

Economy Watch

Monitoring India's
macro-fiscal performance

October 2026



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Highlights

1. In September 2026, manufacturing and services PMI increased to 55.1 and 55.2, marking their highest levels in seven and three months, respectively.
2. Overall IIP growth increased to 8.0% in August 2026 from 7.4% in July 2026 driven by strong growth in the output of manufacturing and electricity and gas supply.
3. Reflecting sustained momentum in services sector activity, growth in the overall ISP strengthened to 13.5% in July 2026 from 13.2% in June 2026.
4. CPI inflation increased to 5.5% in September 2026 from 4.8% in August 2026, mainly attributable to a spike in food inflation, owing partly to unfavorable base effects. Core CPI inflation edged up to 4.3% in September 2026 from 4.1% in August 2026 reflecting signs of widening price pressures.
5. WPI inflation increased to 11.4% in September 2026, its highest level under the 2022-23 base series, from 9.9% in August 2026, with inflation strengthening across all three major groups, namely, primary articles, fuel and power, and manufactured products.
6. The RBI MPC unanimously voted to increase the repo rate by 25 basis points to 5.50% in its October 2026 monetary policy review from 5.25%. It also changed the policy stance from neutral to calibrated tightening.
7. Govt's gross tax revenues (GTR) grew by only 6.5% during April-August FY27, with direct taxes growing by 13.4% but indirect taxes contracting by (-)2.7%.
8. Govt's total expenditure grew by 10.5% during April-August FY27, with growth in capital expenditure remaining buoyant at 18.2% and that in revenue expenditure limited to 8.2%.
9. Govt's fiscal and revenue deficits during April-August FY27 stood at 41.9% and 46.5% of their annual budgeted targets.
10. Gross bank credit growth continued to expand at a healthy pace of 19.1% in August 2026, close to its level of 19.3% in July 2026.
11. Net FDI and net FPI inflows were lower at US\$3.3 billion and US\$1.7 billion respectively in August 2026 compared with US\$7.3 billion and US\$4.1 billion in July 2026.
12. Merchandise exports continued to grow at a robust pace of 23.0% in September 2026 compared to 26.1% in August 2026, led by petroleum products, electronic goods and engineering goods while merchandise imports growth moderated to a six-month low of 8.0%, nearly entirely on account of contraction in gold and silver imports.
13. Merchandise trade deficit widened to US\$30.2 billion in September 2026 from US\$26.9 billion in August 2026.
14. Global crude oil price, considering average of Brent, WTI Texas and Dubai (Fateh) reached a five-month high of US\$102.3/bbl. in September 2026. By 23 October 2026, Brent crude price reached a level of US\$117 as tensions in the Middle East intensified.
15. The IMF has projected global growth at 3.1% in 2026 and 3.4% in 2027 with India's FY27 and FY28 growth rates forecasted at 7.0% each.
16. IMF's October 2026 World Economic Outlook projects India's medium term average growth covering the period FY27-32 at 6.9% in spite of continuing global headwinds placing India as the global growth leader among major economies.
17. India's merchandise trade imbalance is large and diverse. Its largest surplus is with the US and largest deficit with China. To bring better trade balance with partner countries, export diversification and import reduction strategies are required. With reference to the US, differential growth rates for exports at 10% and imports at 16% in the medium term upto 2031, covering both goods and services, will increase trade volume close to US\$500 billion and reduce India's trade surplus to about half of its 2025 level.



FOREWORD



Economy resilience enables robust growth for India

In their 07 October 2026 monetary policy review meeting, the RBI MPC unanimously voted to increase the repo rate by 25 basis points to 5.50% from 5.25%. It also changed the policy stance from neutral to calibrated tightening. The MPC's decision to raise the policy rate and shift its stance reflects three considerations: 1) inflation has become more generalized and persistent; 2) supply-side risks remain elevated amid uncertainty around global crude and commodity prices and strong El Niño conditions and 3) relatively strong domestic growth provides space for monetary tightening. Global monetary conditions also remain restrictive, with the US Fed and several other major central banks recently raising policy rates.

RBI has projected India's FY27 real GDP growth at 7.1%, implying some moderation after the strong 7.8% growth recorded in 1QFY27. At the same time, inflation risks remain prominent. Despite the October rate increase, RBI expects CPI inflation at 6.0% in 3QFY27 and 5.7% in 4QFY27, close to the upper end of the MPC's tolerance band. In this environment, another policy rate increase at the December 2026 meeting cannot be ruled out.

