

The logo for the Federation of Indian Petroleum Industry (FIPI) features the acronym "FIPI" in a bold, white, serif font. Below the text is a stylized graphic of a wavy line in orange and yellow, representing a flame or a liquid surface.

FIPI

Federation of Indian Petroleum Industry

A close-up photograph of large, yellow industrial pipes and valves. The pipes are made of metal and have various fittings, flanges, and a blue valve handle. The background shows more industrial structures under a clear blue sky.

REPORT

POLICY & ECONOMIC
OIL & GAS MARKET

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Impact of economic factors on Oil & Gas sector in India

Strong GDP growth supports petroleum demand

- Strong GDP growth is expected to support petroleum demand in India, with real GDP growth estimated at 7.6% in FY2025–26 and projected at around 6–7% in FY2026–27. Economic expansion, particularly in manufacturing, construction, infrastructure, freight and logistics, is likely to sustain demand for transportation and industrial fuels. This trend is already reflected in petroleum consumption, with HSD consumption increasing from 7.4 MMT in July 2025 to 8.1 MMT in July 2026, while MS consumption rose from 3.5 MMT to 3.8 MMT over the same period, indicating stronger demand for diesel and petrol. ATF consumption stood at 0.7 MMT in July 2026, supported by continued growth in air travel.
- Overall, sustained economic activity and infrastructure-led investment should provide a positive demand environment for India's oil & gas sector, particularly for transportation fuels and other petroleum products.

Impact of Higher Energy Prices on India's Oil & Gas Sector

- The sharp increase in wholesale energy prices during July 2026 has significant implications for India's oil and gas sector. Fuel and Power WPI inflation stood at 20.05 per cent, while inflation in mineral oils was 32.40 per cent and crude petroleum and natural gas was 26.99 per cent. On a cumulative basis, crude petroleum and natural gas inflation reached 44.62 per cent during April - July 2026–27. These trends indicate sustained cost pressures in the energy sector and have different implications across the oil and gas value chain.
- For upstream oil and gas producers, higher crude and gas prices are generally positive as they can improve realizations, revenues and operating cash flows. The stronger price environment also improves the economics of domestic exploration and production, particularly for offshore, deepwater and technically challenging fields. This could encourage greater investment in exploration, enhanced recovery and development of domestic hydrocarbon resources, supporting India's objective of reducing dependence on imported energy.
- At the macroeconomic level, elevated crude prices increase India's oil import bill, potentially widening the trade deficit and creating pressure on the Indian rupee. India's crude oil imports rose from 9.7 USD bn in July 2025 to 13.7 USD bn in July 2026. A weaker rupee can further increase the domestic cost of imported crude and LNG, creating an additional inflationary channel. Higher energy costs can also raise transportation, logistics and manufacturing costs, thereby affecting the wider economy and potentially influencing monetary-policy conditions.

Impact of Index of Eight Core Industries

The Index of Eight Core Industries grew by 5.4 per cent in July 2026, with strong growth in electricity, cement, coal, steel and refinery products. This is broadly positive for the oil & gas sector because infrastructure, construction and industrial activity are important drivers of petroleum-product demand. Refinery-product output increased by 2.7 per cent, indicating continued operating activity in the refining

sector. However, the contraction in crude oil production (-5.3 per cent) and natural gas production (-3.7 per cent) highlights India's continuing dependence on imports and the need to accelerate domestic exploration and production.

Impact of external trade developments

The external trade data provide another important signal. Petroleum-product exports increased by 67.64 per cent to US\$6.92 billion in July 2026, making petroleum products one of the major contributors to merchandise export growth. This is positive for Indian refiners, particularly those with export-oriented refining capacity, as strong overseas demand can support refinery utilization and profitability. India's foreign-exchange reserves reached a record US\$729.33 billion, providing a substantial external-sector buffer. This is particularly positive for the oil & gas sector because a strong reserve position improves India's ability to manage periods of elevated crude and LNG import costs and reduces vulnerability to external commodity-price shocks.

Executive Summary

The global economy remained resilient during August 2026, despite persistent geopolitical tensions, elevated energy-price uncertainty and continuing disruptions to trade and supply chains. Economic activity strengthened across several advanced economies during the second quarter, while the increasing contribution of artificial intelligence, technology investment and services activity provided important support to global growth. However, the recovery remained uneven, with subdued domestic demand, fiscal constraints and supply-side vulnerabilities continuing to weigh on parts of the global economy. The composition of growth also shifted towards services, as the impact of precautionary inventory accumulation on manufacturing activity began to fade.

Global growth prospects remained stronger for emerging market and developing economies than for advanced economies, although considerable divergence persisted across regions. Asia continued to be a key contributor to global growth, supported by technology investment, manufacturing and resilient domestic demand. At the same time, ASEAN economies recorded a notable improvement in manufacturing activity, while China's recovery remained constrained by weak domestic demand. The global inflation environment showed some moderation, but remained fragile. Global headline inflation eased to 4.7 per cent in June 2026, although inflation remained substantially higher in emerging and developing economies than in advanced economies. Persistent services-price pressures and renewed increases in energy prices continued to pose risks to the disinflation process.

Global trade remained on an expansionary trajectory during the first half of 2026, with goods and services trade recording strong year-on-year growth. Technology-intensive products, including semiconductors, critical minerals, batteries and ICT equipment, emerged as important drivers of international trade, reflecting the growing influence of AI investment and digitalization.

Against this global backdrop, India's domestic economy continued to demonstrate considerable resilience. Real GDP growth during FY2025–26 was estimated at 7.6 per cent, supported by private consumption, investment and services activity. Manufacturing and construction remained important contributors to the supply-side expansion, while services continued to account for the largest share of economic output. Expanding digital infrastructure, infrastructure investment, favourable demographics, rising formalisation and improving financial-sector resilience continued to strengthen India's medium-term growth fundamentals.

Growth is nevertheless expected to moderate during FY2026–27 as external headwinds become more pronounced. Forecasts from major institutions place India's growth broadly in the 6.3–6.9 per cent range, with higher energy prices, weaker external demand, geopolitical tensions and supply-chain disruptions identified as key risks. Despite the expected moderation, India is likely to remain among the fastest-growing major economies. Sustained public infrastructure investment, expanding manufacturing capacity, digitalisation and emerging sectors such as electronics, semiconductors, pharmaceuticals, renewable energy and defence manufacturing are expected to support medium-term growth.

Inflationary pressures in India remained relatively contained but showed signs of renewed food-price pressure during July. Headline CPI inflation increased marginally to 4.45 per cent, while food inflation rose to 5.52 per cent. Wholesale inflation remained considerably higher at 9.78 per cent, although it moderated marginally from June as fuel and power inflation declined. The divergence between retail and wholesale inflation underscores the continued importance of monitoring commodity and input-cost pressures, particularly in the context of elevated global energy prices. Against this backdrop, the RBI retained a neutral and data-dependent monetary policy stance, keeping the repo rate unchanged at 5.25 per cent.

India's external sector strengthened further during August, with foreign exchange reserves rising sharply to a record US\$729.33 billion by 21 August. The increase, together with sustained foreign-currency inflows, provides a stronger buffer against external shocks and reinforces India's external-sector resilience. At the same time, merchandise exports continued to record strong growth during July, led by petroleum products, electronic goods and engineering goods.

Industrial activity also remained on a stronger footing. The Index of Eight Core Industries grew by 5.4 per cent in July, with iron ore, cement, electricity, coal and steel providing significant support. Cumulative core-sector growth during April–July 2026 was considerably stronger than in the corresponding period of the previous year, indicating an improvement in underlying industrial momentum. However, contractions in crude oil, natural gas and fertilisers point to continuing sectoral unevenness. Meanwhile, the August PMI indicated that India's private-sector expansion strengthened marginally, with services activity more than offsetting a further slowdown in manufacturing. The divergence highlights the increasing role of services in sustaining near-term economic activity, even as factory output and new orders moderated.

India's economic policy environment also continued to evolve towards strengthening the quality and resilience of growth. S&P Global Ratings affirmed India's 'BBB' sovereign rating with a stable outlook, recognising the country's strong growth potential, external position, infrastructure investment and improving financial-sector fundamentals, while identifying elevated public debt and fiscal performance as continuing constraints. In the capital markets, SEBI's proposed reforms to the SME public-offering framework seek to increase institutional participation, strengthen eligibility requirements and enhance investor protection. These measures could improve governance, price discovery and the quality of capital formation in India's growing SME ecosystem.

As far as oil and gas industry is concerned, benchmark crude prices surged to a two-month high in July as the recovery in oil supplies from the Gulf reversed course following the breakdown of the mid-June Iran-US ceasefire agreement. Oil prices traded in an unusually wide range of \$40/bbl, driven by sudden diplomatic pivots on the conflict. Expectations of diplomatic progress had triggered steep price declines in June and early July, but a return to hostilities led prices to spike as high as \$105/bbl on 23 July. Product cracks and refining margins, meanwhile, have continued to rise in August, setting new records in Europe.

After an increase of 3.7 mb/d in June, Gulf oil production rose by a further 2.5 mb/d in July to 23.9 mb/d, still 8.3 mb/d below pre-war levels. Regional exports, including routes bypassing the Strait of Hormuz, fell by a sharp 2.1 mb/d to 15 mb/d after the key passageway was effectively closed again in early July and oil infrastructure and tankers came under attack. Loadings peaked at 20 mb/d at the start of July but dropped to around 12 mb/d later in the month. With an agreement enabling the reopening of Hormuz and unhindered transit through the Bab el-Mandeb Strait still elusive, have again lowered supply estimates for the rest of the year. Global oil supply is now forecast to fall by 4.3 mb/d in 2026, to 102 mb/d, as growth of 1.4 mb/d from the Americas only partly offsets losses in the Middle East and Russia.

Hedge funds and other money managers raised their speculative net long positions in July, although positioning varied across markets amid uncertainty over developments in the Middle East, which fuelled price volatility. Speculative buying was stronger in the ICE Brent market as geopolitical tensions escalated and money managers positioned for potential oil supply disruptions. Between late June and the week of 28 July, hedge funds and other money managers bought the equivalent of 144 mb across Brent and WTI futures and options. Buying was concentrated in ICE Brent, where net long positions rose by 232.7% over the period, while NYMEX WTI net long positions increased by 15.6%.

Natural Gas spot prices at the US Henry Hub benchmark averaged \$2.89 per million British thermal units (MMBtu) in July 2026. Henry Hub's natural gas prices declined in July by 8.3%, m-o-m. Prices were pressured by strong production and healthy storage levels amid mixed demand. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 8.4%, m-o-m. However, regionally, strong power demand and heatwaves in parts of the US partially offset losses. Prices were down by ~9.7%, y-o-y.

Economy in Focus

1. A snapshot of the global economy

Global Economic Outlook

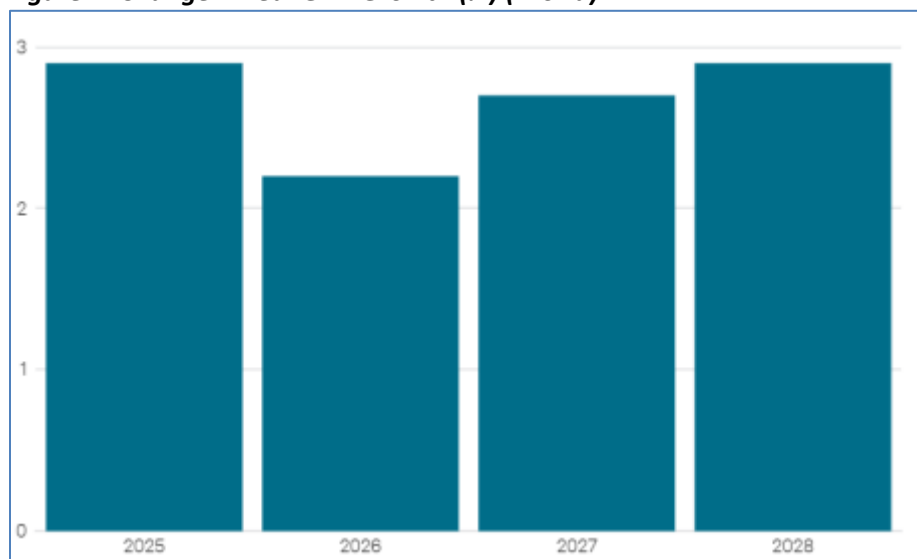
The global economy continued to display considerable resilience during August 2026 despite persistent geopolitical tensions, elevated energy-market uncertainty and continued disruption to global trade and supply chains. Stronger-than-expected economic activity during the second quarter, particularly in Western Europe, together with renewed momentum in services and continued investment in artificial intelligence and technology, has helped offset some of the adverse effects of geopolitical shocks. Nevertheless, the recovery remains uneven across economies, with weak domestic demand, fiscal constraints and higher energy costs continuing to weigh on several regions. S&P Global 's August assessment notes that global economic conditions have proved more resilient than anticipated, although the 2026 global real GDP growth forecast remains below the pre-conflict projection.

A notable feature of the current global outlook is the increasing contribution of technology and artificial intelligence-related investment to economic activity. Investment in AI infrastructure, data centres, semiconductors and technology equipment has supported capital expenditure and manufacturing activity across several economies, particularly in Asia. The technology investment cycle has also contributed to stronger trade in high-value equipment and helped cushion the impact of weaker demand in some traditional sectors. At the same time, the benefits remain unevenly distributed, with economies integrated into technology-intensive global value chains gaining more strongly from the current investment cycle.

Business activity also improved during the summer months. S&P Global's Flash PMI surveys for August showed that activity across the four largest advanced economies—the United States, Eurozone, United Kingdom and Japan—accelerated to its fastest pace since April 2022. The improvement reflects a shift in the composition of growth: manufacturing had been the principal source of momentum during the second quarter as firms built precautionary inventories, whereas services have become the stronger driver as energy-price pressures eased and consumer confidence recovered.

However, the improvement remains vulnerable to renewed shocks. Supplier delivery times across the G4 economies lengthened again in August, while renewed increases in crude oil prices and the possibility of further geopolitical escalation could revive inflationary pressures. Tighter financial conditions, weaker business confidence and the fading of temporary factors such as precautionary inventory accumulation and event-related services demand could also moderate the pace of expansion during the remainder of the year.

Figure 1: Change in real GDP Growth (%) (World)



Source: S&P Global Market Intelligence

Growth Forecast - Advanced Economies

Growth across the advanced economies is expected to remain relatively subdued despite the recent improvement in high-frequency indicators. According to the International Monetary Fund (IMF), growth in advanced economies is projected at 1.8 per cent in 2026, before moderating marginally to 1.7 per cent in 2027, compared with 1.9 per cent in 2025. The outlook reflects the combined impact of the Middle East conflict, elevated energy prices, trade uncertainty and relatively weak underlying productivity growth, although stronger domestic activity in the United States and Japan provides some offset.

The near-term outlook has nevertheless improved for parts of Europe. S&P Global raised its 2026 growth forecast for the eurozone by 0.4 percentage point to 0.8 per cent, while the forecast for Western Europe was also increased by 0.4 percentage point to 1.0 per cent, following stronger-than-expected second-quarter economic releases. Despite the upward revisions, growth remains comparatively weak because of fiscal constraints, high energy dependence and the economic effects of extreme weather conditions.

The United States continues to provide an important source of resilience among advanced economies. S&P Global's August Flash PMI data indicate that US business activity recorded the strongest expansion among the G4 economies, reaching its fastest pace since April 2022. The improvement was primarily driven by a strong acceleration in services activity, while manufacturing growth weakened sharply. The United Kingdom also recorded a recovery in overall activity, with services more than offsetting a marked slowdown in manufacturing.

Japan recorded particularly strong momentum, with overall business activity reaching its fastest pace since the beginning of the Middle East conflict and its second-fastest since May 2023. Strong manufacturing activity was supported by export competitiveness associated with the weaker yen and increased technology-equipment spending. In the eurozone, overall activity also improved, supported by

stronger services activity and a recovery in German manufacturing output, where factory production recorded its strongest expansion since January 2022.

The advanced-economy outlook therefore remains one of modest growth accompanied by a gradual improvement in activity, rather than a broad-based acceleration. The sustainability of the recent improvement will depend on whether stronger services demand can compensate for the fading effect of inventory accumulation, while persistent energy-price volatility, supply constraints and geopolitical risks remain important downside factors.

Growth Forecast - Emerging Market and Developing Economies

Emerging Market and Developing Economies (EMDEs) are expected to continue growing faster than advanced economies, although the outlook remains uneven across regions. The IMF projects EMDE growth at 3.9 per cent in 2026, followed by a recovery to 4.2 per cent in 2027. The moderation in 2026 reflects the impact of the Middle East conflict, higher energy costs, trade disruptions and tighter financial conditions, with the effects varying significantly according to countries' exposure to energy imports, commodity markets and global trade.

Within emerging economies, Asia continues to provide an important source of global growth, supported by technology investment, manufacturing and resilient domestic demand. S&P Global retained its 2026 growth forecast for mainland China at 4.5 per cent, although weak domestic demand continues to constrain the recovery. By contrast, South Korea's 2026 growth forecast was raised from 1.9 per cent to 2.8 per cent, following stronger-than-expected first-half performance. AI-related activity is expected to remain an important driver of growth across several Asia-Pacific economies during the second half of the year.

The divergence within emerging economies is also evident in business surveys. S&P Global's July PMI data showed a rebound in manufacturing activity across ASEAN, following several months of war-related disruption. Thailand recorded its strongest manufacturing expansion of the year, while Vietnam also registered exceptionally strong growth and Indonesia recorded one of the largest improvements. At the same time, manufacturing momentum weakened in North America and moderated in mainland China and India.

The outlook for emerging economies is also increasingly influenced by investment associated with critical minerals, green-energy infrastructure, semiconductors and supply-chain diversification. Investment in these sectors is creating opportunities for emerging economies to attract foreign capital and integrate more deeply into global value chains. However, the benefits remain uneven and are increasingly dependent on infrastructure availability, policy stability, trade access and the ability to develop domestic productive capacity.

Overall, EMDEs are expected to remain an important source of global economic growth, but their performance will continue to diverge significantly. Economies benefiting from technology investment, manufacturing relocation and commodity demand are likely to outperform, while energy-importing and

financially vulnerable economies remain more exposed to geopolitical shocks and tighter global financial conditions.

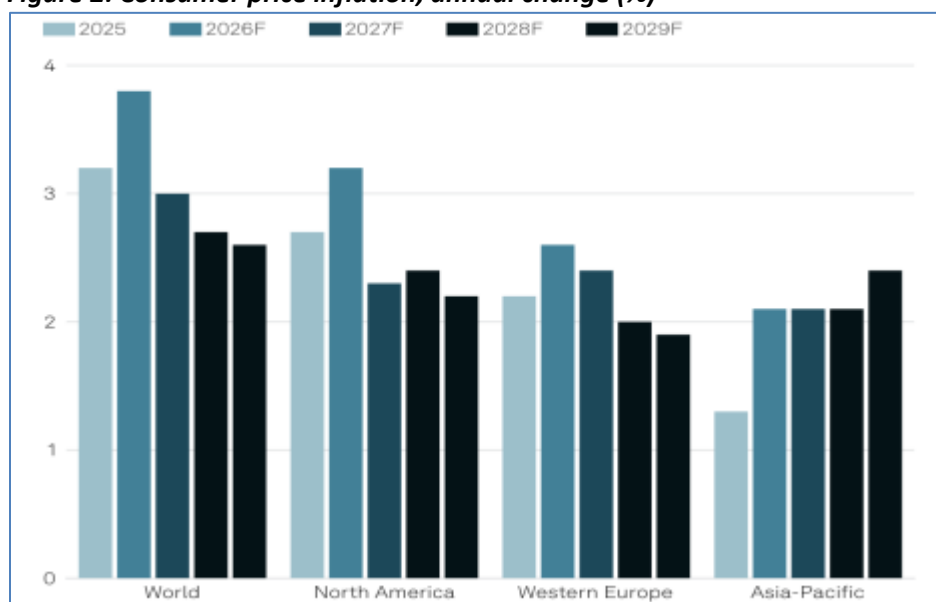
Global Inflation Trends

Global inflationary pressures remained elevated during August, although recent data indicate a gradual moderation from the peaks recorded earlier in the year. The IMF's latest data show that global headline inflation declined from 4.9 per cent in May to 4.7 per cent in June 2026, after rising during the preceding months as the Middle East conflict pushed up energy prices. Inflation remained considerably higher in emerging market and developing economies, at 5.7 per cent, compared with 2.9 per cent in advanced economies, highlighting the continued divergence in inflationary conditions across income groups.

The moderation in inflation has been supported by easing energy-price pressures and the gradual unwinding of some supply disruptions. S&P Global's global PMI price indicators showed that the rate of increase in prices charged by businesses declined for a third consecutive month in July, reaching its weakest level since March. Goods-price inflation moderated particularly sharply, while manufacturing input-cost inflation fell to its lowest level since February. However, services-price pressures remained comparatively elevated as demand for consumer-facing services recovered.

The divergence between goods and services inflation has become increasingly important. While lower energy costs helped reduce goods-price pressures, services providers continued to report higher selling prices amid stronger demand and rising labour costs. Consumer-facing services recorded their fastest increase in selling prices since May 2023, with tourism and recreation particularly affected by the recovery in demand. Insurance costs also remained elevated as geopolitical and climate-related risks continued to influence pricing.

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



Source: S&P Global Market Intelligence

Inflation developments also varied considerably across major economies. The United States recorded the sharpest increase in selling prices among the major advanced economies in July, with services inflation reaching a 14-month high. Japan also experienced a significant increase in price pressures, while inflation moderated in the eurozone and United Kingdom as energy prices eased. Among major emerging economies, Brazil continued to record the highest inflation rate, although price growth moderated, while mainland China's inflation pressures remained comparatively weak.

The global inflation outlook therefore remains fragile rather than conclusively disinflationary. S&P Global's August assessment assumes Dated Brent crude prices of around US\$87 per barrel by end-2026, but notes that crude prices had already moved back above US\$90 per barrel amid renewed uncertainty surrounding the Middle East. A sustained increase in energy prices could therefore reverse some of the recent progress on inflation and delay monetary-policy easing across several economies.

