenues or external financing are expected to experience greater economic volatility during periods of heightened geopolitical uncertainty.

4. Trade Cooperation Must Adapt to an Era of Geopolitical Rivalry – IMF

The rapid rise of geopolitical rivalry is fundamentally reshaping the global trading system, challenging many of the principles that underpinned international trade over the past seven decades. According to the International Monetary Fund (IMF), governments are increasingly using tariffs, export controls, investment restrictions and industrial policies to pursue strategic and national security objectives rather than purely economic goals. This shift has blurred the distinction between economic policy and geopolitics, giving rise to a new era of geoeconomics, in which trade has become an instrument of strategic competition as well as economic development.

For decades, the multilateral trading system established under the General Agreement on Tariffs and Trade (GATT) and later the World Trade Organization (WTO) was designed on the assumption that countries would cooperate primarily to improve economic welfare. However, growing strategic rivalry—particularly between the United States and China—has altered this framework. Governments are now increasingly concerned with relative economic and technological power, encouraging policies aimed not

only at strengthening domestic industries but also at limiting the strategic capabilities of competitors. As a result, trade policy has evolved beyond traditional tariff negotiations to encompass technology controls, critical minerals, semiconductors and investment screening.

Despite these developments, the IMF argues that geopolitical rivalry does not eliminate the economic case for international trade cooperation. Even strategic competitors continue to benefit from stable trading relationships because higher tariffs, supply-chain disruptions and retaliatory trade measures ultimately reduce economic welfare for all participants. The challenge therefore is not whether countries should cooperate, but how the multilateral trading system can adapt to accommodate legitimate national security concerns while preserving the benefits of an open global economy.

One of the central arguments advanced by the authors is that the existing WTO framework was designed for a period when geopolitical considerations played a relatively limited role in trade policy. They propose that the multilateral system should evolve by introducing carefully designed mechanisms that allow limited, transparent and rules-based adjustments for geopolitical concerns while minimising adverse spillover effects on third countries. Such institutional innovation could help avoid prolonged trade wars and reduce uncertainty for businesses while maintaining confidence in the rules-based trading system.

5. Indian Economy

Snapshot

India's economy in July 2026 exhibits steady momentum driven by robust growth projections and exceptional consumer confidence. The International Monetary Fund forecast positions India among the fastest-growing major economies globally, with an expected GDP expansion rate of 6.4% for the 2026–27 fiscal year. This macro-level optimism matches on-the-ground sentiment, as urban consumer confidence climbed significantly to a score of 67.1, securing India the top global spot for consumer optimism.

Economic activity showed signs of moderation during the month as expansion adjusted to a more sustainable pace. The HSBC Flash Composite PMI cooled to 54.3 from the previous month's 57.1, reflecting a softer but steady expansion that was primarily led by a cooling services sector. Despite this slight easing in business velocity, core industrial output and domestic demand remain resilient enough to anchor the broader expansionary trend.

Financial stability remains intact with key monetary metrics holding steady through the mid-summer period. Consumer Price Index inflation hovered comfortably around 4.38%, aligning well within acceptable policy bands. This controlled inflationary environment allowed the Reserve Bank of India to maintain the benchmark repo rate at 5.25%, providing a predictable financial environment for corporate borrowing and consumer credit.

India GDP position

India is expected to remain the fastest-growing major economy in FY 2026–27 despite a moderation in growth momentum from the previous year. Real Gross Domestic Product (GDP) growth is projected at 6.6

per cent in FY 2026–27, compared with 7.7 per cent in FY 2025–26, before improving modestly to 6.8 per cent in FY 2027–28. While the projected slowdown reflects a more challenging global environment, India's growth outlook continues to compare favourably with that of other major economies, supported by resilient domestic demand, sound macroeconomic fundamentals and continued policy support.

The anticipated moderation in growth is primarily attributed to subdued private investment, elevated global crude oil prices and increasing external uncertainties arising from ongoing geopolitical tensions in the Middle East. Higher energy prices are expected to raise production costs, exert upward pressure on inflation and moderate domestic demand, particularly in an economy that remains heavily dependent on imported crude oil. At the same time, cautious private sector capital expenditure amid global uncertainty may constrain the pace of employment generation and investment-led expansion.

Inflation in India

Retail inflation in India increased during June 2026, primarily driven by a rise in food prices, while inflation across most non-food categories remained relatively moderate. Although headline inflation moved closer to the Reserve Bank of India's target level, underlying price pressures continued to remain uneven across expenditure groups, with food and select services contributing significantly to the overall increase. The latest Consumer Price Index (CPI) data indicate that inflationary pressures were largely food-led rather than broad-based, reflecting the continued resilience of core inflation.

National Level Indices

Retail inflation in India accelerated during June 2026, with the Consumer Price Index (CPI)-based inflation rising to 4.38 per cent (provisional) from 3.93 per cent in May 2026. The increase was primarily driven by higher food prices, resulting in the headline inflation rate moving closer to the Reserve Bank of India's upper tolerance threshold of 4 per cent. Rural inflation remained higher than urban inflation, with CPI inflation recorded at 4.74 per cent in rural areas compared with 3.92 per cent in urban areas, reflecting relatively stronger price pressures in food and essential commodities in rural markets.

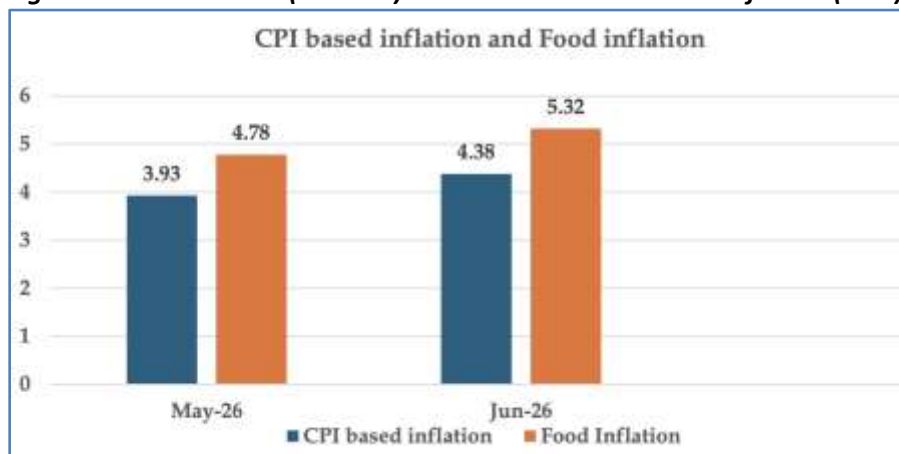
Table 1: CPI & Consumer Food Price Inflation (CFPI) – Inflation Rates & Index Values (June & May 2026)

		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
Index	CPI (General)	107.24	106.69	107.00	106.11	105.66	105.91
	CFPI	106.82	107.72	107.15	105.07	105.84	105.35

Source: Ministry of Statistics and Programme Implementation - National Statistics Office

Food inflation also registered a noticeable increase during the month. The Consumer Food Price Index (CFPI) inflation rose to 5.32 per cent in June from 4.78 per cent in May, with rural food inflation at 5.45 per cent and urban food inflation at 5.09 per cent. The persistence of food price pressures continued to be the principal contributor to the rise in headline inflation during the month. At the same time, housing inflation remained relatively moderate at 2.10 per cent, indicating that inflationary pressures continued to be concentrated primarily in food-related categories rather than across the broader consumption basket.

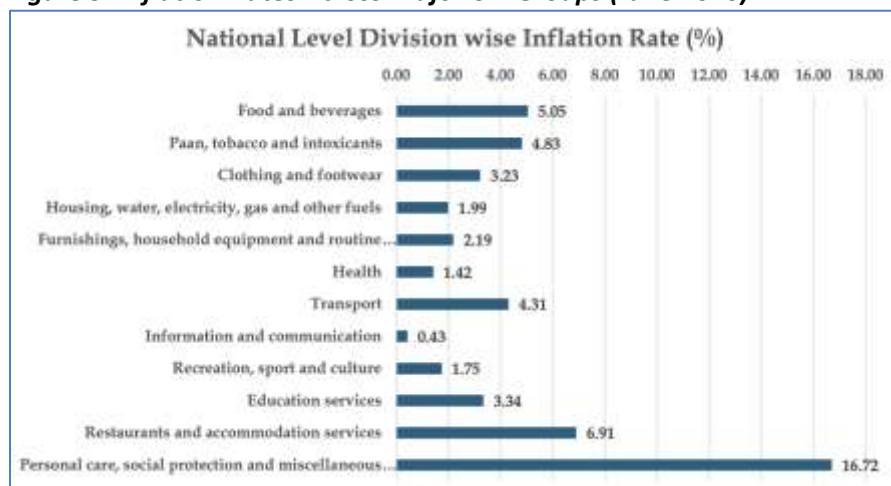
Figure 8: Trends in CPI (General) and Consumer Food Price Inflation (CFPI), May–June 2026



Source: Ministry of Statistics and Programme Implementation - National Statistics Office

Housing inflation remained relatively moderate during June 2026, with the year-on-year inflation rate recorded at 2.10 per cent (provisional). Rural housing inflation stood at 2.66 per cent, while urban housing inflation was 1.90 per cent, indicating that housing costs continued to remain well contained despite the broader increase in retail inflation. The relatively subdued housing inflation suggests that price pressures remained concentrated in food and selected services rather than being broad-based across all components of the consumption basket.

Figure 9: Inflation Rates Across Major CPI Groups (June 2026)



Source: Ministry of Statistics and Programme Implementation - National Statistics Office

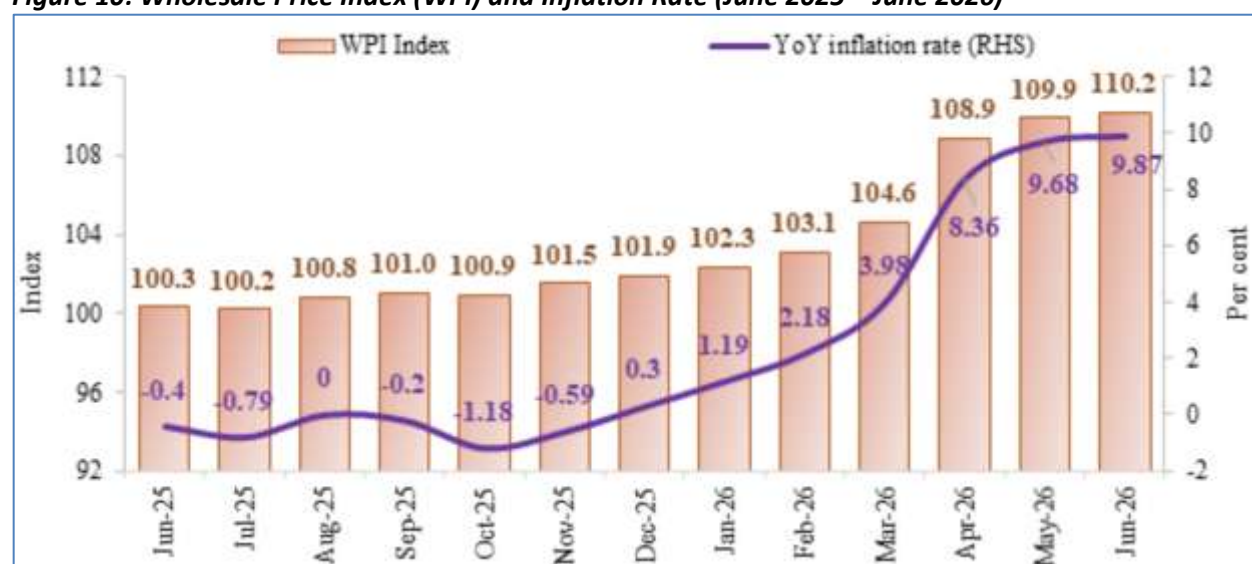
Division-wise inflation across the remaining expenditure categories revealed significant variation in price movements. Personal Care, Social Protection and Miscellaneous Goods & Services recorded the highest inflation at 16.72 per cent, followed by Restaurants and Accommodation Services (6.91 per cent), Food & Beverages (5.05 per cent) and Paan, Tobacco and Intoxicants (4.83 per cent). Inflation also remained elevated in Transport (4.31 per cent), reflecting higher mobility-related costs, while Education Services (3.34 per cent) and Clothing and Footwear (3.23 per cent) registered moderate price increases.

In contrast, inflation remained relatively subdued in Furnishings, Household Equipment and Routine Household Maintenance (2.19 per cent), Housing, Water, Electricity, Gas and Other Fuels (1.99 per cent), Recreation, Sport and Culture (1.75 per cent), Health (1.42 per cent) and Information and Communication (0.43 per cent), indicating that inflationary pressures remained uneven across expenditure categories.

Wholesale Prices and Producer Price Indices (Base Year: 2022-23)

Wholesale price inflation in India remained elevated during June 2026, reflecting sustained cost pressures across the production chain, particularly from fuel, energy and manufactured products. The Wholesale Price Index (WPI) inflation increased marginally to 9.87 per cent (year-on-year) in June 2026 from 9.68 per cent in May 2026. The rise in wholesale inflation was primarily driven by higher prices of mineral oils (including petroleum products), food articles, basic metals, and chemicals and chemical products, while the WPI Food Index also recorded a notable acceleration during the month.

Figure 10: Wholesale Price Index (WPI) and Inflation Rate (June 2025 – June 2026)



Source: Ministry of Commerce & Industry

Among the major commodity groups, Fuel and Power continued to register the highest inflation at 27.41 per cent, although it moderated from 30.33 per cent in May 2026. Inflation in Primary Articles accelerated to 7.00 per cent from 4.99 per cent, reflecting higher prices of food articles and minerals. Meanwhile, inflation in Manufactured Products remained unchanged at 7.48 per cent, indicating that cost pressures across the manufacturing sector continued to persist despite some moderation in energy prices. The WPI

Food Index increased to 6.14 per cent in June from 4.49 per cent in May, highlighting the growing contribution of food prices to wholesale inflation.

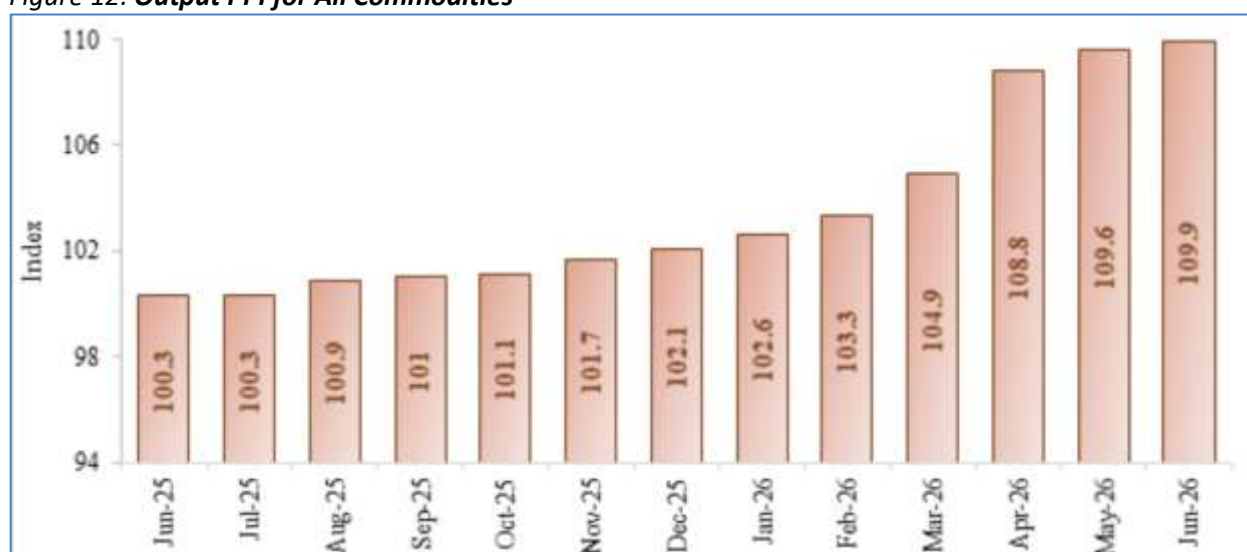
Figure 11: Inflation across Major Commodity Groups (%)



Source: Ministry of Commerce & Industry

The newly introduced Output Producer Price Index (Output PPI), which measures the prices received by domestic producers for goods sold in the domestic market, also indicated sustained producer-level inflation during June 2026. The Output PPI for All Commodities increased to 109.9 in June from 109.6 in May. Sector-wise, the Output PPI stood at 114.1 for Agriculture, Forestry and Fishing, 121.5 for Mining and Quarrying, 109.2 for Manufactured Products, and 92.0 for electricity, suggesting that producer prices remained particularly elevated in primary and mining-related activities.

Figure 12: Output PPI for All Commodities



Monetary Policy Outlook

The monetary policy outlook for India remains broadly stable, with policymakers expected to maintain a balanced approach towards supporting economic growth while ensuring price stability. (RBI) is widely expected to keep the repo rate unchanged at 5.25 per cent at the upcoming Monetary Policy Committee (MPC) meeting scheduled for 3–5 August 2026. The survey also suggests that the current policy rate is likely to be maintained through the remainder of 2026, reflecting confidence in the existing monetary policy stance.

Although retail inflation increased to 4.38 per cent in June 2026, the rise has largely been attributed to temporary supply-side factors, particularly higher food and energy prices. With domestic demand remaining resilient and inflation expected to remain manageable, the current policy framework is considered appropriate for supporting macroeconomic stability.

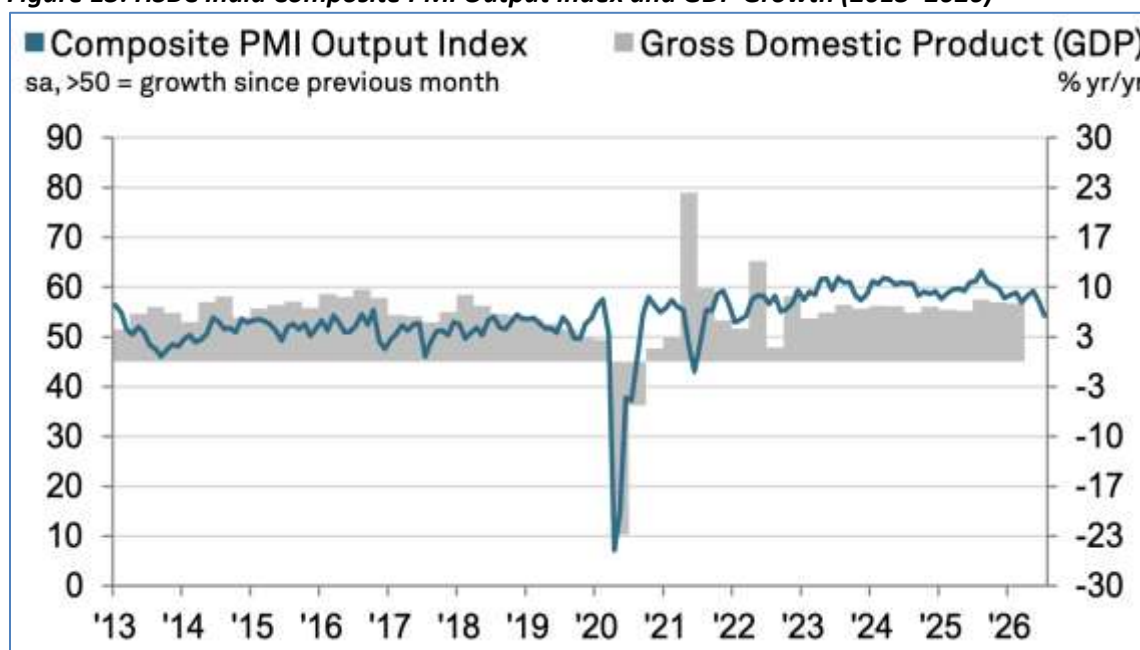
India's economic fundamentals continue to remain robust, supported by resilient domestic demand, healthy investment activity and continued policy support. The expected moderation in economic growth to 6.6 per cent in FY 2026–27 is consistent with a stable growth trajectory amid an evolving global economic environment, allowing the RBI to maintain its focus on sustaining growth while keeping inflation within its target range.