An important source of risk is crude oil. RBI has raised its baseline crude oil assumption for the second half of FY27 to US\$95/bbl., compared with US\$85/bbl. assumed for FY27 in the April MPR. RBI's sensitivity analysis suggests that if crude prices are 10% above the baseline, with full pass-through to domestic prices, inflation could be higher by about 50 basis points and growth lower by around 15 basis points. Thus, a sustained increase in crude prices could simultaneously accentuate inflationary pressures and weaken growth.

India's underlying growth outlook, nevertheless, remains strong. The World Bank's October 2026 India Development Update raises its FY27 growth forecast to 7.1% from 6.6% in April 2026 and projects average medium-term growth of more than 7%. It expects the general government fiscal deficit to remain at 7.4% of GDP in FY27 and public debt to decline gradually to below 80% of GDP by FY29. Key downside risks include geopolitical tensions in the Middle East, monsoon uncertainties and a slowdown in global AI investment.

The global environment is less supportive. The IMF's October 2026 World Economic Outlook projects global growth to moderate from 3.5% in 2025 to 3.1% in 2026 before recovering to 3.4% in 2027. Advanced economies are projected to grow by 2.1% in 2026 and 1.8% in 2027, while emerging market and developing economies are expected to grow by 3.7% and 4.4%, respectively. Against this challenging backdrop, India remains one of the fastest-growing major economies, with the IMF projecting growth of 7.0% in both FY27 and FY28 and an average of 6.9% during FY29-32, supported by resilient domestic demand and services activity. Headline CPI inflation is projected to moderate from 5.0% in FY27 to 4.4% in FY28 and 3.9% in FY29 before stabilizing at around 4% during FY30-32.

On the fiscal side, data for the first five months of FY27 indicate some emerging pressures. Gol's gross tax revenues grew by only 6.5% y-o-y, translating into 3.4% growth in net tax revenues after transfers to states. While CIT and PIT collections remained relatively healthy, growing by 15.4% and 12.3%, respectively, indirect taxes contracted by 2.7%, reflecting declines of (-)3.4% in GST revenues and (-)22.6% in Union excise duties. Gross GST collections of the Gol and states stood at INR2.03 lakh crore in September 2026, compared with INR1.99 lakh crore in August 2026, although the y-o-y growth remained modest at 7.7%.

Expenditure trends provide some support to growth but also highlight emerging fiscal trade-offs. Capital expenditure grew by a relatively strong 18.2% during April-August 2026, while major subsidies increased by 24.4%, partly reflecting continuing global crude-related pressures. Revenue and fiscal deficits stood at 46.5% and 41.9% of their respective annual budget estimates. Overall, Gol appears to remain on course to achieve its FY27 fiscal deficit target despite global headwinds. However, higher subsidy pressures and elevated interest rates may constrain fiscal space. In this setting, sustaining capital expenditure growth at around 20%-25% during the remainder of FY27 would help support domestic demand while monetary policy remains focused on containing inflation.



The high-frequency indicators confirm the resilience of the Indian economy in showing robust sectoral growth in spite of cost-side pressures. The 19-services Production index (ISP) for July 2026 indicates, based on a weighted average, a healthy 13.5%¹ y-o-y growth, marginally improving over the corresponding growth in May and June 2026 at 9.8% and 13.2%, respectively. This services growth in July 2026 is largely driven by growth in retail trade at 18.4% and administrative and support services at 20.8%. The services sector growth rate, as represented by the 19 covered services, is tangibly higher than the overall IIP growth for July 2026 which was 7.4%. The economy is getting pulled by services growth relatively more than industrial or agricultural growth.

IIP growth improved to 8.0% in August 2026 from 7.4% (revised) in July 2026, driven partly by a favorable base effect alongside a higher growth in the output of manufacturing and electricity and gas supply sectors. Manufacturing and services activity strengthened in September 2026, with the respective PMI indices reaching seven-month and three-month highs of 55.1 and 55.2, respectively.