Figure 3: Global consumer price inflation and PMI selling prices



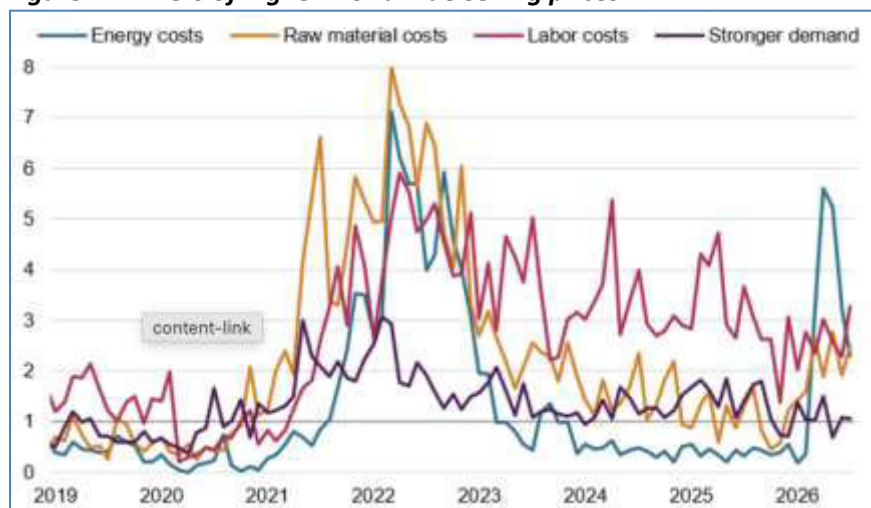
Source: S&P Global PMI

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 stabilize and supply-chain disruptions ease.

Figure 4: Drivers of higher worldwide selling prices



Source: S&P Global PMI

Global Trade and Supply Chains

Global trade continued to expand during the first half of 2026, although the recovery became increasingly uneven across regions and sectors. According to UN Trade and Development (UNCTAD), global goods trade reached approximately US\$13.7 trillion during the first half of 2026, representing a 12.5 per cent increase over the same period of 2025, while services trade increased by 10.5 per cent. Together, goods and services trade added approximately US\$2 trillion to global trade during the first half of the year, putting global trade on course for a record annual value.

However, the increase in the nominal value of trade partly reflected higher prices rather than an equivalent increase in physical trade volumes. UNCTAD estimates that prices of traded goods increased by around 3.6 per cent in the first quarter and approximately 5 per cent in the second quarter, driven largely by higher energy and selected commodity prices. Disruptions to shipping through the Strait of Hormuz and concerns regarding energy supplies increased transportation, logistics and production costs, adding to trade-related price pressures.

Technology-intensive products remained a major driver of global trade. During the first quarter, trade in critical minerals increased by 38 per cent, semiconductors by 25 per cent, batteries by 15 per cent, ICT products by 14 per cent and electric vehicles by 11 per cent. The surge reflects growing demand for AI infrastructure, digital technologies and electric mobility. S&P Global's July PMI data similarly showed that global export orders stabilized, with the global Manufacturing PMI New Export Orders Index reaching 50.0, up from 49.4 in June. At current levels, the indicator is broadly consistent with global merchandise trade expanding at an annual rate of around 6 per cent.

Asia remained central to the expansion. East Asia was the main engine of global trade growth during the first quarter, supported by strong export and import performance in China and South Korea. S&P Global's July data showed particularly strong export performance in Taiwan, while India, Japan, South Korea and Vietnam also recorded solid gains. In contrast, North American exports declined and European export performance remained mixed.

The investment landscape is simultaneously reshaping global supply chains. According to UNCTAD's World Investment Report 2026, global foreign direct investment (FDI) increased by 6 per cent to US\$1.6 trillion in 2025, ending two consecutive years of decline. However, the recovery was highly concentrated: FDI into developed economies increased by 11 per cent, compared with only 2 per cent growth in developing economies, which received US\$901 billion. A significant proportion of the increase was associated with large AI-related digital infrastructure projects.

The concentration of investment is also becoming more pronounced. The world's 20 largest host economies accounted for more than 80 per cent of global FDI, while strategic sectors represented 44 per cent of global greenfield project values, compared with only 16 per cent in 2020. This indicates that geopolitical considerations, technology requirements and supply-chain resilience are increasingly influencing investment decisions alongside traditional cost considerations.

Figure 5: Global goods exports



Source: S&P Global

Global Manufacturing and Business Activity

Global manufacturing activity remained uneven during July and August 2026, with a growing divergence between regions and sectors. S&P Global's July PMI surveys showed that manufacturing growth returned to ASEAN following four months of war-related disruption, while North American manufacturing slowed. Japan recorded the strongest developed-market performance, supported by improved competitiveness and technology investment, while European manufacturing expanded at its fastest pace since 2022. Mainland China and India, however, recorded a moderation in manufacturing momentum.

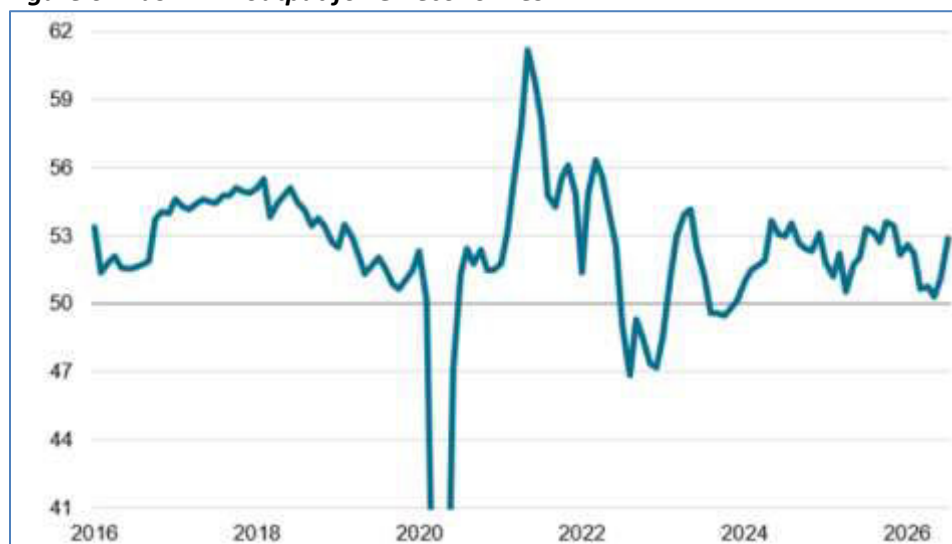
The ASEAN rebound was particularly notable. Manufacturing output across the region accelerated to its fastest pace since February, led by Thailand and Vietnam, while Indonesia recorded the largest monthly improvement. The improvement followed the easing of some supply-chain disruptions associated with energy flows. This suggests that manufacturing activity in Southeast Asia is proving relatively responsive to the normalisation of supply conditions and remains an important part of the ongoing reconfiguration of global production networks.

By contrast, North American manufacturing activity weakened. US factory growth deteriorated while Mexican output fell further, although Canada continued to expand. In Europe, manufacturing activity improved, with Germany recording its strongest expansion in more than four years and the eurozone registering its fastest manufacturing growth since March 2022. Japan remained a standout performer, with manufacturing supported by a weaker yen and strong demand for technology equipment.

The United States recorded the strongest overall expansion among the G4 economies, driven by services, while the United Kingdom also saw a significant recovery in services activity. The eurozone benefited from improving services activity and stronger German manufacturing, while Japan recorded particularly strong growth in both manufacturing and services. Technology investment was an important factor, particularly in Japan and Germany, where spending on AI, machinery and equipment contributed to production growth.

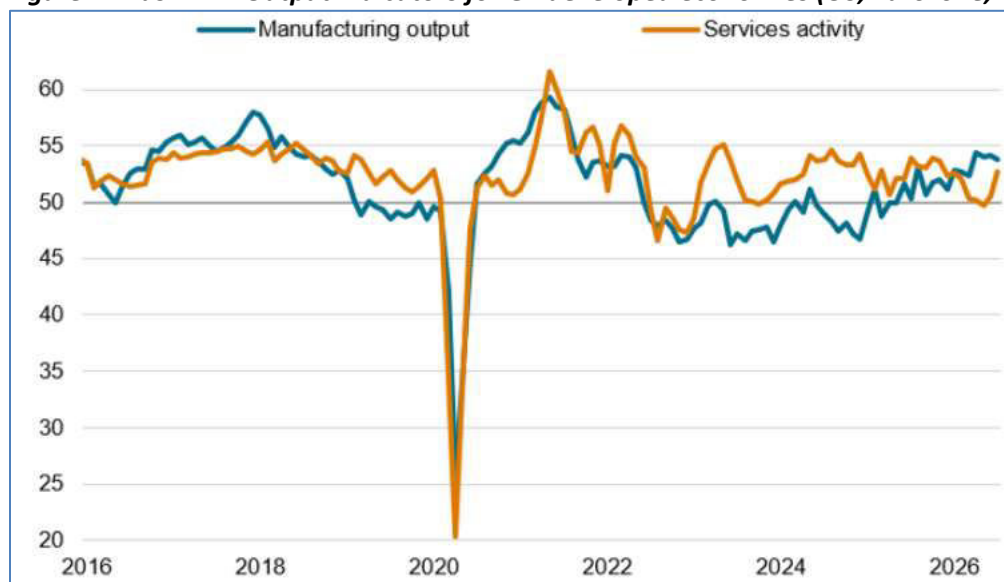
Overall, global manufacturing and business activity entered the second half of 2026 with greater resilience but a changing composition of growth. Services have become the principal source of momentum in advanced economies, while manufacturing performance remains highly differentiated across regions. Technology-related investment, supply-chain diversification and improving services demand are supporting activity, but renewed energy shocks, persistent supply constraints and geopolitical uncertainty remain significant risks to the durability of the current expansion.

Figure 6: Flash PMI output for G4 economies



Source: S&P Global PMI

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



Source: S&P Global PMI

2. Well-designed regulatory and institutional reforms can boost economic growth – IMF

Structural weaknesses in labor markets, product markets and institutional frameworks continue to constrain growth potential across many G20 economies. A recent assessment by the International Monetary Fund (IMF) highlights how excessive regulation, barriers to competition and weaknesses in institutional quality can reduce productivity, discourage investment and limit the ability of economies to adapt to technological and structural change. The analysis draws on a new IMF survey examining regulatory and institutional constraints across G20 economies.

The IMF's assessment points to significant differences in regulatory environments across economies. While regulation is important for protecting consumers, workers and market stability, excessive or poorly designed regulations can raise compliance costs, discourage firm entry and expansion, and reduce competitive pressures. In product markets, unnecessary barriers can restrict business dynamism and innovation, while rigid labor-market arrangements can constrain employment creation and the efficient movement of workers towards expanding sectors. Institutional weaknesses can further amplify these effects by increasing uncertainty and reducing investor confidence.

The report identifies labor-market reforms, product-market reforms and improvements in governance as particularly important areas for raising long-term growth. Reforms that facilitate business entry, reduce unnecessary administrative burdens and strengthen competition can improve productivity by allowing resources to move towards more productive firms and sectors. Similarly, labour-market reforms that expand participation, improve skills and facilitate worker mobility can increase both employment and productivity. Stronger governance and institutional quality can complement these reforms by improving policy predictability, reducing uncertainty and strengthening the effectiveness of public institutions.

The potential gains from such reforms are substantial, although they generally materialize gradually. The IMF's broader analysis of structural reforms indicates that closing part of the gap with more efficient regulatory and institutional systems could generate meaningful increases in productivity and economic growth. In Europe, for example, the IMF estimates that reforms addressing labour markets, product-market regulation and governance could raise average annual GDP growth during 2030–40 by around 0.5 percentage point in advanced economies and 0.7 percentage point in Central, Eastern and Southeastern European economies.

An important consideration is that the design and sequencing of reforms matter. Product-market and governance reforms can often be introduced without intensifying cyclical weaknesses and may therefore be prioritized during periods of economic uncertainty. Labour-market reforms require greater attention to timing because their short-term effects can vary depending on the measures adopted and prevailing economic conditions. The IMF also stresses the importance of complementary policies and institutional capacity to ensure that reforms are implemented effectively rather than remaining limited to legislative changes.

For developing economies, strengthening institutional capacity can be particularly important. Improvements in governance, regulatory clarity and the business environment can help attract investment, support entrepreneurship and increase participation in global value chains. Effective institutions can also improve the efficiency of public spending and revenue collection, creating fiscal benefits alongside the direct gains from higher productivity. In this context, structural reform is not simply a regulatory exercise but an important component of strengthening an economy's long-term productive capacity.

The IMF's assessment therefore highlights that well-designed regulation should focus on improving market functioning rather than simply reducing regulation. A more efficient regulatory environment can encourage competition, investment and innovation while continuing to protect legitimate social and economic objectives. For economies seeking to raise potential growth amid demographic pressures, technological change and heightened global uncertainty, strengthening labour markets, product markets and institutions can provide an important foundation for sustained and inclusive economic expansion.

3. Financial market reforms could lift Europe's growth - IMF

Europe's fragmented financial markets continue to constrain the ability of businesses—particularly young and innovative firms—to obtain financing and scale across borders. Despite having substantial household and institutional savings, Europe has not been able to channel these resources efficiently towards high-risk, high-return investment opportunities. Differences in banking regulations, deposit-insurance arrangements and insolvency frameworks continue to impede cross-border lending, while restrictions affecting pension funds and insurers limit the availability of long-term risk capital and venture capital.

The IMF's analysis finds that even a moderate reduction in barriers to cross-border banking could raise European Union GDP by around 2 per cent over the long term. Better integration would allow savings to

flow more efficiently towards productive companies and projects across countries, while broader access to lenders could reduce financing costs for businesses. The gains would be particularly important for smaller economies and younger companies that currently face greater difficulty accessing capital beyond their domestic markets.

Further reforms aimed at facilitating cross-border venture capital investment and expanding the supply of long-term risk capital could increase the estimated gains from financial-sector reforms to approximately 3 per cent of EU GDP over the long term. This would require reducing legal and tax-related barriers to cross-border investment, expanding the participation of pension funds and insurers in risk-capital markets, and strengthening equity financing. Such measures could improve diversification for investors while providing innovative firms with greater access to the capital required for expansion.

The IMF emphasizes that financial-sector reforms would be most effective when combined with broader measures to improve business dynamism and innovation. A stronger business environment, greater investment in skills and research and development, and policies that make it easier to start and scale companies would increase the supply of viable investment opportunities. When combined with deeper financial integration, these reforms could generate substantially larger long-term economic gains, with the IMF noting that the combined impact could lift GDP by more than 10 per cent.

The reforms identified by the IMF centre on three broad priorities. First, Europe needs to advance banking union by reducing regulatory and institutional differences, harmonising insolvency frameworks and completing the financial safety net, including through a European deposit-insurance mechanism. Second, venture capital and equity financing need to be strengthened by expanding long-term risk capital and reducing barriers to cross-border investment. Third, improvements in the broader business environment are required to ensure that newly available capital is channelled towards productive and innovative firms.

The need for such reforms has become more pressing as Europe faces weaker potential growth, rising technological competition and increasing geopolitical fragmentation. Deeper financial integration could not only improve the allocation of capital and raise productivity, but also strengthen economic resilience by allowing risks to be shared more effectively across countries. The IMF's broader analysis similarly finds that reforms addressing financial-market fragmentation can reinforce the gains from structural reforms aimed at improving productivity and business dynamism.

Overall, the IMF's assessment highlights that Europe's challenge is not a shortage of savings, but the inefficient connection between available savings and productive investment opportunities. Removing barriers to cross-border banking, expanding venture capital and improving the business environment could help unlock this capital, support innovative firms and strengthen Europe's long-term growth potential. In an environment of heightened geopolitical and economic uncertainty, deeper financial integration could therefore serve not only as a source of additional growth but also as an important mechanism for strengthening Europe's economic and financial resilience.

4. China's economic activity loses momentum as August PMI signals slower growth

China's economic activity showed renewed signs of weakness in August 2026, with manufacturing and services activity losing momentum amid subdued domestic demand and continued pressure on the world's second-largest economy. The latest business surveys indicate that the recovery remains uneven, with weaker factory activity and softer demand raising concerns about the strength of China's growth momentum during the second half of the year.

The slowdown in manufacturing activity is particularly significant given the sector's importance to China's broader economy and global trade. Weaker new orders and softer production indicate that domestic demand remains insufficient to provide a strong and sustained impetus to industrial activity. Export-oriented manufacturers also continue to operate against a challenging backdrop of evolving trade policies, tariffs and uncertainty surrounding global demand.

The services sector has provided some support to overall activity, but its expansion has also moderated. This suggests that the weakness is becoming broader than a manufacturing slowdown alone, with households and businesses remaining cautious about spending and investment. The moderation in services activity also highlights the difficulty of achieving a stronger consumption-led recovery while confidence and domestic demand remain subdued.

The latest data reinforce concerns surrounding the sustainability of China's growth momentum. While the economy continues to benefit from strong manufacturing capabilities, technology investment and exports of high-value products, these strengths have not been sufficient to fully offset softer domestic consumption and investment. The authorities therefore face the challenge of supporting demand while simultaneously addressing longer-term structural issues affecting the property sector, household confidence and private investment.

China's slowdown also has wider implications for the global economy. As one of the world's largest manufacturers and trading economies, weaker Chinese domestic demand could reduce import demand for commodities, intermediate goods and consumer products, while continued strength in Chinese exports could intensify competitive pressures in international markets. At the same time, slower Chinese growth could reinforce the ongoing shift in global supply chains towards other Asian manufacturing hubs, particularly ASEAN economies.

The August PMI data therefore point to a more challenging second half of 2026 for the Chinese economy, with the balance between strong industrial and technology-related capacity on one hand and relatively weak domestic demand on the other remaining central to the outlook. Sustaining growth will increasingly depend on measures that strengthen household consumption, restore private-sector confidence and support investment, while maintaining momentum in strategic sectors such as advanced manufacturing, technology and green industries.

5. Indian Economy

Snapshot

India continued to demonstrate strong economic momentum as it entered FY 2026–27, supported by resilient domestic demand, strengthening investment activity and broad-based expansion across manufacturing and services. The economy's underlying growth drivers have remained relatively robust despite a challenging global environment characterized by geopolitical tensions, elevated energy prices and trade uncertainties.

Economic activity strengthened significantly during FY 2025–26, with real GDP growth estimated at 7.6 per cent, up from 7.1 per cent in the preceding year. The improvement reflected the combined contribution of consumption, investment and services activity. Private final consumption expenditure grew strongly, while gross fixed capital formation also gained momentum, supported by sustained public capital expenditure and improving private investment sentiment. The resilience of domestic demand has provided an important cushion against weaker global conditions and external trade uncertainties.

The supply side of the economy has also become increasingly broad-based. The secondary sector expanded strongly, supported by manufacturing and construction, with manufacturing growth benefiting from the expansion of electronics, automobiles, textiles and pharmaceuticals, alongside rising capacity utilization and production-linked incentives. Construction activity continued to benefit from government and private investment in infrastructure, housing and urban development. Services remained the largest contributor to economic output, with financial, real estate and professional services recording particularly strong growth, supported by credit expansion, digitalization and continued demand for IT and business services.

India's growth has increasingly been underpinned by structural factors, including expanding digital infrastructure, favorable demographics, rising formalization, infrastructure investment and the gradual deepening of manufacturing capabilities. At the same time, continued improvements in financial-sector resilience and domestic productive capacity have strengthened the economy's ability to absorb external shocks. These factors are expected to remain important in sustaining India's growth momentum as the economy transitions towards a more investment- and productivity-driven growth model.

India GDP position

India is expected to remain among the fastest-growing major economies globally during FY 2026–27, although growth is projected to moderate from the exceptionally strong pace recorded in FY 2025–26. The Reserve Bank of India has projected real GDP growth of approximately 6.9 per cent for FY 2026–27, while international institutions have placed their forecasts within a broadly similar range. The World Bank projects growth of 6.6 per cent in FY 2026–27, while the OECD projects growth of 6.3 per cent, reflecting the impact of higher energy prices, weaker external demand and tighter economic conditions.

The international outlook nevertheless remains favorable relative to most major economies. The IMF's projections cited in the assessment place India's growth at around 6.4 per cent over the medium term, while Moody's expects growth of 6.4 per cent in 2026 and 6.5 per cent in 2027. S&P Global projects growth of 6.5 per cent in FY 2026–27 and 6.7 per cent in FY 2027–28, while the United Nations World Economic Situation and Prospects places India's growth at around 6.6–6.7 per cent. The differences across forecasts largely reflect variations in assumptions regarding energy prices, global demand, trade conditions and domestic investment.

The moderation expected during FY 2026–27 is primarily associated with external headwinds rather than a weakening of India's underlying growth potential. Higher energy prices, particularly given India's dependence on imported crude oil and gas, could raise production and transportation costs, while geopolitical tensions and trade restrictions could affect exports and investment. The World Bank has similarly highlighted the risks arising from the Middle East conflict, higher energy prices and supply-chain disruptions, while emphasizing that India's strong macroeconomic buffers—including substantial foreign exchange reserves, low inflation and a healthy financial sector—provide important protection against these shocks.

Despite these near-term challenges, India's medium-term growth prospects remain favourable. Sustained infrastructure investment, expansion of manufacturing capacity, digitalization and favourable demographic trends are expected to support productivity and investment. Sectors including electronics, pharmaceuticals, defence manufacturing, renewable energy, fintech and semiconductors are likely to remain important contributors to future growth, while continued integration into global value chains could further strengthen India's manufacturing and export potential. The economy's ability to sustain high growth will, however, depend increasingly on the pace of private investment, employment generation, productivity enhancement and resilience to external energy and trade shocks.

Inflation in India

Retail inflation in India edged higher during July 2026, primarily reflecting a rise in food prices, while inflation across most non-food categories remained relatively moderate. Headline CPI inflation increased marginally to 4.45 per cent in July from 4.38 per cent in June, with food inflation rising more noticeably to 5.52 per cent in July from 5.32 per cent. The latest CPI data suggest that inflationary pressures remained largely concentrated in food and select consumption categories, rather than representing a broad-based acceleration in prices, while housing and several other non-food components continued to record comparatively moderate inflation.

National Level Indices

India's retail inflation remained moderate but edged higher in July 2026, with food prices emerging as the principal source of upward pressure. According to the National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), headline CPI inflation increased to 4.45 per cent in July 2026 (Provisional) from 4.38 per cent in June 2026 (Final). Rural inflation stood higher at 4.84 per cent, while urban inflation was comparatively lower at 3.96 per cent. The July reading marks a modest

increase in headline inflation after inflation had risen steadily from 2.74 per cent in January to 4.38 per cent in June.