Manufacturing and Services Activity - India PMI

India's private sector activity moderated in July 2026, with business expansion easing to its weakest pace in over three years amid softer domestic demand and increasingly challenging market conditions. According to the HSBC Flash India PMI, the Composite Output Index declined to 54.3 in July from 57.1 in June, signaling the slowest expansion in private sector activity since March 2022, although it remained comfortably above the neutral 50-mark, indicating continued growth. Firms attributed the moderation to rising competitive pressures, order cancellations, reduced client enquiries and shortages of key raw materials.

The slowdown was driven primarily by the services sector. The HSBC Flash India Services PMI Business Activity Index fell sharply to 53.1 in July from 57.4 in June, marking the weakest pace of expansion in 53 months. In contrast, manufacturing activity displayed greater resilience. The Manufacturing Output Index improved to 57.0 from 56.3, indicating stronger factory output despite a marginal decline in the headline Manufacturing PMI to 53.9 from 54.2 in June. This suggests that while overall factory conditions softened slightly, production activity continued to expand at a healthy pace.

Figure 13: HSBC India Composite PMI Output Index and GDP Growth (2013–2026)

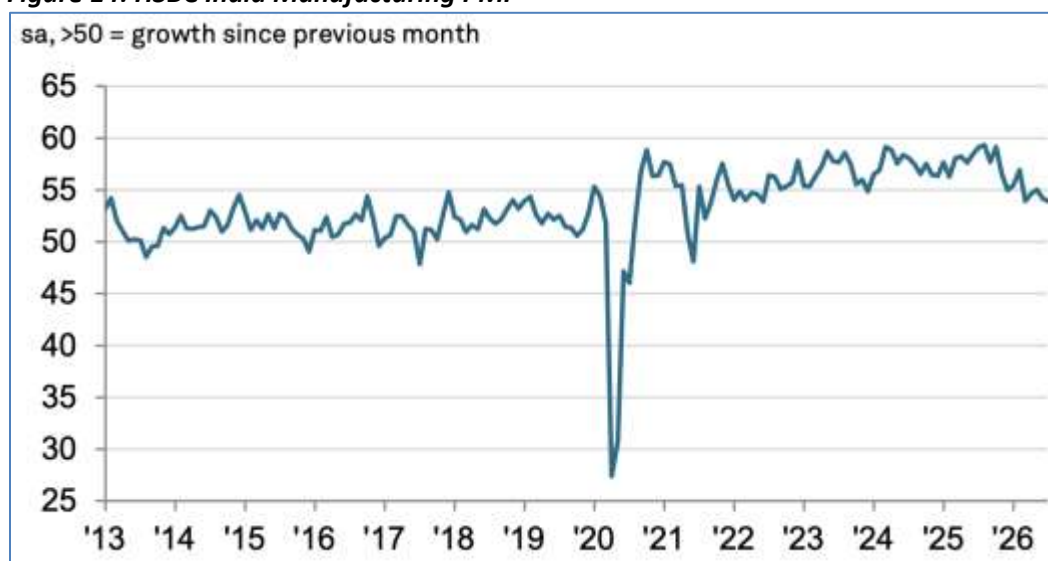


Source: HSBC, S&P Global PMI

Despite the moderation in domestic demand, export performance remained encouraging. New export orders accelerated across both manufacturing and services, with goods producers recording particularly strong gains. At the composite level, international sales expanded at the fastest pace since March, highlighting the resilience of external demand even as domestic business activity slowed. However, overall growth in new orders eased to its weakest pace in nearly four-and-a-half years, reflecting softer market conditions and increased competition.

Employment conditions continued to improve during July, extending the current hiring streak to seven consecutive months. Although job creation remained modest, firms continued to recruit additional workers, with service providers accounting for the bulk of new employment. At the same time, outstanding business volumes declined for the first time in three months, largely due to the clearance of backlogs in the services sector, whereas unfinished work continued to accumulate among manufacturers. Business confidence, however, weakened to a six-month low, with firms citing uncertainty over future demand despite expectations of improved market conditions over the coming year.

Figure 14: HSBC India Manufacturing PMI



Source: HSBC, S&P Global PMI

India’s external position

Foreign Exchange Reserves

India's external sector continued to exhibit resilience during July 2026 as the country's foreign exchange reserves remained at comfortable levels despite heightened volatility in global financial markets and persistent geopolitical uncertainties. Although reserves moderated from the record highs witnessed in June, they continued to rank among the world's largest, underscoring the strength of India's external position and the Reserve Bank of India's prudent reserve management strategy. The sizeable reserve buffer continued to reinforce investor confidence, support exchange rate stability and ensure adequate liquidity to meet the country's external financing requirements, thereby strengthening India's resilience against global financial and commodity market shocks.

According to the Reserve Bank of India (RBI), India's foreign exchange reserves increased by US\$ 1.08 billion to US\$ 676.24 billion for the week ended 18 July 2026, marking the second consecutive weekly increase. The improvement was primarily driven by a rise in Foreign Currency Assets (FCAs), reflecting favorable valuation gains arising from the depreciation of the US dollar against other major reserve currencies as well as changes in the RBI's foreign asset holdings. The increase in reserves came amid continued volatility in global financial markets and demonstrated the resilience of India's external position despite evolving geopolitical and macroeconomic challenges.

Foreign Currency Assets (FCAs), which account for nearly 85 per cent of India's total foreign exchange reserves, increased by US\$ 1.21 billion to US\$ 574.76 billion during the week. Gold reserves also increased by US\$ 0.12 billion to US\$ 84.68 billion, continuing the RBI's gradual diversification of reserve assets and reflecting the increasing role of gold as a strategic safe-haven asset amid elevated global uncertainty. Meanwhile, Special Drawing Rights (SDRs) declined marginally by US\$ 0.19 billion to US\$ 18.65 billion,

while India's Reserve Position in the International Monetary Fund (IMF) decreased by US\$ 0.06 billion to US\$ 5.14 billion.

The resilience of India's foreign exchange reserves assumes greater significance in the current global environment, characterised by volatile capital flows, elevated crude oil prices, persistent geopolitical tensions and uncertainty surrounding global monetary policy. A strong reserve position provides the Reserve Bank of India with greater flexibility to manage episodes of exchange rate volatility, maintain orderly conditions in the foreign exchange market and cushion the economy against sudden external shocks. It also enhances India's external creditworthiness by strengthening the country's ability to meet external debt obligations and finance imports even during periods of heightened global uncertainty.

External Trade Developments

India's external trade sector continued to demonstrate resilience during June 2026, despite persistent geopolitical tensions, elevated crude oil prices and continued uncertainty in the global trading environment.

Total exports (merchandise and services combined) were estimated at US\$ 73.45 billion, registering a growth of 9.48 per cent compared with US\$ 67.09 billion in June 2025. Total imports increased to US\$ 88.76 billion, reflecting a year-on-year growth of 26.85 per cent, primarily driven by higher merchandise imports, particularly petroleum products and industrial raw materials. During the first quarter of FY 2026–27 (April–June), cumulative exports increased by 11.37 per cent to US\$ 232.73 billion, while imports grew by 17.55 per cent to US\$ 270.15 billion, indicating continued resilience in India's external sector despite a widening trade deficit.

Merchandise exports during June 2026 increased to US\$ 40.41 billion from US\$ 34.98 billion in June 2025, registering a robust growth of 15.51 per cent. Non-petroleum exports also remained resilient, increasing by 16.48 per cent to US\$ 35.54 billion, while cumulative non-petroleum exports during April–June 2026–27 rose by 12.36 per cent to US\$ 106.30 billion. Exports excluding petroleum and gems & jewellery increased by 15.33 per cent to US\$ 33.13 billion, highlighting the broad-based nature of India's export growth and the continued strength of manufacturing and value-added sectors.

The growth in merchandise exports was led by gems & jewellery, engineering goods, organic & inorganic chemicals, electronic goods and rice. Gems & jewellery exports recorded the highest increase among the major export categories, rising by 34.64 per cent from US\$ 1.79 billion in June 2025 to US\$ 2.41 billion in June 2026. Engineering goods exports increased by 20.74 per cent to US\$ 11.32 billion, reaffirming the competitiveness of India's manufacturing sector. Exports of organic & inorganic chemicals increased by 19.42 per cent, while electronic goods recorded a growth of 18.93 per cent, reflecting continued expansion in domestic electronics manufacturing. Rice exports also increased by 16.48 per cent, while positive growth was observed in iron ore, meat, dairy & poultry products, marine products, drugs & pharmaceuticals, and petroleum products.

The services sector continued to provide significant support to India's external trade performance. Estimated services exports increased to US\$ 33.03 billion during June 2026 from US\$ 32.11 billion a year earlier, while cumulative services exports during April–June 2026–27 rose by 6.16 per cent to US\$ 103.41 billion. The sustained strength in services exports continued to provide a substantial trade surplus, partially offsetting the widening merchandise trade deficit and reinforcing India's position as a leading global exporter of information technology, business and professional services.

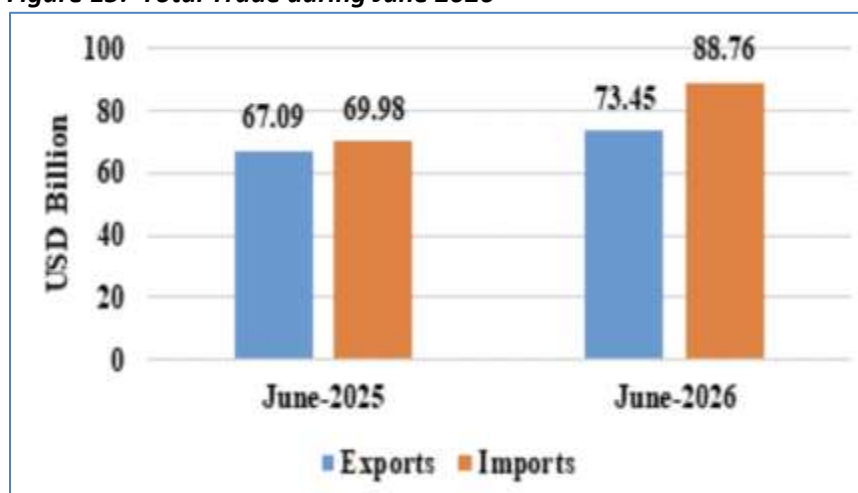
Overall, India's export performance reflects the continued diversification and resilience of its external sector. Strong growth in engineering goods, chemicals, electronics, gems & jewellery and services, together with sustained expansion in non-petroleum exports, underscores India's improving competitiveness in higher value-added sectors. Going forward, export performance will continue to be influenced by global economic conditions, international commodity prices, geopolitical developments and the resilience of India's manufacturing and services sectors.

Table 2: Trade during June 2026

		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 & Industry

Figure 15: Total Trade during June 2026



Source: Ministry of Commerce & Industry

Geographical Trends

Export diversification across regions continued during June 2026, with strong growth observed across several Asian and African markets.

Top export destinations (June 2026 growth):

- Oman – 189.60%
- South Africa – 114.04%
- Malaysia – 99.18%
- Singapore – 48.91%
- China – 31.49%

Top import sources (June 2026 growth):

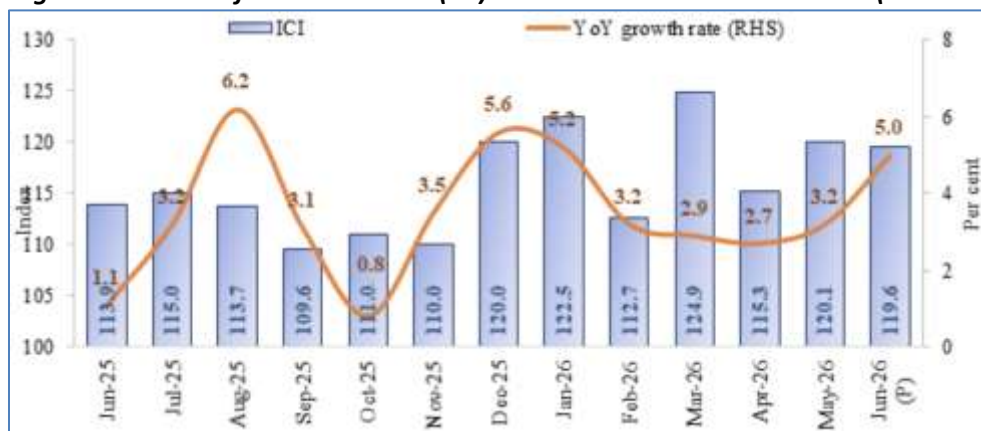
- Taiwan – 135.03%
- Russia – 85.02%
- China – 40.26%
- United States – 33.86%
- United Arab Emirates – 24.62%

Index of Eight Core Industries (ICI)

The Index of Core Industries (ICI) registered a robust year-on-year growth of 5.0 per cent (Provisional) in June 2026, improving from 3.2 per cent recorded in May 2026. The growth reflects a broad-based improvement in core sector activity, led by strong performance in Iron Ore, Electricity, Cement and Steel, while sectors such as Natural Gas, Crude Oil, Refinery Products and Fertilizers continued to record contraction. During the first quarter of FY 2026–27 (April–June 2026), the cumulative growth of the core industries stood at 3.6 per cent, compared with 1.0 per cent during the corresponding period of the previous year, indicating a strengthening of industrial activity.

An important development during the month was the introduction of a new ICI series with base year 2022–23, replacing the earlier 2011–12 base year. The revised series expands the coverage of the index from eight to nine core industries with the inclusion of Iron Ore, recognising its growing importance in industrial production and infrastructure development. The new series also adopts gross steel production in place of net production, retains only Raw Coal to eliminate double counting, and aligns the methodology and weights with the revised Index of Industrial Production (IIP) 2022–23 series, thereby improving consistency and reflecting the changing structure of the Indian economy.

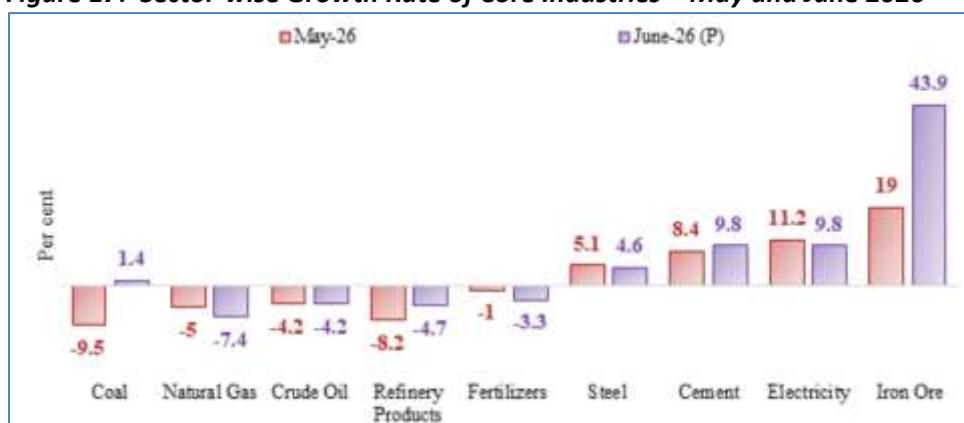
Figure 16: Index of Core Industries (ICI) and Year-on-Year Growth Rate (June 2025 – June 2026)



Source: Office of Economic Adviser, DPIIT, Ministry of Commerce & Industry

Sector-wise, Iron Ore recorded the highest annual growth of 43.9 per cent, followed by Electricity and Cement, both of which grew by 9.8 per cent, reflecting strong demand from infrastructure and construction activities. Steel production also expanded by 4.6 per cent, while Coal recorded a modest growth of 1.4 per cent. In contrast, Natural Gas (-7.4 per cent), Refinery Products (-4.7 per cent), Crude Oil (-4.2 per cent) and Fertilizers (-3.3 per cent) registered negative growth during the month, highlighting continued weakness in parts of the energy sector. Iron Ore and Electricity emerged as the principal contributors to the overall growth in the Index of Core Industries during recent months.

Figure 17: Sector-wise Growth Rate of Core Industries – May and June 2026



Source - Office of Economic Adviser, DPIIT, Ministry of Commerce & Industry

The revised ICI also reflects changes in the relative importance of different sectors within the index. Electricity carries the highest weight of 30.93 per cent, followed by Refinery Products (22.57 per cent), Steel (17.58 per cent), Crude Oil (7.43 per cent), Coal (5.60 per cent), Iron Ore (4.91 per cent), Cement (4.41 per cent), Natural Gas (3.84 per cent) and Fertilizers (2.73 per cent). These nine industries collectively provide an important indication of industrial and infrastructure activity, as they form the backbone of the country's manufacturing and energy sectors.

Overall, the June 2026 data indicate a strengthening in India's core industrial performance, supported by robust growth in mining, construction-related industries and electricity generation. The introduction of the revised ICI series with a new base year and expanded sectoral coverage is expected to provide a more representative measure of core industrial activity and improve the alignment of the index with the evolving structure of the Indian economy.

6. RBI's FCNR(B) initiative may strengthen India's external sector with forex inflows of up to US\$85 Billion

The Reserve Bank of India's (RBI) recent measures to encourage Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits are expected to significantly strengthen India's external sector by attracting substantial foreign currency inflows during FY 2026–27. According to an SBI Research report, the concessional swap facility introduced by the RBI could mobilize overall foreign exchange inflows of US\$80–85 billion, substantially higher than earlier estimates and well above the mobilization achieved under a similar initiative in 2013.

The RBI announced the special swap window in June 2026 to incentivize banks to mobilize FCNR(B) deposits, Overseas Foreign Currency Borrowings (OFCBs) and External Commercial Borrowings (ECBs), with the objective of strengthening foreign exchange liquidity and enhancing the country's external resilience amid heightened global financial and geopolitical uncertainties. Under the scheme, banks are able to swap eligible foreign currency mobilized through these instruments with the RBI at concessional rates, thereby reducing their hedging costs and encouraging greater participation by overseas depositors and borrowers.