As per the data released by the Federation of Automobile Dealers Associations (FADA), retail sales of motor vehicles showed a strong growth of 31.8% in September 2026, compared with 17.5% in August 2026. However, FADA noted that the sharp year-on-year growth partly reflects a favorable base effect due to the deferment of purchases ahead of the implementation of GST 2.0 in September 2025. Within the key vehicle categories, retail sales of two-wheelers and passenger vehicles grew by 33.1% and 32.1%, respectively, in September 2026, compared with growth rates of 19.7% and 16.1% in August 2026. FADA highlighted that vehicle retail sales reached their best-ever September level, supported by festive demand, improving consumer sentiment and healthy rural demand. In 2QFY27, retail sales of motor vehicles grew at a healthy pace of 24.9%, increasing from 16.6% in 1QFY27.

CPI inflation increased to 5.5% in September 2026 from 4.8% in August 2026, marking the eighth consecutive monthly increase and bringing inflation closer to RBI's upper tolerance limit of 6%.

The sequential increase in September 2026 is mainly attributable to a spike in food inflation, owing partly to unfavorable base effects. Core CPI inflation edged up to 4.3% in September 2026 from 4.1% in August 2026, reflecting signs of widening price pressures. On a quarterly basis, CPI inflation increased to 4.9% in 2QFY27 from 3.9% in 1QFY27 owing to inflation in food, fuel and precious metals.

WPI inflation increased to 11.4% in September 2026, its highest level under the 2022-23 base series, from 9.9% in August 2026, with inflation strengthening across all three major groups, namely, primary articles, fuel and power, and manufactured products.

On the external side, merchandise exports continued to show robust growth at 23.0% in September 2026 compared to 26.1% in August 2026, led by petroleum products, electronic goods and engineering goods while merchandise imports growth moderated to a six-month low of 8.0%, nearly entirely on account of easing gold and silver imports. Merchandise trade deficit widened to US\$30.2 billion in September 2026 from US\$26.9 billion in August 2026. On a quarterly basis, merchandise exports recorded a growth of 22.9% in 2QFY27, their highest level since 1QFY23, whereas merchandise imports growth eased to 13.1% in 2QFY27 from 19.9% in 1QFY27. Net FDI and FPI inflows moderated to US\$3.3 billion and US\$1.7 billion, respectively, in August 2026, from US\$7.3 billion and US\$4.1 billion in July 2026.

This month's In Focus highlights in suitable details India's matrix of trade and current account imbalances pointing to the need to diversify export destinations and import sources, increasing trade with BRICS+ countries and countries with whom India has bilateral trade agreements. There is a need to achieve better country-specific trade balances, use surplus in services to balance trade deficits, and adapt to AI both in its manufacturing and services trade profiles.

IMF's October 2026 World Economic Outlook projects India's medium term average growth covering the period FY27-32 at 6.9% in spite of continuing global headwinds placing India as the global growth leader amongst major economies.



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¹ Weights based on "Report of the Technical Advisory Committee on Index of Services Production (ISP)" released by PIB dated 07 July 2026; <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/jul/doc202677914101.pdf>



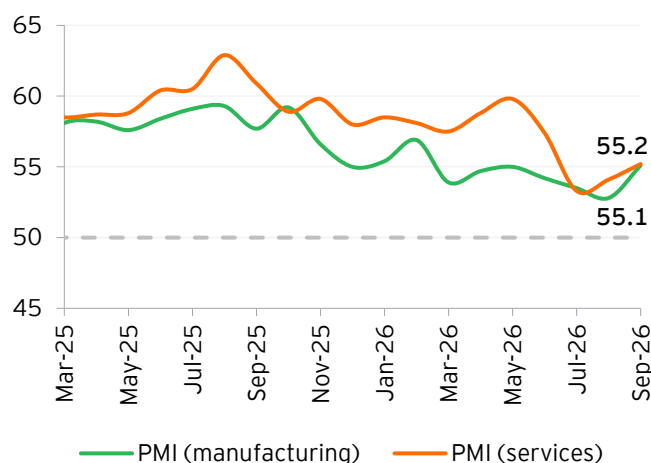
Growth: PMI signalled a broad-based expansion in economic activity in September 2026