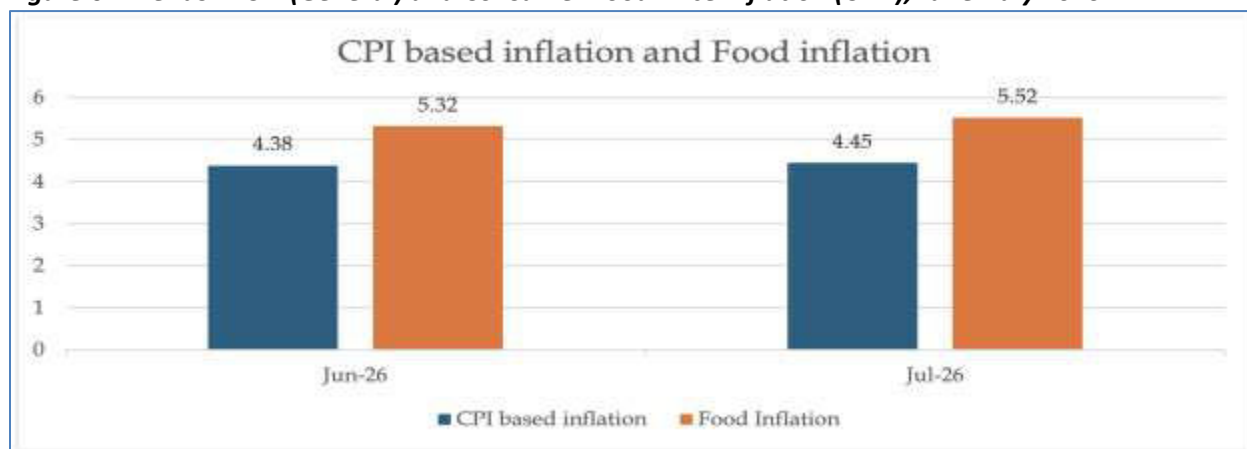
Table 1: CPI & Consumer Food Price Inflation (CFPI) – Inflation Rates & Index Values (July & June 2026)

		July, 2026 (Provisional)			June, 2026 (Final)		
		Rural	Urban	Combined	Rural	Urban	Combined
Inflation (%)	CPI (General)	4.84	3.96	4.45	4.74	3.93	4.38
	CFPI	5.79	5.05	5.52	5.45	5.09	5.32
Index	CPI (General)	108.34	107.45	107.94	107.24	106.69	107.00
	CFPI	109.21	109.70	109.39	106.83	107.72	107.15

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

Food inflation increased more noticeably during the month. Inflation based on the Consumer Food Price Index (CFPI) rose to 5.52 per cent in July from 5.32 per cent in June, with rural food inflation at 5.79 per cent and urban food inflation at 5.05 per cent. At the broader division level, Food and Beverages recorded inflation of 5.24 per cent, making it one of the major contributors to the overall increase in consumer prices.

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

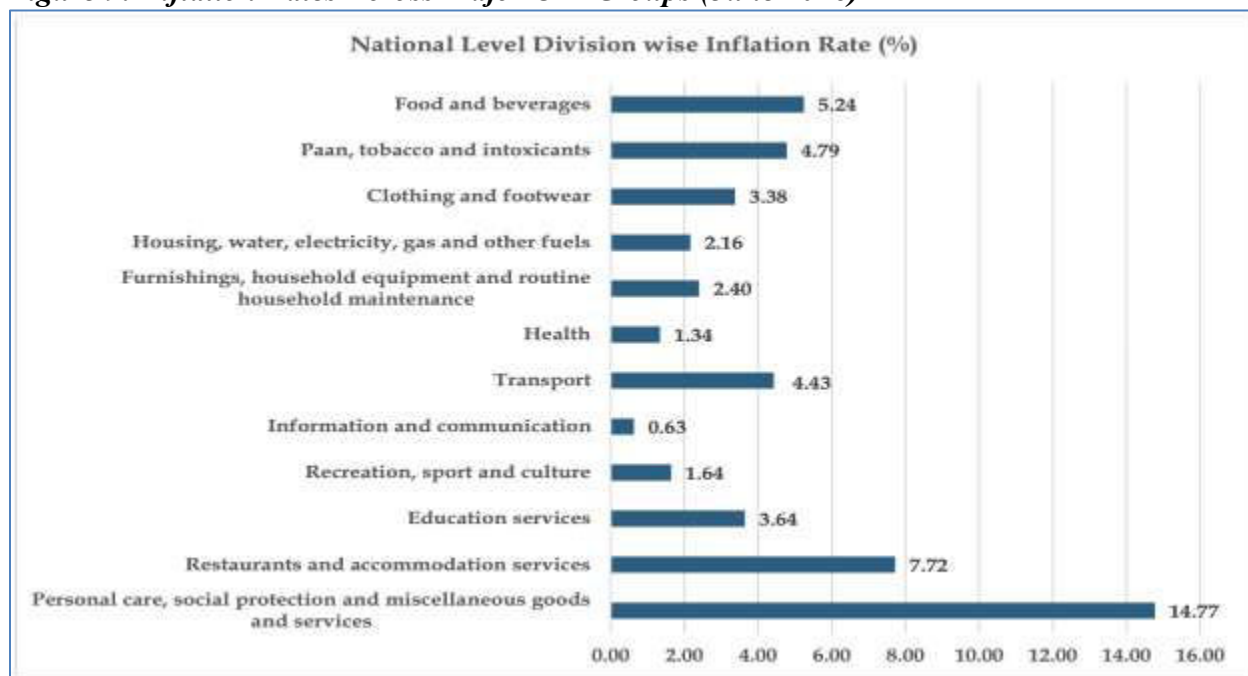


Source: Ministry of Statistics and Programme Implementation - National Statistics Office

Housing-related inflation remained relatively contained during July 2026. Housing inflation stood at 2.22 per cent, with rural housing inflation at 2.80 per cent and urban housing inflation at 2.01 per cent. Within the broader Housing, Water, Electricity, Gas and Other Fuels category, inflation was 2.16 per cent at the

combined level. Inflation in actual rental payments made for housing was 2.11 per cent, while electricity, gas and other fuels recorded inflation of 2.02 per cent.

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



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

Among other major expenditure categories, Restaurants and Accommodation Services recorded relatively high inflation of 7.72 per cent, while Transport inflation stood at 4.43 per cent and Clothing and Footwear at 3.38 per cent. Education Services recorded inflation of 3.64 per cent, while Health and Information and Communication remained comparatively moderate at 1.34 per cent and 0.63 per cent, respectively. The highest inflation among the major divisions was recorded in Personal Care, Social Protection and Miscellaneous Goods and Services at 14.77 per cent.

At the state level, inflation remained uneven across major states. Among states with populations above 50 lakh, Andhra Pradesh recorded the highest combined CPI inflation at 5.72 per cent, followed by Tamil Nadu at 5.44 per cent, Madhya Pradesh at 4.91 per cent and Karnataka at 4.89 per cent. Telangana recorded combined CPI inflation of 6.32 per cent, the highest among the states shown in the release.

Overall, India's inflation environment remained relatively contained but showed signs of renewed food-price pressure in July. The modest increase in headline CPI inflation was accompanied by a more pronounced rise in food inflation, while housing and several services-related categories remained comparatively stable. The divergence between rural and urban inflation also persisted, with rural inflation remaining higher than urban inflation. Going forward, food-price movements, particularly in key vegetables and other perishables, will remain important for the near-term inflation trajectory, while housing, transport and energy-related costs will continue to influence broader consumer prices.

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

Wholesale price pressures remained elevated in July 2026, although headline WPI inflation moderated marginally from the previous month. According to the Ministry of Commerce & Industry, India's Wholesale Price Index (WPI) inflation stood at 9.78 per cent in July 2026, compared with 9.87 per cent in June 2026. The moderation was primarily supported by a decline in fuel and power inflation, while price pressures across primary articles and manufactured products strengthened during the month. The All Commodities WPI index stood at 110.0 in July, marginally lower than 110.2 in June.

Inflation across the major WPI groups remained uneven. Primary Articles inflation increased to 8.52 per cent in July from 7.0 per cent in June, while inflation in Manufactured Products rose to 8.29 per cent from 7.48 per cent. In contrast, Fuel and Power inflation declined sharply to 20.05 per cent from 27.41 per cent in June. Within the fuel and power category, mineral oils remained a significant source of price pressure, although inflation moderated to 32.40 per cent from 46.48 per cent, while crude petroleum and natural gas inflation declined to 26.99 per cent from 34.75 per cent. Electricity inflation, however, moved into positive territory at 1.09 per cent compared with a deflation of 0.76 per cent in June.

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



Source: Ministry of Commerce & Industry

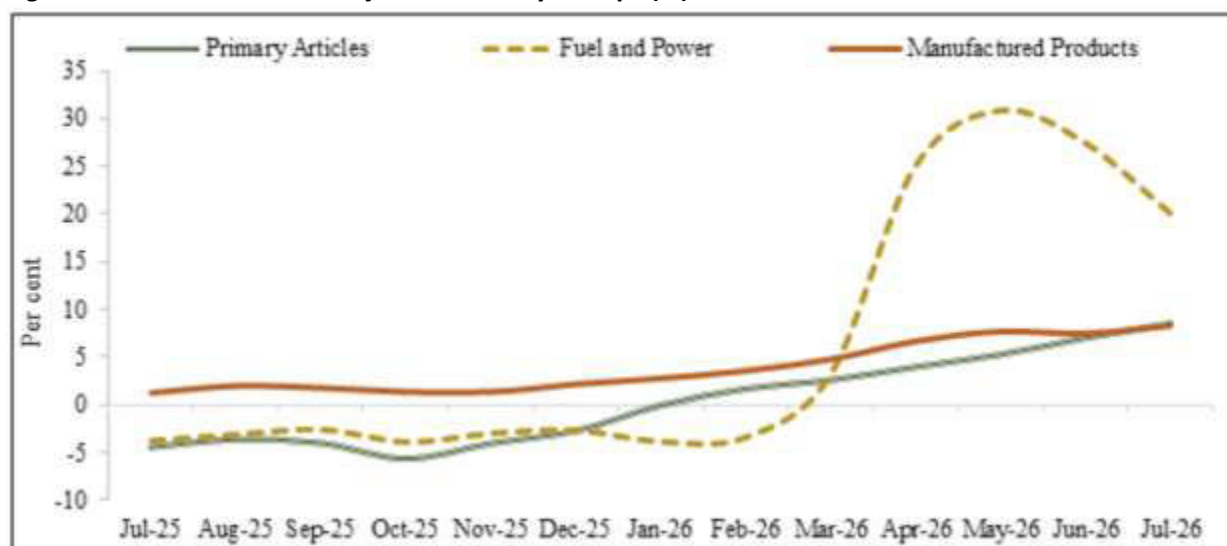
The food-related price environment also remained an important contributor to wholesale inflation. The WPI Food Index, which combines food articles under Primary Articles and manufactured food products, recorded inflation of 6.65 per cent in July, up from 6.14 per cent in June. Among the major drivers of overall WPI inflation were mineral oils, food articles, basic metals, non-food articles, manufactured food products, and chemicals and chemical products.

Within manufactured products, price pressures strengthened across several industrial categories. Inflation in manufacture of food products increased to 8.89 per cent, while textiles rose to 12.80 per cent. Inflation in chemicals and chemical products stood at 13.12 per cent, while basic metals recorded 12.56

per cent. Manufactured electrical equipment and rubber and plastic products also recorded relatively high inflation of 12.34 per cent and 10.38 per cent, respectively. These movements indicate that wholesale price pressures continued to be transmitted across a range of manufacturing inputs and intermediate goods.

On a cumulative basis, wholesale price inflation remained considerably higher during the first four months of FY 2026–27. Cumulative WPI inflation for April–July 2026–27 stood at 9.47 per cent, compared with - 0.20 per cent during the corresponding period of FY 2025–26. Fuel and Power recorded the highest cumulative inflation at 25.80 per cent, followed by Primary Articles at 6.19 per cent and Manufactured Products at 7.48 per cent. Within Fuel and Power, mineral oils and crude petroleum and natural gas recorded particularly high cumulative inflation of 42.40 per cent and 44.62 per cent, respectively.

Figure 11: Inflation across Major Commodity Groups (%)



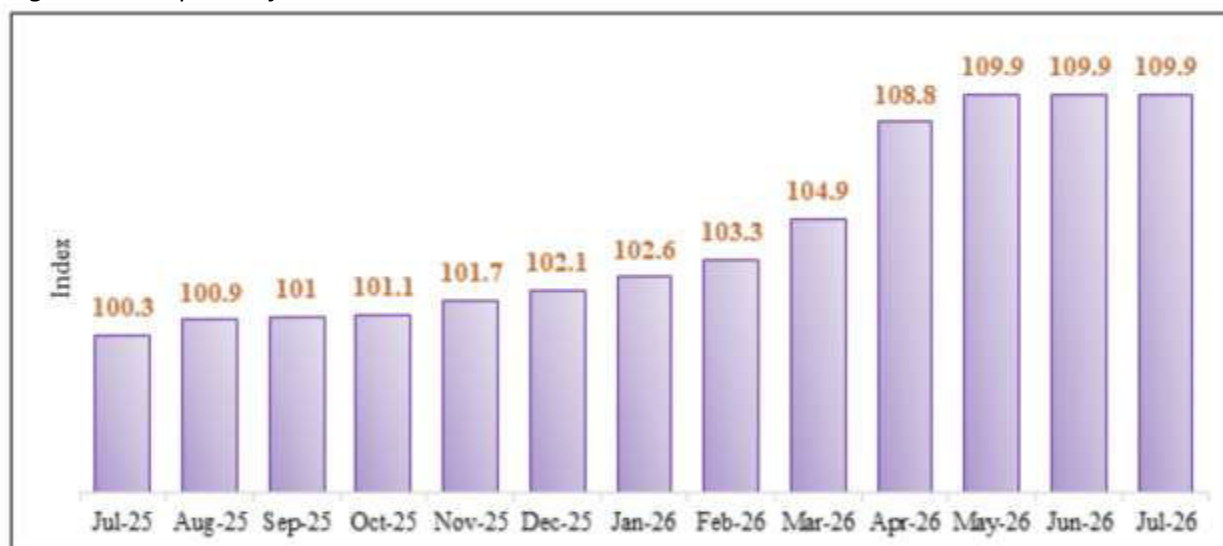
Source: Ministry of Commerce & Industry

Producer Price Indices

The newly released Output Producer Price Index (Output PPI) remained unchanged in July 2026, with the All India Output PPI for all commodities standing at 109.9, the same as in June. At the sectoral level, the Output PPI for Agriculture, Forestry and Fishing increased to 115.6 from 114.1, while the index for Mining and Quarrying declined to 119.4 from 121.5. The index for Manufactured Products also declined marginally to 108.8 from 109.2, whereas Electricity increased to 92.4 from 92.0.

The Trial Input Producer Price Index (IPPI) for the manufacturing sector stood at 105.9 in July 2026, compared with 107.1 in June. The decline suggests some moderation in aggregate input-price pressures faced by manufacturers during the month. However, movements remained varied across individual industries, with input prices increasing in areas such as food products, beverages, tobacco and several metal-related activities, while notable declines were recorded in coke and refined petroleum products and textiles.

Figure 12: Output PPI for All Commodities



Monetary Policy Outlook

The Reserve Bank of India (RBI) maintained a balanced and data-dependent monetary policy stance in August 2026, keeping the policy repo rate unchanged at 5.25 per cent while retaining its neutral stance. The decision reflected the MPC's assessment that the prevailing growth-inflation balance remained broadly manageable, even as geopolitical developments, energy prices and evolving global financial conditions continued to create uncertainty. The Standing Deposit Facility (SDF) rate remained at 5.00 per cent, while the Marginal Standing Facility (MSF) rate and Bank Rate remained at 5.50 per cent. The decision was unanimous.

The RBI's assessment of domestic economic activity remained constructive. Growth continued to be supported by resilient domestic demand, improving investment activity and sustained momentum across manufacturing and services. At the same time, the moderation in some high-frequency indicators and continuing external uncertainties warranted a cautious policy approach. The neutral stance therefore provides the RBI with flexibility to respond to changes in inflation and growth conditions rather than committing to either further easing or tightening at this stage.

Inflation remains a key consideration for the policy outlook. While underlying inflation has remained relatively contained, the RBI continues to monitor the possibility of broader price pressures emerging from higher crude oil prices, geopolitical tensions, uneven monsoon conditions and supply-side disruptions. Liquidity management has also emerged as an increasingly important component of the monetary policy outlook. The substantial inflows generated through the temporary FCNR(B) deposit scheme have increased banking-system liquidity, requiring the RBI to actively manage surplus liquidity through its market operations. Recent market developments suggest that the central bank is likely to continue using liquidity-management tools to ensure that surplus liquidity does not weaken the transmission of monetary policy or create additional inflationary pressures.

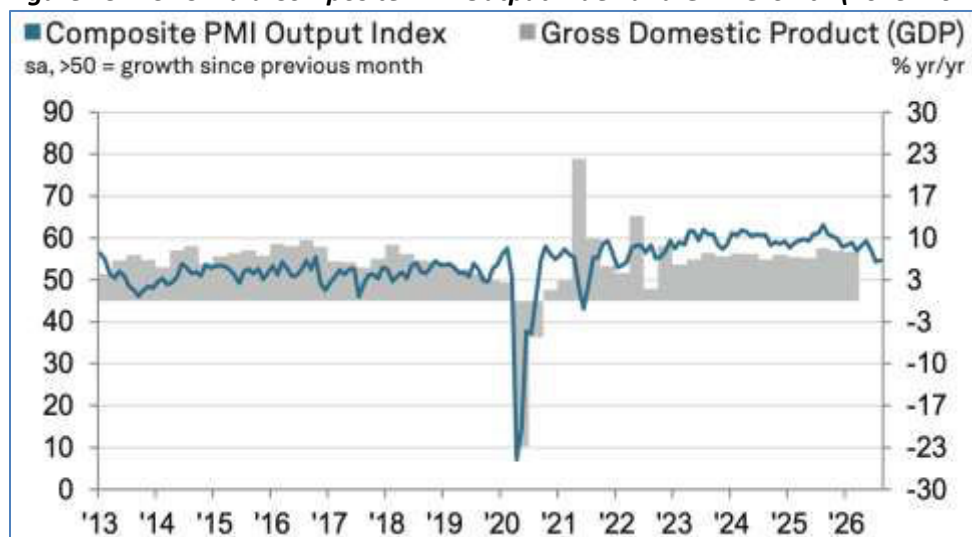
Going forward, the RBI's policy trajectory is likely to remain closely dependent on incoming data, particularly the evolution of food and core inflation, crude oil prices, domestic demand, liquidity conditions and global financial developments.

Manufacturing and Services Activity - India PMI

India's private sector activity strengthened marginally in August 2026, following the slowdown recorded in July, as an improvement in services activity more than offset a further loss of momentum in manufacturing. According to the HSBC Flash India PMI, the Composite PMI Output Index rose to 54.6 in August from 54.3 in July, signaling a faster expansion in overall private sector output. However, the latest reading remained the second-weakest since March 2022, indicating that while economic activity continued to expand, the pace of growth remained relatively subdued compared with the stronger expansion seen in recent years.

The improvement in August was primarily driven by the services sector, with the Services PMI Business Activity Index increasing to 54.5 in August from 53.3 in July. Services firms recorded a modest re-acceleration in both business activity and new work after registering their weakest upturns in more than four years during July. In contrast, manufacturing activity weakened further, with the Manufacturing PMI declining for the third consecutive month to 52.9 from 53.5, while the Manufacturing PMI Output Index fell sharply to 54.9 from 56.4. Manufacturing production and new orders recorded their weakest increases in five years, pointing to a loss of momentum in the factory sector.

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



Source: HSBC, S&P Global PMI

Despite the moderation in manufacturing, overall new business volumes increased at a slightly faster pace during August. However, the pace of growth remained subdued relative to historical trends, with companies citing challenging market conditions, competitive pressures and lower customer requirements as constraints on new orders. Export orders continued to increase solidly across the private sector, with firms reporting stronger demand from a diverse range of markets including the United States, Germany,

China, Singapore and Japan, although the rate of export growth eased across both manufacturing and services.

Employment conditions provided a notable positive signal during the month. Employment across India's private sector increased at the joint-fastest pace since June 2025, alongside April 2026, as companies responded to rising demand and increased hiring requirements. The improvement was concentrated in services, where employment expanded, while manufacturing employment declined for the first time in two-and-a-half years. Stronger hiring in services also enabled companies to reduce outstanding business, with composite backlogs declining at their steepest rate in five years, although the overall reduction remained modest.

India's external position

Foreign Exchange Reserves

India's foreign exchange reserves strengthened sharply during August 2026, reaching a new record level and further reinforcing the country's external-sector resilience. According to the latest data released by the Reserve Bank of India (RBI), India's foreign exchange reserves increased by US\$12.42 billion during the week ended 21 August 2026, reaching US\$729.33 billion. The sharp weekly increase marks a significant improvement in India's reserve position and provides a stronger buffer against external shocks, including global financial volatility, commodity-price fluctuations and geopolitical uncertainties.

The increase was primarily driven by a rise in Foreign Currency Assets (FCAs), which constitute the largest component of India's reserves. FCAs increased by US\$9.48 billion to US\$591.33 billion during the reporting week. Gold reserves also recorded a substantial increase of US\$2.80 billion, reaching US\$114.22 billion. Special Drawing Rights (SDRs) rose marginally by US\$112 million to US\$18.85 billion, while India's reserve position in the IMF increased by US\$26 million to US\$4.93 billion.

The latest increase also marks a sustained strengthening in India's reserve position. Foreign exchange reserves have now increased for eight consecutive weeks, rising by around US\$63 billion over this period. Compared with the end of March 2026, reserves have increased by approximately US\$38.22 billion, while the year-on-year increase stood at around US\$38.61 billion. In rupee terms, total reserves stood at approximately ₹69.81 lakh crore as of 21 August 2026.

The recent accumulation has been supported by sustained foreign-currency inflows following measures introduced by the RBI in June to attract overseas deposits and foreign-currency borrowings. The increase in reserves therefore reflects not only valuation movements in reserve assets but also stronger foreign-currency inflows into the domestic financial system.