The response to the scheme has been considerably stronger than anticipated. RBI data indicate that by 17 July 2026, banks had mobilized approximately US\$20.72 billion, comprising US\$17.41 billion through FCNR(B) deposits, US\$1.97 billion through OFCBs and US\$1.34 billion through ECBs. Public sector banks have emerged as the principal contributors to the mobilization, while the amount raised within the first 45 days has already exceeded that mobilized during the three-month FCNR(B) scheme introduced in 2013.

Reflecting the strong initial response, SBI Research has revised its projection for FCNR(B) deposits from US\$40–45 billion to US\$65–70 billion by the end of the scheme, while estimating total foreign exchange inflows of US\$80–85 billion. The report also expects a significant proportion of FCNR(B) deposits maturing during August and September 2026 to be renewed, supported by higher interest rates, further sustaining the momentum in foreign currency mobilization.

The anticipated inflows are expected to strengthen India's balance of payments, augment foreign exchange reserves and improve liquidity in the domestic foreign exchange market. A stronger reserve position would provide the Reserve Bank of India with greater flexibility to manage exchange rate volatility and cushion the economy against external shocks arising from volatile capital flows, elevated crude oil prices and geopolitical risks. In addition, sustained foreign currency inflows are expected to reinforce investor confidence, improve India's external financing position and support macroeconomic stability during a period of heightened global uncertainty.

The FCNR(B) initiative also highlights the increasing role of policy flexibility in external sector management. By leveraging the Indian diaspora and providing targeted incentives to financial institutions, the RBI has created an effective mechanism to augment foreign currency resources without imposing restrictions on capital flows. If the projected inflows materialize, the initiative could become one of the largest foreign currency mobilization programmes undertaken by the RBI, further strengthening India's resilience against external vulnerabilities and supporting sustainable economic growth over the medium term.

7. India opens a new frontier in offshore hydrocarbon exploration with ONGC's First Deepwater Well

India's quest for greater energy security entered a new phase with the commencement of ONGC's first deepwater exploratory well in the Mahanadi Offshore Basin off the Odisha coast. The drilling of the MN-DW18-1-H-D well under the Government's Samudra Manthan Campaign marks a significant milestone in India's efforts to unlock its deepwater and ultra-deepwater hydrocarbon resources, which remain among the least explored yet most promising energy frontiers in the country. The initiative reflects the Government's broader strategy to enhance domestic oil and gas production, reduce dependence on imported hydrocarbons and strengthen long-term energy security.

The exploratory well is located approximately 23 nautical miles from ONGC's Konark discovery and builds upon the company's recent Utkal and Konark discoveries, which have significantly improved the hydrocarbon prospectivity of the Mahanadi Offshore Basin. The current drilling programme is the first in a series of planned deepwater wells aimed at evaluating the basin's commercial potential and generating critical geological data for future exploration and production activities.

Deepwater exploration has emerged as a strategic priority for India as the country seeks to arrest the long-term decline in domestic crude oil production while meeting rapidly growing energy demand. According to ONGC, India's eastern and western offshore basins, extending to water depths of up to 3,000 metres, are estimated to contain more than 5,600 million tonnes of oil equivalent (MTOE) of hydrocarbon resources. Successful exploration of these reserves could substantially augment domestic oil and natural gas production, reduce import dependence and diversify India's energy supply over the coming decades.

The commencement of drilling also reflects the impact of a series of policy reforms undertaken by the Government to revitalise India's exploration and production (E&P) sector. The introduction of the Hydrocarbon Exploration and Licensing Policy (HELP), expansion of the Open Acreage Licensing Policy (OALP), adoption of a transparent revenue-sharing regime and the opening of nearly one million square

kilometres of previously restricted offshore areas have significantly expanded exploration opportunities. These reforms, complemented by investments in geoscientific surveys and the National Data Repository, are expected to improve exploration success rates and attract greater investment into frontier basins.

To support these technically demanding operations, ONGC has established its dedicated Deepwater Exploration Mission Centre (DeepX) in Mumbai. The centre integrates advanced seismic interpretation, geoscientific analysis, digital technologies, specialised technical expertise and global collaborations to improve the evaluation of complex offshore reservoirs. By consolidating exploration data under the company's "One Company, One Data" framework, DeepX is expected to enhance operational efficiency and strengthen India's technological capabilities in deepwater exploration.

The significance of the initiative extends beyond a single exploration well. Discoveries in deepwater basins typically require substantial investment and advanced drilling technologies, but they also have the potential to create large, long-life hydrocarbon assets capable of sustaining production for decades. As India continues to import a significant share of its crude oil and natural gas requirements, successful development of deepwater resources could improve energy self-reliance, strengthen the country's balance of payments and reduce its exposure to global supply disruptions and oil price volatility. While commercial production will depend on the outcome of exploration and appraisal activities, the commencement of drilling in the Mahanadi Offshore Basin marks an important step towards unlocking India's next major hydrocarbon frontier and advancing the country's long-term energy security objectives.

8. India's US\$1 Trillion export ambition: a milestone within reach

India is steadily progressing towards its ambitious target of achieving US\$1 trillion in exports of goods and services, reflecting the country's growing integration with global markets and the increasing competitiveness of its export sector. Total exports reached US\$0.87 trillion in FY 2025–26, accounting for 22.2 per cent of GDP. To achieve the US\$1 trillion milestone during FY 2026–27, exports would need to grow by approximately 15.3 per cent, a target that appears attainable given the strong momentum witnessed during the first quarter of the fiscal year.

India's export performance has evolved considerably over the past two decades. While exports of goods and services peaked at 26.1 per cent of GDP in FY 2013–14, they have subsequently remained in the range of 19.3–22.4 per cent, reflecting the impact of a more fragmented global trading environment characterized by geopolitical tensions, supply-chain disruptions and rising tariff and non-tariff barriers. Despite these challenges, the country's export base has continued to expand, demonstrating resilience amid changing global trade dynamics.

A notable structural transformation has been the rapid expansion of services exports, which are increasingly complementing merchandise trade. The share of merchandise exports in total exports has declined from 73.6 per cent in FY 2000–01 to 51.4 per cent in FY 2025–26, while the contribution of services exports has increased to 48.6 per cent. High-value services, particularly telecommunications, computer and information services, along with other business services such as research and development, professional consulting and technical services, have emerged as major drivers of export

growth. This diversification has strengthened India's resilience by reducing dependence on traditional merchandise exports.

The composition of merchandise exports has also undergone significant change, with engineering goods, electronics, pharmaceuticals, chemicals and refined petroleum products emerging as key growth sectors. Electronics, led by mobile phone exports, have witnessed particularly strong growth, reflecting the success of domestic manufacturing initiatives and India's increasing participation in global value chains. At the same time, traditional export categories such as gems and jewelry have experienced a gradual decline in their share of total exports, indicating an ongoing shift towards higher value-added manufacturing.

Geographically, India's exports remain concentrated in a few major markets, highlighting the need for greater diversification. The United States continues to be India's largest export destination, accounting for nearly one-fifth of merchandise exports in FY 2025–26. While this has created significant market opportunities, it has also increased India's exposure to changes in US trade policy and tariff measures. Consequently, expanding exports to emerging markets and strengthening trade relations through Free Trade Agreements (FTAs), local currency settlement mechanisms, and increased trade with BRICS+ and other partner economies are expected to play an important role in sustaining export growth and reducing concentration risks.

Looking ahead, India's export outlook remains favorable despite persistent global uncertainties. Merchandise exports recorded a strong start during the first quarter of FY 2026–27, supported by robust growth in engineering goods, electronics and petroleum products, while services exports continued to demonstrate resilience. Continued improvements in manufacturing competitiveness, logistics infrastructure, digital trade, product diversification and market access are expected to further strengthen India's export performance. If the current growth momentum is sustained, India is well positioned to achieve the US\$1 trillion export milestone during FY 2026–27 or shortly thereafter, reinforcing the country's role as an increasingly important participant in global trade.

9. World Bank raises India's growth forecast from 6.3 to 6.6 percent for current financial year

The World Bank has raised India's growth forecast from 6.3 percent to 6.6 percent for the current financial year, owing to strong domestic demand and free trade agreements. World Bank expects India to remain the primary engine of growth in South Asia.

The report said that, although the reduction in GST rates should continue to support consumer demand in the first half of Financial Year 27, elevated global energy prices are expected to put upward pressure on prices and constrain households' disposable income.

The World Bank Group, in its twice-a-year regional outlook report, stated that the growth outlook is driven primarily by India's performance, underpinned by robust domestic demand as well as tariff cuts and recent trade agreements, including the free trade agreement with the UK and European Union.

Lessons from Economics

The Power of Stories: Understanding Narrative Economics

Economic models traditionally view markets as systems driven by cold data, rational math, and logical choice. However, human decisions are rarely guided by statistics alone. Instead, they are fueled by the stories we tell each other. This intersection of storytelling and financial behavior is known as narrative economics. It explains how popular stories spread like viruses and directly alter economic history.

What is Narrative Economics?

Narrative economics is the study of how popular stories, or "narratives," influence economic behavior and drive major market events. The concept was pioneered and popularized by Nobel laureate economist Robert J. Shiller in his 2019 book, *Narrative Economics*.

Shiller argues that just as viral biological diseases spread through a population, viral ideas spread through society. When a specific story gains enough traction, it changes how people spend, save, invest, and risk their capital. These stories do not just react to economic conditions; they actively create them. For instance, the Great Depression was not just a banking collapse. It was prolonged by a viral narrative of extreme panic, leading people to hoard cash and stop spending.

Current Trends: The Digital Amplification

In the digital era, narrative economics has become more powerful than ever. The rise of social media platforms, algorithmic news feeds, and retail trading applications have accelerated the speed and reach of financial stories.

The Rise of Meme Culture

Today, a single viral post can destabilize billions of dollars. Bitcoin story is one such example. Investors did not buy these assets based on earnings reports or cash flow analysis. They bought in because they wanted to be part of a viral, underdog narrative that pitched regular internet users against wealthy Wall Street hedge funds.

AI-Driven Narrative Loops

Artificial intelligence is the newest frontier in this field. Generative AI tools can create and distribute highly persuasive stories at an unprecedented scale. Financial bots and algorithms read social media sentiment, identify emerging narratives, and execute trades in milliseconds. This creates a feedback loop: an AI-generated narrative triggers algorithmic trading, which shifts market prices, thereby validating and strengthening the original story.

The Broader Impact on Global Markets

Narratives possess the unique power to turn psychological shifts into physical economic realities, acting as self-fulfilling prophecies.

Housing Bubbles: The belief that "home prices only go up" drives irrational buying, artificially inflating real estate markets until the narrative shatters.

Recession Fears: When media headlines consistently warn of an upcoming recession, businesses freeze hiring and consumers cut back on spending out of fear. This collective drop in economic activity ultimately triggers the very recession everyone feared.

Cryptocurrency Valuation: Digital assets like Bitcoin hold value largely because of a shared, powerful narrative about decentralization, digital gold, and the future of finance.

Ultimately, narrative economics proves that human emotion and communication are just as critical to market analysis as supply and demand curves.

Oil Market

Crude oil price – Monthly Review

Benchmark crude oil prices continued their downward trajectory in June, driven by the interim ceasefire agreement between the United States and Iran, which facilitated a significant recovery in oil flows through the Strait of Hormuz. North Sea Dated crude prices declined by approximately US\$31/bbl during the month, reaching US\$68/bbl by early July—the lowest level since January and approximately US\$2/bbl below pre-conflict levels. However, the escalation in hostilities on 7–8 July has introduced renewed uncertainty into the market outlook and could disrupt current forecasts that anticipate the market shifting into a surplus next year.

Following the United States' temporary easing of restrictions on Iranian exports and the provision of security support for non-Iranian shipments, tankers delayed in the Strait of Hormuz resumed their transit. Consequently, total Gulf oil exports, including volumes transported through alternative routes bypassing the Strait, increased by 6.5 mb/d in June to 16.1 mb/d. While this represents a substantial month-on-month increase, export volumes remained significantly below the 24 mb/d average recorded prior to the onset of the conflict.

Crude oil and condensates accounted for approximately 85% of the monthly increase, supported by the drawdown of floating storage and onshore inventories that had previously reached near-capacity levels. As a result, Gulf oil production increased by a comparatively more modest—but still significant—3.5 mb/d, although production remained 11.4 mb/d below pre-conflict levels.

Hedge funds and other money managers closed a large volume of speculative long positions in June, with the selling being more pronounced in the ICE Brent futures market. Between late May and the week of 30 June, hedge funds and other money managers sold an equivalent of 245 mb across Brent and WTI futures and options. Speculators were increasingly betting on easing geopolitical risk premiums. At the same time, they sharply raised short positions to their highest level since December 2025, fuelling volatility and accelerating the decline in oil futures prices. Combined futures and options net long positions in ICE Brent and NYMEX WTI dropped to their lowest level since January 2026.

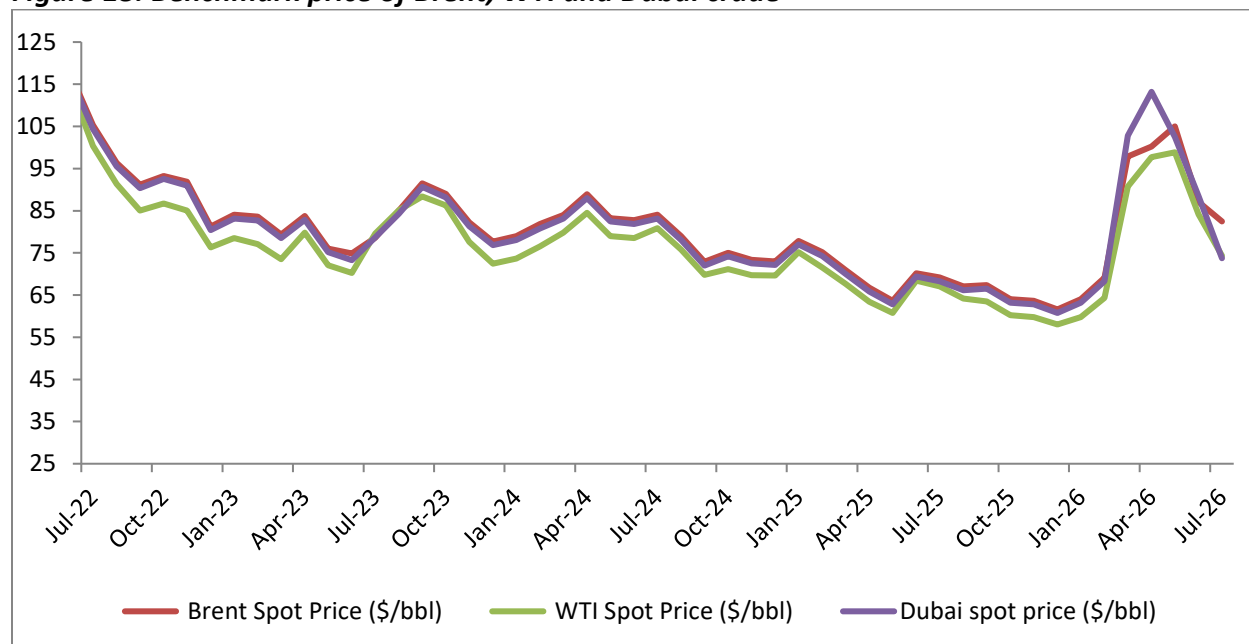
Crude spot prices dropped in June given continued selling pressure in futures markets. This occurred despite supportive market fundamentals, including declining global oil stocks and a continued recovery in global refinery throughput during June. Dubai prices declined as expectations of improved crude availability and higher Middle East exports reduced concerns about prompt supply tightness. WTI came under pressure from softer export demand as the Brent-WTI spread narrowed sharply, reducing arbitrage opportunities into Europe and Asia. Lower US crude stock levels and continued export flows helped limit the decline, with WTI falling by less than Brent and Dubai.

In June, the ORB value dropped by \$24.80/b, m-o-m, to average \$89.75/b. West and North African Basket components Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro

dropped by an average of \$23.15/b, m-o-m, to \$85.31/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export, decreased on average by \$27.83/b, m-o-m, to \$91.26/b. Murban crude declined on average by \$20.37/b, m-o-m, to \$81.80/b, and the Merey component dropped by \$11.64/b, m-o-m, to settle at \$71.13/b.

Brent crude ranged an average to \$83.82 a barrel and WTI ranged to \$78.51 per barrel in the month of July 2026.

Figure 18: Benchmark price of Brent, WTI and Dubai crude



Source: World Bank

- Brent crude price averaged \$83.82 per bbl in July 2026, down by 3.7% on a month on month (MoM) and up by 21.2% on year on year (YoY) basis, respectively.
- WTI crude price averaged \$78.51 per bbl in July 2026, down by 6.7% on a month on month (MoM) and up by 17.0% on year on year (YoY) basis, respectively.
- Dubai crude price averaged \$74.69 per bbl in July 2026, down by 15.5% on a month on month (MoM) and up by 9.4% on year on year (YoY) basis, respectively.

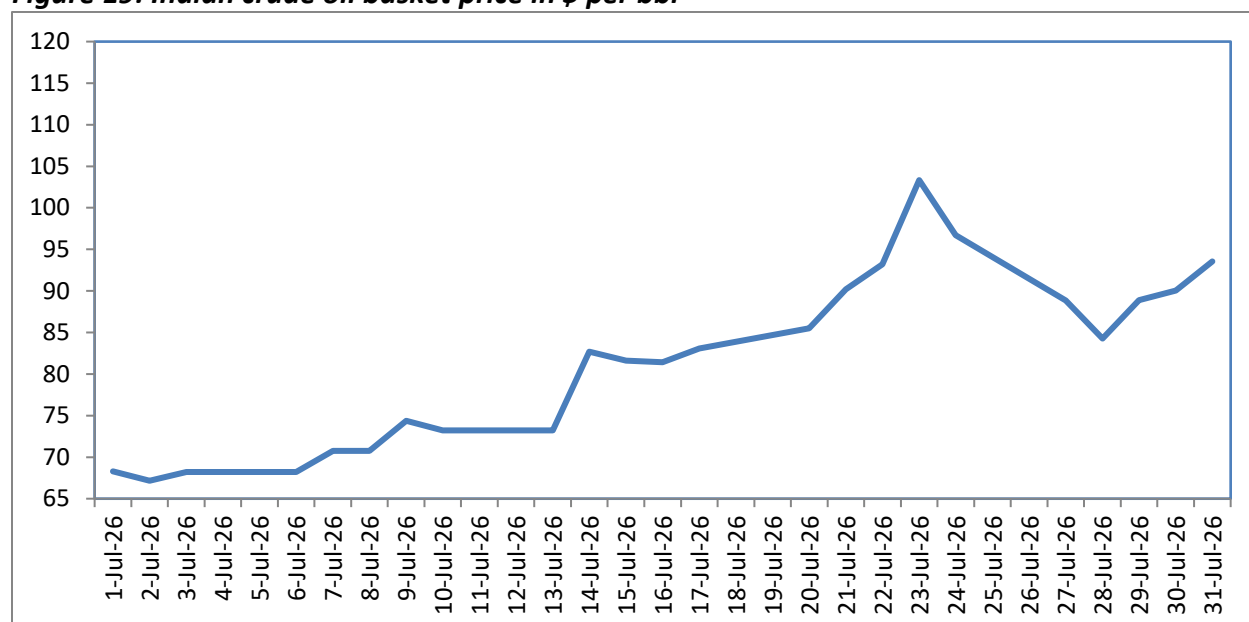
Table 3: Crude oil price in July, 2026

Crude oil	Price (\$/bbl)	MoM (%) change	YoY (%) change
Brent	83.82	-3.7%	21.2%
WTI	78.51	-6.7%	17.0%
Dubai	74.69	-15.5%	9.4%

Source: World Bank

Indian Basket Crude oil price

Figure 19: Indian crude oil basket price in \$ per bbl



Source: PPAC

- Indian crude basket price averaged \$82.04 per barrel in July 2026, down by 6.6% on Month on Month (M-o-M) and up by 15.6% on a year on year (Y-o-Y) basis, respectively.