1.1 PMI: September 2026 PMI levels show a strong growth momentum in both manufacturing and services

- The seasonally adjusted manufacturing PMI increased to a seven-month high of 55.1 in September 2026 from 52.8 in August 2026, driven by a firmer demand for electronic, food, pharmaceutical and textile products (Chart 1). On a quarterly basis however, the average for 2QFY27 stood at 53.8, its lowest level since 1QFY22.
- Services PMI (sa) also increased to a three-month high of 55.2 in September 2026 from 54.1 in August 2026. Finance and insurance and consumer services recorded the strongest expansions in both activity and sales during the month. On a quarterly basis however, the average for 2QFY27 stood at 54.2, lower than 58.7 in 1QFY27.
- Reflecting a strong growth momentum in both manufacturing and services PMI, the composite PMI Output Index (sa) increased from 54.3 in August 2026 to 55.9 in September 2026, its highest level since June 2026. The quarterly average level in 2QFY27 stood at 54.8, much lower than 58.2 in 1QFY27.

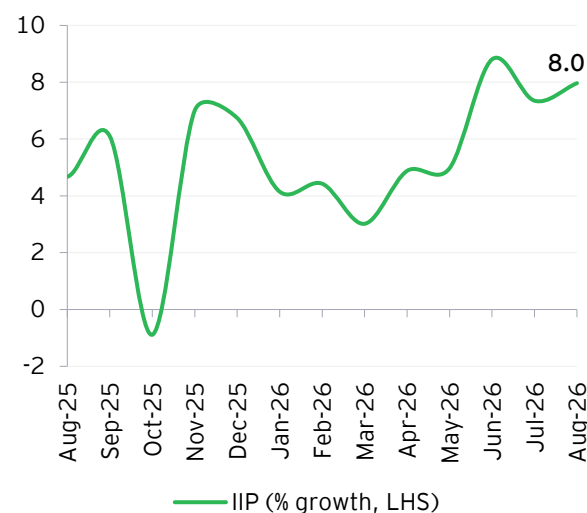
In September 2026, manufacturing and services PMI increased to 55.1 and 55.2, marking their highest levels in seven and three months, respectively.

Chart 1: PMI



Source: S&P Global

Chart 2: IIP growth



Source: MoSPI



1.2 IIP grew by 8.0% in August 2026

- IIP growth improved to 8.0% in August 2026 from 7.4% (revised) in July 2026, driven partly by a favorable base effect alongside a higher growth in the output of manufacturing and electricity and gas supply sectors (**Chart 2**).
- Manufacturing output, which has the highest weight of 76.1% in the overall IIP under the 2022-23 series, posted a strong growth of 9.0% in August 2026, compared with 8.2% (revised) in July 2026. This is the third consecutive month in which manufacturing growth has remained above 8%, indicating a sustained strengthening in industrial activity.
- Within manufacturing, among the key sub-industries with relatively higher weights, electrical equipment (30.9%), motor vehicles, trailers and semi-trailers (25.2%), rubber and plastic products (21.4%), textiles (13.1%) and other machinery and equipment (10.3%) recorded robust growth in August 2026. However, the output of chemicals and chemical products contracted for the fourth consecutive month, declining by (-)0.5% in August 2026. Output of coke and refined petroleum products contracted by (-)0.6% in August 2026, compared with a growth of 1.3% in July 2026.
- Growth in the output of electricity and gas supply increased to 12.3% in August 2026 from 8.7% (revised) in July 2026. Electricity output grew by 13.3% in August 2026, its fastest pace since May 2024, increasing from 9.3% in July 2026. However, gas supply contracted for the second successive month by (-)2.4% in August 2026 as compared to (-)0.8% in July 2026.
- Mining output, which is typically volatile, contracted sharply by (-)5.6% in August 2026, compared with a contraction of (-)0.9% in July 2026. This decline was primarily driven by the continued contraction in non-metallic minerals, including minor minerals, which fell by (-)12.8% in August 2026, marking its ninth consecutive month of decline. Similarly, the output of fuel minerals remained in contraction for 12 successive months, declining by (-)5.7% in August 2026, compared with a contraction of (-)1.3% in July 2026. In addition, growth in the output of metallic minerals, including rare earth minerals, moderated sharply to 5.0% in August 2026 from 24.3% in July 2026.
- Within the use-based classification, capital goods continued to show the strongest growth, expanding by 16.9% in August 2026, although moderating from 19.0% (revised) in July 2026. Growth in intermediate goods accelerated to 13.7% in August 2026 from 10.4% in July 2026. Consumer durables maintained double-digit growth at 11.1%, although its pace eased from 12.0% in the previous month. Growth in infrastructure/construction goods also softened to 6.4% in August 2026, compared with 8.0% in July 2026. Meanwhile, output of consumer non-durables posted a growth of 2.1% in August 2026 following a contraction of (-)0.8% in July 2026.
- The Index of Core Industries (ICI) grew by 4.8% in August 2026, moderating for the second consecutive month from 5.0% in July 2026, primarily due to weaker growth in refinery products and iron ore output, coupled with a contraction in coal output.
- Among the core industries, refinery products, which carry a weight of 22.6% in the overall ICI, recorded lower growth of 2.6% in August 2026, compared with 3.0% in July 2026. Growth in iron ore output also moderated sharply to 5.5% from 29.5% over the same period. In contrast, growth in electricity and steel output improved to 11.6% and 3.4%, respectively, in August 2026 from 8.4% and 1.9% in July 2026.
- Four of the nine core industries recorded a contraction in August 2026. Fertilizers showed the sharpest decline at (-)12.4%, followed by natural gas ((-)4.9%), coal ((-)3.8%), and crude oil ((-)3.6%). While the output of fertilizers, natural gas, and crude oil have remained in contraction for more than four consecutive months, coal output had shown a growth of 7.6% in July 2026.