External Trade Developments

India's external trade continued to expand during July 2026, supported by strong growth in merchandise exports and resilient services exports. Total exports of merchandise and services were estimated

at US\$80.14 billion, registering a growth of 13.31 per cent over US\$70.72 billion in July 2025. Total imports increased at a faster pace to US\$95.16 billion, compared with US\$82.16 billion a year earlier, representing a growth of 15.83 per cent. As a result, the overall trade deficit widened to US\$15.03 billion during July 2026 from US\$11.43 billion in July 2025. During the first four months of FY 2026–27 (April–July), cumulative exports increased by 13.16 per cent to US\$316.42 billion, while imports rose by 17.28 per cent to US\$365.85 billion.

Merchandise exports recorded particularly strong growth during July 2026, increasing to US\$44.24 billion from US\$36.98 billion in July 2025. Merchandise imports also increased to US\$76.22 billion from US\$64.86 billion during the same period. Consequently, the merchandise trade deficit widened during the month. On a cumulative basis, merchandise exports during April–July 2026–27 reached US\$173.78 billion, compared with US\$148.48 billion during the corresponding period of the previous year, while merchandise imports increased to US\$292.38 billion from US\$245.14 billion. The cumulative merchandise trade deficit consequently stood at US\$118.60 billion, compared with US\$96.66 billion a year earlier.

The growth in merchandise exports during July was led by Petroleum Products, Electronic Goods, Engineering Goods, Organic & Inorganic Chemicals, and Cotton Yarn/Fabrics/Made-ups and Handloom Products. Petroleum product exports increased by 67.64 per cent to US\$6.92 billion, while electronic goods exports recorded a sharp 57.40 per cent increase to US\$5.92 billion. Engineering goods exports rose by 17.71 per cent to US\$12.24 billion, while exports of organic and inorganic chemicals increased by 14.39 per cent to US\$2.80 billion. Exports of cotton yarn, fabrics, made-ups and handloom products also increased by 8.40 per cent to US\$1.11 billion.

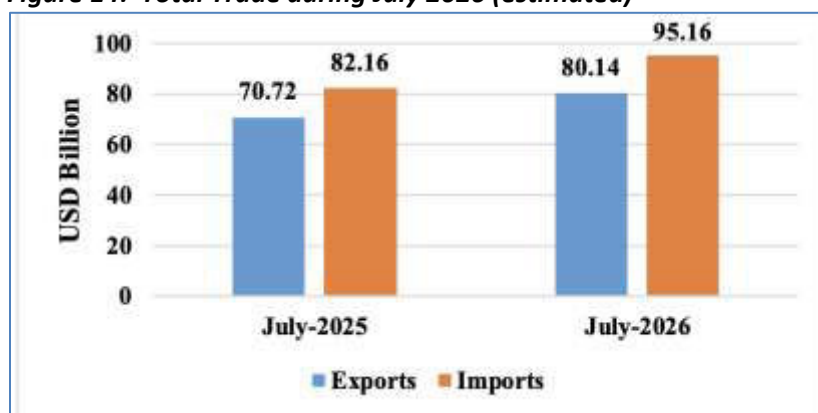
The services sector continued to provide an important cushion to India's external trade performance. Estimated services exports increased to US\$35.89 billion in July 2026 from US\$33.74 billion in July 2025, while services imports increased from US\$17.30 billion to US\$18.94 billion. During April–July 2026–27, services exports were estimated at US\$142.64 billion, compared with US\$131.15 billion during the corresponding period of the previous year. Services imports increased to US\$73.47 billion from US\$66.81 billion, resulting in a services trade surplus of US\$69.17 billion, compared with US\$64.35 billion in April–July 2025–26.

Table 2: Trade during July 2026

		July 2026 (US\$ Billion)	July 2025 (US\$ Billion)
Merchandise	Exports	44.24	36.98
	Imports	76.22	64.86
Services*	Exports	35.89	33.74
	Imports	18.94	17.30
Total Trade (Merchandise +Services) *	Exports	80.14	70.72
	Imports	95.16	82.16
	Trade Balance	-15.03	-11.43

Source: Ministry of Commerce & Industry

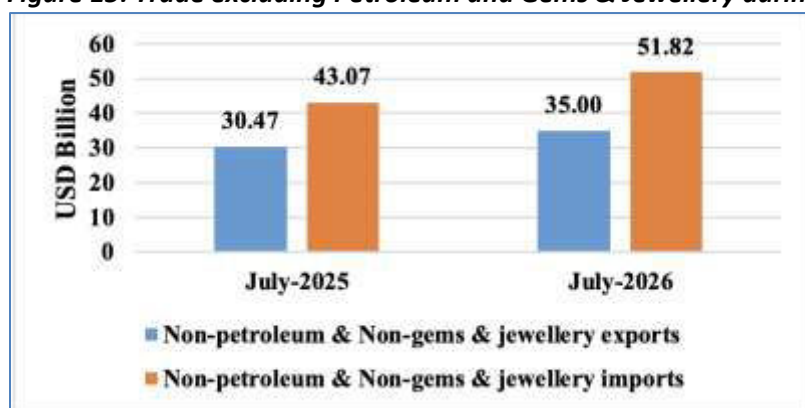
Figure 14: Total Trade during July 2026 (estimated)



Source: Ministry of Commerce & Industry

The performance of non-petroleum exports also remained encouraging, indicating that export growth was not solely dependent on petroleum products. Non-petroleum exports increased to US\$37.32 billion in July 2026 from US\$32.86 billion in July 2025. Non-petroleum and non-gems & jewellery exports increased to US\$35.00 billion from US\$30.47 billion. During April–July 2026–27, cumulative non-petroleum exports stood at US\$143.61 billion, representing an increase of 12.79 per cent over the corresponding period of the previous year. Non-petroleum and non-gems & jewellery exports increased to US\$134.02 billion from US\$118.27 billion.

Figure 15: Trade excluding Petroleum and Gems & Jewellery during July 2026



Source – Ministry of Commerce & Industry, Department of Commerce

Index of Eight Core Industries (ICI)

India's core industrial activity continued to strengthen during July 2026, with the Index of Core Industries (ICI) recording a year-on-year growth of 5.4 per cent (Provisional). Although this was marginally lower than the 6.0 per cent growth recorded in June 2026, the sector maintained a strong pace of expansion, reflecting continued momentum in key infrastructure- and industry-linked activities. The cumulative growth of the ICI during April–July 2026 stood at 4.3 per cent, significantly higher than the 1.5 per cent recorded during the corresponding period of the previous year, indicating a broad improvement in core industrial activity.

The improvement in core sector activity during July was led by strong performance across Iron Ore, Cement, Electricity, Coal, Steel and Refinery Products. Iron Ore recorded the strongest year-on-year growth of 29.5 per cent, followed by Cement at 13.1 per cent, Electricity at 9.0 per cent, Coal at 7.6 per cent, Steel at 2.9 per cent and Refinery Products at 2.7 per cent. In contrast, Natural Gas (-3.7 per cent), Crude Oil (-5.3 per cent) and Fertilizers (-8.0 per cent) recorded negative growth during the month. Iron Ore, Electricity and Cement continued to emerge as the principal drivers of overall ICI growth.

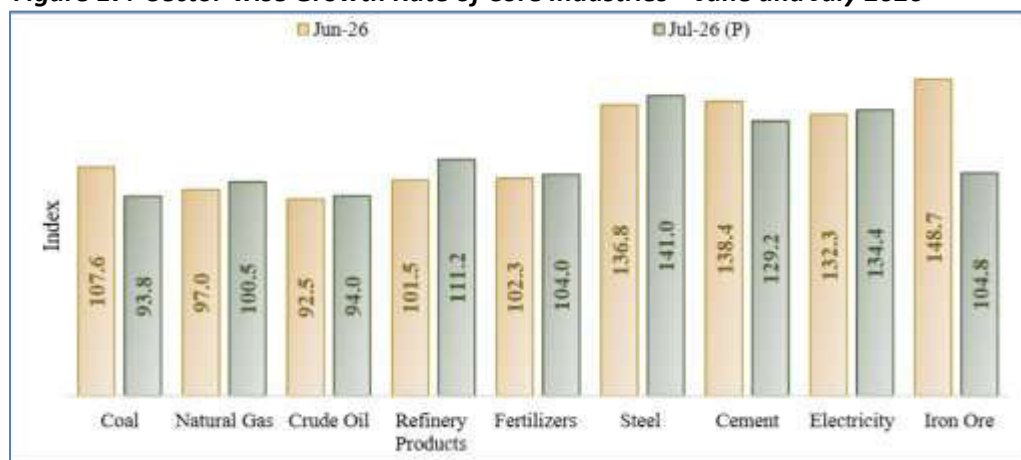
Figure 16: Index of Core Industries (ICI) and Year-on-Year Growth Rate (July 2025 – July 2026)



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

The sector-wise performance indicates that the improvement was relatively broad-based, although the intensity of growth varied considerably across industries. Iron Ore recorded a particularly strong increase in its index from 148.7 in June to 154.8 in July, while the index for electricity increased from 132.3 to 134.4 and Steel from 136.8 to 141.0. Cement, however, moderated from an index of 138.4 in June to 129.2 in July, despite maintaining strong year-on-year growth. Coal also declined from 107.6 to 93.8 on a month-on-month basis, while Refinery Products and Fertilizers recorded relatively modest movements.

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



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

The cumulative performance during the first four months of FY 2026–27 remained encouraging. The ICI grew by 4.3 per cent during April–July 2026, compared with only 1.5 per cent during the corresponding period of the previous year. The cumulative improvement was supported particularly by Iron Ore, Cement and Electricity, which recorded growth of 25.2 per cent, 9.9 per cent and 9.3 per cent, respectively. Steel also expanded by 4.5 per cent, while the remaining sectors recorded contractions over the April–July period, including Fertilizers (-5.2 per cent), Natural Gas (-4.4 per cent), Crude Oil (-4.3 per cent), Refinery Products (-2.5 per cent) and Coal (-3.1 per cent).

The July data also provide an indication of the continuing importance of infrastructure-linked sectors to India's industrial momentum. Electricity carries the highest weight in the revised ICI at 30.932 per cent, followed by Refinery Products at 22.572 per cent and Steel at 17.584 per cent, while Coal, Crude Oil, Iron Ore, Cement, Natural Gas and Fertilizers account for the remaining weight. The inclusion of Iron Ore in the revised series with the 2022–23 base year provides greater representation of its contribution to industrial activity.

Overall, the July 2026 ICI data point to continued strengthening of India's underlying industrial activity, with the sharp expansion in Iron Ore, Cement and Electricity providing significant support to the core sector. While contractions in natural gas, crude oil and fertilizers indicate pockets of weakness, the substantially higher cumulative growth compared with the previous year suggests that the industrial recovery remains on a firmer footing. Continued performance of infrastructure-linked sectors, electricity generation and manufacturing inputs will remain important for sustaining industrial momentum during the remainder of FY 2026–27.

6. S&P Global Ratings Affirms India's 'BBB' Sovereign Rating with Stable Outlook

S&P Global Ratings has affirmed India's 'BBB' long-term and 'A-2' short-term sovereign credit ratings, maintaining a stable outlook on the country's long-term rating. The assessment reflects S&P's view that India's strong and dynamic economy, sound external position, stable institutions and continued policy support will sustain robust economic growth over the medium term. At the same time, elevated government debt and relatively weak fiscal performance remain important constraints on India's sovereign credit profile.

S&P expects India's economic growth to moderate from the exceptionally strong performance recorded in FY2025–26. Real GDP growth reached 7.7 per cent in FY2025–26, but is projected to slow to 6.6 per cent in FY2026–27, primarily due to the impact of higher energy prices and challenging agricultural conditions. Despite this moderation, India is expected to remain one of the better-performing major economies, with real GDP growth projected to average 7.0 per cent over the following three years.

The agency expects domestic consumption and public investment to remain the principal pillars of growth. Higher capital expenditure by the central government and, to some extent, state governments is expected to support investment and construction activity. The Union Government's capital expenditure allocation for FY2026–27 is equivalent to approximately 3.2 per cent of GDP, while total capital outlay including related spending by states, grants and public enterprises is projected at 5.6 per cent of GDP,

compared with 5.1 per cent in the previous year. S&P considers the continued emphasis on infrastructure investment important for addressing India's physical infrastructure gap and strengthening the economy's productive capacity over time.

India's economic diversification is also expected to provide a buffer against sector-specific shocks. While weaker rainfall and volatile agricultural input costs are likely to affect the rural economy, agriculture's impact on overall growth is expected to be moderated by the increasing contribution of services, finance, technology, infrastructure and manufacturing. S&P also highlights India's favourable demographics and competitive unit labour costs, together with stronger corporate and financial-sector balance sheets compared with the pre-pandemic period, as structural factors supporting medium-term growth.

The fiscal position remains the principal weakness in India's sovereign credit profile. Although S&P expects gradual fiscal consolidation to continue, it anticipates some pressure on the fiscal deficit during FY2026–27 from fuel-excise duty reductions and potentially higher fertilizer subsidies. The agency projects the general government deficit at 7.3 per cent of GDP in FY2027, gradually declining to 6.6 per cent by FY2030. At the same time, the ratio of net general government debt to GDP is projected to decline from 85.4 per cent in FY2025 to 79.3 per cent by FY2030, supported by India's favourable growth-to-interest-rate differential.

The country's external position remains a significant strength in the sovereign assessment. S&P expects India's current account deficits to remain modest over the next three years, supported by stabilising domestic demand and improved export competitiveness from a weaker rupee. Although volatile commodity prices and geopolitical developments, particularly those affecting energy markets, remain risks, India's limited external debt and substantial foreign-exchange reserves provide an important cushion against external shocks.

Inflation is also expected to remain manageable. S&P notes that India's transition to an inflation-targeting framework has helped anchor inflation expectations, with CPI inflation averaging around 4.0 per cent over the past three years. Although inflation increased to 4.4 per cent year-on-year in June 2026, driven by food inflation and elevated energy prices, the agency expects inflation to remain within the RBI's 2–6 per cent target range over the next three to four years.

The stability of India's banking and financial system further supports the credit profile. S&P's assessment notes that the banking sector has significantly reduced the stock of problem assets accumulated during the previous downturn, with asset quality continuing to improve. India's relatively deep domestic capital markets also support effective monetary-policy transmission and provide the government with continued access to domestic funding.

The stable outlook reflects S&P's expectation that policy continuity, high infrastructure investment and gradual fiscal consolidation will underpin India's growth prospects over the next 24 months. A deterioration in political commitment to fiscal consolidation or a structural slowdown in economic growth could place downward pressure on the rating. Conversely, a meaningful narrowing of fiscal deficits,

combined with sustained infrastructure investment and stronger growth dynamism, could support an improvement in India's sovereign credit standing.

7. SEBI considers greater institutional participation in SME Public Offerings

India's capital markets regulator, the Securities and Exchange Board of India (SEBI), is considering a set of changes to strengthen the regulatory framework governing public offerings by small and medium-sized enterprises (SMEs). The proposed reforms could bring several features of the mainboard IPO framework into the SME segment, including greater participation by institutional investors, higher eligibility requirements and enhanced safeguards for investors. The move comes amid growing regulatory concerns over the use of funds raised through SME public offerings, high intermediary fees and practices that may artificially inflate subscription levels.

Under the proposed framework, up to 50 per cent of an SME issue could be reserved for Qualified Institutional Buyers (QIBs), while 35 per cent could be allocated to retail investors and 15 per cent to non-institutional investors. Within the institutional allocation, as much as 60 per cent could potentially be reserved for anchor investors that commit funds before the wider public offering. The proposed structure would bring the distribution of SME IPOs closer to the allocation framework currently applicable to larger companies and could increase the role of professional investors in assessing the quality and prospects of smaller issuers.

SEBI is also considering stricter eligibility criteria for SME listings. One proposal would require companies to report average profits of at least ₹30 million over the preceding three years, compared with the existing profitability requirement cited in the report. Another proposal could replace the existing post-issue capital requirement with a post-issue market capitalization threshold of ₹10 billion to ₹40 billion. The regulator is also examining whether the upper limit on the size of companies eligible for SME platforms should be increased.

The reforms are being considered against the backdrop of the rapid expansion of India's SME primary market. Small businesses raised approximately US\$1.2 billion through more than 250 offerings in 2025, while around 100 offerings had raised less than half that amount during the first eight months of 2026. By comparison, large companies had raised roughly 17 times as much as SMEs during 2026, highlighting the continuing scale difference between the two segments despite the growing popularity of SME listings.

The regulator is also examining changes to the offer-for-sale and trading framework for SME companies. An offer-for-sale mechanism could allow existing investors to sell shares as part of a public issue, while the proposed framework could reduce the lock-in period for pre-IPO shareholders from one year to six months. SEBI is also considering allowing trading in individual shares rather than maintaining the current requirement of a minimum trade value of ₹2 lakh. Such changes could improve liquidity and broaden investor participation, although they would also require appropriate safeguards given the relatively smaller scale and lower liquidity of SME stocks.

The proposed reforms reflect a broader effort to improve governance, transparency and investor protection in India's SME capital market. SME platforms currently operate with fewer disclosure requirements than the mainboard, and their offerings are vetted by the stock exchanges rather than undergoing the same approval process applicable to larger IPOs. Bringing stronger institutional participation and higher operating requirements into the segment could improve price discovery and provide an additional layer of due diligence before companies access public capital.

At the same time, expanding the scope of the SME platform could create new regulatory challenges. If larger companies become eligible to choose between SME and mainboard listings, differences in regulatory requirements could potentially encourage regulatory arbitrage. The proposed reforms will therefore need to strike a balance between expanding access to capital for growing businesses and ensuring that companies entering the public markets meet appropriate standards of governance, financial performance and disclosure.

8. Foreign Portfolio investors turn buyers for the second consecutive month

Foreign portfolio investors (FPIs) turned net buyers in Indian equities for the second consecutive month in August 2026, investing ₹30,919 crore during the month. The inflow followed purchases of ₹20,200 crore in July, marking a notable reversal after four consecutive months of heavy selling. The shift in foreign investor sentiment was supported by improving corporate earnings, resilient domestic economic activity, a relatively stable rupee and a more favourable global backdrop.

The August inflow represents a significant change from the selling pressure witnessed earlier in the year. FPIs had withdrawn ₹49,340 crore in June, ₹32,963 crore in May, ₹60,847 crore in April and ₹1.17 lakh crore in March. Despite the recent improvement, foreign investors remain substantial net sellers for the year, with cumulative equity outflows of approximately ₹2.23 lakh crore in 2026, already exceeding the ₹1.66 lakh crore withdrawn during the whole of 2025. The two consecutive months of positive flows therefore provide an early indication of a possible change in the direction of foreign portfolio investment, although a sustained reversal has yet to be established.

Improving corporate earnings emerged as one of the key factors supporting foreign investor sentiment. Earnings during the June quarter showed signs of improvement, helping alleviate earlier concerns regarding a broader earnings slowdown. At the same time, resilient domestic economic activity and strengthening credit growth reinforced confidence in India's medium- to long-term growth prospects. The relative stability of the rupee also improved the attractiveness of Indian assets for overseas investors by reducing concerns over currency-related returns.

Global portfolio allocation dynamics also contributed to the shift. Easing geopolitical concerns improved broader risk sentiment, while expectations of softer US interest rates supported flows towards emerging markets. A rotation of global capital away from crowded AI and semiconductor trades in markets such as South Korea and Taiwan also created room for incremental allocations towards Indian equities. Foreign investor interest has additionally shown greater preference for mid- and small-cap stocks, where earnings and growth momentum have remained comparatively stronger.

The improvement in equity flows was accompanied by relatively limited foreign participation in the debt market. During August, foreign investors invested ₹627 crore through the Fully Accessible Route (FAR) and ₹289 crore through the Voluntary Retention Route (VRR), while withdrawing ₹2,318 crore through the general route. This indicates that the improvement in foreign investor sentiment has been more pronounced in equities than in debt instruments.

Despite the recent turnaround, risks to the sustainability of foreign inflows remain. Crude oil prices, developments in West Asia, elevated US bond yields and global trade tensions could continue to influence portfolio allocation decisions. Markets are also closely watching upcoming US inflation data and the Federal Reserve's September policy meeting, while India's first-quarter GDP and domestic inflation data are expected to provide further signals regarding the country's growth and monetary-policy outlook.

Overall, the return of FPI buying for a second consecutive month represents a positive development for India's capital markets and external financing conditions, particularly after the substantial outflows witnessed earlier in 2026. However, the large cumulative outflow for the year suggests that the August inflow should currently be viewed as an early sign of stabilization rather than a confirmed structural reversal. Sustained improvement in corporate earnings, macroeconomic resilience, currency stability and global risk sentiment will be important in determining whether foreign investors continue to increase their exposure to Indian equities in the coming months.

9. India needs a credible carbon market to protect exporters as EU CBAM takes effect

India needs to strengthen its domestic carbon-pricing and emissions-monitoring framework as the European Union's Carbon Border Adjustment Mechanism (CBAM) enters its definitive phase. A joint report by the Confederation of Indian Industry (CII) and IIM Ahmedabad highlights the need for a credible and transparent domestic carbon market to help Indian exporters remain competitive as climate-linked trade measures increasingly influence international commerce. The issue is particularly important for carbon-intensive sectors such as steel, cement and aluminium, which face greater exposure to the EU's carbon-pricing requirements.

Under the definitive CBAM regime, exporters to the European Union will face carbon-related costs linked to the embedded emissions of covered products. This makes accurate measurement, reporting and verification (MRV) of emissions increasingly important for Indian companies. A robust domestic framework could enable exporters to demonstrate the carbon content of their products more effectively while ensuring that carbon costs are recognised within India's own policy framework rather than being borne entirely through the EU system.

The CII-IIM Ahmedabad report recommends establishing a more credible carbon-pricing mechanism covering major emissions-intensive industries. One of its proposals is an initial carbon-price reference range of US\$22–60 per tonne of CO₂ equivalent, which could provide greater predictability to businesses while allowing the domestic carbon market to develop gradually. The report also recommends initially using an emissions-intensity-based system, with a potential transition towards absolute emissions caps as India's carbon market matures.

The need for such a framework is particularly significant for India's manufacturing and export sectors. Steel, cement and aluminium are both energy-intensive and highly exposed to international competition. If Indian producers face higher effective carbon costs when exporting to Europe than competitors with lower emissions intensity or more established carbon-pricing systems, their price competitiveness could weaken. A credible domestic carbon market, combined with reliable emissions data, could therefore become an important component of India's export strategy as environmental standards become increasingly embedded in global trade rules.

The transition also creates an opportunity for Indian industry to improve its carbon efficiency and technological competitiveness. Greater transparency around emissions could encourage firms to invest in cleaner production processes, energy efficiency, renewable energy and low-carbon technologies. For sectors such as steel, where production methods vary considerably in their emissions intensity, facility-level measurement and verification will be particularly important in determining the actual competitiveness of individual exporters. Independent research has similarly found that lower-emission Indian steel producers have so far been better positioned to maintain exports to the EU under the emerging CBAM framework.