Oil production situation

- Non-DoC liquids production (i.e. liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026, unchanged from last month's assessment. The main drivers of liquids production growth are expected to be Brazil, the US, Canada, and Argentina.
- In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, also unchanged from last month's assessment. This growth will mainly be driven by Qatar, Brazil, Canada, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to increase by about 0.1 mb/d, y-o-y, to average 8.8 mb/d in 2026. Additional growth of about 0.1 mb/d, y-o-y, is forecast for 2027, to average about 8.9 mb/d. In June, crude oil production by countries participating in the DoC increased by about 3 mb/d, m-o-m, to average about 36.28 mb/d, according to available secondary sources.

Table 4: Non-DoC liquids production in 2026, mb/d

Non-OPEC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026
Americas	28.29	28.15	28.52	28.83	29.07	28.65
<i>of which US</i>	22.22	21.98	22.51	22.62	22.72	22.46
Europe	3.63	3.76	3.59	3.54	3.65	3.64
Asia Pacific	0.41	0.39	0.38	0.39	0.38	0.39
Total OECD	32.32	32.30	32.50	32.76	33.11	32.67
China	4.62	4.74	4.68	4.57	4.57	4.64
India	0.82	0.82	0.82	0.82	0.83	0.82
Other Asia	1.64	1.67	1.63	1.61	1.61	1.63
Latin America	7.55	8.20	8.17	8.14	8.26	8.19
Middle East	1.99	1.53	1.15	1.88	1.89	1.61
Africa	2.27	2.24	2.23	2.24	2.31	2.25
Other Eurasia	0.36	0.35	0.35	0.36	0.36	0.36
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09
Total Non-OECD	19.34	19.65	19.11	19.71	19.91	19.60
Total Non-DoC production	51.66	51.95	51.61	52.47	53.01	52.27
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57
Total Non-DoC liquids production	54.20	54.52	54.18	55.04	55.58	54.84

Source: OPEC monthly report, July 2026

- From the above table, it can be inferred, that the total non-DoC liquids production is expected to reach 54.84 mb/d by 2026.
- The non-DoC liquids production (i.e. liquid production countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026.

Oil demand situation

- Global oil demand is forecast to grow by a healthy 0.8 mb/d in 2026, y-o-y, following a slight downward revision from last month's assessment. The OECD is forecast to grow by about 40 tb/d, while the non-OECD is forecast to grow by about 0.74 mb/d.

- Global oil demand in 2027 is forecast to grow by about 1.9 mb/d, y-o-y, following an upward revision from last month's assessment. The OECD is forecast to grow by about 0.3 mb/d, while the non-OECD is forecast to grow by about 1.7 mb/d.

Table 5: World Oil demand, mb/d

	2025	1Q26	2Q26	3Q26	4Q26	2026	Growth	%
Total OECD	45.95	45.72	45.44	46.51	46.28	45.99	0.04	0.09
<i>~ of which US</i>	20.74	20.80	20.91	21.30	20.85	20.96	0.23	1.06
Total Non-OECD	59.21	60.26	58.23	59.86	61.43	59.95	0.74	1.25
<i>~ of which India</i>	5.65	5.85	5.49	5.54	6.08	5.74	0.09	1.59
<i>~ of which China</i>	16.88	17.24	16.30	17.18	17.29	17.00	0.12	0.71
Total world	105.16	105.98	103.67	106.37	107.72	105.94	0.78	0.74

Source: OPEC monthly report, July 2026

Global petroleum product prices

USGC refining margins against WTI dropped for the third consecutive month in June, yet continued to retain most of the robust gains attained in March. This monthly drop was attributed to refinery operational ramp-ups and stronger product output, as offline capacities reached seasonal lows following an intense maintenance season. In terms of products, this weakness materialized in the middle and top sections of the barrel, with jet/kerosene representing its primary source. By the end of June, total jet/kerosene inventories rose nearly 7%, m-o-m, and were 6% higher, y-o-y. Similarly, USGC gasoil inventories registered a stock build in June, albeit to a lesser extent than jet/kerosene. Meanwhile, total motor gasoline inventory declines stabilized on the back of restored refinery output rates.

Additionally, although gasoline retail prices declined in June, they remain higher compared to the previous year, which could have weighed on gasoline demand in the US. Nonetheless, gasoline markets are expected to strengthen somewhat in the near term, particularly if retail prices decline in July. According to preliminary data, refinery intake in the USGC increased by 340 tb/d, m-o-m, to average 17.28 mb/d in June. USGC margins against WTI averaged \$29.35/b, down \$5.83, m-o-m, but up \$17.53, y-o-y.

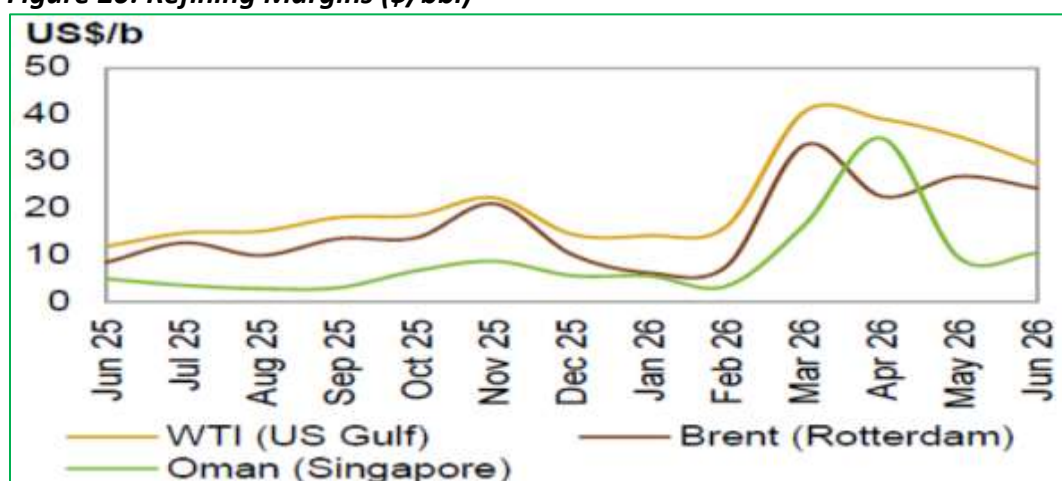
Rotterdam refinery margins against Brent moved lower, losing some of the gains attained in the previous month, pressured by higher product availability as refiners in Europe increased their processing rates in June. According to S&P Global data published on 2 July, total Amsterdam-Rotterdam-Antwerp (ARA) oil product stocks increased 2.0%, m-o-m. Despite this monthly

increase, total ARA oil product stocks were 16.2% lower in June, y-o-y, with jet fuel and fuel oil accounting for most of this decrease. According to preliminary data, June refinery runs in EU-14, Norway and the UK increased by 240 tb/d to average 9.59 mb/d. Refinery margins against Brent in Europe averaged \$24.25/b in June, which was \$2.51 lower, m-o-m, and \$15.80 higher, y-o-y.

Singapore's refining margins against Oman rose amid easing geopolitical tensions, an uptick in crude arrivals, and lower crude prices. Product markets, however, weakened in Southeast Asia over June, with all key product crack spreads showing m-o-m declines, with the largest registered in naphtha and jet/kerosene. This reflects increases in crude oil arrivals into the region. Higher inflows of barrels outside the Middle East supported refinery processing rates in the region. Additionally, recent data indicates a resumption of outflows from the Middle East, which likely further contributed to stronger refinery runs and higher product output in Southeast Asia.

According to preliminary data, the combined June refinery intake for Japan, China, India, Singapore and South Korea increased by 690 tb/d, m-o-m, to average 24.48 mb/d. Refinery margins against Oman averaged \$10.37/b, which was \$1.04 higher, m-o-m, and \$5.44 higher, y-o-y.

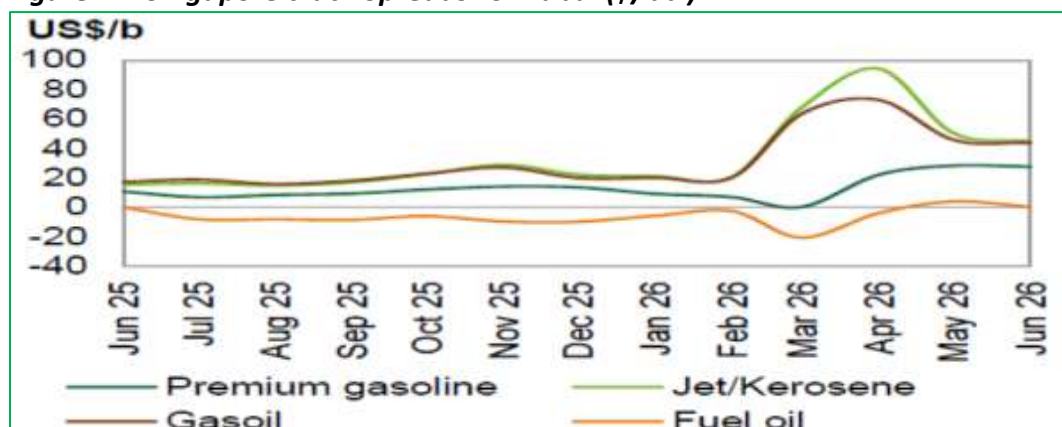
Figure 20: Refining Margins (\$/bbl)



Source: Argus and OPEC

The Southeast Asia 92 gasoline crack spread against Dubai eased following two consecutive months of gains, as a recovery in regional processing rates widened the regional gasoline balance. Nevertheless, gasoline performed relatively better compared to all other key products in Southeast Asia, registering the smallest downturn across the barrel in June. The margin averaged \$27.73/b in June, down \$0.68/b, m-o-m, and up \$16.85/b, y-o-y.

Figure 21: Singapore crack Spreads vs. Dubai (\$/bbl)



Source: Argus and OPEC

The Singapore gasoil crack spread eased further in June as the global bullish sentiment in gasoil markets continued to diminish. Improvements in gasoil supply projections amid easing market tightness reduced the geopolitically driven risk premium. The Singapore gasoil crack spread against Dubai averaged \$43.89/b, down \$2.11/b, m-o-m, but up \$26.56/b, y-o-y.

Table 6: Singapore FOB, refined product prices (\$/bbl) in June 2026

Singapore product prices	Price (\$/b)	MoM (%) change	YoY (%) change
Naphtha	75.32	-28.5%	17.5%
Premium gasoline (unleaded 95)	109.83	-16.4%	34.0%
Regular gasoline (unleaded 92)	107.70	-17.0%	34.5%
Jet/Kerosene	124.91	-17.7%	47.4%
Gasoil/Diesel (50 ppm)	124.27	-18.6%	43.3%
Fuel oil (180 cst 2.0% S)	115.30	-18.9%	35.5%
Fuel oil (380 cst 3.5% S)	80.28	-23.7%	15.9%

Source: OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in June 2026 with a volume of 19.42 MMT registered de-growth of 3.08% on volume of 20.04 MMT in June 2025.
- MS (Petrol) consumption during the month of June 2026 with a volume of 3.78 MMT recorded a growth of 7.45% on volume of 3.52 MMT in June 2025.

- HSD (Diesel) consumption during the month of June 2026 with a volume of 8.61 MMT recorded growth of 6.17% on volume of 8.11 MMT in the month of June 2025.
- LPG consumption during the month of June 2026 with a volume of 2.19 MMT registered de-growth of 14.34% over the volume of 2.55 MMT in the month of June 2025.
- ATF consumption during June 2026 with a volume of 0.731 MMT registered a growth of 0.04% over the volume of 0.730 MMT in June 2025.
- Bitumen consumption during June 2026 with a volume of 0.571 MMT registered de-growth of 18.36% over volume of 0.699 MMT in the month of June 2025.
- Kerosene consumption registered de-growth of 19.96% during the month of June 2026 as compared to June 2025.

Table 7: Petroleum products consumption in India, June 2026 and Year till Date (YTD)

Consumption of Petroleum Products (P)	Monthly			Year till Date	
	Consumption in '000 MT	MoM (%) change	YoY (%) change	Consumption in '000 MT	YoY (%) change
LPG	2,188	2.7%	-14.3%	6,509	16.34%
Naphtha	562	-42.7%	-42.8%	2,271	20.71%
MS	3,784	-3.2%	7.5%	11,378	5.81%
ATF	731	-6.7%	0.0%	2,285	0.30%
SKO	33	3.1%	-20.0%	93	11.93%
HSD	8,605	-1.4%	6.2%	25,663	2.82%
LDO	46	-2.2%	-47.3%	137	45.74%
Lubricants & Greases	371	-1.9%	-5.5%	1,111	-3.80%
FO & LSHS	499	-19.8%	0.4%	1,603	7.13%
Bitumen	571	14.5%	-18.4%	1,481	38.75%
Petroleum coke	1,500	-4.1%	-0.2%	4,397	-9.82%
Others	533	6.3%	-42.4%	1,591	39.66%
TOTAL	19,424	-3.7%	-3.1%	58,520	-4.96%

Source: PPAC

Year Till Date: 1st April 2026 – 31st March 2027

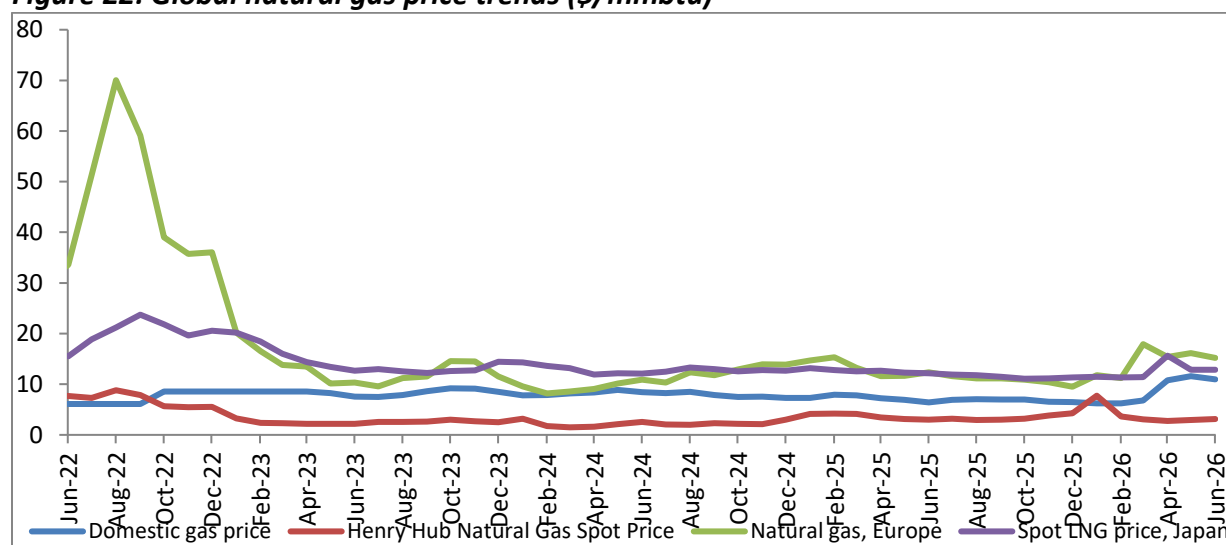
Natural Gas Market

Natural Gas Price – Monthly Review

- Natural Gas spot prices at the US Henry Hub benchmark averaged \$3.15 per million British thermal units (MMBtu) in June 2026. Henry Hub natural gas prices increased by 7.1%, m-o-m, in June. Prices rose on the back of stronger summer cooling demand and ongoing LNG-related support. Gains were limited by an ongoing buildup in US inventories amid the injection season. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 17.2%, m-o-m, in June, remaining well within the five-year historical average. Prices were up by 4.3%, y-o-y.
- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of \$15.17 per MMBtu. The average Title Transfer Facility (TTF) price decreased by 6.2%, m-o-m, in June. A decline in the geopolitical risk premium, coupled with improved LNG supply conditions, weighed on the European benchmark. Moreover, EU gas storage levels continued to improve during the refill season. According to Gas Infrastructure Europe, EU storage was around 48.9% full by the end of June, up from 40.1% at the end of May, an 8.8 percentage point increase, m-o-m, but still below normal seasonal levels. Prices were up by 22.6%, y-o-y.
- Japan Liquefied Natural Gas Import Price averaged at \$12.83 per MMBtu for June 2026. There is a change of -0.4% from last month and 5.4% from one year ago.
- The Union Cabinet has approved a new formula for pricing of natural gas and imposed cap or ceiling price on the same. Natural gas produced from legacy or old fields, known as APM gas, will now be indexed to crude oil prices. From April 1 2023, APM gas will be priced at 10% of the price of basket of crude oil that India imports. The rate such arrived at however will be capped at US\$ 6.50 per MMBTU. The price such arrived at will also have a floor of US\$4 per MMBTU. As per notification dated 31st March 2025, the APM gas price has been raised to US\$ 6.75 per MMBTU, up from US\$ 6.50 per MMBTU. Further, as per notification dated 31st March 2026, the APM gas price has been raised to US\$ 7.00 per MMBTU.
- Further, in accordance with MoP&NG, Govt. of India, pricing freedom for gas being produced from discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas, the gas price ceiling for the period 1st April, 2023 - 30th September, 2023 was notified as US\$ 12.12/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 31st March, 2023. As per notification dated 30th September 2023, Gas price ceiling was further revised for the period 1st October, 2023 – 31st March, 2024 was notified as US\$9.96/MMBTU on Gross Calorific Value (GCV) basis. Prices were further revised for the period 1st April, 2024 – 30th September, 2024 was notified as US\$9.87/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 31st March 2024. Accordingly, for the period 1st October, 2024 – 31st March, 2025 gas price ceiling was further revised as US\$10.16/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 30th September 2024. Now, as per notification dated 31st March 2025, Gas price ceiling

was further revised for the period 1st April, 2025 – 30th September, 2025 was notified as US\$10.04/MMBTU on Gross Calorific Value (GCV) basis. Prices were further revised for the period 1st October, 2025 – 31st March, 2026 was notified as US\$9.72/MMBTU on Gross Calorific Value (GCV) basis as per notification dated 30th September 2025. As per notification dated 31st March 2026, gas prices were further revised for the period 1st April 2026 – 30th September 2026 and was notified as US\$ 8.90/MMBTU on Gross Calorific Value (GCV) basis.