Overall IIP growth increased to 8.0% in August 2026 from 7.4% in July 2026, driven by strong growth in the output of manufacturing and electricity and gas supply.



1.3 Index of Services Production (ISP) grew by 13.5% in July 2026

- The sub-sectoral Index of Services Production (ISP) for July 2026 indicates that the estimated overall ISP² growth remained robust at 13.5%, marginally higher than 13.2% in June 2026, pointing to strong momentum in services sector activity.
- Average growth across eight key services sectors³, which together account for nearly 87% of the overall weight of the 19 services covered under the ISP, also improved to 14.4% in July 2026 from 13.8% in June 2026.
- Among these eight key services sectors, administrative and support services (20.8%), retail trade (18.4%), accommodation (12.6%), banking (12.2%), wholesale trade (12.1%), telecommunication (11.0%) and IT and computer-related services (10.7%) recorded double-digit growth in July 2026.
- In contrast, the only sector to remain under pressure is the air transport services, with its output contracting for the fourth consecutive month by (-)8.4% in July 2026, compared with (-)6.1% in June 2026.

Reflecting sustained momentum in services sector activity, growth in the overall ISP strengthened to 13.5% in July 2026 from 13.2% in June 2026.

² As MoSPI does not release an aggregate ISP, we have constructed the overall index by combining the 19 sub-indices using their respective 2024-25 base-year weights and monthly index values.

The weights are sourced from the *Report of the Technical Advisory Committee on Index of Services Production (ISP)*, published on PIB on 7-July-2026 (URL: <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/jul/doc202677914101.pdf>). Monthly data for sub-sectoral ISP is available from April 2025 onwards.

³ Of the 19 services sectors, eight account for nearly 87% of the total weight, namely: (1) wholesale trade, (2) retail trade, (3) accommodation and food, (4) road transport, (5) telecommunication, (6) banking, (7) IT and computer related services and (8) Administrative and support services.