India has already begun strengthening awareness and preparedness among exporters. The Department of Commerce, in collaboration with the National Accreditation Board for Certification Bodies and the Engineering Export Promotion Council, organized an awareness session in August 2026 to familiarize exporters with CBAM obligations, embedded-emissions calculations, data reporting, accreditation and verification requirements. Such initiatives will be important in helping Indian businesses, particularly smaller exporters, understand and comply with the new requirements.

The broader significance of CBAM extends beyond compliance with a single European regulation. Carbon-related requirements are increasingly becoming part of international trade and investment decisions, with other economies also considering similar mechanisms. The UK's proposed CBAM, for example, is scheduled to take effect in 2027, indicating that carbon pricing could become a more widespread feature of global trade. This makes the development of India's domestic carbon market increasingly relevant not only for exports to Europe but also for maintaining competitiveness across other major markets.

Lessons from Economics

El Niño and Its Impact on the Indian Economy

El Niño is a periodic climatic phenomenon characterised by the unusual warming of sea-surface temperatures in the central and eastern tropical Pacific Ocean. This warming alters global atmospheric circulation and rainfall patterns. For India, El Niño is particularly important because it is generally associated with a weaker or deficient southwest monsoon, although the relationship is not uniform in every year.

The southwest monsoon is critical for India's agriculture, water resources, electricity generation and rural economy. Therefore, a strong El Niño can become an important economic risk through its impact on rainfall, agricultural output and food prices. The World Meteorological Organization reported in June 2026 that El Niño conditions were developing and expected to influence global temperature and rainfall patterns.

Economic Impact of El Niño on India

El Niño affects the Indian economy primarily through its impact on the southwest monsoon and agriculture, but its consequences extend well beyond the agricultural sector. A weak or erratic monsoon can reduce crop production, particularly of rice, pulses, oilseeds, cotton and maize, thereby affecting farm incomes and rural demand. The economic impact can subsequently spread to manufacturing and services through weaker consumption.

Impact on GDP Growth

Agriculture's direct contribution to India's economy has declined over time, but a poor monsoon can still affect overall GDP through agricultural GVA, rural consumption and related sectors. Historical evidence shows that severe El Niño episodes can result in substantial agricultural losses. During the strong 2002 El Niño, India's monsoon rainfall was more than 19% below normal and food-grain production fell sharply.

The impact today is expected to be more contained because India's economy is more diversified, irrigation coverage has improved and government food-management mechanisms are stronger. Nevertheless, a prolonged monsoon deficit could moderate economic growth by weakening rural demand and agricultural output.

Impact on Inflation

Food inflation is the most immediate macroeconomic risk. Lower crop production can reduce the domestic supply of cereals, pulses, vegetables and oilseeds, leading to higher prices. India is particularly sensitive to food-price shocks because food has a relatively large weight in household consumption and the CPI basket.

Impact on Rural Consumption

A weak harvest reduces agricultural income and therefore the purchasing power of rural households. This can affect sales of FMCG products, two-wheelers, tractors, consumer durables and other rural-oriented goods.

Impact on Government Finances

A weak monsoon may require greater government intervention through food subsidies, crop insurance, drought relief, employment support, irrigation assistance and food-stock management. The government may also need to reduce import duties or facilitate imports of commodities experiencing shortages. This can increase fiscal expenditure or reduce government revenues.

Impact on RBI and Interest Rates

El Niño can create a difficult growth–inflation trade-off for the RBI. While weaker agriculture and rural demand can slow economic growth, higher food prices can increase inflation.

Therefore, even if economic growth weakens, the RBI may have less room to reduce interest rates if inflationary pressures become persistent. The RBI has identified El Niño and weather-related risks as potential sources of inflationary pressure in 2026.

Impact on Energy and Oil & Gas

El Niño can also have implications for India's energy sector. Hotter conditions can increase electricity demand for cooling, while lower rainfall can reduce hydropower generation. This may increase reliance on thermal generation and consequently affect coal and natural-gas demand.

For the oil and gas sector, the impact is mixed. Lower agricultural and rural activity could reduce diesel demand, while higher temperatures, transportation requirements and power-sector demand can support consumption of certain petroleum products and natural gas.

Current Economic Impact — 2026

The 2026 El Niño is particularly significant because it is occurring alongside a weak monsoon. As of August 20th 2026, India's cumulative monsoon rainfall was reported to be around 13% below normal, with concerns over crops such as cotton, soybean, maize and pulses. The weakening monsoon could therefore translate into lower agricultural output, higher food prices and weaker rural incomes.

El Niño is therefore not merely a weather phenomenon; it can become a significant macroeconomic risk for India. Its strongest effects are transmitted through agriculture, food inflation, rural incomes and consumption. However, India's improved irrigation, food-grain stocks, supply-management mechanisms and more diversified economy provide greater resilience than in earlier decades. The final economic impact of the 2026 El Niño will depend on the severity and distribution of rainfall during the remainder of the monsoon and its effects on agricultural production and food prices.

Oil Market

Crude oil price – Monthly Review

Benchmark crude prices surged to a two-month high in July as the recovery in oil supplies from the Gulf reversed course following the breakdown of the mid-June Iran-US ceasefire agreement. Oil prices traded in an unusually wide range of \$40/bbl, driven by sudden diplomatic pivots on the conflict. Expectations of diplomatic progress had triggered steep price declines in June and early July, but a return to hostilities led prices to spike as high as \$105/bbl on 23 July. Product cracks and refining margins, meanwhile, have continued to rise in August, setting new records in Europe.

After an increase of 3.7 mb/d in June, Gulf oil production rose by a further 2.5 mb/d in July to 23.9 mb/d, still 8.3 mb/d below pre-war levels. Regional exports, including routes bypassing the Strait of Hormuz, fell by a sharp 2.1 mb/d to 15 mb/d after the key passageway was effectively closed again in early July and oil infrastructure and tankers came under attack. Loadings peaked at 20 mb/d at the start of July but dropped to around 12 mb/d later in the month. With an agreement enabling the reopening of Hormuz and unhindered transit through the Bab el-Mandeb Strait still elusive, have again lowered supply estimates for the rest of the year. Global oil supply is now forecast to fall by 4.3 mb/d in 2026, to 102 mb/d, as growth of 1.4 mb/d from the Americas only partly offsets losses in the Middle East and Russia.

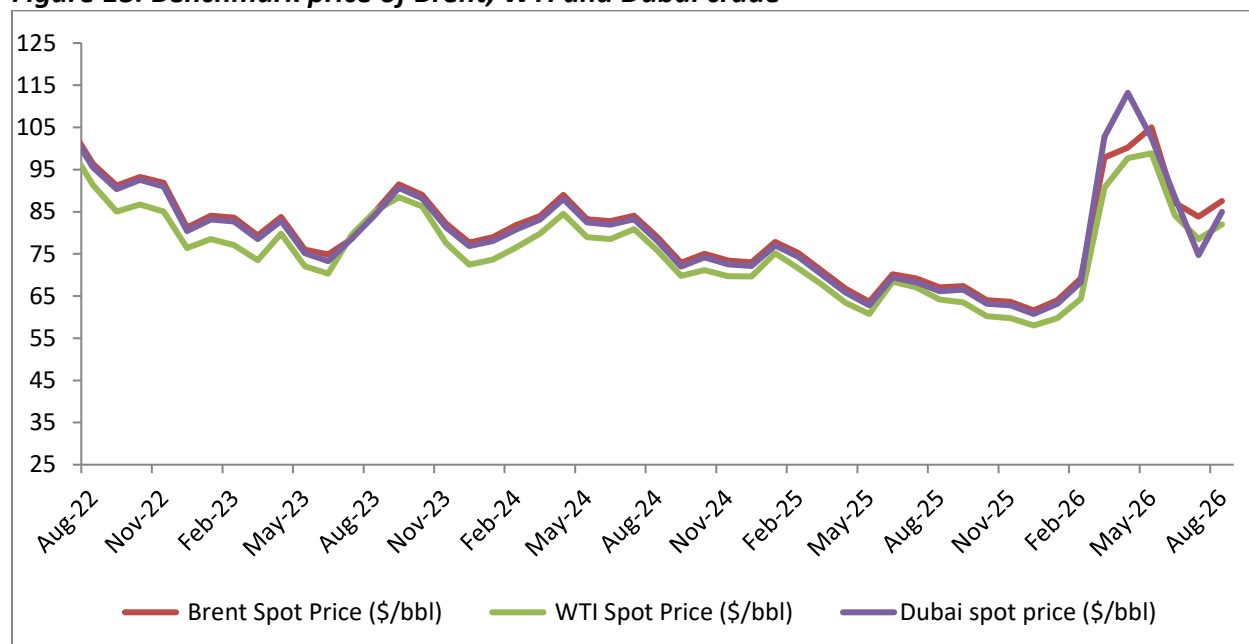
Hedge funds and other money managers raised their speculative net long positions in July, although positioning varied across markets amid uncertainty over developments in the Middle East, which fuelled price volatility. Speculative buying was stronger in the ICE Brent market as geopolitical tensions escalated and money managers positioned for potential oil supply disruptions. Between late June and the week of 28 July, hedge funds and other money managers bought the equivalent of 144 mb across Brent and WTI futures and options. Buying was concentrated in ICE Brent, where net long positions rose by 232.7% over the period, while NYMEX WTI net long positions increased by 15.6%.

Crude oil spot prices dropped on average in July, m-o-m, amid elevated volatility in futures markets. This was despite supportive market fundamentals, including declining global oil stocks, a continued recovery in global refinery throughput, and renewed geopolitical tensions. Spot prices declined in the first week of July, extending the sharp drop registered in late June, as expectations of improving crude availability and higher Middle Eastern exports eased concerns over prompt supply tightness. Selling pressure in futures markets added to the downward momentum. Moreover, softer buying interest in the spot market weighed on spot prices.

In July, the ORB value dropped by \$6.76/b, m-o-m, to average \$82.99/b. The West and North African Basket components—Bonny Light, Djeno, Es Sider, Rabi Light, Saharan Blend and Zafiro—declined by an average of \$2.81/b, m-o-m, to \$82.50/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export, fell by an average of \$8.68/b, m-o-m, to \$82.59/b. Murban crude declined by \$2.65/b, m-o-m, to average \$79.15/b, while the Merey component dropped by \$3.77/b to average \$67.36/b.

Brent crude ranged an average to \$87.56 a barrel and WTI ranged to \$81.98 per barrel in the month of August 2026.

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



Source: World Bank

- Brent crude price averaged \$87.56 per bbl in August 2026, up by 4.5% on a month on month (MoM) and by 30.6% on year on year (YoY) basis, respectively.
- WTI crude price averaged \$81.98 per bbl in August 2026, up by 4.4% on a month on month (MoM) and by 27.7% on year on year (YoY) basis, respectively.
- Dubai crude price averaged \$84.96 per bbl in August 2026, up by 13.8% on a month on month (MoM) and by 28.4% on year on year (YoY) basis, respectively.

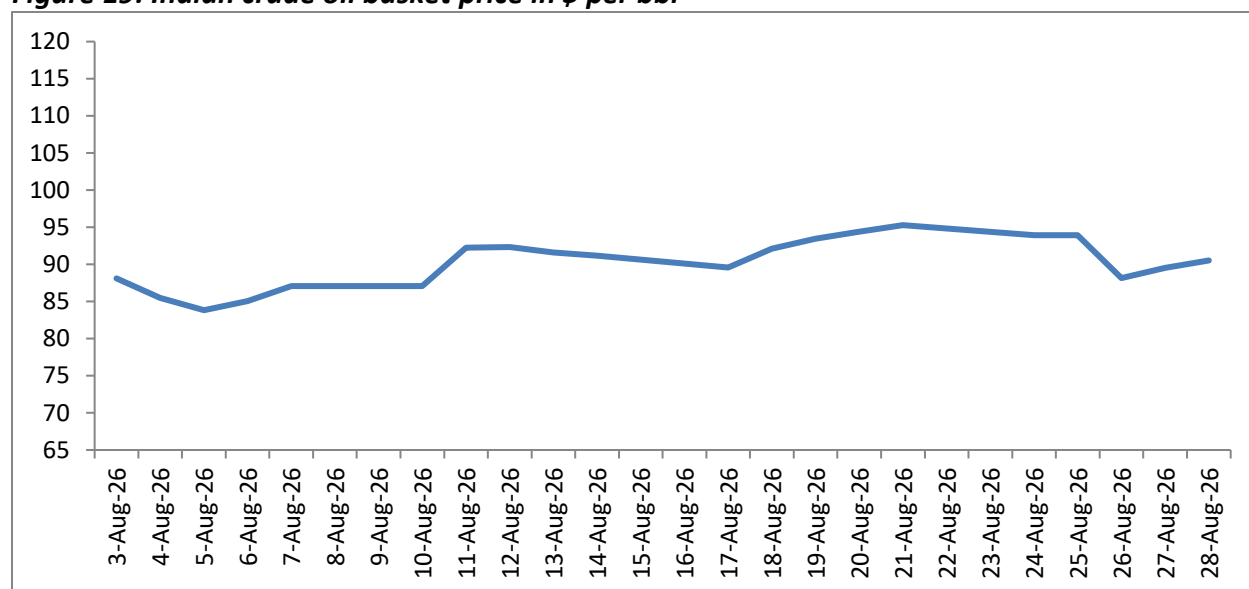
Table 3: Crude oil price in August, 2026

Crude oil	Price (\$/bbl)	MoM (%) change	YoY (%) change
Brent	87.56	4.5%	30.6%
WTI	81.98	4.4%	27.7%
Dubai	84.96	13.8%	28.4%

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 \$90.19 per barrel in August 2026, up by 9.9% on Month on Month (M-o-M) and by 30.5% 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 DoC) is forecast to expand by about 0.6 mb/d in 2026 to average 54.8 mb/d. This is unchanged from last month's assessment. The main drivers of growth in liquids production 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, Canada, Brazil, 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 July, crude oil production by countries participating in the DoC increased by 1.42 mb/d, m-o-m, to average about 37.66 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	28.75	28.69	28.73	28.98	29.23	28.91
<i>of which US</i>	22.57	22.37	22.61	22.65	22.75	22.60
Europe	3.64	3.62	3.52	3.46	3.58	3.55
Asia Pacific	0.39	0.38	0.36	0.38	0.38	0.38
Total OECD	32.77	32.70	32.61	32.82	33.19	32.83
China	4.64	4.67	4.65	4.56	4.58	4.62
India	0.82	0.81	0.80	0.80	0.81	0.81
Other Asia	1.64	1.62	1.61	1.61	1.63	1.62
Latin America	8.27	8.51	8.54	8.65	8.82	8.63
Middle East	1.42	1.61	1.62	1.63	1.65	1.63
Africa	2.25	2.29	2.28	2.27	2.27	2.28
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36
Other Europe	0.09	0.10	0.10	0.10	0.10	0.10
Total Non-OECD	19.49	19.96	19.96	19.98	20.22	20.03
Total Non-DoC production	52.27	52.66	52.57	52.80	53.41	52.86
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59
Total Non-DoC liquids production	54.84	55.25	55.16	55.39	56.00	55.45

Source: OPEC monthly report, August 2026

- From the above table, it can be inferred, that the total non-DoC liquids production is expected to reach 55.45 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 0.6 mb/d in 2026, y-o-y, following a slight downward revision from last month's assessment. The OECD is forecast to slightly decline by about 40 tb/d, while the non-OECD is forecast to grow by about 0.6 mb/d.
- Global oil demand in 2027 is forecast to grow by about 2.2 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 1.8 mb/d.

Table 5: World Oil demand, mb/d

	2025	1Q26	2Q26	3Q26	4Q26	2026	Growth	%
Total OECD	45.95	45.73	45.2	46.47	46.25	45.91	0.04	-0.09
<i>~ of which US</i>	<i>20.74</i>	<i>20.8</i>	<i>20.91</i>	<i>21.3</i>	<i>20.85</i>	<i>20.96</i>	<i>0.23</i>	<i>1.06</i>
Total Non-OECD	59.21	60.26	57.91	59.72	61.4	59.82	0.61	1.03
<i>~ of which India</i>	<i>5.65</i>	<i>5.85</i>	<i>5.4</i>	<i>5.53</i>	<i>6.08</i>	<i>5.71</i>	<i>0.06</i>	<i>1.06</i>
<i>~ of which China</i>	<i>16.88</i>	<i>17.24</i>	<i>16.2</i>	<i>17.16</i>	<i>17.28</i>	<i>16.97</i>	<i>0.09</i>	<i>0.53</i>
Total world	105.16	105.98	103.11	106.18	107.66	105.74	0.05	0.55

Source: OPEC monthly report, August 2026

Global petroleum product prices

USGC refining margins against WTI strengthened significantly in July, reaching their highest level since October 2022. The increase was driven primarily by diesel, followed by jet/kerosene and gasoline, as robust market fundamentals and tight global middle distillate balances supported crack spreads. Renewed concerns over disruptions to product flows from the Middle East, strong export demand for diesel and low domestic stocks further reinforced refining economics, despite high refinery utilization. Gasoline also benefited from resilient seasonal demand and relatively low inventories, with gains accelerating towards the end of the month. Strong light distillate cracks, particularly naphtha, further supported refining margins.

According to preliminary data, US refinery intake increased by 139 tb/d, m-o-m, to average 17.42 mb/d in July. The USGC refining margin against WTI averaged \$45.70/b, up \$16.35/b, m-o-m, and \$31.07/b, y-o-y.

Rotterdam refinery margins against Brent increased sharply in July, recording the largest monthly gain among the three major trading hubs. The rally was led by middle distillates, with diesel crack spreads reaching high levels amid declining inventories, continued disruptions to refining capacity in Eastern Europe, diesel export restrictions, and uncertainty surrounding product flows through the Strait of Hormuz. Strong seasonal gasoline demand, relatively tight regional balances and steady exports to West Africa and the Mediterranean provided additional support. Lower feedstock costs added further upside.

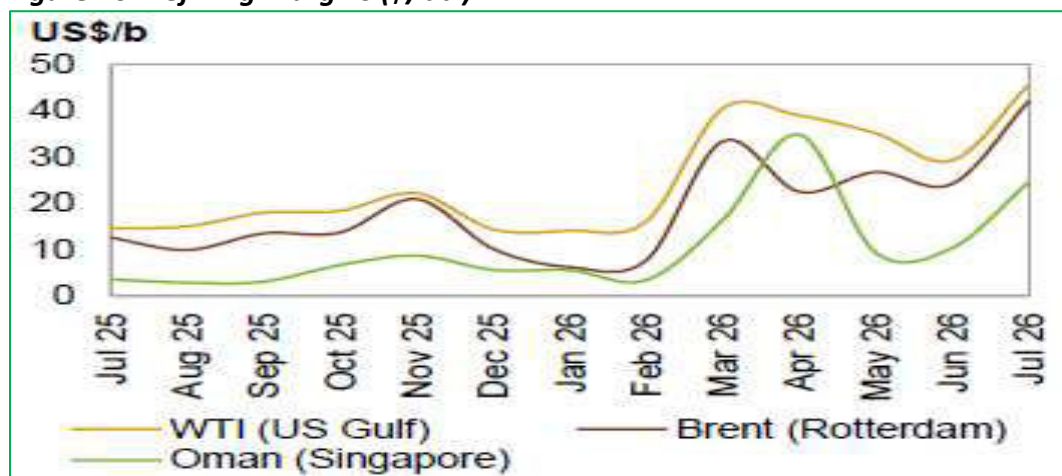
According to preliminary data, refinery intake in Europe recovered as maintenance programmes were completed, increasing by 319 tb/d, m-o-m, to average 10.05 mb/d in July. Rotterdam refining margins against Brent averaged \$42.13/b, up \$17.88/b, m-o-m, and \$29.52/b higher, y-o-y.

Singapore refining margins against Oman also strengthened in July, although gains remained more moderate than in the Atlantic Basin. Strong diesel, jet fuel and naphtha crack spreads were supported by tighter global middle-distillate balances, uncertainty over Middle Eastern exports and constrained

regional product availability. Refinery utilization remained reduced due to elevated maintenance activity, particularly in China, as well as limited crude availability and evolving export policies.

According to preliminary data, combined refinery intake for Japan, China, India, Singapore and South Korea increased by 572 tb/d, m-o-m, to average 24.51 mb/d in July, although Chinese refinery runs remained well below year-ago levels. Singapore refining margins against Oman averaged \$24.65/b, up \$14.29/b, m-o-m, and \$21.12, y-o-y.

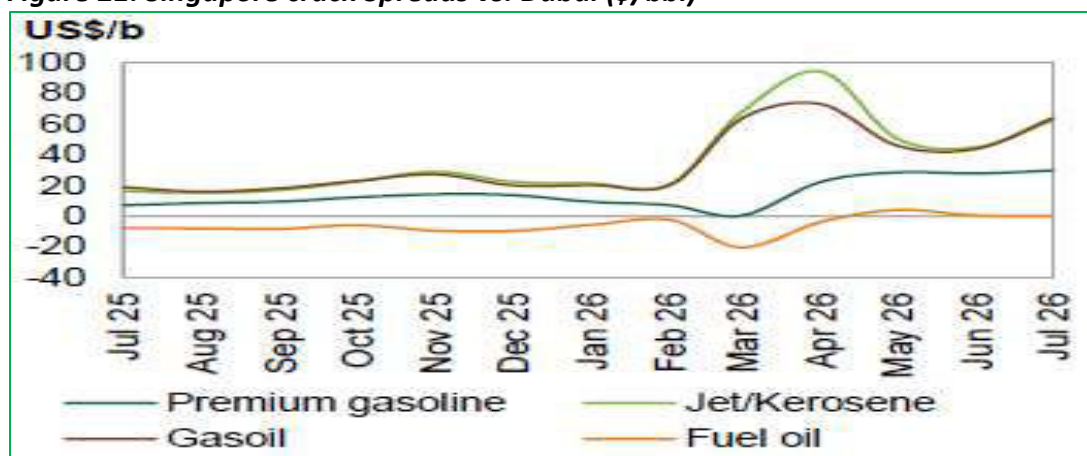
Figure 20: Refining Margins (\$/bbl)



Source: Argus and OPEC

The Southeast Asia gasoline crack spread against Dubai posted a modest gain compared to other light and middle distillates, supported by expectations of lower Chinese gasoline exports, firm seasonal demand and tighter regional balances. However, improving regional availability weighed on crack spreads later in July. The gasoline crack spread against Dubai rose in July to the highest level since June 2022. The margin averaged \$29.64/b, up \$1.91/b, m-o-m, and up \$22.56/b, y-o-y.