Figure 22: Global natural gas price trends (\$/mmbtu)



Source: EIA, World Bank

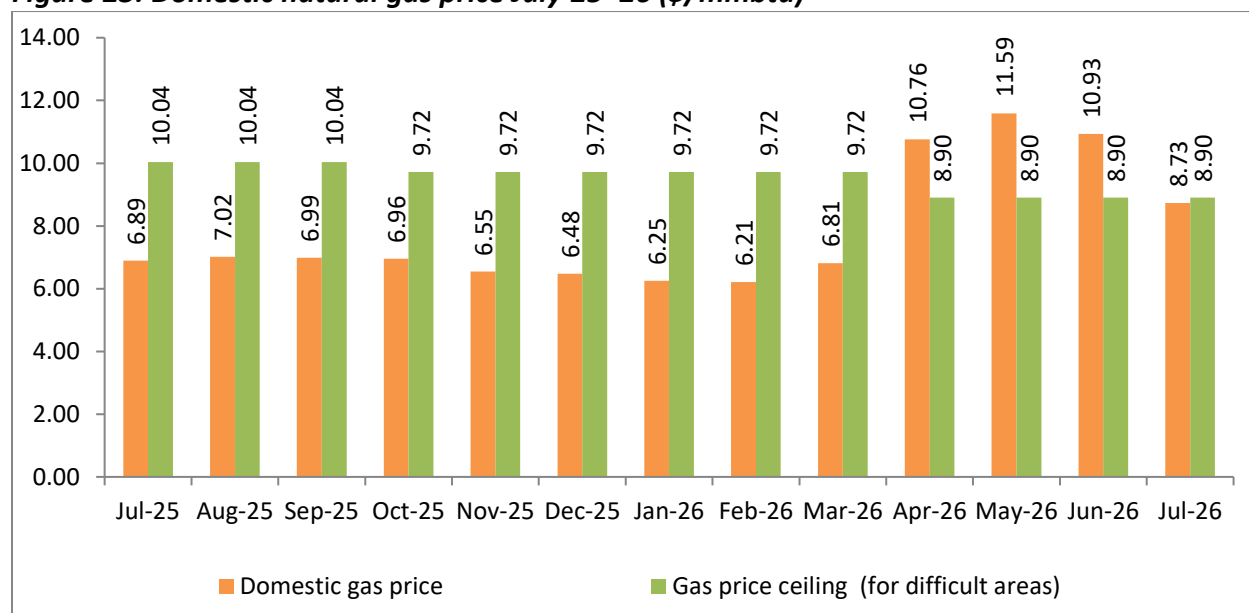
Table 8: Gas price, June 2026

Natural Gas	Price (\$/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (July'26)	8.73	-20.13%	26.71%
India, Gas price ceiling – difficult areas (Apr'26-Sep'26)	8.90	-8.44%	-11.35%
GIXI (Gas index of India) price*	18.6	0%	79%
Henry Hub	3.15	7.1%	4.3%
Natural Gas, Europe	15.17	-6.2%	22.6%
Liquefied Natural Gas, Japan	12.83	-0.4%	5.4%

Source: EIA, PPAC, World Bank, IGX

*Prices are weighted average prices (data excluding ceiling price gas, LNG & LDC)

Figure 23: Domestic natural gas price July'25–26 (\$/mmbtu)



Source: PPAC

Indian Gas Market

- Gross Production of natural gas for the month of May 2026 (P) was 2835 MMSCM which was lower by 4.2% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of May 2026 (P) was 2604 MMSCM as per LNG Importing Entities reporting to PPAC. However, in view of Middle East Conflict, actual figures for May' 26 may be slightly different.
- Natural Gas available for Sale during May 2026 (P) was 4938 MMSCM (P) (decrease of 8.0% over the corresponding month of the previous year)
- Total Gas Consumption Availability during May 2026 (P) was 5399 MMSCM (P) (decrease of 7% over the corresponding month of the previous year). However, this analysis is based on LNG Import figures for Apr '26 as reported by LNG Importing Entities reporting to PPAC.
- Major consumers were Fertilizer (30%), City Gas Distribution (CGD) (26%), Power (12%), Refinery (7%) and Petrochemicals (3%).

Monthly Report on Natural gas production, imports, and consumption – May 2026

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of May 2026 was 2835 MMSCM (decrease of 4.2% over the corresponding month of the previous year).

Figure 24: Domestic natural gas Gross production (Qty in MMSCM)

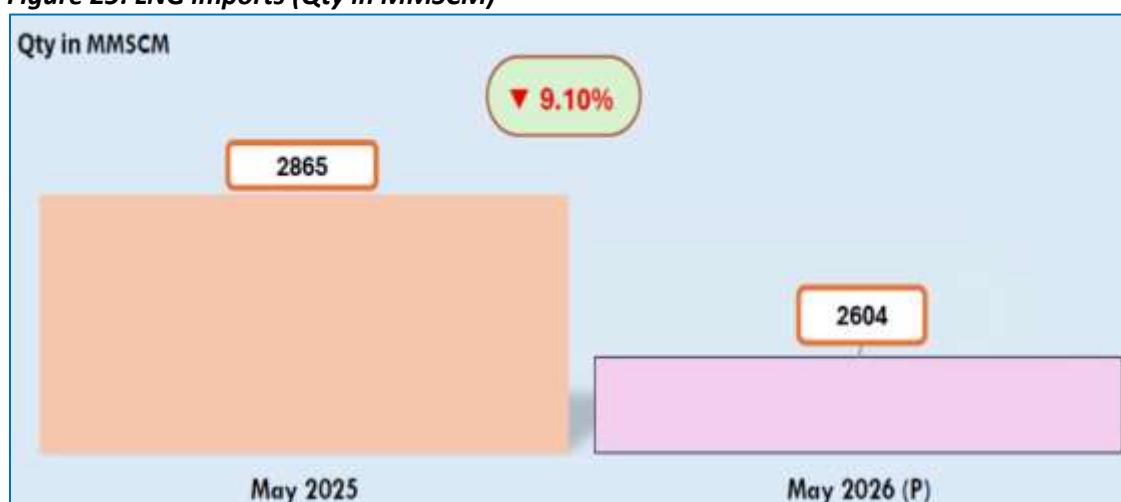


Source: PPAC

2. LNG imports:

Total import of LNG (provisional) during the month of May 2026 was 2604 MMSCM (P) (lower by 9.10% over the corresponding month of the previous year).

Figure 25: LNG imports (Qty in MMSCM)



Source: PPAC

3. Sectoral Consumption of Natural Gas:

Major consumers were fertilizer, CGD, power, refinery, petrochemicals among others.

Figure 26: Sectoral Consumption of Natural Gas (Qty in MMSCM) in May 2026



Source: PPAC

Key developments in Oil & Gas sector

Monthly Production Report for June 2026

1. Production of Crude Oil

Indigenous crude oil and condensate production during June 2026 was 2.3 MMT. Around 77.3% of production came from Nomination Fields, 12.5% from Pre-NELP Fields and 10% from NELP Fields, during June 2026. There is a de-growth of 2.7% in crude oil and condensate production during June 2026 as compared with the corresponding period of the previous year.

2. Production of Natural Gas

Gross production of natural gas for the month of May 2026 was 2835 MMSCM which was lower by 4.2% compared with the corresponding month of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during June 2026 was 22.3 MMT, which is 0.1% lower than June 2025, out of which PSU/JV refiners processed 15.5 MMT and private refiners processed 6.7 MMT of crude oil. Total indigenous crude oil processed was 1.9 MMT and total Imported crude oil processed was 20.4 by all Indian refineries (PSU+JV+PVT). There was a de-growth of 2.6% in total crude oil processed in April-June during current Financial Year as compared to same period of previous Financial Year.

4. Production of Petroleum Products

Production of petroleum products was 22.5 MMT during June 2026, which is 4% lower than June 2025. Out of 22.5 MMT, 22.2 MMT was from refinery production & 0.3 MMT was from fractionator. There was a de-growth of 4.4% in production of petroleum products in April-June FY 2025–26 as compared to same period of FY 2024–25. Out of total POL production in June 2026, share of major products including HSD is 43%, MS 18.7%, Naphtha 6.2%, ATF 5.1%, Pet Coke 4.5%, LPG 6.6%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

1. **E20 a Clean, High-Performance Fuel; Moved Ahead Only After Rigorous Testing on Older Vehicles: Industry Experts**

The Ministry of Petroleum and Natural Gas along with the Ministry of Heavy Industries and the Ministry of Road Transport and Highways organised a press conference in New Delhi, where leading experts from the energy and automobile sectors addressed the media on the E20 ethanol-blended petrol programme. It was highlighted that ethanol blending has been a measured, scientifically driven, step-by-step process, and vehicle owners were reassured that E20 fuel poses no cause for concern.

The press conference was addressed by Ms. Vartika Shukla, Former Chairman and Managing Director, Engineers India Limited (EIL); Shri Vikram Gulati, Country Head & Executive Vice President, Toyota Kirloskar Motor (TKM); Shri Rahul Bharti, Senior Executive Officer, Corporate Affairs, Maruti Suzuki; Shri Ashutosh Varma, Chief Business Officer, Hero MotoCorp; Shri Prasad Krishnan, Senior Vice President, TVS Motor Company; Shri Puneet Anand, Associate Vice President, Hyundai Motor India; and Shri Manpreet Singh Bindra, Circle Head – Sales (North & East), Urbanite Business, Bajaj Auto Limited.

Shri Vikram Gulati, Country Head & Executive Vice President, Toyota Kirloskar Motor, said the automotive industry is among the most strongly regulated sectors, with vehicles undergoing rigorous testing and certification by independent, globally accredited agencies before and after market introduction. He described ethanol as a high-performance, clean fuel, in use since the early 1900s and even in Formula racing. He added that the decision to move to E20 was taken only after rigorous testing on older vehicles, and clarified that the recently launched E85 dispensing stations are meant exclusively for flex-fuel vehicles, marking the direction of future policy.

On questions regarding the independence of testing agencies, Shri Gulati clarified that testing protocols are not set in India alone; India is party to UNECE, testing procedures are internationally standardised, and testing agencies are accredited, globally compliant and also undertake testing for exported vehicles. He stated that these protocols cannot be compromised.

Shri Rahul Bharti, Senior Executive Officer, Corporate Affairs, Maruti Suzuki, gave a "statement of confidence" to customers, stating that vehicles designed for E10 have been tested with E20 fuel across all parameters, with no areas of concern. He informed that of the 2.84 crore cars serviced by Maruti Suzuki in FY 2025-26, more than 1.5 crore were over three years old and hence not E20-certified, and no E20-related issues of corrosion, wear and tear or damage to component life were reported from the field.

On mileage, Shri Bharti stated that the calorific value of E20 is lower than that of E10 by about 3 to 3.5 per cent, and the mileage impact is limited to this extent. Illustrating, he said that for a car giving

20 km per litre, the impact works out to roughly 0.6 km per litre, whereas factors such as tyre pressure, driving pattern, correct gear usage, acceleration, braking and maintenance cause far greater variation in mileage. This loss in mileage is more than compensated by better acceleration, better anti knocking and far lesser pollution in case of ethanol against pure petrol.

He clarified that vehicles are designed with factors of safety well beyond E20 compliance, and that no retrofit kit is being offered in the market, with such solutions confined to R&D at present.

Ms. Vartika Shukla, Former Chairman and Managing Director, Engineers India Limited (EIL), said that the ethanol blending programme was structured through deliberation with all stakeholders and is supported by scientific evidence and extensive testing by automotive manufacturers, in line with global best practices. She noted that E20 fuel conforms to the BIS standard and BS-VI emission norms and is uniformly available across retail outlets in the country. She added that several countries have used ethanol blends for many years.

Shri Ashutosh Varma, Chief Business Officer, Hero MotoCorp, said that as one of the world's largest two-wheeler manufacturers, the company has analysed extensive service data and found no incidence of higher damage in vehicles running on E20 compared to earlier fuels.

The panel concluded by reaffirming the industry's collective confidence in the E20 programme and its commitment to addressing consumer queries with transparency.

2. Spudding of first appraisal well, MN-DWN18-1-HD, begins in Mahanadi offshore basin

Union Minister for Petroleum and Natural Gas, Shri Hardeep Singh Puri, marked the commencement of drilling of the first appraisal well, MN-DWN18-1-HD, in the Mahanadi Offshore Basin. Describing the occasion as "the beginning of a new chapter in India's journey towards energy security", the Minister said the commencement of drilling reflects the outcome of a decade of visionary reforms that have transformed India's exploration and production landscape.

The MN-DWN18-1-HD appraisal well being spudded in the Mahanadi Offshore Basin is the first of four planned deepwater wells that will systematically evaluate one of India's most prospective offshore basins. The drilling programme will employ world-class deepwater drilling technology to unlock new hydrocarbon resources and strengthen India's domestic production capability.

The Minister said that over the past decade, the Government has fundamentally transformed the exploration and production ecosystem through landmark policy and regulatory reforms.

He highlighted the introduction of the Hydrocarbon Exploration and Licensing Policy (HELP), replacement of the nomination-based approach with the Open Acreage Licensing Programme (OALP), adoption of a transparent Revenue Sharing framework and the opening of nearly 99% of the erstwhile offshore "No-Go" areas for exploration. He noted that nearly 81% of India's active exploration acreage

has been awarded after 2014, reflecting the confidence these reforms have inspired among investors and explorers alike.

Emphasising the importance of scientific exploration, the Minister said the Government has made sustained investments in geoscientific data generation through initiatives such as Mission Anveshan, the National Seismic Programme, the Extended Continental Shelf Survey, the National Data Repository and the Hydrocarbon Resource Assessment Study, creating one of the world's most comprehensive geoscientific databases to unlock India's frontier basins.

Highlighting the progress achieved under the Government's exploration reforms, Shri Puri said that under OALP, 172 exploration blocks covering nearly 3.8 lakh square kilometres have been awarded with committed investments exceeding USD 4.3 billion. During FY 2025-26 alone, around 674 wells were drilled, five new discoveries were made and seven discoveries were monetised.

The Minister said the Government's strategy is two-fold—discovering new hydrocarbon resources while maximising recovery from existing national assets. He added that efforts are also underway to revitalise mature producing fields through the deployment of advanced technologies and global best practices. The Minister emphasised that India's energy future will not be secured by a single discovery but through sustained reforms, cutting-edge technology, scientific exploration and the dedication of thousands of geologists, engineers, scientists and offshore professionals.

Congratulating ONGC, Oil India Limited, the Directorate General of Hydrocarbons, technical partners and the entire exploration fraternity, Shri Puri expressed confidence that commencement of drilling would further strengthen India's offshore exploration efforts and contribute to the country's long-term energy security and goal of energy self-reliance.

3. Government hikes windfall tax on diesel, ATF; cuts levy on petrol exports

The government has increased the windfall gains tax on exports of diesel and ATF, while lowering the levy on petrol for the fortnight beginning Thursday (July 16, 2026). The rate of Special Additional Excise Duty (SAED) on diesel exports has been increased to ₹15.5 a litre from ₹8.5 a litre. Similarly, SAED on ATF exports has been raised to ₹14.5 per litre from ₹7.5 per litre till Wednesday (July 15, 2026).

However, the export duty on petrol has been cut to ₹2.5 per litre, from ₹4 per litre. The Finance Ministry, in a notification, said the duty hikes will be effective from July 16.

4. E20 rollout based on scientific validation and extensive stakeholder consultation

PIB in its report has brought out that the Ethanol Blended Petrol (EBP) Programme has been implemented through a phased, scientifically validated and consultative process involving NITI Aayog, automobile manufacturers, Oil Marketing Companies (OMCs), Automotive Research Association of India (ARAI), Society of Indian Automobile Manufacturers (SIAM), Indian Institute of Petroleum (IIP) and other technical institutions.

The rollout of higher ethanol blends was undertaken only after extensive consultation with automobile manufacturers, SIAM, ARAI, component manufacturers, testing agencies and Oil Marketing Companies (OMCs).

Extensive laboratory studies and field trials conducted by ARAI, SIAM, IOCL, IIP and automobile manufacturers covering parameters such as engine durability, drivability, startability, corrosion resistance, material compatibility, emissions and fuel efficiency have confirmed that E20 is safe for use under prescribed standards.

These studies also established that legacy vehicles do not exhibit any significant variation in performance or abnormal wear and tear due to E20. These extensive laboratory studies, field validation and real-world operating experience have not established any widespread adverse impact on vehicle performance due to E20 fuel. The Government's assessment is based not only on laboratory research but also on large-scale experience after nationwide implementation. India witnesses approximately 8 crore vehicles visiting retail outlets every day (around 80% petrol vehicles).

This is evident from the fact that E15+ blended petrol has been in widespread use for over three-and-a-half years and E19-E20 fuel for over two-and-a-half years. More than 20 crore two-wheelers and over 3 crore petrol cars have been operating on these blends without any verified evidence of widespread engine failure or vehicle breakdown attributable to ethanol blending. Manufacturer service data confirm that there is no abnormal corrosion, wear or reduction in vehicle life due to E20 fuel. Manufacturers continue to honour warranty obligations for vehicles using E20 fuel, providing further confidence in its safety and reliability.

A leading OEM serviced 2.84 crore vehicles during FY 2025-26, including approximately 1.5 crore vehicles that were not originally certified as E20-compatible, and reported no E20-linked corrosion, abnormal wear or reduction in component life. A leading 2-wheeler company has reported similar field experience. One OEM recently stated that data from 1.4 crore E20-operated vehicles tracked over an extended period showed no evidence of ethanol-induced corrosion. ARAI reaffirmed that vehicles undergo rigorous international-standard validation before reaching consumers.

Automobile manufacturers, component suppliers, SIAM, ARAI, testing agencies and Oil Marketing Companies were associated with every stage of the scientific evaluation and phased rollout of E20. E20 was introduced only after successful validation of fuel systems, engine durability, drivability, material compatibility and emissions performance. These studies did not reveal any significant adverse impact on performance, durability or material compatibility in legacy vehicles under the prescribed operating conditions. Had automobile manufacturers not been fully satisfied with the results, they would neither have validated E20 fuel for older vehicles nor honoured warranty obligations.

According to SIAM and ARAI, E20 improves acceleration and ride quality while reducing carbon emissions. Ethanol's higher-octane number supports modern high-compression engines and its higher heat of vaporisation improves combustion efficiency.