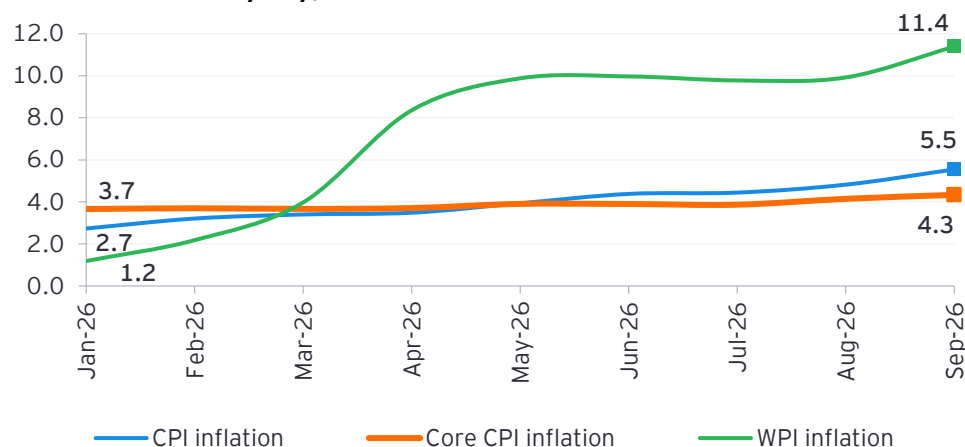


Inflation: CPI inflation increased to 5.5% in September 2026

2.1 CPI inflation

- CPI inflation increased to 5.5% in September 2026 from 4.8% in August 2026 (**Chart 3**), marking the eighth consecutive monthly increase and bringing inflation closer to the RBI's upper tolerance limit of 6%. The sequential increase in September 2026 is mainly attributable to a spike in food inflation, owing partly to unfavorable base effects.
- Food inflation increased to 7.7% in September 2026, its highest level since January 2026 under the 2024 base series, from 6.0% in August 2026 led by increasing prices of vegetables and cereals.
- Inflation in vegetables, tubers et. al. surged to 9.2% in September 2026, a nine-month high, from 1.6% in August 2026. Inflation in onions increased to 108.1% in September 2026, from 48.8% in August 2026 while the contraction in prices of tomatoes eased to (-)8.6% from (-)31.1% over the same period, together contributing about 60% of the increase in headline inflation.
- Inflation in cereals and products and fruits and nuts were at nine-month high levels of 3.9% and 10.8% respectively in September 2026.

Chart 3: Inflation (y-o-y, in %)



CPI inflation increased to 5.5% in September 2026, close to the RBI's 6% upper tolerance limit, from 4.8% in August 2026, whereas core CPI inflation edged up to 4.3% from 4.1% during this period.

Source: MoSPI, Office of the Economic Adviser, Government of India (GoI)

- Transport inflation increased to a nine-month high of 5.0% in September 2026 with petrol (7.5%) as a key driver supported by continued pressure from elevated global energy prices.
- Inflation in gas and solid fuels remained elevated at nine-month highs of 5.3% and 8.4% respectively in September 2026 despite a nearly stable pace of contraction in prices of electricity at (-)1.0%, reflecting sustained energy-related cost pressures.
- Inflation in information and communication services inched up to 2.4% in September 2026 from 2.0% in August 2026 as inflation in mobile handsets increased to a nine-month high of 5.8%.
- Inflation in restaurant and accommodation services increased sequentially for the seventh successive month to 9.4% in September 2026, driven by a surge in inflation in cooked snacks to 10.1%, pointing to persistent services-sector price pressures.



- Core CPI inflation edged up to 4.3% in September 2026 from 4.1% in August 2026 reflecting signs of widening price pressures.
- On a quarterly basis, CPI inflation increased to 4.9% in 2QFY27 from 3.9% in 1QFY27 owing to inflation in food, fuel and precious metals.

2.2 WPI inflation: Rose to a 30-month high of 11.4% in September 2026

- WPI inflation increased to 11.4% in September 2026, its highest level under the 2022-23 base series, from 9.9% in August 2026 (**Chart 3**), with inflation strengthening across all three major groups, namely, primary articles, fuel and power, and manufactured products. The broad-based nature of the increase points to a combination of domestic food-supply pressures and imported commodity-cost pressures, rather than a purely food-driven inflation shock.
- WPI food inflation increased for the eleventh successive month, to 8.7% in September 2026, its highest level since October 2024, from 7.0% in August 2026, attributable partly to uneven monsoon rainfall and the potential impact of El Niño conditions on kharif yields and rabi sowing. The acceleration was led by fruits and vegetables, where inflation rose to 16.5% from 5.6% with vegetable inflation increasing to 16.5% from 3.1% over this period.
- Fuel and power inflation increased further to 25.9% in September 2026 from 22.9% in August 2026, reflecting continued transmission of elevated global energy prices to domestic wholesale prices. Crude petroleum and natural gas inflation rose particularly sharply to 57.3% from 34.4%, while mineral-oil inflation remained elevated at 40.0% in September 2026 compared to 38.5% in August 2026. The escalation in global energy costs has been associated with the Middle East conflict and disruption around the Strait of Hormuz, increasing India's exposure to imported energy inflation.
- Inflation in LPG and ATF rose to 51.8% and 77.2%, respectively, in September 2026, from their levels of 41.7% and 68.5% in August 2026, while petrol and diesel inflation increased to 37.3% and 30.0% from 36.7% and 28.8% respectively over the same period. These increases can raise transportation and production costs and thereby reinforce price pressures across food and manufactured products.
- Manufactured-products inflation increased to 9.8% in September 2026 from 8.4% in August 2026, with particularly strong increases in basic metals and chemicals, where inflation rose to 17.0% and 16.7%, respectively, from 10.9% and 14.3% in August 2026. Elevated international energy and metal prices therefore appear to be feeding into domestic producer costs.
- Inflation in textiles also strengthened to 13.9% in September 2026 from 12.6% in August 2026.
- The simultaneous acceleration in wholesale and retail food inflation indicates that the September 2026 increase was not confined to wholesale prices and raises the risk that adverse agricultural supply conditions could keep food inflation elevated in the near term.
- Core WPI inflation increased markedly to 9.8% in September 2026, its highest level under the new 2022-23 base series, from 8.1% in August 2026 pointing towards increasingly broad input-cost pressures within manufacturing, raising the possibility of further cost pass-through where producers are able to protect margins.