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



Source: Argus and OPEC

The Singapore gasoil crack spread rose sharply, tracking closely with jet/kerosene, supported by Russia's diesel export ban and reduced Chinese product exports, which tightened global middle distillate fundamentals and pushed Western distillate prices higher. Strong arbitrage opportunities towards the Atlantic Basin also supported regional prices. The Singapore gasoil crack spread against Dubai averaged \$63.99/b, up \$20.10/b, m-o-m, and up \$45.09/b, y-o-y.

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

Singapore product prices	Price (\$/b)	MoM (%) change	YoY (%) change
Naphtha	88.41	17.4%	40.6%
Premium gasoline (unleaded 95)	109.95	0.1%	38.1%
Regular gasoline (unleaded 92)	106.82	-0.8%	37.1%
Jet/Kerosene	139.52	11.7%	60.1%
Gasoil/Diesel (50 ppm)	141.91	14.2%	56.8%
Fuel oil (180 cst 2.0% S)	132.62	15.0%	50.1%
Fuel oil (380 cst 3.5% S)	77.13	-3.9%	22.7%

Source: OPEC

Petroleum products consumption in India

Monthly Review:

- Overall consumption of all petroleum products in July 2026 with a volume of 19.92 MMT registered growth of 2.91% on volume of 19.35 MMT in July 2025.
- MS (Petrol) consumption during the month of July 2026 with a volume of 3.82 MMT recorded a growth of 9.21% on volume of 3.49 MMT in July 2025.
- HSD (Diesel) consumption during the month of July 2026 with a volume of 8.09 MMT recorded growth of 10.02% on volume of 7.36 MMT in the month of July 2025.
- LPG consumption during the month of July 2026 with a volume of 2.35 MMT registered de-growth of 16.39% over the volume of 2.81 MMT in the month of July 2025.
- ATF consumption during July 2026 with a volume of 0.705 MMT registered de-growth of 0.60% over the volume of 0.710 MMT in July 2025.
- Bitumen consumption during July 2026 with a volume of 0.462 MMT registered a growth of 8.50% over volume of 0.426 MMT in the month of July 2025.
- Kerosene consumption registered a growth of 20.33% during the month of July 2026 as compared to July 2025.

Table 7: Petroleum products consumption in India, July 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	2,349	7.5%	-16.4%	8,841	-16.52%
Naphtha	829	47.5%	-13.8%	3,070	-19.75%
MS	3,815	0.8%	9.2%	15,193	6.65%
ATF	705	-3.4%	-0.6%	2,990	0.08%
SKO	44	33.1%	20.3%	136	-3.67%
HSD	8,093	-6.0%	10.0%	33,754	4.45%
LDO	66	44.8%	-23.3%	203	-40.05%
Lubricants & Greases	420	13.3%	6.7%	1,499	-3.21%
FO & LSHS	634	27.6%	29.8%	2,222	11.95%
Bitumen	462	-16.9%	8.5%	1,840	-35.28%
Petroleum coke	1,658	15.8%	-3.6%	5,445	-17.44%
Others	841	54.8%	-3.7%	2,566	-26.92%
TOTAL	19,917	3.0%	2.9%	77,760	-3.92%

Source: PPAC

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

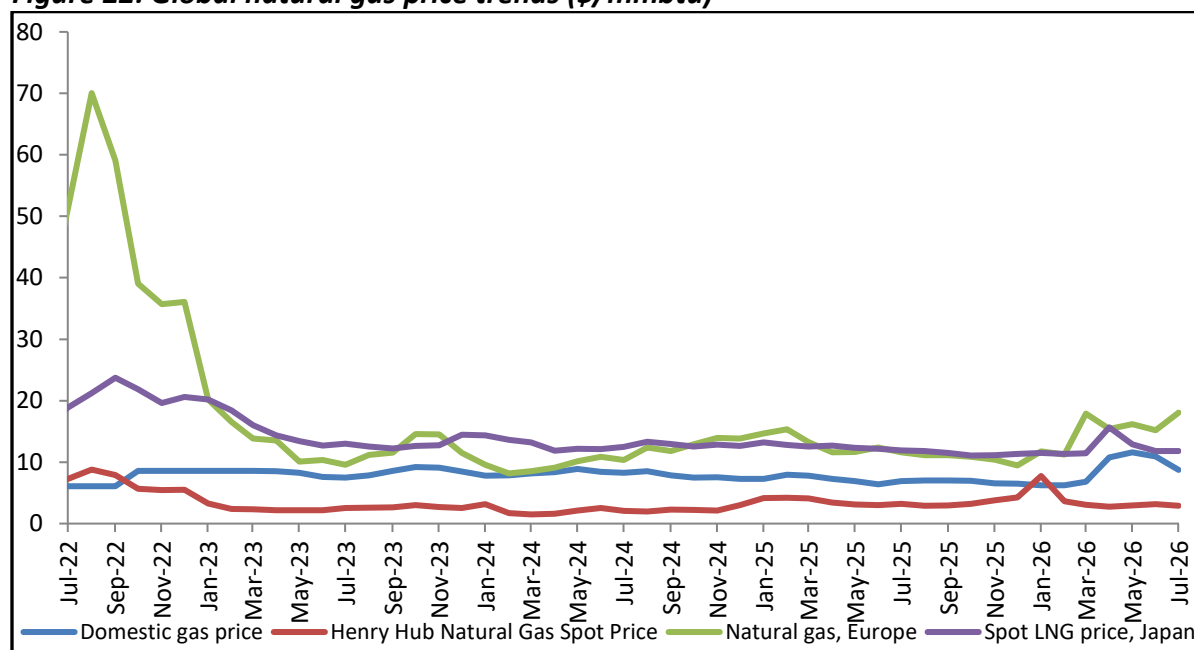
Natural Gas Market

Natural Gas Price – Monthly Review

- Natural Gas spot prices at the US Henry Hub benchmark averaged \$2.89 per million British thermal units (MMBtu) in July 2026. Henry Hub's natural gas prices declined in July by 8.3%, m-o-m. Prices were pressured by strong production and healthy storage levels amid mixed demand. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 8.4%, m-o-m. However, regionally, strong power demand and heatwaves in parts of the US partially offset losses. Prices were down by ~9.7%, y-o-y.
- Natural gas spot price at the Title Transfer Facility (TTF) in the Netherlands in Europe traded at an average of \$18.06 per MMBtu. The average Title Transfer Facility (TTF) price increased by 19.1%, m-o-m, in July. Prices rose on the back of stronger LNG competition from Asia, weather-related demand and market sensitivity to global shipping developments. Heatwaves across South Korea and Northeast China helped preserve Asia's price advantage for flexible US LNG. Moreover, geopolitical risk premiums remained elevated amid supply constraints from the Middle East. However, higher European storage levels partially mitigated price increases. According to data from Gas Infrastructure Europe, EU gas storage rose to 56.7% in July, up from 48.9% in June. Prices were up by 55.4%, y-o-y.
- Japan Liquefied Natural Gas Import Price averaged at \$11.8 per MMBtu for July 2026. There is a change of 0.1% from last month and -0.9% 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

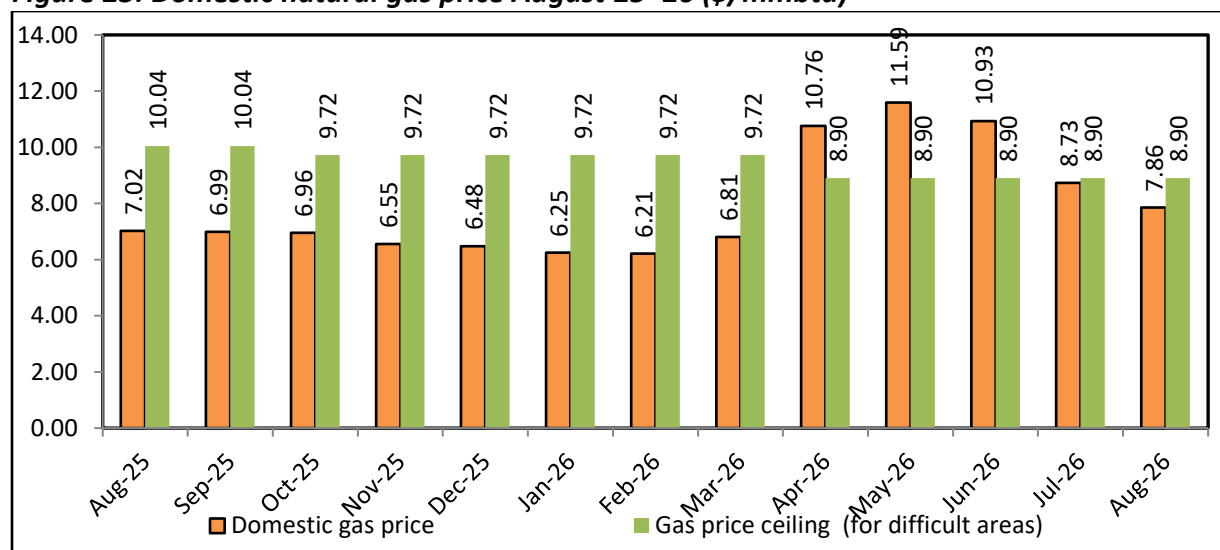
Table 8: Gas price, July 2026

Natural Gas	Price (\$/MMBTU)	MoM (%) change	YoY (%) change
India, Domestic gas price (Aug'26)	7.86	-9.97%	11.97%
India, Gas price ceiling – difficult areas (Apr'26-Sep'26)	8.90	-8.44%	-11.35%
GIXI (Gas index of India) price*	19.17	4%	80%
Henry Hub	2.89	-8.3%	-9.7%
Natural Gas, Europe	18.06	19.1%	55.4%
Liquefied Natural Gas, Japan	11.80	0.1%	-0.9%

Source: EIA, PPAC, World Bank, IGX

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

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



Source: PPAC

Indian Gas Market

- Gross Production of natural gas for the month of July 2026 (P) was 2864 MMSCM which was lower by 3.48% compared with the corresponding month of the previous year.
- Total Import of LNG (Provisional) during the month of July 2026 (P) was 2915 MMSCM as per prorated DGCIS data.
- Natural Gas available for Sale during July 2026 (P) was 5287 MMSCM (P) (marginal decrease of 1.30% over the corresponding month of the previous year)
- Total Gas Consumption Availability during July 2026 (P) was 5720 MMSCM (P) (marginal decrease of 1.05% over the corresponding month of the previous year).
- Major consumers were City Gas Distribution (CGD) (29.57%), Fertilizer (29.47%), Power (10.12%), Refinery (8.01%) and Petrochemicals (4.76%).

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

1. Domestic Natural Gas Gross Production:

Domestic natural gas gross production for the month of July 2026 was 2759 MMSCM (decrease of 3.91% over the corresponding month of the previous year).

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

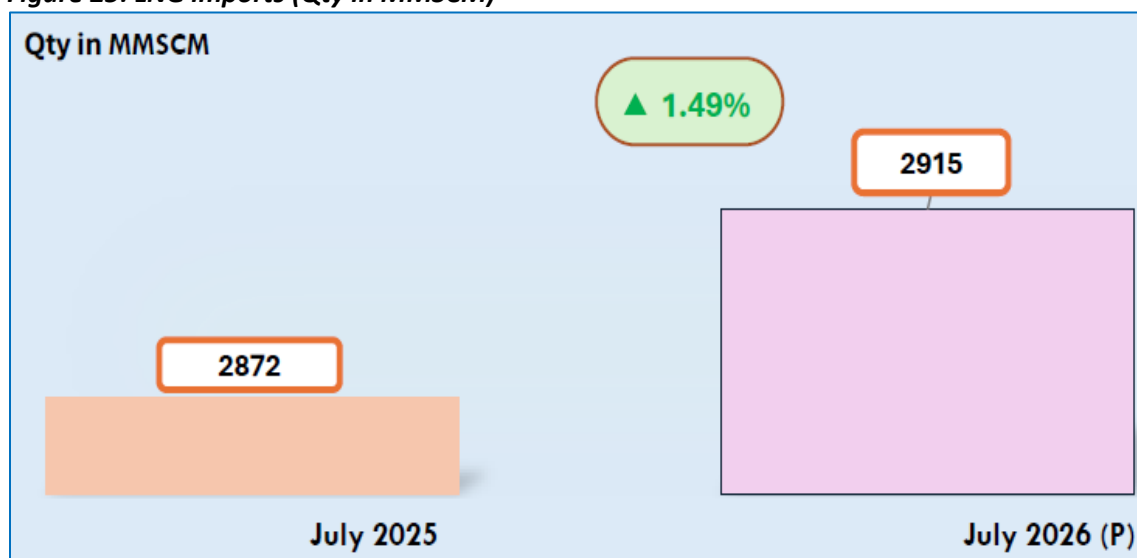


Source: PPAC

2. LNG imports:

Total import of LNG (provisional) during the month of July 2026 was 2915 MMSCM (P) (up by 1.49% over the corresponding month of the previous year).

Figure 25: LNG imports (Qty in MMSCM)

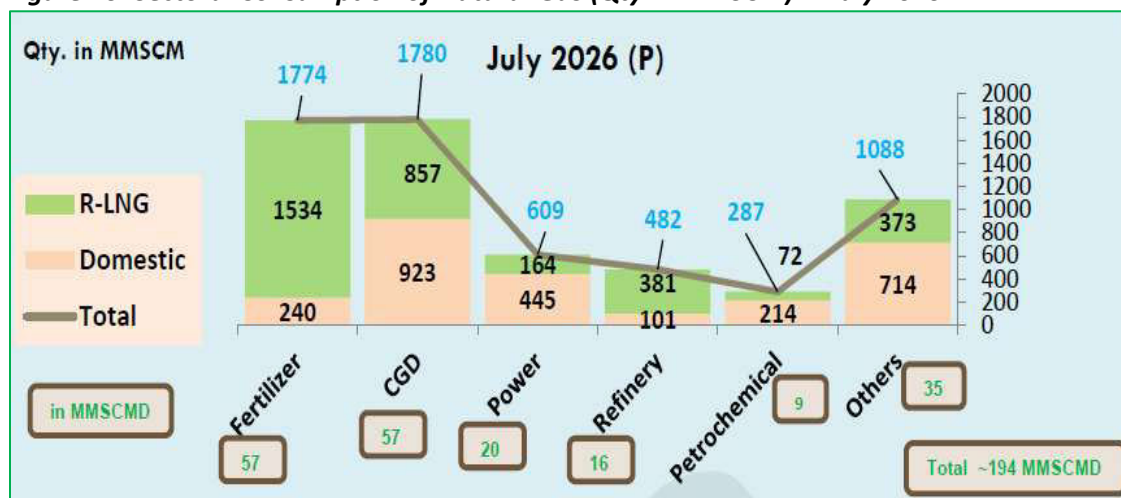


Source: PPAC

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 July 2026



Source: PPAC

Key developments in Oil & Gas sector

Monthly Production Report for July 2026

1. Production of Crude Oil

Indigenous crude oil and condensate production during July 2026 was 2.3 MMT. Around 78.7% of production came from Nomination Fields, 11.8% from Pre-NELP Fields and 9.3% from NELP Fields, during July 2026. There is a de-growth of 5.3% in crude oil and condensate production during July 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 July 2026 was 2864 MMSCM which was lower by 3.48% compared with the corresponding month of the previous year.

3. Crude Oil Processed (Crude Throughput)

Total Crude oil processed during July 2026 was 23.8 MMT, which is 2% higher than July 2025, out of which PSU/JV refiners processed 15.8 MMT and private refiners processed 8 MMT of crude oil. Total indigenous crude oil processed was 2.1 MMT and total Imported crude oil processed was 21.6 by all Indian refineries (PSU+JV+PVT). There was a de-growth of 1% in total crude oil processed in April-July during current Financial Year as compared to same period of previous Financial Year.

4. Production of Petroleum Products

Production of petroleum products was 24.8 MMT during July 2026, which is 3% higher than July 2025. Out of 24.8 MMT, 24.5 MMT was from refinery production & 0.3 MMT was from fractionator. There was a de-growth of 2.5% in production of petroleum products in April-July FY 2026–27 (P) as compared to same period of FY 2025–26. Out of total POL production in July 2026, share of major products including HSD is 41.9%, MS 17.5%, Naphtha 6.5%, ATF 5.1%, Pet Coke 4.8%, LPG 4.9%, and rest is shared by Bitumen, FO/LSHS, LDO, Lubes & others.

Key Policy developments/Significant news in Energy sector

1. Cabinet approves 'Samudra Manthan' - National Offshore Exploration Scheme with an outlay of ₹84,084 crore

The Union Cabinet, chaired by Hon'ble Prime Minister Shri Narendra Modi, approved "Samudra Manthan" the National Offshore Exploration Scheme, a Central Sector Scheme of the Ministry of Petroleum & Natural Gas carrying an approved outlay of ₹84,084 crore for implementation through FY 2030–31. It is India's most ambitious offshore exploration mission to date.

This approval marks the culmination of a series of transformative reforms undertaken under the leadership of the Hon'ble Prime Minister to strengthen India's hydrocarbon exploration and production sector.

The National Offshore Exploration Scheme, Samudra Manthan, builds upon these reforms by translating policy into action and opening a new chapter in India's journey towards energy security and Atmanirbhar Bharat.

India is the world's third-largest consumer of crude oil, with an annual import bill of nearly USD 144 billion (approximately ₹13 lakh crore). As recent geopolitical developments have demonstrated, secure and uninterrupted access to energy resources is of strategic importance for a rapidly growing economy.

With India's energy demand expected to rise steadily in the coming decades, enhancing domestic oil and gas production is essential for reducing import dependence, strengthening energy resilience, and securing the nation's long-term economic growth.

Since 2014, the Government has undertaken a series of structural reforms over the past few years to create an enabling ecosystem for hydrocarbon exploration and production:

1. **Opening Up Offshore Acreage:** More than 99% of the earlier "No-Go" areas have been removed, making over one million square kilometres of India's Exclusive Economic Zone available for exploration for the first time.
2. **Modernising the Contractual Regime:** India transitioned from Production Sharing Contracts to Revenue Sharing Contracts, simplifying the fiscal framework and improving transparency while reducing administrative intervention.
3. **Legislative Reforms:** The Oilfields (Regulation and Development) Amendment Act, 2025 modernised the legal framework governing the sector by providing contractual stability,

recognising integrated petroleum operations, strengthening dispute resolution mechanisms, and establishing a contemporary regulatory architecture.

4. **Implementation Through New Rules:** The Petroleum and Natural Gas Rules, 2025 operationalised these reforms by promoting ease of doing business, improving regulatory efficiency, and streamlining the administration of petroleum leases.
5. **Uniform Decision-Making Framework:** The Government has also standardised the composition and mandate of the Empowered Committee of Secretaries across all contract regimes, ensuring consistency and a level playing field for all operators, irrespective of when their contracts were signed.
6. **Sharper Focus on Exploration:** The performance parameters of ONGC and Oil India have been reoriented to place greater emphasis on exploration activities, reinforcing the Government's commitment to expanding India's domestic hydrocarbon resource base.

Hydrocarbon exploration is a capital-intensive and long-gestation activity, with a typical period of 5–10 years from the award of an exploration block to the commencement of commercial production. This underscores the need for sustained exploration to meet India's growing energy demand.

Further, existing oil and gas fields witness a natural production decline of around 6–7% every year, making continuous exploration and new discoveries essential to sustain domestic hydrocarbon production.

To address these challenges, the Government has reoriented policy towards exploration-led growth. Under the National Offshore Exploration Scheme “*Samudra Manthan*” the Government will provide financial support of up to 50% of the cost of drilling deepwater exploration wells, thereby reducing exploration risk, encouraging investment, and accelerating the development of India's offshore hydrocarbon potential.

India's future hydrocarbon potential lies largely in deepwater and ultra-deepwater basins such as Krishna-Godavari, Cauvery, Mahanadi and the Andaman region. Exploration in these frontier areas requires advanced technology and significant investment, with a single deepwater exploratory well costing approximately USD 125–150 million. Recognising the high-risk, high-cost nature of such exploration, the Government is adopting a risk-sharing approach to encourage sustained investment, accelerate exploration, and unlock India's offshore hydrocarbon resources.

Samudra Manthan is therefore proposed as a strategic national intervention to de-risk offshore exploration, catalyse private investment, strengthen domestic production and build enduring national capability across the offshore exploration and production value chain.

The National Offshore Exploration Scheme “*Samudra Manthan*” marks the transition from policy reforms to mission-mode implementation. Approved as a Central Sector Scheme with a Phase-I outlay of ₹84,084 crore up to 31 March 2031, the scheme adopts an integrated approach to accelerate offshore hydrocarbon exploration and production.

The scheme comprises four key components: (i) acquisition and processing of modern offshore seismic data with an outlay of ₹28,534 crore; (ii) drilling of 60 deepwater exploration wells with an allocation of ₹43,200 crore, including Government support of up to 50% of eligible drilling cost or ₹675 crore per well, whichever is lower; (iii) development of common offshore infrastructure hubs with an outlay of ₹10,000 crore to facilitate commercialisation of discoveries; and (iv) establishment of Oil and Gas Manufacturing and Services Zones with an outlay of ₹2,000 crore to promote domestic manufacturing and localisation of critical equipment and services.

S. No	Component	Amount (in Rs. Crore)
1	Offshore data acquisition	28,534
1A	2D seismic data acquisition for basin-wide coverage	12,000
1B	3D seismic data acquisition (and other techniques)	12,534
1C	NDR data re-processing and AI tools implementation	4,000
2	Offshore exploration and infrastructure-led production	55,200
2A	Offshore exploration acceleration	43,200
2B	Infrastructure-led deepwater production and exploration	10,000
2C	Development of oil and gas manufacturing and services zones	2,000
3	Monitoring and support activities (digital interventions, monitoring and evaluation, human resource, awareness and outreach, events, media)	350
	TOTAL	84,084

Subject to exploration success, the National Offshore Exploration Scheme – *Samudra Manthan* – aims to increase India's domestic oil and gas production from around 62 MMTOE to 80 MMTOE annually and expand the country's hydrocarbon resource base from 1.6 billion TOE to 2.2 billion TOE. The additional production has the potential to reduce crude oil imports by nearly ₹1 lakh crore annually, strengthening India's energy security and reducing import dependence.