5. Facts about Ethanol Blended Petrol: Separating Facts from Misconceptions

PIB in its report has brought out certain misleading claims regarding the Ethanol Blended Petrol (EBP) Programme that have recently been circulated in the media and on social media. The following point-wise clarifications, based on scientific validation, extensive field experience and industry data, address these claims and present the factual position.

Claim 1: Vehicles manufactured before 2023 cannot run on E20 petrol.

- E15-plus fuel has been in widespread use for over three and a half years, while E19-E20 fuel has been in use for over two and a half years.
- During this period, no verified news of widespread engine failure or vehicle breakdown attributable to ethanol blending has emerged. Had ethanol blending been causing systemic damage to engines or fuel systems, such failures would have resulted in large-scale warranty claims, service campaigns and widespread consumer complaints, none of which have been reported.
- Ethanol is not a new fuel. It has been used globally for over a century, with countries such as Brazil operating higher ethanol blends for decades. In India, the Ethanol Blended Petrol (EBP) Programme commenced with a pilot in 2001, E5 was introduced in 2006, and although blending remained around 1.53% in 2013-14, it has since been increased progressively in a calibrated manner after creating the necessary production capacity, infrastructure and regulatory framework.

Ethanol Supply Year	Average Blending (%)
2013-14	~1.53
2020-21	~8.1
2021-22	~10
2022-23	~12
2023-24	~14.6
2024-25	~19.2
2025-26 (Nov-June)	20

- The Government has also considered the large-scale real-world operating experience. India witnesses approximately 8 crore vehicles visiting retail outlets every day (around 80% petrol vehicles),
- The Government's assessment is also based on manufacturer service data. A leading OEM serviced 2.84 crore vehicles during FY 2025-26, including approximately 1.5 crore vehicles that were not originally certified as E20-compatible, and reported no E20-linked corrosion, abnormal wear or reduction in component life. A leading 2 wheeler company has reported similar field experience.
- Further, the rollout of higher ethanol blends was undertaken only after extensive consultation with automobile manufacturers, SIAM, ARAI, component manufacturers, testing agencies and Oil Marketing Companies (OMCs).
- Material compatibility, engine calibration, drivability, durability, emissions, fuel systems and performance were scientifically evaluated before implementation. Manufacturers have continued to honour vehicle warranties, reflecting their confidence in the compatibility of the fuel.
- One OEM recently stated that data from 1.4 crore E20-operated vehicles tracked over an extended period showed no evidence of ethanol-induced corrosion, while ARAI reaffirmed that E20-compatible vehicles undergo rigorous international-standard validation before reaching consumers.
- In addition, Oil Marketing Companies maintain strict fuel quality assurance through over 30,000 retail outlet inspections for adulteration and fuel quality verification, supported by directions to States to maintain zero tolerance towards fuel adulteration. Ethanol-blended petrol conforms to BIS specifications and undergoes quality checks throughout the supply chain.
- Accordingly, the Government's statement that "no widespread issues" have been reported is based not on isolated instances but on the cumulative evidence of over 25 years of phased implementation, extensive scientific validation, continuous field experience across crores of vehicles, manufacturer service records, stakeholder consultations, and ongoing quality monitoring.
- The Government examines claims circulated on social media in consultation with manufacturers and technical agencies. Many such claims have been found to be exaggerated, misleading or unsupported by technical evidence and no verified evidence of widespread engine damage due to ethanol blending has emerged.

Claim 2: Nearly 30 crore vehicles will become unusable.

E15+ blended petrol has already been in widespread use for more than three and a half years, while E19-E20 fuel has been in use for over two and a half years.

During this period:

- More than 20 crore two-wheelers
- More than 3 crore petrol cars have operated on these fuels without any verified evidence of widespread engine failure or vehicle breakdown attributable to ethanol blending.

If E20 really rendered vehicles unusable, India would have witnessed millions of breakdowns, warranty claims and service campaigns. Nothing of that sort has occurred.

Claim 3: Automobile manufacturers have privately indicated that E20 is not desirable.

On 4 July 2026, the Ministry of Petroleum & Natural Gas, along with the Ministry of Heavy Industries and the Ministry of Road Transport & Highways, convened a joint press conference where senior executives from Toyota Kirloskar, Maruti Suzuki, Hero MotoCorp, Hyundai Motor India, TVS Motor Company and Bajaj Auto collectively addressed concerns regarding E20. Their position was unequivocal:

- Toyota Kirloskar stated that E20 was introduced only after rigorous testing on older vehicles, describing ethanol as a clean, high-performance fuel that has been used globally for decades. It further emphasised that testing protocols are internationally standardised under UNECE norms and cannot be compromised.
- Maruti Suzuki gave what it described as a "statement of confidence" to consumers. Based on 2.84 crore vehicles serviced in FY 2025-26, including more than 1.5 crore older vehicles that were not originally E20-certified, the company reported no E20-related corrosion, abnormal wear, or reduction in component life. It also clarified that the mileage impact is generally limited to 3–3.5%, and that everyday factors such as tyre pressure, driving style, maintenance and traffic have a much larger influence on fuel economy.
- Hero MotoCorp, one of the world's largest two-wheeler manufacturers, stated that analysis of its extensive service data found no higher incidence of damage in vehicles operating on E20 compared to earlier fuels.
- Hyundai, TVS Motor Company and Bajaj Auto also participated in the same press conference and collectively reaffirmed the industry's confidence in the E20 programme. The panel concluded by reiterating its commitment to the programme and to addressing consumer concerns transparently.

Claim 4: Older vehicles are at risk.

A leading automobile manufacturer serviced 2.84 crore vehicles during FY 2025-26.

Among them were approximately 1.5 crore vehicles that were never originally certified as E20-compatible.

Despite this,

- no abnormal corrosion,
- no abnormal wear,
- no reduction in component life was attributed to E20 fuel.

A leading two-wheeler manufacturer has reported similar field experience, while another OEM tracked 1.4 crore E20-operated vehicles over an extended period and found no evidence of ethanol-induced corrosion.

Claim 5: Mileage will collapse.

Government studies and automobile manufacturers have consistently explained that fuel efficiency depends on multiple factors, including:

- driving habits,
- traffic conditions,
- vehicle maintenance,
- tyre pressure,
- air-conditioner usage.

For certain older E10-designed vehicles, any reduction in fuel economy is generally limited to about 3-5%, not the exaggerated figures being circulated.

At the same time, E20 provides:

- higher octane rating, superior anti-knock characteristics,
- cleaner combustion, smoother engine performance,
- better acceleration and ride quality.

Claim 6: Manufacturers are being forced to support E20.

Had automobile manufacturers not been satisfied with the scientific validation, they would neither

- have certified E20-compatible vehicles,
- nor continued to honour warranty obligations.

Manufacturers continue to honour warranties for vehicles operating on specification-compliant E20 fuel because they have confidence in the extensive testing that preceded the rollout.

Claim 7: Automobile companies are under Government pressure to hide the truth about E20.

- India's automobile manufacturers are independent listed companies with legal and regulatory obligations to their customers.
- They cannot conceal widespread vehicle defects without exposing themselves to warranty claims, product liability, regulatory action and serious reputational damage.
- Manufacturers continue to honour warranties for E20-compatible vehicles, something they would not do if they believed E20 was causing systemic engine damage. Warranty decisions are based on engineering validation and field experience and not political considerations.
- The industry's position has also been expressed publicly and transparently. On 4 July 2026, senior executives from Toyota Kirloskar, Maruti Suzuki, Hero MotoCorp, Hyundai Motor India, TVS Motor Company and Bajaj Auto jointly addressed the media. They reaffirmed that E20 was introduced only after rigorous testing and extensive validation.

Their statements were backed by real-world service data:

- Maruti Suzuki analysed 2.84 crore vehicles serviced in FY 2025-26, including over 1.5 crore older vehicles, and found no E20-related corrosion, abnormal wear or reduction in component life.
- Hero MotoCorp reported that its extensive service data showed no higher incidence of vehicle damage in two-wheelers operating on E20.
- Toyota Kirloskar stated that E20 was introduced only after rigorous testing on older vehicles, following internationally recognised testing protocols under UNECE standards.

6. India's ethanol blended petrol programme balances food security, farmer welfare and energy security

PIB in its report has brought out that the Ethanol Blended Petrol (EBP) Programme is a key national initiative to enhance India's energy security, reduce dependence on imported crude oil and support farmers while safeguarding food security. Certain recent claims have presented an incomplete and misleading picture of the programme. The following clarifications address these issues and set out the factual position.

Claim: The Government sold FCI rice worth ₹37/kg to distilleries at ₹23/kg, causing a loss of ₹10,000 crore. The Government has also admitted that ethanol is more expensive than petrol, so E20 survives only because taxpayers subsidise it.

No compromise on food security — ethanol never comes at the cost of the poor

- The allegation is not just misleading; it turns the truth on its head.
- Every food grain first serves the Public Distribution System (PDS), the National Food Security Act (NFSA), welfare schemes, and mandatory buffer stocks. Not a single grain procured at MSP is diverted to ethanol before India's food security is secured.
- Only the surplus, certified by the Department of Food & Public Distribution after every food security obligation has been met, is approved for ethanol production.
- What actually goes into the ethanol programme is the damaged grain, broken rice, and foodgrain unfit for human consumption—stocks that would otherwise rot in warehouses.
- This is not taking food away from the poor; it is turning waste into wealth, reducing imports, and putting more money into the hands of Indian farmers.
- And the programme is moving even further ahead. Through the Pradhan Mantri JI-VAN Yojana, India is rapidly expanding 2G (Second generation) ethanol from agricultural residue, reducing dependence on food grains altogether.
- The facts are clear: the Government protects every grain needed for food security first, and only then converts surplus and waste into clean energy. The claim isn't just wrong, it ignores the very safeguards that make India's ethanol programme one of the world's most responsible.

Rice was not given special treatment

- The claim creates the impression that FCI rice was sold to ethanol producers at an unusually cheap price. That is simply not true.

- FCI rice is just one of several approved raw materials used to make ethanol and its price is fixed under the same government pricing framework as every other feedstock.

Feedstock (ESY 2025-26)	Ethanol price paid
Maize	₹71.86/litre
Sugarcane Juice/Syrup	₹65.61/litre
Damaged Foodgrains	₹64.00/litre
B-heavy Molasses	₹60.73/litre
FCI Rice	₹60.32/litre
C-heavy Molasses	₹57.97/litre

The programme does not depend on rice. It uses whichever approved feedstock is available.

- In ESY 2023-24, FCI rice contributed virtually nothing—just 0.02% of ethanol production.
- By ESY 2025-26, its share increased to 24.64% only because surplus FCI stocks became available after all food security needs had been met.
- During the same period, maize's share declined from 42.6% to 35.96%, showing that producers simply switch between different feedstocks depending on availability.
- Ethanol is not built around cheap rice. It is built around a flexible mix of approved feedstocks, with FCI rice used only when certified surplus stocks are available after meeting every food security obligation.

The real question isn't whether ethanol is cheaper — it's whether India is better protected

- The real question is this: What would Indians have paid if there had been no ethanol blending when global oil prices surged?
- When the Indian crude basket surged to around US\$135 per barrel, petrol without ethanol blending was projected to cost around ₹125 per litre in Delhi.
- Instead, consumers paid ₹94.77 per litre because 20% of every litre was domestically produced ethanol, procured at stable, pre-agreed prices that were insulated from the global crude price spike.
- The result? Nearly ₹30 per litre in savings at the pump during the peak of the crisis.
- That is the real value of ethanol blending. It is not about being the cheapest fuel every day. It is about protecting Indian consumers from extreme volatility in global oil markets, strengthening India's energy security, and keeping more of the country's fuel bill within the Indian economy rather than sending it overseas.
- The results of the program speak for themselves. The EBP Program has already delivered:
- More than ₹1.97 lakh crore in foreign exchange savings;

- Substitution of over 316 lakh metric tonnes of crude oil imports;
- Reduction of more than 950 lakh metric tonnes of CO₂ emissions; and
- Over ₹1.66 lakh crore in payments to farmers and distillers, creating a stable domestic market for agricultural produce.
- The purpose of ethanol blending is to reduce India's dependence on imported crude oil, which still meets nearly 88% of our oil requirement. It is an insurance policy against global oil shocks and not a day-to-day price competition.

Ethanol blending isn't a taxpayer subsidy. It's India's energy insurance and it has already delivered when the crisis hit.

7. Cabinet approves 'Samudra Manthan' (National Offshore Exploration Scheme) with an outlay of Rs.84,084 crore

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved 'Samudra Manthan' – the National Offshore Exploration Scheme, a Central Sector Scheme of the Ministry of Petroleum & Natural Gas with an approved outlay of Rs.84,084 crore for implementation up to FY 2030–31.

The Scheme translates the Prime Minister's vision, articulated from the Red Fort on Independence Day 2025, of a modern-day Samudra Manthan to unlock India's vast offshore energy potential. It marks a landmark step towards strengthening India's energy security, accelerating domestic exploration and production, promoting technological leadership, and advancing the vision of Viksit Bharat.

The Scheme encompasses a comprehensive set of interventions across the offshore exploration value chain. It provides for large-scale acquisition, processing and interpretation of high-quality seismic data, accelerated deepwater and ultra-deepwater exploratory drilling, scientific drilling in frontier basins, development of common offshore production and evacuation infrastructure, and establishment of an integrated Oil & Gas Manufacturing and Services Zone. It also includes dedicated provisions for digital programme management, capacity building, technology adoption, stakeholder engagement and international outreach, creating an integrated ecosystem to accelerate offshore exploration and production in the country.

Samudra Manthan is expected to catalyse reserve accretion of over 600 Million Metric Tons of Oil Equivalent (MMTOE), substantially increase offshore exploration activity, promote higher domestic oil and gas production, generate large-scale employment, strengthen indigenous manufacturing under Make in India and Atmanirbhar Bharat, and foster a globally competitive ecosystem for offshore technologies and services. The Scheme is also expected to stimulate significant investments across the exploration and production value chain, creating long-term opportunities for industry, innovation and economic growth.

As India progresses towards becoming a developed nation, Samudra Manthan represents a transformational national initiative that will unlock the country's offshore energy resources, strengthen long-term energy security, deepen technological capabilities, and create enduring value for the economy and future generations.

Over the past decade, the Government has undertaken transformative reforms across the upstream sector, including opening almost the entire offshore acreage for exploration, modernising the legislative and contractual framework, and strengthening the National Data Repository. Building on these reforms, Samudra Manthan will usher in a new era of accelerated offshore exploration through strategic public investment, cutting-edge technologies and world-class infrastructure.

8. Meeting of Consultative Committee for the Ministry of Power Held

The Consultative Committee of the Ministry of Power met under the chairmanship of Union Minister for Power and Housing & Urban Affairs, Shri Manohar Lal, to deliberate on the proposed framework for parallel distribution licensing aimed at promoting consumer choice, improving service quality and ensuring efficient utilisation of electricity distribution infrastructure. The meeting was attended by Shri Shripad Yesso Naik, Minister of State for Power, Members of Parliament who are members of the Consultative Committee, Secretary, Ministry of Power and senior officials of Ministry of Power.

Addressing the Committee, the Union Minister stated that the Electricity Act, 2003 had successfully introduced competition in electricity generation, transmission and trading, while distribution remains the only major segment where competition continues to be limited. He emphasized that as India moves towards becoming a developed nation under the vision of Viksit Bharat @2047, consumers will increasingly expect reliable, affordable and high-quality electricity supply comparable to global standards.

It was discussed that while the existing legal framework permits more than one distribution licensee in the same area, it requires each licensee to establish its own distribution network. This results in duplication of poles, lines and substations, increases capital expenditure and discourages fresh investment, ultimately leading to inefficient utilization of resources.

The proposed framework seeking to enable competition in electricity supply without requiring duplication of the physical distribution network was discussed in detail. Under the proposal, existing distribution licensees will continue to own, operate and maintain their networks. New distribution licensees will be able to use the existing network by paying regulated wheeling charges, while retaining the option to develop their own network wherever permitted by the concerned State Electricity Regulatory Commission.

The Minister highlighted that the detailed implementation framework would be developed by the State Electricity Regulatory Commissions to ensure fairness, transparency and non-discriminatory access to the network. The proposal also fully protects the interests of incumbent distribution

licensees and their employees. Further, all distribution licensees will continue to be bound by the universal service obligation under the Electricity Act, and the regulatory framework will prevent selective supply only to profitable consumers.

Emphasizing the consumer-centric nature of the reform, Shri Manohar Lal stated that consumers would have the freedom to choose their electricity supplier, similar to the choices available today in sectors such as telecommunications and aviation. Increased competition is expected to encourage better consumer service, improved reliability, greater innovation and operational efficiency, while ensuring optimal utilization of existing infrastructure and avoiding unnecessary expenditure.

The Minister noted that the concept is not new to India and has been successfully implemented in Mumbai for several years, where consumers have exercised supplier choice while the distribution network continues to be developed in a coordinated manner under the supervision of the State Electricity Regulatory Commission.

9. India Advances Global Green Hydrogen Leadership under National Green Hydrogen Mission

In a significant milestone under the National Green Hydrogen Mission (NGHM), ACME Cleantech Solutions Private Limited (ACME Group) secures long-term offtake deal with leading Japanese companies—IHI Corporation for Green Ammonia and Mitsubishi Gas Chemical Company, Inc. (MGC) for Green Methanol during a ceremony held at Atal Akshay Urja Bhawan, New Delhi.

The National Green Hydrogen Mission, approved in January 2023 with an outlay of ₹19,744 crore, aims to position India as a global hub for the production, utilisation, and export of green hydrogen and its derivatives. Under the Mission, the Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme provides financial support for production through a transparent bidding process conducted by the Solar Energy Corporation of India (SECI). ACME Group has been awarded a production capacity of 3,70,000 tonnes per annum (370 kTPA) under the SIGHT Programme, forming the foundation for these export-oriented agreements.

Under the deal with IHI Corporation, ACME will supply a total of 4,05,000 tonnes per annum (405 kTPA) of green ammonia. This arrangement is supported by Japan's Contract for Difference (CfD) scheme for low-carbon ammonia, administered by METI, which provides price support to Japanese off-takers, thereby ensuring the long-term commercial viability of such imports.

ACME has also signed a 10-year agreement with Mitsubishi Gas Chemical Company, Inc. for the supply of 1,00,000 tonnes per annum (100 kTPA) of green methanol from its Paradip facility. The project is aligned with global decarbonisation goals, particularly in the maritime sector, and is designed to meet European Renewable Fuels of Non-Biological Origin (RFNBO) requirements as well as International Maritime Organization (IMO) standards for cleaner marine fuels.

"I welcome Japan's decision to extend its CfD subsidy support to the ACME-IHI Green Hydrogen project. It reflects the growing global confidence in India's green hydrogen ecosystem and our

emergence as a trusted partner in the global clean energy transition. Under the leadership of Prime Minister Shri Narendra Modi ji, the National Green Hydrogen Mission is creating a strong and future-ready ecosystem. It is attracting global investments, building international partnerships, and opening new markets for Indian green hydrogen and its derivatives, said Union Minister for New & Renewable Energy and Consumer Affairs & Food and Public Distribution, Shri Pralhad Joshi.

During his address, Secretary Ministry of New & Renewable Energy, Shri Santosh Kumar Sarangi said that from the perspective of the Mission, these agreements have delivered three key outcomes-they have created a market linkage with Japan for Green Ammonia and Green Methanol giving confidence to investors, it has shown that Green Hydrogen sector is becoming commercially mature with Indian clean fuels now being positioned as a reliable suppliers to global market and, creation of international green hydrogen and green ammonia value chains.

Mr. Takehiko MATSUO, Vice Minister METI, Government of Japan also addressed the event stating that the agreements are the flagship outcome of deepening India-Japan cooperation in clean energy.

These deals represent one of the largest green ammonia and methanol offtake commitments from India to Japan to date. They underscore the growing commercial maturity of India's green hydrogen ecosystem and reinforce long-term demand for production capacities established under the SIGHT Programme. The partnerships also contribute to Japan's energy transition and energy security objectives by ensuring a stable supply of low-carbon fuels from India.

ACME Group presented project overviews followed by the formal signing of agreements. Agreements were signed in the presence of senior officials from the Ministry of New and Renewable Energy (MNRE), representatives from the Government of Japan, including the Ministry of Economy, Trade and Industry (METI), and leadership from ACME Group, IHI Corporation, and MGC.

10. No Change in ALMM Policy; Centre Provides Extended Relief Window for Select Solar Projects up to December 2026

The Ministry of New and Renewable Energy (M/o N&RE) has decided that while there will be no change in the policy of Government of India in respect of implementation of Approved List of Models & Manufacturers (ALMM) List-II for solar PV cells, and no blanket extension in applicability of ALMM List-II for solar power projects will be provided, however, a limited window is being provided for Net-metering projects and Open Access RE power projects, whereby such projects can now commission with exemption of ALMM List-II (for solar PV cells), till 31st December 2026. Earlier this dispensation for the limited segment of Net-metering projects and Open Access renewable power projects, was available till 31st May 2026.

This step will also help the standalone solar PV module manufacturers by providing them protection of investments already made, in the form of inventories, through additional demand creation. This will also provide them sufficient time before they could effectively increase their sourcing of solar

cells from ALMM List-II enlisted solar cell manufacturers, as the solar cell capacity in ALMM List-II continues to rise steadily.

The decision is a result of detailed deliberations with various stakeholders of the solar industry, to ensure a smooth transition to ALMM List-II (for solar PV cells), for the Net-metering projects and Open Access renewable power projects.

Solar PV manufacturing remains a significant focus of the Government's efforts. The Government is committed to making India self-reliant (Atmanirbhar) in solar PV manufacturing and establishing India as a major player in the global value chain.

11. India's Renewable Energy Installed Capacity Surges Nearly Fourfold to 288.58 GW Since 2014

Renewable energy installed capacity in the country has increased from 76.38 GW in 2014 to 288.58 GW as on 30.06.2026. Source: wise installed capacity under solar, wind and other renewable sources is given below:

Source	Installed Capacity (GW)
Solar power	162.15
Wind power	57.44
Bio power	11.75
Hydro power	57.24
Total	288.58

So far, a total of 297.36 GW non-fossil fuel sources-based electricity capacity has been installed in the country as on 30.06.2026. This includes 288.58 GW renewable energy capacity and 8.78 GW nuclear power capacity.

Since FY 2014 till FY 2026, renewable energy sector in the country has attracted Foreign Direct Investment (FDI) of USD 45.72 Bn (approx.). Additionally, during the said period, domestic financial institutions (12 Public sector banks, IREDA, PFC, REC, IIFCL, NaBFID and SIDBI) have deployed Rs.12.32 lakh crore towards renewable energy sector.

12. Bharat Renewable Energy Summit & Expo (BRE Summit & Expo) 2026 to be Held from 2–5 November in New Delhi: Shri Pralhad Joshi

The Bharat Renewable Energy Summit & Expo (BRE Summit & Expo) 2026 will be held from 2nd to 5th November 2026 at Bharat Mandapam, New Delhi, said Shri Pralhad Joshi, Union Minister for New and

Renewable Energy and Consumer Affairs, Food and Public Distribution, while addressing the Curtain Raiser of the BRE Summit & Expo 2026.

In his keynote address, Shri Pralhad Joshi said that the BRE Summit & Expo 2026 will, for the first time, bring together three major renewable energy events under one platform—BRE Summit & Expo 2026, the 9th Session of the International Solar Alliance (ISA) Assembly, and the 4th International Conference on Green Hydrogen (ICGH). Shri Joshi further informed that the Prime Minister has agreed to inaugurate BRE Summit & Expo 2026. He said the Prime Minister's presence reflects India's commitment to renewable energy as a key pillar of Viksit Bharat and its contribution to global sustainable development.

Shri Joshi further stated that the Summit will bring together leading renewable energy developers, technology companies, manufacturers, battery storage firms, green hydrogen pioneers, financial institutions, international organisations, and investors, ensuring representation of the entire renewable energy value chain under one roof. He added that the Summit has also been designed with a truly global outlook. Invitations have been extended to 34 countries for the BRE Summit & Expo, while the International Solar Alliance has invited 128 countries for the Assembly.

Shri Joshi emphasized that India's credibility on the global stage is built on its strong track record of delivery, which has enabled it to convene the global renewable energy community. He further stated that India will soon cross the landmark of 300 GW of installed non-fossil fuel capacity. He also informed that the PM Surya Ghar: Muft Bijli Yojana is expected to cross 50 lakh beneficiary households in the coming weeks.

During the Curtain Raiser, Shri Joshi also unveiled the official logo of BRE Summit & Expo 2026, 'URJHA Chakra', and launched the official digital portal and mobile application for the Summit.

Shri Shripad Yesso Naik, Minister of State for Power and New and Renewable Energy, highlighted that India's renewable energy transition is being driven by the collective efforts of States across the country. He noted that while Rajasthan is harnessing its vast solar resources and Gujarat is developing the world's largest hybrid renewable energy park at Khavda, several other States are advancing hydropower, floating solar, biomass and decentralised renewable energy, reflecting the spirit of cooperative and competitive federalism.

Shri Santosh Kumar Sarangi, Secretary, Ministry of New and Renewable Energy, said that India's renewable energy transformation has been built on four key pillars—policy stability, market creation, ecosystem development and transmission infrastructure. He said the next phase of the energy transition will focus on strengthening system capabilities through hybrid renewable energy projects, battery energy storage systems, floating solar, agrivoltaics and the National Green Hydrogen Mission. He added that Bharat Renewable Energy Summit & Expo (BRE Summit & Expo) 2026 will provide a common platform for governments, industry, investors, innovators and international partners to accelerate investments, technology partnerships and collaboration in clean energy.

13. Centre Promotes Convergence of PM KUSUM and PM Surya Ghar Schemes to Accelerate Solar Adoption and Rural Energy Self-Sufficiency

Government has been promoting convergence of PM KUSUM and PM Surya Ghar: Muft Bijli Yojana with suitable Central and State programmes and funding sources, wherever feasible, to facilitate wider adoption of the schemes. For instance, PM KUSUM scheme guidelines allow for convergence with other central schemes including:

- Agriculture Infrastructure Fund (AIF) scheme for access of easy financing
- Revamped Distribution Sector Scheme (RDSS) for solarization of segregated agriculture feeders
- Promotion of micro irrigation techniques and Per Drop More Crop scheme
- Replacement of agriculture pumps with energy efficient pumps
- Gram Urja Swaraj Campaign to enhance self-sufficiency at village level

Similarly for PM Surya Ghar: Muft Bijli Yojana, the convergence is taken up with Ministry of Housing and Urban Affairs (MoHUA), for implementing the Solar Didi Programme under which women Self-Help Group (SHG) members under DAY-NULM are trained. Convergence of District Mineral Foundation (DMF) funds is also encouraged with PM Surya Ghar for eligible beneficiaries, particularly BPL households, PMAY beneficiaries and other vulnerable sections.

The Ministry has already issued communications and possible areas of convergence to all the states for convergence of PM KUSUM and PMSG Schemes with scheme of Ministry of Cooperation, Ministry of Panchayati Raj, Ministry of Agriculture and Farmers Welfare, Ministry of Rural Development etc.

14. MNRE Implements New Solar Power Scheme Under PM-JANMAN and DAJGUA to Electrify PVTG and Tribal Habitations with 100% Central Financial Assistance

Ministry of New and Renewable Energy (MNRE) is implementing the New Solar Power Scheme (for PVTG and Tribal Habitations/Villages) under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) and Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA) for the electrification of un-electrified households (HHs) in PVTG and Tribal habitations/villages, solarisation of Multi-Purpose Centres (MPCs) in PVTG areas; and solarisation of public institutions in identified tribal habitations/villages through off-grid solar systems; where electricity supply through grid is not techno-economically feasible. The New Solar Power Scheme has provision of 100 % Central Financial Assistance for different components of the scheme as per details given below.

S. No	Components	Central Share (100%)
1	Provision of 0.3 kW Solar off-grid system for Tribal and PVTG HHs	Rs. 50,000 per HH or as per actual cost whichever is lower

2	Solar street lighting and provision of lighting in MPCs of PVTG areas (<i>under PM JANMAN component only</i>)	Rs. 1 lakh per MPC
3	Solarisation of public institutions through off-grid solar systems (<i>under DA JGUA component only</i>)	Rs. 1 lakh per kW with maximum capacity of 20 kW at an institution

Under New Solar Power Scheme, as on 30.06.2026, central finance assistance (CFA) of Rs. 57.10 Cr. has been released.

The New Solar Power Scheme has provision to cover electrification of One Lakh un-electrified households (HHs) in Tribal and PVTG areas identified by Ministry of Tribal Affairs (MoTA) by provision of off-grid solar systems. The scheme also includes a provision for Solarisation of 1500 Multi-Purpose Centres (MPCs) in PVTG areas as approved under PM JANMAN. Under the New Solar Power Scheme, as on 30.06.2026, 11,838 households are reported to be electrified through solar off-grid systems in different states.

As per the information received from Ministry of Power, States are being supported for grid electrification of un- electrified households under the ongoing Revamped Distribution Sector Schemes (RDSS), wherever feasible. Under the scheme, works for electrification of PVTG households, identified under PM-JANMAN, amounting to Rs. 521.45 Cr. with gross budgetary support of Rs. 331.49 Cr. have been sanctioned in 13 States for providing on grid connectivity to 1,39,126 PVTG households as per the scheme guidelines. As on 24.07.2026, 1,38,620 households belonging to PVTG have been electrified.

No subsidy is being provided by the Union Government to small shopkeepers/commercial premises operators for installing solar panels on their commercial establishments. No such proposal for considering any new subsidy scheme to encourage small businessmen to adopt solar energy for commercial use in the tribal regions is under consideration.

15. Centre Launched 12 Pilot Projects Under National Green Hydrogen Mission for Deployment of 70 Hydrogen-Powered Vehicles Across 21 Routes

The Government of India is implementing the National Green Hydrogen Mission (NGHM), with an objective to make India a global hub of production, usage and export of green hydrogen and its derivatives.

Under NGHM, 12 pilot projects have been awarded for deployment of 70 hydrogen - powered vehicles, comprising 27 buses and 43 trucks, including Fuel Cell Electric Vehicles (FCEVs) and Hydrogen Internal Combustion Engine (H₂ - ICE) vehicles, along with 16 Hydrogen Refuelling Stations (HRS) across 21 routes in different States.

The total financial assistance allocated for these projects is approximately ₹ 410.77 crores, out of which ₹ 41.582 crores has been released. A structured monitoring and feedback mechanism has been incorporated for pilot projects being implemented in the road transport sector under NGHM. The agencies executing these projects are required to regularly submit performance reports on hydrogen vehicle operations, including vehicle efficiency, fuel consumption, safety aspects, and utilization patterns. The learnings from these pilot projects support the assessment of techno – economic viability of hydrogen – based mobility solutions and facilitate future policy interventions and deployment of green hydrogen vehicles in India.

16. Cabinet approves 'Pradhan Mantri Surya Sarovar Yojana (PM-SSY)' for Development of Floating Solar Photovoltaic Projects with Energy Storage Systems with a total outlay of Rs.5,070 crore

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi approved the 'Pradhan Mantri Surya Sarovar Yojana (PM-SSY)', a Scheme for the development of Floating Solar Photovoltaic (FSPV) Projects with Energy Storage Systems (ESS) with a total outlay of Rs.5,070 crore.

The scheme envisages the development of 5,000 MW of Floating Solar Photovoltaic projects with co-located Energy Storage Systems having a minimum storage capacity of two hours i.e., 10,000 MWh. The projects will be sanctioned during FY 2026-27 to FY 2030-31, with disbursement of financial support continuing up to FY 2032-33.

The approval follows the recent assessment undertaken by the National Institute of Solar Energy (NISE), which has estimated a floating solar potential of approximately 102.18 GW across reservoirs and other suitable inland water bodies in the country.

Under the scheme, Central Financial Assistance (CFA) of Rs. One crore per MW will be provided for eligible Floating Solar Photovoltaic projects after successful commissioning. In addition, CFA of up to Rs.50 lakh per project will be available for undertaking feasibility studies, including bathymetry and hydrography assessments, environmental studies, and other preparatory activities required for de-risking the project development.

All States and Union Territories will benefit through this scheme. The scheme would enhance the floating Solar PV capacity in the country by 5,000 MW, which is presently around 700 MW only. These projects would provide an opportunity to gainfully utilize existing reservoirs & industrial ponds, and eliminate competition for scarce land resources. The integration of an energy storage system will help strengthen grid reliability. The scheme would help in the reduction of around 10 million tonnes of CO₂ emissions annually. It would help in the generation of approximately 16,000–17,000 full-time equivalent employment opportunities across the project value chain. The scheme would also promote domestic manufacturing of floatation systems as well as the entire value chain of the projects, like PV cells, modules, energy storage systems, etc., and support the vision of Aatmanirbhar Bharat.

and resource efficiency.

17. Ministry of Coal Notifies Acceptance of Insurance Surety Bonds for MMDR Coal Blocks

The Ministry of Coal has introduced a key reform to provide greater financial flexibility to coal block allocates and further strengthen ease of doing business in the coal sector. Through the Coal Blocks Allocation (Amendment) Rules, 2026, the Ministry has enabled the use of Insurance Surety Bonds (ISBs) in place of Performance Bank Guarantees (PBGs) for coal blocks allocated under the Mines and Minerals (Development and Regulation) Act, 1957.

The amended framework allows coal block allocates to choose between a Performance Bank Guarantee and an Insurance Surety Bond for fulfilling their performance security obligations. It also extends this flexibility to existing allocates, enabling them to replace Performance Bank Guarantees already furnished with Insurance Surety Bonds, in accordance with the prescribed conditions.

The measure is expected to ease the financial burden associated with conventional bank guarantee arrangements and enable coal block allocates to deploy their capital more efficiently for mine development and operational activities. It will also help improve access to financial instruments while ensuring that the Government's interests remain fully protected through appropriate performance security mechanisms.

The facility of Insurance Surety Bonds will be introduced initially for coal blocks allocated under the MMDR Act. The Ministry will also process for extending the provision to coal blocks allocated under the Coal Mines (Special Provisions) Act, 2015. This initiative reflects the Ministry of Coal's continued focus on regulatory reforms that encourage investment, support the timely operationalisation of coal blocks and create a more transparent, efficient and investor-friendly ecosystem for commercial coal mining in the country.

18. Monthly Production and Dispatch from Captive and Commercial Mines in June 2026

India's captive and commercial coal mining sector continued its growth momentum in June 2026, recording higher production and dispatch during the month.

Coal production from captive and commercial mines stood at 17.88 Million Tonnes (MT) in June 2026 of FY 2026–27, while coal dispatch reached 18.55 MT. Production increased by 14.9% over June 2025, when output stood at 15.56 MT.

During the first quarter of FY 2026–27, from April to June 2026, cumulative coal production increased by 5.35% compared with the corresponding period of the previous financial year. Coal dispatch during the quarter also recorded a year-on-year increase of 1.70%.

The performance reflects continued improvements in mine operations, capacity utilization and production planning. The accompanying graph depicts the trend in coal production and dispatch in Million Tonnes.

Key Achievements in Q1 FY 2026–27

The captive and commercial coal mining sector continued to demonstrate sustained growth during Q1 FY 2026–27. Coal production from captive and commercial mines during the first quarter has grown at a CAGR of approximately 10.7% between FY 2024–25 and FY 2026–27, reflecting a steady upward trend in domestic coal production.

During the quarter, three coal mines Urtan, Dhirauli and Bikram commenced coal production. Together, these mines have a combined Peak Rated Capacity (PRC) of 7.51 MTPA.

The operationalization of these mines is expected to enhance domestic coal availability, strengthen supply security and support the growing requirements of the country's energy and industrial sectors, thereby contributing to economic growth.

The commencement of production from Urtan, a coking coal block, is particularly important as coking coal is a key raw material for steel production. The mine is expected to strengthen the availability of domestic coking coal for the steel sector and support efforts to reduce reliance on imports.

The Ministry of Coal attributes the sector's progress to policy initiatives, regulatory facilitation and sustained engagement with stakeholders. These efforts have enabled timely operational clearances, improved capacity utilisation and strengthened coal production and dispatch from captive and commercial coal mines.

19. Coal Imports Decline by Nearly 13% in April 2026, Reflecting Steady Progress Towards Import Substitution

India's coal import basket has registered a significant decline in April 2026, with total coal imports falling to 21.13 Million Tonnes (MT) from 24.27 MT in April 2025 - a reduction of 3.14 MT (about 12.95%). The decline reflects the sustained impact of the Ministry of Coal's continuing push for import substitution and enhanced domestic coal availability, particularly for the power sector.

Key Highlights

- **Power Sector Imports Down Sharply:** Coal imports by power plants fell by 24.89%, from 4.67 MT in April 2025 to 3.51 MT in April 2026, driven by improved domestic linkage supplies and reduced dependence on imported coal for blending.
- **Imported Coal-Based (ICB) Plants:** Imports for plants designed to run on imported coal declined by 27.45%, from 3.97 MT to 2.88 MT, the steepest reduction among all categories tracked.
- **Domestic Coal-Based (DCB) Plants for Blending Imported Coal:** Coal imported for blending purposes by domestic plants fell by 11.26%, from 0.71 MT to 0.63 MT, underscoring the

success of efforts to ramp up assured domestic supply and reduce reliance on the blending mandate.

- **Overall Import Dependence Narrows:** Coal imports as a share of total coal consumption fell from 21.69% in April 2025 to 19.68% in April 2026, a decline of over 2 percentage points.
- **Coking Coal Imports Remain Steady:** Coking coal imports, which cater primarily to the steel sector where domestic coking coal reserves remain limited, rose marginally by 1.34% (5.93 MT to 6.01 MT), consistent with continued growth in domestic steel production and reflecting that this category is driven by reSource: specific requirements rather than availability gaps.