By creating a robust offshore exploration ecosystem through better data, risk-sharing, common infrastructure and domestic manufacturing capabilities, Samudra Manthan will enable India to build national capability in deepwater exploration and production, strengthen our energy-security resilience, and reduce our long-term dependence on imports.

2. Cabinet approves GOBARdhan, India's National Unified Scheme for Compressed Biogas, with an outlay of Rs.23,731 crore

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has approved GOBARdhan, the National Circular Bioenergy Scheme, with a total outlay of Rs.23,731 crore.

GOBARdhan marks a defining moment in India's clean energy journey. It will transform the country's abundant agricultural residue, cattle dung, press mud, municipal organic waste and other biomass resources into clean fuel, organic manure, rural income and national economic value.

The Scheme will be implemented from FY 2026-27 to FY 2035-36 and will establish Compressed Biogas as a major pillar of India's future energy mix.

Through assured demand, remunerative and stable pricing, capital assistance, pipeline infrastructure, credit support and technology development, GOBARdhan will provide the strong and predictable framework required to take India's CBG sector to national scale.

The Scheme aims to increase domestic Compressed Biogas (CBG) production nearly ten-fold, mobilize large-scale private investment and create a vibrant circular bioeconomy across the country.

It reflects the Government's clear vision:

- India's waste will fuel India's growth.
- India's villages will become centres of clean energy production.
- India's farmers will become partners in the nation's energy security.

From a Strong Foundation to National Scale:

Over the past several years, the Government of India has systematically built the foundations of the CBG sector through the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative, the Market Development Assistance (MDA) Scheme for organic manure, the Biomass Aggregation Machinery (BAM) Scheme, the Development of Pipeline Infrastructure (DPI) Scheme and Central Financial Assistance (CFA) for CBG plants under the National Bioenergy Programme.

Together, these initiatives have enabled the commissioning of over 200 CBG plants, established production and offtake systems, strengthened the organic manure value chain and demonstrated the potential of CBG across feedstocks and geographies.

GOBARDhan now takes this progress to the next level. Administered by the Ministry of Petroleum and Natural Gas, the Scheme creates one integrated platform across the entire CBG value chain. This will enable faster implementation, stronger project economics and greater certainty for investors, lenders and developers.

A Strategic Opportunity for India:

India's demand for natural gas is expanding across transport, households, industry and commercial sectors. CBG can meet a growing share of this demand through domestic renewable production, strengthening energy resilience and reducing dependence on imported fossil fuels.

CBG is chemically equivalent to natural gas and can be seamlessly integrated into the existing gas ecosystem. It therefore combines the benefits of a renewable fuel with the reach and utility of India's expanding gas infrastructure.

Each CBG plant also creates a local circular economy around agricultural residue, cattle dung and other organic resources. It generates opportunities in feedstock supply, transportation, plant operations and organic manure production, while supporting cleaner waste management and lower greenhouse gas emissions.

Six Growth Engines under GOBARDhan

Component 1: Assured CBG Offtake

GOBARDhan establishes a dedicated CBG Offtake Assurance framework to provide a reliable and predictable market for producers. Procurement by City Gas Distribution entities will support achievement of the notified CBG Obligation trajectory of 3% in FY 2026-27, 4% in FY 2027-28 and 5% from FY 2028-29 onwards in the CNG (Transport) and PNG (Domestic) segments.

The framework converts the blending obligation into a clear, long-term demand signal for the industry. Consistent implementation across CGD networks will improve project bankability, support capacity utilization and encourage long-term private investment.

Component 2: Stable CBG Pricing Framework

GOBARDhan introduces a stable administered CBG price of Rs.2,110 per Metric Million British Thermal Unit (MMBTU), supported through a government-backed pricing framework. The framework provides long-term revenue visibility while protecting consumer affordability through a combination of Government support and a market-based cost-sharing mechanism.

With a minimum ten-year horizon, the pricing framework will provide producers with durable revenue certainty, commercially attractive returns and a stronger business case for investment and capacity expansion.

Component 3: Capital Assistance

Eligible greenfield CBG projects will receive capital assistance of up to Rs.2 crore per ton per day (TPD) of installed CBG capacity.

The support extends beyond core plant machinery to critical value-chain assets for feedstock aggregation, organic manure processing and value addition. Brownfield projects expanding their production capacity will also be eligible.

This component will lower the initial capital burden, accelerate financial closure and expand participation by private developers, MSMEs, cooperatives and rural entrepreneurs.

Component 4: Development of Pipeline Infrastructure

The Scheme supports both cluster-based and standalone pipeline infrastructure connecting CBG plants with trunk pipelines and City Gas Distribution networks. Greater pipeline connectivity will reduce evacuation costs, improve reliability, expand market reach and enable higher utilization of domestically produced CBG.

Component 5: Credit Guarantee Support

A dedicated Credit Guarantee mechanism will strengthen lender confidence and expand the flow of institutional credit to eligible MSME-based CBG projects.

By sharing a portion of lending risk, the mechanism will improve access to affordable finance, reduce collateral requirements and support faster project development.

This will widen participation by MSMEs, women entrepreneurs and first-time developers, helping build a broad, competitive and entrepreneurial CBG industry.

Component 6: CBG Ecosystem Challenge Fund

GOBARdhan establishes a dedicated CBG Ecosystem Challenge Fund to accelerate district-level implementation and strengthen local value chains across the CBG ecosystem.

The Fund will support feedstock resource assessment and mapping, feedstock aggregation infrastructure, district-level CBG development planning, technology adoption, process improvement, value addition of organic manure, capacity building and stakeholder awareness.

Impact:

GOBARdhan is designed to convert the strong sectoral foundation created over recent years into a nationwide scale-up of CBG. The Scheme is expected to deliver:

- **Nearly ten-fold growth in domestic CBG production**, creating a new pillar of India's clean gas economy.
- **Greater energy security** through increased domestic production of renewable gaseous fuel and lower dependence on imported fossil fuels.

- **A new wave of private investment** supported by stronger project viability, stable pricing and improved access to institutional finance.
- **Stronger rural livelihoods** through new income opportunities for farmers, feedstock aggregators, cooperatives and rural entrepreneurs.
- **Scientific waste management** through productive use of agricultural residue, cattle dung, municipal organic waste and other biomass resources.
- **Lower greenhouse gas emissions** through replacement of fossil fuels and productive utilization of organic waste.
- **A larger organic manure economy** through greater production, value addition and utilization of FOM and LFOM.
- **Faster and easier project implementation** through one national framework, digital governance and simplified institutional arrangements.

GOBARDhan marks a decisive step in transforming India's abundant organic resources into clean energy, rural prosperity and economic value. By bringing assured demand, stable pricing, capital assistance, pipeline connectivity, credit support and ecosystem development under one national framework, the Scheme creates the conditions for CBG to grow at scale.

Building on the progress already achieved, GOBARDhan will take India's CBG journey from a strong foundation to a nationally scaled clean energy industry. It reflects the Government's commitment to energy security, farmers and rural enterprises, waste-to-wealth, Atmanirbhar Bharat and the vision of Viksit Bharat.

3. Oil Marketing Companies (OMCs) test for Moisture & Chloride presence in E20 Petrol: Claims of 500 ppm Chloride and presence of moisture not validated

Amid recent media reports on moisture and chloride in EBMS (E20 Petrol), OMCs carried out a nationwide additional intensive testing covering the entire EBMS supply chain. The findings reaffirm that fuel quality remains consistently well within prescribed limits. Contrary to certain assertions being made, based on extensive random testing through scientifically designed tests, the evidence shows that there is no cause for any alarm on account of fuel contamination.

OMCs reassured all the esteemed customers that they treat fuel quality as a matter of highest priority and any issue that could potentially affect the vehicle performance or consumer confidence is addressed promptly through scientific investigation and corrective action.

Government of India has prescribed a stringent chloride specification for ethanol used in petrol blending and has instituted a high-frequency monitoring mechanism to ensure compliance across the entire supply chain. Chloride monitoring is being done at multiple point of supply chain including refineries, distilleries, depots/terminals and retail outlets nationwide, confirming that quality is being consistently maintained throughout the supply chain.

In addition to the already established quality assurance protocols, Oil Marketing Companies have further strengthened surveillance by conducting water-ingress and density tests 8–12 times daily at every retail outlet. Mobile fuel quality testing laboratories have also been deployed across locations, while test results are being independently validated through fuel laboratories to ensure the highest standards of quality assurance.

These multipronged stepped-up testing protocols across the supply chain have validated our highest fuel quality standards.

1. MS from Refinery: Actual Chloride levels in Petrol is well within 1 ppm

Over 100 additional randomly selected petrol samples tested across various refineries confirm that chloride content remains consistently low, with all samples reported at or below the 1 ppm. This reflects the continued effectiveness of quality checks built into India's robust refining and dispatch process.

2. Pure Ethanol ex distillery

Ethanol supplied by distilleries—the principal blending component—has also consistently recorded chloride levels significantly below the prescribed specification, reflecting robust quality control mechanisms at the production stage.

A dedicated task force having members of OMCs & CHT has checked ethanol samples from 80 distilleries across the country in last 10 days and all samples had Chloride content less than 3 ppm.

3. Ethanol Blended MS (E20) distributed via OMCs' Marketing Infrastructure

Depots / Tank Trucks: Ethanol and E20 samples tested at depots and terminals continue to meet prescribed chloride limits, with regular monitoring at this stage ensuring that quality is maintained as fuel moves through the storage and distribution network. More than 80 samples across the nation collected from various OMC terminals showed chloride content below 3 ppm.

Retail Outlets (RO): Under the intensified monitoring programme of more than 1000 samples, so far 160 test reports have been analysed for chloride content in last few days and levels are in range of 0-3 ppm contrary to the claims of several hundred ppm. The surveillance system identified only four isolated instances where elevated chloride levels were detected. These were suspended immediately, followed by detailed root-cause analysis and implementation of appropriate corrective measures before restoration of supplies.

4. Water ingress testing:

About 90,000 ROs have commenced mandatory inspection and monitoring of underground storage tanks. The underground tanks at ROs are being inspected 8–12 times every day and have not revealed any water ingress so far.

4. Press Brief: Incentive Scheme for Promotion of Domestic PNG Connections

The Government of India has approved the Incentive Scheme for Promotion of Domestic PNG Connections, a major initiative aimed at bringing clean, safe and affordable piped cooking gas to households across the country. Effective from 1 September 2026, the Scheme is designed to fast-track the expansion of active PNG connections ensuring that more families can start using piped natural gas in their kitchens at the earliest.

How this will benefit the common people

Currently, there are 1.74 crore Domestic PNG connections across the country. The new Scheme directly incentivises the City Gas Distribution (CGD) companies to actively convert unbilled connections into working gas connections, and expand the PNG network to new areas.

Benefits of Piped Natural Gas (PNG) for households

Piped Natural Gas offers households a safer, cleaner and more convenient alternative to LPG cylinders and traditional cooking fuels:

- **Safety:** PNG is supplied through underground pipelines at low pressure, eliminating risks associated with storing and handling cylinders, and being lighter than air, it disperses quickly and safely in case of any leakage.
- **Convenience:** There is no need to book, store, or replace cylinders — gas is available round the clock directly at home, with billing based on actual metered consumption, similar to electricity or water.
- **Affordability:** Households pay only for the gas they actually consume, and PNG is generally cheaper than LPG on a per-unit energy basis, reducing monthly household fuel expenses over time.
- **Environment-friendly:** Being a cleaner-burning fuel, PNG produces fewer pollutants than conventional cooking fuels, contributing to better indoor air quality and lower carbon emissions.
- **Uninterrupted supply:** Continuous pipeline supply removes dependence on cylinder delivery logistics, particularly benefiting households in high-rise buildings and dense urban colonies.

Government's continued push for PNG expansion

This Scheme builds on a series of steps the Government has taken over the past few months to accelerate PNG expansion and make the transition to clean cooking fuel easier for households:

- **Streamlined regulatory clearances:** Accelerated Approval Framework and standardised Right-of-Way charges under the Natural Gas & Petroleum Distribution Order, 2026 have been issued, which would help in priority disposal of applications within a defined timelines for PNG infrastructure, along with standardized charges.

- **VAT rationalisation:** States are being encouraged to bring VAT on natural gas down to 5%, making PNG more affordable for households; several States have already reduced VAT.
- **National PNG Drive 2.0:** A nationwide drive, including a portal for surrender of LPG cylinders, household notices, awareness camps and conversion of LPG-using housing societies to PNG, to help more families switch to piped gas.
- **Unified PNG registration portal:** A single-window digital platform is under development to simplify and speed up the process of applying for and tracking new PNG connections.

The APM/NAPM Incentive Scheme for Promotion of Domestic PNG Connections is a major initiative in this direction, further strengthening the Government's sustained efforts to expand household access to clean, safe and affordable piped cooking gas across the country.

Scheme Structure

Under the Scheme, eligible CGD entities will be allocated an additional 200 SCM of domestically-produced, lower-priced (APM) gas for every incremental billed Domestic PNG connection achieved during the performance period, over and above the Threshold Level determined for the respective Geographical Area (GA). The Scheme will be implemented over two Tranches spanning six months. The additional gas allocation will substitute the costlier Liquefied Natural Gas (LNG) that CGD entities currently procure for their Compressed Natural Gas (Transport) segment, thereby lowering their overall gas-sourcing costs.

The resulting cost savings are expected to shorten the payback period for capital expenditure incurred on D-PNG connections from around 10 years to approximately 3 years — giving CGD entities a strong financial incentive to expand household PNG connectivity more rapidly, bringing the benefits of clean, safe and affordable piped cooking gas to a larger number of Indian households in the months ahead.

5. **Official Visit of Shri Hardeep Singh Puri, Minister for Petroleum and Natural Gas, to Mauritius**

Union Minister for Petroleum and Natural Gas, Shri Hardeep Singh Puri, made an official visit to the Republic of Mauritius from 20-21 August 2026.

On August 20, Minister called on His Excellency Dr. Navinchandra Ramgoolam, Prime Minister of Mauritius. In their presence, India and Mauritius exchanged a Government-to-Government (G2G) Memorandum of Understanding (MoU) for cooperation in Oil and Gas sector, alongside a long-term Sales and Purchase agreement between Indian Oil Corporation Limited (IOCL) and the State Trading Corporation (STC) of Mauritius for supply of petroleum products. Under the Agreement, IOCL will supply the entire import requirement of Mauritius of Motor Spirit (MS), High Speed Diesel (HSD) and Aviation Turbine Fuel (ATF).

The MoU on oil and gas cooperation institutionalises the longstanding energy partnership between the two countries, covering petroleum products supply, training and capacity building for Mauritian

officials and biofuels cooperation. The five-year agreement between IOCL and STC is an assured long-term supply commitment to Mauritius, providing the country with security of supplies and shielding it from price volatility. This is the first long-term supply agreement concluded by an Indian PSU Oil Marketing Company outside South Asia in recent years.

During the visit, Minister also held productive bilateral meetings with Hon'ble Patrick Gervais Assirvaden, Minister of Energy and Public Utilities, Hon'ble John Michaël Tzoun Sao Yeung Sik Yuen, Minister of Commerce and Consumer Protection and Hon'ble Dhananjay Ramful and Minister of Foreign Affairs, Regional Integration and International Trade. He participated in a ground breaking ceremony of India Oil (Mauritius) Ltd's 27.5 TMT bunker marine fuel storage facility at Mer Rouge, Port Louis.

India's growing role as a dependable energy partner

India has emerged as a major global refining hub, with an annual output of 267 MMT of refined petroleum products across 23 refineries, making it a net exporter of refined products. India already meets the petroleum demand of Nepal and Bhutan and supplies significant quantities to other countries in the region and beyond. Even during the ongoing West Asia crisis, India has fulfilled its supply commitments to Nepal and Bhutan, making it a dependable energy security provider for the region. The agreement with Mauritius positions India as the country's anchor fuel supplier and strengthens India's strategic and economic footprint in the Indian Ocean region.

MoU also extends cooperation in biofuels

The MoU further provides for cooperation in biofuels through exchange of knowledge, research and training. Mauritius is a founding member of the Global Biofuels Alliance (GBA), an initiative piloted by India and launched during India's G20 Presidency. As part of its country engagement programme, the GBA Secretariat has partnered with Mauritius' Ministry of Energy and Public Utilities in developing a Biofuels Country Landscape Policy framework for the country.

Minister Puri and Hon'ble Patrick Gervais Assirvaden jointly witnessed the launch of the Biofuels Country Landscape Policy framework on August 21, marking a starting point for Mauritius in exploring its energy transition through biofuels.

6. India Hosted Eighth BRICS Youth Energy Summit 2026 under its BRICS Chairship

India hosted the Eighth BRICS Youth Energy Summit 2026 virtually on 17 August 2026 under its BRICS Chairship. The Summit brought together more than 100 participants, including young energy professionals from academia, government institutions, and the energy ministries of the BRICS Member Countries. Representatives of the BRICS Youth Energy Agency (BRICS YEA), as well as international organizations including Sustainable Energy for All (SEforALL), the International Solar

Alliance (ISA) and the International Renewable Energy Agency (IRENA), also participated in the Summit.

India's BRICS Chair-ship in 2026 is guided by the overarching theme “Building for Resilience, Innovation, Cooperation and Sustainability (BRICS)”. Within the Energy Track, India has adopted the theme “सर्वेषां ऊर्जम्” (Energy for All), reflecting its commitment to advancing universal, affordable and inclusive energy access across BRICS.

The Summit placed youth at the centre of BRICS energy cooperation, recognizing their role as drivers of innovation, entrepreneurship, technological advancement and international cooperation. The discussions also emphasized the importance of strengthening collaboration among young professionals, academia, government institutions and industry across BRICS countries.

The deliberations underscored the importance of translating youth engagement into practical outcomes through joint research, technology demonstrations, knowledge exchange and capacity-building initiatives. Under the three priority areas of (i) Energy Security and Sustainability, (ii) Energy Access and Equity, and (iii) Technology and Innovation, more than 20 youth panellists shared country perspectives and experiences on important topics, including diversification of the energy mix, resilient energy supply chains, energy access and innovative financing, new and emerging technologies, and digitalization of energy systems.

The discussions reflected broad convergence on the need for resilient and diversified energy systems, affordable and inclusive energy access, and innovative and affordable financing to advance clean energy deployment. Technological innovation and digitalization, supported by reliable energy data, interoperability, cyber security and skilled human resources, were identified as important enablers of efficient, flexible and resilient energy systems.

Youth representatives from India highlighted key national initiatives and achievements in energy security, energy access, clean energy deployment and power-sector reforms, including the PM-KUSUM, PM Surya Ghar, SHANTI Act, Revamped Distribution Sector Scheme (RDSS), and the India Energy Stack (IES). They also shared India's experience in diversifying the energy mix, strengthening distribution infrastructure and advancing decentralized renewable energy and digitalization, while highlighting the BRICS Digital Centre of Excellence (DCoE) on Smart Grids and Energy Storage as a platform for knowledge exchange, capacity building and collaboration on smart grids, storage and grid resilience.

The Eighth BRICS Youth Energy Summit 2026 reaffirmed the pivotal role of BRICS youth in advancing energy cooperation and shaping solutions for a secure, sustainable, inclusive and future-ready energy sector, in keeping with the vision of “Energy for All”.

7. PM Surya Ghar: Muft Bijli Yojana Achieves Milestone of Over 50 Lakh Rooftop Solar Installations

The PM Surya Ghar: Muft Bijli Yojana has crossed a landmark milestone with over 50.06 lakh households now benefiting from rooftop solar installations across the country.

Achieved in just over two years since its launch, this milestone marks a significant acceleration compared to the 7.94 lakh rooftop solar installations recorded over the previous ten years. It reflects the rapid implementation of the world's largest rooftop solar programme, with an outlay of ₹75,021 crore. The PM Surya Ghar: Muft Bijli Yojana is Government of India's flagship rooftop solar scheme under the Ministry of New and Renewable Energy.

Under the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi, the scheme is today benefiting 1 lakh households every six days, making it one of the fastest growing clean energy programmes anywhere in the world. The pace of installation has increased 3.2 times over the last nine months, rising from 5,038 installations a day in October 2025 to nearly 16,328 installations a day in July 2026.

July 2026 alone recorded 5.06 lakh households benefited, the highest ever monthly figure since the scheme began.

To support this momentum, Rs 28,024 crore in subsidy has been released directly to beneficiaries through Direct Benefit Transfer. As a result, nearly 19 lakh households are now receiving zero electricity bills, significantly easing the financial burden on families. More than 12 lakh households have together earned Rs 421 crore through sale of surplus power in FY 2024-25, translating to an extra income of around Rs 3,500 per year per household for those exporting power back to the grid.

Under the Utility Led Aggregation model, 1.6 lakh installations have been completed for PMAY, BPL and SC/ST households across 4 States, with the model sanctioned for rollout in 12 States. The model is enabling low-income households to access rooftop solar while helping States reduce their tariff subsidy burden. Concessional loans at 5.75 percent, benchmarked to the Repo rate plus 50 basis points, have been sanctioned for 21.87 lakh applicants, of which 17.5 lakh installations have already been completed through loan financing, with Jan Samarth integration enabling paperless loan processing.

The scheme has also created a wide vendor and employment ecosystem, with 34,219 registered vendors, of whom 29,469 are active, operating across the country. Over 2.32 lakh people have been trained under capacity building programmes supporting the rooftop solar value chain. Cumulatively, 14.8 GW of rooftop solar capacity has been commissioned under the scheme so far.

The scheme runs on a 100 percent online, end to end digital process, from application to subsidy release, with no physical paperwork or office visits required from consumers. This has been enabled through Jan Samarth integration for paperless loans, PFMS integration allowing subsidy release within

15 days, API integration with over 80 DISCOMs for seamless processing, a Digital Net Metering Agreement through the National Portal, and a vendor rating framework offering star ratings visible to consumers. Integration with the DCR portal ensures domestic content compliance.

On the ease of doing solar front, a deemed approval and feasibility waiver has been introduced for rooftop solar up to 10 kW, and 32 States and Union Territories have removed application and net metering charges for rooftop solar. Rs 3,807.6 crore has been released as incentive to DISCOMs and around Rs 104 crore to Urban Local Bodies. A City Accelerator Programme has been launched across 46 cities, and around 23,000 third party quality inspections have been carried out under the vendor accountability framework.