The consistent decline across ICB, DCB and overall import categories reflects the Ministry of Coal's sustained focus on ramping up domestic coal production and offtake, strengthening First Mile Connectivity, close monitoring of thermal power plant stock positions, and coordinated efforts with Ministry of Railways, Coal India Limited (CIL) and its subsidiaries to ensure assured supply to power utilities. These measures have progressively reduced the need for imported coal, including for blending purposes, while maintaining healthy stock levels at thermal power plants across the country. The Ministry of Coal remains committed to further strengthening domestic coal production, evacuation infrastructure and quality-based grading to sustain this trend of reduced import dependence in the coming months.

20. Launch of Application for Registration of Coal Exchanges in India: Empowering India's Coal Exchange Ecosystem

The Union Minister of Coal and Mines, Shri G. Kishan Reddy in presence of Shri Satish Chandra Dubey, Minister of State for Coal and Mines and Shri Vikram Dev Dutt, the Secretary, Ministry of Coal, launched the Online Portal Application for Registration of Coal Exchanges, in New Delhi, during the curtain raiser event for Indian Mining Week 2026. The launch marks India's transition from a policy framework to operational readiness for Coal Exchanges, by inviting eligible applicants to formally apply for registration under the regulatory oversight of the Authority – a landmark step towards modernizing the country's coal market.

Coal Exchange, is an online platform where buyers and sellers of coal and its processed forms can transact, trade and enter into delivery-based coal contracts as approved by the Authority. It enables transparent market-based price discovery, assured quality through the Authority-approved coal sampling agencies, advanced market surveillance, secured clearing and settlement process backed by a settlement fund and an effective grievance redressal mechanism, thus creating a robust, neutral and competitive platform that connects coal sellers, buyers and other market participants. The introduction of Coal Exchanges marks a paradigm shift in the coal market by moving from the traditional models to a modern trading platform.

The setting up of Coal Exchanges has been made possible through the Mines and Minerals (Development and Regulation) Amendment Act, 2025, which introduced the concept of Mineral

Exchanges. In pursuance of this reform, the Ministry of Coal has notified the Coal Exchange Rules, 2026, providing the regulatory framework for establishing and operating Coal Exchanges.

The Coal Controller Organisation (CCO) has been designated as the regulatory authority responsible for registering and overseeing Coal Exchanges. Eligible entities will be authorised to establish and operate exchanges, formulate market rules and facilitate coal trading with the prior approval of the Authority. Registrations will remain valid for 25 years, ensuring long-term institutional stability. This initiative will strengthen ease of doing business and enhance transparency by promoting market-based price discovery. A modern and efficient coal market will improve supply-chain resilience, attract greater private participation and support industrial growth.

Within a short duration of one month from the publication of the Coal Exchange Rules, 2026, the Coal Controller Organization (CCO) has developed detailed guidelines for various aspects of the application process and registration. An online portal has also been created to enable the application process supported by a comprehensive User Manual to help applicants throughout the process.

As India continues its journey towards energy security and economic self-reliance, Coal Exchanges will play an important role in creating a future-ready coal sector that is efficient, competitive and responsive to market needs. This launch marks the first operational step in building a regulated, competitive and future-ready coal market aligned with India's vision of Viksit Bharat.

21. Union Minister G. Kishan Reddy Announces India Mining Week 2026 to be held in November 15–17

Union Minister of Coal and Mines, Shri G. Kishan Reddy, announced the India Mining Week 2026, India's largest conference-cum-exhibition for the mining and minerals sector, scheduled to be held from 15 - 17 November 2026 at the Yashobhoomi Convention Centre, New Delhi. Marking the official curtain raiser of the summit, the Minister Shri G Kishan Reddy along with Union Minister of State for Coal and Mines Shri Satish Chandra Dubey, unveiled the summit logo and summit brochure. Secretary, Ministry of Coal, Shri Vikram Dev Dutt, Secretary, Ministry of Mines, Shri Piyush Goyal, Additional Secretary, Ministry of Coal, Smt Rupinder Brar and other senior officials of the Ministry of Coal and the Ministry of Mines were present on the occasion. The curtain raiser event witnessed participation of industry leaders and other key stakeholders from the mining ecosystem.

The three-day summit will be organised under the theme "Stronger Resources, Smarter Mining, Sustainable Tomorrow", reflecting India's vision of building a technologically advanced, globally competitive and environmentally responsible mining sector. India Mining Week 2026 will serve as a premier platform for dialogue, collaboration and business engagement across the entire mining value chain.

Speaking on the occasion, Shri G. Kishan Reddy, Union Minister of Coal and Mines, described India Mining Week 2026 as a landmark initiative that reflects India's new confidence, vision and global aspirations in the mining sector. He said the event would serve as a premier international platform to

bring together governments, industry, investors, technology leaders, researchers, startups and academia to strengthen partnerships, promote innovation and shape the future of sustainable and technology-driven mining. Highlighting the transformative reforms undertaken over the past decade under the leadership of Prime Minister Shri Narendra Modi, he noted that transparent auctions, commercial coal mining, accelerated exploration, ease of doing business and technology-led governance have positioned India among the world's most attractive mining destinations. Referring to emerging global challenges related to energy security, critical minerals and resilient supply chains, he said India is pursuing an integrated approach that combines policy reforms, technological advancement, value addition, sustainability and international collaboration to build a future-ready mining ecosystem. The Minister expressed confidence that the event would strengthen global partnerships, showcase India's mineral potential and technological capabilities, and contribute to realizing the vision of Aatmanirbhar and Viksit Bharat. He urged all technology innovators, researchers, industries and other stakeholders to be part of the India Mining Week 2026.

During the event, the Minister also launched the Online Portal Application for Registration of Coal Exchanges and the Eighth Tranche of Auction of Critical and Strategic Mineral Blocks.

Addressing the gathering, Shri Satish Chandra Dubey, Union Minister of State for Coal and Mines, said that India's mining sector is emerging as a key driver of economic growth, regional development and employment generation. He noted that the Government's sustained focus on transparent governance, responsible mining practices and technological advancement is creating new opportunities across the sector. Emphasising the importance of collaboration among governments, industry, academia and technology providers, he said India Mining Week 2026 would serve as an important platform to exchange ideas, foster innovation and accelerate the development of a safe, sustainable and globally competitive mining ecosystem.

Addressing the gathering, Shri Vikram Dev Dutt, Secretary, Ministry of Coal, said that India Mining Week provides a unique platform to showcase India's remarkable transformation in the mining sector and highlight the immense opportunities it offers to global investors, technology providers and industry stakeholders.

He highlighted that over the past decade, the Ministry of Coal has undertaken one of the most comprehensive structural reform journeys, transforming the sector into a transparent, competitive, technology-driven and investor-friendly ecosystem. As a result, India has achieved over one billion tonnes of coal production for two consecutive years and crossed one billion tonnes of coal supply, significantly strengthening the country's energy security, industrial productivity and economic resilience.

Addressing the gathering, the Secretary, Ministry of Mines, Shri Piyush Goyal, highlighted the strategic importance of critical minerals in securing India's energy transition, advanced manufacturing capabilities and long-term economic growth. He emphasised the Government's continued focus on creating a transparent, competitive and investor-friendly mining ecosystem through progressive

policy reforms and accelerated exploration. Announcing the forthcoming launch of the 8th round of Critical and Strategic Mineral Blocks auctions, he said the initiative will further strengthen domestic availability of critical minerals, encourage greater private sector participation, attract investment and reinforce India's resilient mineral value chains. He noted that India Mining Week 2026 will serve as a global platform to showcase India's mining reforms, resource potential and emerging opportunities while fostering international collaboration, innovation and investment in the sector.

In her opening remarks, Ms. Rupinder Brar, Additional Secretary, Ministry of Coal, welcomed delegates from India and abroad to India Mining Week 2026, describing it as a significant platform for strengthening global partnerships, fostering innovation and showcasing India's rapidly evolving mining sector. She highlighted the transformative reforms undertaken in the coal sector to promote transparency, ease of doing business, technological advancement and sustainable mining practices. She expressed confidence that the event would facilitate meaningful dialogue, encourage investment and technology collaboration, and further reinforce India's position as a preferred destination for responsible and future-ready mining.

India Mining Week 2026 is expected to attract 25,000+ industry professionals and decision-makers; 500+ exhibitors and technology providers; 200+ eminent speakers and industry experts; 100+ conference sessions and technical presentations; participation from 50+ countries; 1,000+ government and PSU delegates; 300+ mining and mineral companies; dedicated B2B meetings and networking platforms; technology demonstrations and product launches and special focus on critical minerals, coal, metals and mining innovation.

As India accelerates investments in infrastructure, manufacturing, energy security and critical minerals, the mining sector is playing an increasingly strategic role in supporting the country's long-term economic growth. Against this backdrop, India Mining Week 2026 will provide a comprehensive platform for knowledge exchange, investment discussions, technology showcase and strategic partnerships aimed at strengthening India's position as a leading global mining and resource development hub.

The summit will feature a high-level conference, international exhibition, technical sessions, leadership dialogues and dedicated networking opportunities. Discussions will focus on critical themes including mineral security, exploration, digitisation, automation, mine safety, sustainability, critical minerals, resource efficiency, innovation and the future of mining in an evolving global landscape.

The exhibition will showcase the latest advancements in mining equipment, technologies, automation solutions, safety systems, mineral processing, sustainability initiatives and resource development innovations. Bringing together leading mining companies, equipment manufacturers, technology providers and government agencies, the exhibition will provide opportunities for business networking, product launches, technology demonstrations and strategic collaborations.

India Mining Week 2026 will also feature an eminent line-up of policymakers, Government officials, CEOs, mining industry leaders, investors, technology innovators, researchers, sustainability experts and international thought leaders. Distinguished speakers from leading global mining companies, international mining associations, equipment manufacturers, technology firms, and consulting organisations will share insights into global best practices, emerging technologies, investment trends, and the future direction of the mining industry.

22. Ministry of Coal Releases 'AAROH': India's First Report on Scientific Mine Closure and Repurposing Practices

The Ministry of Coal released 'AAROH: Annual Report on Mine Closure' at the Oberoi, New Delhi, highlighting India's progress in adopting scientific approaches to mine closure, ecological restoration, and sustainable post-mining land utilization.

The event was graced by Shri G. Kishan Reddy, Union Minister of Coal and Mines; Dr. Jitendra Singh, Union Minister of State (Independent Charge) for Science & Technology, Earth Sciences and Minister of State for the Prime Minister's Office, Personnel, Public Grievances, Pensions, Atomic Energy and Space; Shri Satish Chandra Dubey, Union Minister of State for Coal and Mines; H.E. Dr Philipp Ackermann, German Ambassador; Dr. Ewa Suwara, Deputy Head of the EU Delegation; Shri Vikram Dev Dutt, Secretary, Ministry of Coal; Shri Sanoj Kumar Jha, Additional Secretary, Ministry of Coal and Shri Sajeesh Kumar N., Coal Controller. The program witnessed participation from other senior officials of Central and State Governments, coal companies, international organisations, industry, academia, and other stakeholders associated with sustainable mining and post-mining development.

The Union Minister of Coal and Mines Shri G Kishan Reddy inaugurated the Exhibition on Mine Closure and Mine Repurposing, showcasing innovative initiatives undertaken by Coal India Limited and its subsidiaries, NLC India Limited, Singareni Collieries Company Limited (SCCL), NTPC and private mining organisations. The exhibition highlighted successful practices in scientific reclamation, ecological restoration, mine repurposing, community development, and sustainable utilisation of post-mining land.

The Ministers formally released 'AAROH – Annual Report on Mine Closure', followed by the screening of a documentary film showcasing the publication. The AAROH, developed by the Coal Controller Organisation, presents India's first comprehensive documentation of scientific mine closure and repurposing practices. The report documents the transformative journey of 42 scientifically closed coal mines, showcasing structured reclamation processes, ecological restoration initiatives, sustainable post-mining land utilisation, and community-oriented interventions that have contributed to the creation of environmentally restored and socially beneficial landscapes.

Each mine profile featured in AAROH presents key closure initiatives, post-mining land-use outcomes, before-and-after visual documentation, and QR code-enabled documentary videos capturing the transformation journey of the respective mine sites. The publication serves as a knowledge repository,

highlighting successful models and providing valuable insights for future mine closure and repurposing efforts.

The report also captures the evolution of India's mine closure framework and highlights key initiatives of the Ministry of Coal, including the RECLAIM Framework, L.I.V.E.S. Framework, SUVIKALP – Mine Repurposing Tool, and SUVIKALP Samvaad, which promote scientific assessment, stakeholder participation, knowledge exchange, and sustainable post-mining land use.

Another highlight of the event was the signing of the Implementation Agreement between the Ministry of Coal and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) for technical cooperation on 'To-be closed mines'. The agreement aims to strengthen collaboration in scientific mine closure, mine repurposing, technical capacity building, knowledge exchange, and adoption of global best practices, further strengthening India-Germany cooperation in the mining sector. The project has been commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ) and is co-financed by the European Union, with a total project volume of EUR 10 million until 2030. The cooperation will take place over the next four years focusing on developing innovative and sustainable approaches for the closure and repurposing of coal mines in India. This investment by Germany and the European Union reflects Team Europe's strong partnership with India to deepen cooperation on sustainable economic development, a priority reaffirmed at the 16th India–EU Summit and the visit of German Chancellor to India earlier this year.

The Union Minister also virtually inaugurated Coal NEER Plants established by Coal India Limited through its subsidiaries—Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Mahanadi Coalfields Limited (MCL), and South Eastern Coalfields Limited (SECL). The initiative is aimed at strengthening access to safe and sustainable drinking water facilities in coal-bearing regions and improving the quality of life of communities residing in mining areas. Aligning with the Prime Minister Shri Narendra Modi's vision of 'Waste to Wealth', these plants purify mine water and markets it as safe, high-quality bottled drinking water under the brand name 'Coal Neer.' These projects use advanced treatment methods including RO, UV and CDI technologies to provide safe, clean, and affordable drinking water to nearby villages and local communities. Apart from providing affordable bottled drinking water, these projects also offer sustainable livelihood opportunities for Self Help Groups from nearby villages.

The event also witnessed the signing of tripartite Memorandums of Understanding (MoUs) by Bharat Coking Coal Limited (BCCL) and Jharia Rehabilitation and Development Authority (JRDA) with Hindalco Industries Limited and Rajdhani Universal Fabrics Private Limited. These partnerships will facilitate coordinated efforts towards rehabilitation, infrastructure development, community welfare, and socio-economic development in the Jharia coalfield region. The MoU signed between BCCL, JRDA and Hindalco aims to establish an Industry-Linked Skill Centre that will equip the youth of the Dhanbad region with industry-relevant skills to work in world-class apparel manufacturing units. The MoU signed between BCCL, JRDA and Rajdhani Universal Fabrics Pvt Ltd aims to establish a world-class

integrated technical textile manufacturing ecosystem, which will generate large-scale employment and strengthen skill development.

23. NITI Aayog Convened a Stakeholder Consultation on Implementation of the SHANTI Act 2025

NITI Aayog convened a Stakeholder Consultation on Implementation of the SHANTI Act 2025 on 10th July, 2026 at Samrasta Auditorium, Dr. Ambedkar International Centre, New Delhi. The consultation brought together key leaders, policymakers and experts from the government, research institutions and industry to deliberate on the operational framework of the landmark Act.

The stakeholder consultation was chaired by Prof. Abhay Karandikar (Member, NITI Aayog). Other prominent dignitaries included Sh. Pankaj Agrawal (Secretary, MoP), Sh. Ghanshyam Prasad (Chairperson, CEA), Sh. Gurdeep Singh (CMD, NTPC Ltd.), Dr. Anshu Bharadwaj (Programme Director, NITI Aayog), Sh. Rajnath Ram (Adviser, NITI Aayog), Dr. Garima Sharma (Head, SSSD, DAE) and Sh. Hari Kumar (Distinguished Scientist and Director, AERB).

The technical discussions were structured around three critical pillars vital to the Act's successful rollout:

- **Legislative & Regulatory Framework:** Deliberations focused on the SHANTI Act's draft rules, regulations and related FDI policy provisions, with the opening technical segment presenting the statutory compliance mechanisms under SHANTI Act, 2025 and highlighting how foreign capital can be attracted while safeguarding domestic interests.
- **Finance, Insurance & Public Perception:** Stakeholders examined the financial mechanisms and risk-mitigation frameworks needed to support the Act's implementation. The discussion also covered suitable insurance arrangements for long-term projects, along with strategies to strengthen public awareness, community trust and broader acceptance of nuclear energy projects.
- **Manufacturing, Operations & Capacity Building:** The focus was on the operationalization phase, with emphasis on strengthening domestic manufacturing capabilities, ensuring operational readiness and building a skilled workforce to sustain the ecosystem. Stakeholders also discussed enhancing supply chain resilience and designing dedicated capacity-building programmes to support industrial scaling and develop a highly competent human resource base.

Stakeholders provided a range of views across all three critical areas, which will be useful in strengthening the implementation framework of the SHANTI Act, 2025.

24. The Ministry of Heavy Industries invites bids through Global Tender for the selection of beneficiaries to set up giga-scale Advanced Chemistry Cell (ACC) manufacturing facilities of 10 GWh cumulative capacities, under PLI ACC Scheme

The Ministry of Heavy Industries (MHI), has released the Request for Proposal (RFP) for inviting bids through a Global Tender for the selection of beneficiaries to establish giga-scale Advanced Chemistry

Cell (ACC) manufacturing facilities with a cumulative capacity of 10 GWh in India. The capacity is earmarked for Grid-Scale Stationary Storage (GSSS) applications under the Production Linked Incentive (PLI) Scheme for ACC Battery Storage.

The bidding process will be conducted online through a transparent two-stage Quality and Cost Based Selection (QCBS) mechanism on the Central Public Procurement (CPP) Portal.

The tender documents are available from 15 July 2026. Pre-bid conference shall be held on 29 July 2026 and the last date for submission of bids is 13 October 2026. Technical bids shall be opened on 14 October 2026.

In May 2021, the Union Cabinet approved the PLI Scheme on “National Programme on Advanced Chemistry Cell (ACC) Battery Storage”, with a total budgetary outlay of ₹18,100 crore for achieving ACC manufacturing capacity of 50 GWh in the country. The Scheme aims to reduce India’s dependence on imported ACCs by strengthening domestic manufacturing capabilities and incentivising large domestic and international players to establish a globally competitive ACC battery-manufacturing ecosystem in the country.

Under the PLI ACC Scheme, out of the targeted ACC capacity of 50 GWh, 40 GWh capacity has been awarded to domestic manufacturers.

The 10 GWh Capacity earmarked for Grid Scale Stationary Storage application will support the country’s growing energy storage requirements arising from rapid renewable energy deployment, strengthening energy security, reducing import dependence, and developing a globally competitive battery manufacturing ecosystem.

Research, analysis & compilation by:
Economic Policy & Planning Team - FIPI
Email: pankhuri@fipi.org.in

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