Central Ministries have identified about 41,542 feasible Government buildings with a potential of 1,418 MW, of which 25,255 buildings with 872 MW have already been solarized. States have identified about 3,20,000 feasible Government buildings with a potential of 4,400 MW, of which 81,329 buildings with 1,450 MW have already been solarized. Taken together, 1.06 lakh Government buildings have been solarized so far. A Payment Security Mechanism has also been introduced to encourage RESCO bidders by reducing payment risk and ensuring timely payments in State and UT solarization projects.

With over 50 lakh households now benefiting and installations continuing to accelerate, PM Surya Ghar: Muft Bijli Yojana is reinforcing India's position as a global leader in decentralized, citizen led clean energy adoption, while advancing the twin goals of energy security and energy independence for Indian households.

8. India Achieved Landmark 300 GW Non-Fossil Fuel Power Capacity

In a major milestone for the nation's clean energy transition and climate action targets, India has crossed 300 GW of non-fossil fuel-based installed electricity generation capacity as on 31st July, 2026; over 60% of the 500 GW capacity targeted to be achieved by 2030.

Breakdown of Non-Fossil Fuel Capacity (as on 31.07.2026):

- Solar Power: 164.59 GW
- Wind Power: 58.14 GW
- Hydro Power (Large & Small): 57.24 GW
- Bio-power: 11.75 GW
- Nuclear Power: 8.78 GW
- Total Non-Fossil Capacity: 300.50 GW

The share of non-fossil fuel electricity capacity in the country's total electricity generation capacity (which is around 552 GW at present), has reached over 54%.

Backed through the key policy enablers provided by the Government for this transformation, this monumental achievement highlights India's rapid progress towards building an *Aatmanirbhar* energy ecosystem and securing the target of 500 GW non-fossil capacity by 2030.

The growth in clean energy generation has been anchored by stellar contributions across sectors. Solar energy remains the key growth engine with around 165 GW at present from just 2.8 GW in 2014. Concurrently, the wind energy sector has also seen strong momentum reaching to over 58 GW from 21 GW in 2014.

During 2025-26, a record capacity of 55.29 GW non-fossil fuel-based electricity capacity was installed in the country with key contributions from 44.6 GW solar power and 6 GW wind power.

The rapid progress in renewable energy capacity is also reflected in renewable energy generation in the country which has increased from 190.96 billion units in 2014-15 to 477.79 BU in 2025-26.

To support this rapid expansion and ensure supply chain independence, India has transformed its domestic manufacturing capabilities. Driven by the Production Linked Incentive (PLI) scheme focusing on the nation's solar installations with high-efficiency, indigenously produced modules, the enlisted capacity under the Approved List of Models and Manufacturers (ALMM) for Solar PV Modules has crossed the historic 200 GW milestone, rising from just 2.3 GW in 2014.

Clean energy transition is no longer just a climate commitment—it is central to shaping India's industrial competitiveness, energy independence, and economic resilience.

The Ministry of New and Renewable Energy is also driving deep industrial decarbonization, positioning India to become a global hub for the production, usage, and export of Green Hydrogen and its derivatives, through the implementation of the National Green Hydrogen Mission.

9. National Green Hydrogen Mission Advances Green Hydrogen Adoption in Petroleum and Refining Sector

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

Under the SIGHT (Strategic Interventions for Green Hydrogen Transition) Mode - 2B scheme of the NGHM, Green Hydrogen production capacity of 30 Kilo Tonnes Per Annum (KTPA) has been awarded for refineries as per following details:

Refinery	Location	Green Hydrogen Production Capacity
Indian Oil Corporation Limited	Panipat	10 KTPA

Bharat Petroleum Corporation Limited	Bina	5 KTPA
Hindustan Petroleum Corporation Limited	Vizag	5 KTPA
Numaligarh Refineries Limited	Numaligarh	10 KTPA
Total		30 KTPA

The projects are implemented through BOO (Build Own Operate) arrangements through private developers, with project – specific investments by the concerned project developers. Domestic production and utilization of Green Hydrogen is expected to reduce dependence on imported fossil fuels, enhance energy security and support India’s clean energy transition and net – zero objectives.

10. Union New and Renewable Energy Minister Pralhad Joshi Brings Bharat Renewable Energy Summit 2026 Roadshow to Mumbai, urges stakeholders for Clean Energy Investment Push

Union Minister for New and Renewable Energy, Education, Consumer Affairs and Food and Public Distribution, Shri Pralhad Joshi, addressed a high-level gathering of investors, developers, financial institutions and industry leaders and stakeholders at the Mumbai Roadshow for the upcoming Bharat Renewable Energy Summit & Expo (BRESE) 2026.

Delivering the keynote address on the occasion, Union Minister for New and Renewable Energy Shri Pralhad Joshi urged stakeholders across the energy sector to participate in the upcoming BRESE 2026, noting that the Summit is generating considerable interest internationally. BRESE 2026 will bring together three major global platforms under one roof — the BRE Summit & Expo, the 9th General Assembly of the International Solar Alliance, and the 4th International Conference on Green Hydrogen. The four-day event is expected to bring together Heads of Government and Energy Ministers from more than 75 countries, global institutional investors, technology providers and over 25,000 participants from across the renewable-energy value chain, Shri Joshi said.

Shri Joshi said that the Summit will provide industry stakeholders an opportunity to build partnerships, explore new markets and engage with global investors and technology providers. For States, the Summit will offer a platform to showcase their project pipelines to global developers and international financial institutions, while for banks and investors, it will facilitate greater convergence between projects and financing opportunities, he added.

Highlighting the growth of the renewable-energy sector in the country, Shri Pralhad Joshi said that India has crossed 300 GW of installed non-fossil-fuel capacity, reaching around 302–303 GW, while the PM Surya Ghar: Muft Bijli Yojana has reached approximately 53.5 lakh beneficiary households. Shri Joshi also said that India’s non-fossil-fuel capacity has increased from 80.3 GW to 300.5 GW over the last 12 years, registering a 275 per cent increase. During the same period, solar capacity increased

from 2.8 GW to 165 GW, representing nearly 58-fold growth, while wind capacity rose from around 21 GW to 58 GW, registering a 176 per cent increase. The Union Minister said that India added more than 17 GW of renewable-energy capacity during the first four months of FY 2026–27, including 14.33 GW of solar capacity and over 2 GW of wind capacity.

Shri Joshi said that India, as the fastest-growing major economy in the world, is attracting significant domestic and foreign investment. With rapid infrastructure development taking place across the country, he said that the green-energy sector presents significant opportunities for investment and collaboration. Shri Joshi said that achieving the target of 500 GW of non-fossil-fuel capacity by 2030 will require more than ₹30 lakh crore in investment over the next five years. A significant share of this capital will need to be mobilised through Indian financial institutions, capital markets, insurance funds, infrastructure investors and private capital, he said, adding that this makes Mumbai an important centre for India's clean-energy investment ecosystem.

Urging Maharashtra to leverage BRESE 2026, Shri Joshi called upon the State to showcase its renewable-energy projects and successful models, particularly its experience under PM-KUSUM, and explore international partnerships to replicate successful solarisation models in agriculture.

Shri Atul Moreshwar Save, Government of Maharashtra Minister for Renewable Energy stated that Maharashtra will be a partner state in the BRESE 2026. He stated that the state also ranks among the top states nationally for active vendor networks under PM Surya Ghar: Muft Bijli Yojana, with a robust rooftop solar delivery infrastructure already in place. Maharashtra has fulfilled the target of installing the highest number of solar pumps in the state. Maharashtra has a target of achieving 65 GW of renewable energy capacity by 2030, backed by one of the country's largest industrial energy demand bases and a rapidly expanding renewable energy delivery ecosystem. Shri Save said that the Government of Maharashtra is positive about achieving this target.

The Secretary, Ministry of New and Renewable Energy (MNRE), Shri Santosh Kumar Sarangi stated that BRESE 2026 will be a one-stop platform for deliberations of the challenges and opportunities of the RE Sector. Joint Secretary, MNRE, Shri JVN Subramanyam, presented the opportunities that the BRESE 2026 will provide to the RE sector stakeholders.

Hosted by the Ministry of New and Renewable Energy and ISA and supported by the Confederation of Indian Industry (CII), the roadshow was the second in a nationwide series of regional events building momentum ahead of BRE Summit 2026 to be held at Bharat Mandapam in New Delhi from 2nd to 5th November, 2026. The event brought together senior representatives from the Ministry of New and Renewable Energy (MNRE), the Government of Maharashtra and leading voices from across India's renewable energy, banking and infrastructure sectors.

The Mumbai roadshow also highlighted the accelerating reach of India's clean energy programmes at the grassroots level. Over 50 lakh households across the country are now generating their own solar power under PM Surya Ghar: Muft Bijli Yojana, with central financial assistance of over Rs 28,000

crore released since the scheme's launch in February 2024. The scheme's budget has been raised from Rs 17,000 crore in 2025-26 to Rs 22,000 crore in 2026-27, reflecting its scale and momentum. Under PM-KUSUM, lakhs of farmers have replaced diesel-dependent irrigation with solar pumps, transforming them from energy.

The Mumbai event follows the successful inaugural roadshow held in Jaipur on 24th August 2026. Upcoming roadshows are scheduled across Hyderabad, Ahmedabad, Lucknow, Bengaluru and Kolkata in the coming weeks. The MNRE and organising partners are inviting all state governments, utilities and industry stakeholders to actively participate in these regional sessions.

11. Senior Officers from BRICS Member Countries hold discussions on Key Priorities of the Environment Working Group and Contact Group on Climate Change and Sustainable Development in New Delhi

Under India's BRICS Chair-ship 2026, Senior Officers' Meeting of the Environment Working Group and Contact Group on Climate Change and Sustainable Development was held in Bharat Mandapam, New Delhi, on 17th August 2026. The meeting was chaired by Secretary, Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India, Shri Tanmay Kumar. The proceedings witnessed participation from BRICS member countries including Federative Republic of Brazil, People's Republic of China, Arab Republic of Egypt, Federal Democratic Republic of Ethiopia, Republic of Indonesia, Islamic Republic of Iran, Russian Federation, Republic of South Africa and United Arab Emirates.

In his keynote address, the Chair stated that over the past two decades, the BRICS alliance has expanded from an economic dialogue into an increasingly influential platform for defining its approach to the critical challenges facing the environment, including pressing global issues of increasing pollution, biodiversity loss as well as global warming. He said, "Our partnership has broadened in terms of relevance to sustainable development, climate resilience and adaptation, resource efficiency and circular economy, as well as environmental governance."

The Chair informed that BRICS 2026 has been guided by the vision of the Prime Minister of India, Shri Narendra Modi, that global cooperation must remain people-centric by advancing a humanity-first approach. This vision finds expression in the Chairship theme - 'Building for Resilience, Innovation, Cooperation, and Sustainability'. India has sought to advance environmental action through approaches that integrate ecological sustainability with development objectives, it was stated.

Over the course of India's Chairship, the Environment Working Group and the Contact Group on Climate Change and Sustainable Development have together advanced cooperation across four interconnected priority areas: Promoting Sustainable Lifestyles; Afforestation, Forest Fire Management and Disaster Resilience; Circular Economy and Adaptation.

The Chair stated that these priorities reflect both the shared environmental challenges confronting the BRICS countries and the collective wisdom and strength to address them. They reflect the unanimous recognition that climate resilience, ecosystem restoration, resource efficiency and sustainable development are deeply interconnected challenges that require integrated and holistic responses rather than isolated interventions in silos.

It was informed that since the commencement of India's Chairship, Member Countries have engaged through 21 virtual thematic and negotiation meetings, 10 bilateral consultations, 2 thematic dialogues and 2 technical webinars, reflecting an extraordinary level of commitment to advancing the shared agenda. The marathon deliberations would culminate in building a consensus on the key priorities during the Senior Officers' meeting.

12. Dr. Jitendra Singh Presents Government's Roadmap for a Self-Reliant and Globally Competitive Nuclear Energy Ecosystem in Lok Sabha

India is steadily strengthening its indigenous nuclear energy ecosystem with a focus on advanced reactor technologies, Small Modular Reactors (SMRs), domestic manufacturing capabilities, private-sector participation and long-term utilisation of the country's abundant thorium resources, Minister of State for Personnel, Public Grievances & Pensions and Prime Minister's Office, Dr. Jitendra Singh, said in a written reply in the Lok Sabha.

Dr. Jitendra Singh said India's long-term nuclear energy strategy continues to be guided by the country's three-stage nuclear power programme, aimed at sustainable utilisation of its vast thorium reserves for long-term energy security. The strategy has received further impetus through the Nuclear Energy Mission announced in the Union Budget 2025-26, with an objective of expanding nuclear energy capacity to 100 GWe by 2047.

The Government has adopted a two-pronged approach to accelerate nuclear capacity addition. This includes deployment of large indigenous reactors such as 700 MWe Pressurised Heavy Water Reactors (PHWRs) and advanced reactor designs at greenfield sites, alongside development and deployment of Small Modular Reactors (SMRs) at brownfield locations, including retiring fossil-fuel-based power plants, captive plants for energy-intensive industries and off-grid applications in remote areas.

A key objective under the Nuclear Energy Mission is to develop and operationalise at least five indigenous SMRs by 2033. The Bhabha Atomic Research Centre (BARC), a constituent unit of the Department of Atomic Energy (DAE), is undertaking the design and development of indigenous SMR technologies, including the 220 MWe Bharat Small Modular Reactor (BSMR-200) and 55 MWe SMR-55 for power generation. BARC is also developing a High Temperature Gas Cooled Reactor (HTGCR) of up to 5 MWth capacity, which can be coupled with a suitable thermochemical cycle for hydrogen production.

Dr. Jitendra Singh also highlighted the continuing work of the Indira Gandhi Centre for Atomic Research (IGCAR) in advancing the second stage of India's nuclear power programme. IGCAR is pursuing multidisciplinary scientific research and advanced engineering development for Sodium Cooled Fast Breeder Reactors and associated closed fuel-cycle facilities, technologies that remain a cornerstone of India's long-term nuclear strategy.

Emphasising the Government's efforts to create a broader domestic nuclear ecosystem, Dr. Jitendra Singh said the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act, 2025 has been enacted to enable wider participation of both public and private entities in the nuclear sector.

The Department of Atomic Energy is encouraging Indian industry through knowledge-sharing and handholding for new SMR technologies, while simultaneously developing domestic nuclear vendors and strengthening the private-sector R&D ecosystem. Critical components such as low-alloy steel forgings for reactor pressure vessels and reactivity control drive mechanisms have already been realised through domestic industry, while development of other critical equipment has also been initiated with domestic industry and start-ups.

The reforms under the SHANTI Act envisage greater participation of private entities in nuclear manufacturing, engineering services, research and development and supply chains, while maintaining stringent standards of nuclear safety, security and safeguards. The Act also provides statutory status to the Atomic Energy Regulatory Board, thereby reinforcing the framework for robust regulatory oversight.

On thorium, Dr. Jitendra Singh said India is pursuing its Three-Stage Nuclear Power Programme, based on a closed fuel cycle, to optimise utilisation of its uranium resources and progressively harness its abundant thorium reserves. Thorium, being a fertile material, needs to be converted into fissile uranium-233 in a nuclear reactor before it can be used for energy generation.

Under the first stage, natural uranium is used as fuel in PHWRs, followed by reprocessing of spent fuel to extract plutonium. In the second stage, Fast Breeder Reactors utilise plutonium to generate additional fissile material. The third stage envisages large-scale utilisation of thorium through uranium-233 bred from thorium, after adequate capacity of Fast Breeder Reactors has been established.

India has already undertaken sustained R&D towards thorium utilisation. Thorium Oxide (Thoria) pellets have been used in the initial cores of operating PHWRs, while Thoria-based fuels have also been irradiated in BARC research reactors. The irradiated Thoria pins have been reprocessed to obtain uranium-233, which has subsequently been fabricated as fuel for the KAMINI reactor at IGCAR, Kalpakkam.

Dr. Jitendra Singh said the Government is undertaking a range of measures to build a globally competitive, self-reliant and technologically advanced nuclear energy ecosystem. These include implementation of the Nuclear Energy Mission, development of indigenous SMRs, strengthening of domestic nuclear manufacturing and supply chains, continued capacity building in reactor design, manufacturing, construction and the nuclear fuel cycle, as well as expansion of indigenous nuclear medicine infrastructure through the Isotope Production Reactor (IPR) to augment domestic production of medical isotopes.

The Government's approach, therefore, combines indigenous technology development, expansion of nuclear capacity, greater industry participation, advanced reactor research and sustained investment in the nuclear fuel cycle, with the larger objective of strengthening India's energy security and technological self-reliance.

13. Six Coal Blocks Successfully Auctioned in the 15th Round and 2nd attempt of 13th Round of Commercial Auctions

The Ministry of Coal have successfully auctioned six coal blocks under the 15th round and 2nd Attempt of 13th Round of commercial coal mine auctions. The ministry launched the said rounds of commercial coal block auctions on April 17, 2026. Following this, the forward auctions were conducted from August 03 to August 04, 2026, during which these six coal blocks were successfully auctioned. Out of 6, 4 are fully explored coal blocks and 2 are partially explored coal blocks. Together, these blocks hold geological reserves of approximately 1,503.93 million tonnes, with a cumulative Peak Rated Capacity (PRC) of 11.62 MTPA.

The block-wise result for auctions held is as under:

S. No	Name of Block	State	PRC (MTPA)	Geological Reserves (MT)	Closing Bid Submitted by	Reserve Price (%)	Final Offer (%)
1	Dip Side Ext. of PKOC	Telangana	2.5	181.95	The Singareni Collieries Company Limited	4.00	6.50
2	Dongeri Tal-II	Madhya Pradesh	2.90	158.45	Gallantt Ispat Limited	5.00	6.50
3	Mandla South	Madhya Pradesh	0.22	4.627	Qube Commercial Private Limited	4.00	4.50
4	Margo West	Jharkhand	NA	415.00	Jharkahand Exploration and Mining Corporation Limited	4.00	6.50
5	Margo East	Jharkhand	NA	450.00	Jharkahand Exploration and Mining Corporation Limited	4.00	10.25
6	Tara (Revised)	Chhattisgarh	6.00	293.91	CG Syn-Gas and Chemicals Limited	4.00	37.50

These six blocks are poised to generate annual revenue of approximately ~₹1,983.67 crore, and likely to attract capital investment of nearly ₹1,743 crore and create 15,710 employment opportunities.

Since the inception of commercial coal mining in 2020, a total of 147 coal blocks has been auctioned successfully, with a production capacity of 377.974 Million Tonnes per year. Once operational, these blocks will substantially enhance domestic coal production and advance the nation's goal of becoming self-reliant in the coal sector. Collectively, these coal blocks are estimated to yield annual revenue of ₹48,215 crore, mobilize capital investment of ₹54,315 crore, and generate 4,89,552 employment opportunities across coal-bearing regions.

14. FAME India Scheme Phase-II: Progress in Electric Vehicle Adoption and Charging Infrastructure

The details and progress of the schemes implemented by the Ministry of Heavy Industries (MHI) for the development of electric vehicles in the country along with charging infrastructure are as under:-

Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme Phase-II:

The Government implemented this scheme for a period of five years from 01.04.2019 to 31.03.2024 with a total budgetary support of ₹11,500 crore. The scheme provided demand incentive for e-2Ws, e-3Ws, e-4Ws and grants for e-buses and setting up of EV public charging stations (EV PCS). FAME-II has supported the sale of approximately 16.72 lakh electric vehicles, including e-2Ws, e-3Ws, and e-4Ws. In addition, 5,299 electric buses (e-buses) have been deployed under the Scheme as on 31.07.2026. Further, an amount of ₹912.50 crore was allocated under the Scheme for the establishment of EVPCS across the country. 9,583 EV PCS have been installed under this scheme.

Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-Auto): The Government notified this scheme for Automobile and Auto Component Industry in India, on 23.09.2021, for enhancing India's manufacturing capabilities for Advanced Automotive Technology (AAT) products, including EVs, with a budgetary outlay of ₹25,938 crore.

Production Linked Incentive (PLI) Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage: The Government on 09.06.2021 notified the PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of ₹18,100 crore. The scheme aims to establish a competitive domestic manufacturing ecosystem for 50 GWh of ACC batteries, out of which, 40 GWh has been awarded to four beneficiary firms. The 40 GWh capacity is end-use agnostic and can be utilized for any application including electric vehicles.

PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM EDRIVE) Scheme: This scheme with an outlay of ₹10,900 crore has been notified on 29.09.2024. This scheme supports incentivization of

approximately 28.30 lakh electric vehicles (EVs) including e-2W, e-3W, e-Trucks, e-buses and e-Ambulances. Further, grant for upgradation of testing agencies is also available under this scheme. An allocation of ₹4,391 crore has been made under the scheme for deployment of 14,028 e-buses out of which 14,000 e-buses have been allocated. ₹2,000 crore has been allocated for deployment of EV PCS on pan India basis. Phased Manufacturing Programme (PMP) Mandates the domestic manufacturing of EV components, including battery packs, in a phased manner.

PM e-Bus Sewa-Payment Security Mechanism (PSM) Scheme: This Scheme notified on 28.10.2024, has an outlay of ₹3,435.33 crore and aims to support deployment of more than 38,000 electric buses. The objective of this scheme is to provide payment security to e-bus operators in case of default by Public Transport Authorities (PTAs). As on 10.07.2026, the PM-eBusSewa – Payment Security Mechanism (PSM) Scheme covers 27,555 e-buses. Of these, 10,000 e-buses are under the PM-eBusSewa Scheme of the Ministry of Housing and Urban Affairs (MoHUA), 14,000 e-buses are under the PM E-DRIVE Scheme of the Ministry of Heavy Industries (MHI), and 3,555 e-buses under various State Government/State Transport Undertaking (STU) initiatives.

Further, following initiatives have also been taken up by the Government of India to increase the use of electric vehicles in the country:–

- I. GST on electric vehicles and chargers/ charging stations for electric vehicles has been reduced to 5%.
- II. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- III. MoRTH issued advisory to states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

Number of EVs supported under MHI's schemes as on 30.06.2026, are as under:

Scheme	FAME-I	FAME-II (Sold)	PM E-DRIVE Scheme (Sold)	PLI Auto & Auto Components (Sold)
No. of EVs supported /sold	2.80 lakh	16.72 lakh	26.59 lakh	~21.30 lakh (up to 31.03.2026)

MHI has contributed towards reducing pollution by supporting the aforesaid number of EVs.

As of 07.08.2026, a total of 67,657 EV chargers are installed across various States and Union Territories, which includes 1,139 battery swapping station chargers.

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