2.3 PPI inflation: OPPI inflation increased to a 30-month high of 11.4% in September 2026

- Trailing the Headline WPI, Output Producer Price Index (OPPI)-based inflation surged to 11.4% in September 2026, its highest level under the 2022-23 base series, reflecting persistent price pressures from food, fuel and manufactured metals.
- Inflation in crop and animal production and related service activities increased to an unprecedented high of 9.4% in September 2026, from 6.9% in August 2026.
- Inflation in the extraction of crude petroleum and natural gas products surged to 67.1% in September 2026 from 37.6% in August 2026.



- Reflecting rising global commodity prices, inflation in manufactured basic metals rose to a record high of 17.3% in September 2026.
- Service-sector producer price indices continued to indicate substantial pricing pressures, with inflation in air passenger services remaining elevated at 31.9% in 1QFY27. Other services recording relatively high inflation included banking service contribution (6.9%) and management of pension services (5.2%). In contrast, securities transaction services and banking services were in deflation, with prices declining by (-)1.3% and (-)3.4%, respectively, during the quarter.

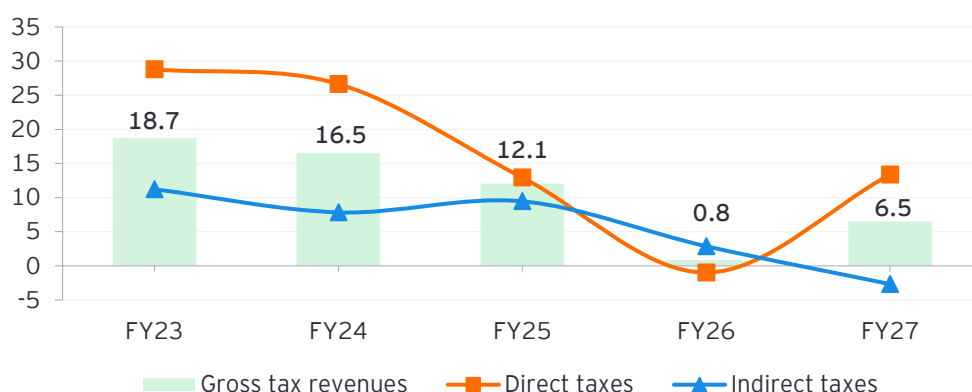


Fiscal: Gol's capital expenditure posted a healthy growth of 18.2% during April-August FY27

3.1 Tax and non-tax revenues

- According to the CGA, Gol's GTR^(b) growth slowed to 6.5% during April-August FY27 as compared to 11.4% up to July FY27 (Chart 4). Compared to the GTR growth seen in the corresponding periods of recent few years, this is higher than 0.8% last year but much lower than the double-digit growth rates witnessed during FY23 to FY25.
- After transfers to states, Gol's net tax revenues showed a low growth of 3.4% during the first five months of FY27.
- Gol's direct taxes showed a fall in their monthly growth rates in August 2026. However, for the five-month period spanning April to August 2026, the growth remained healthy at 13.4% as compared to a contraction of (-)1.0% in the corresponding period of FY26.
- Within direct taxes, both CIT and PIT revenues posted a strong growth of 15.4% and 12.3%, respectively, during April-August FY27 as compared to 2.1% and (-)2.5% during the corresponding period of the previous fiscal year.
- In contrast, indirect taxes^(a) contracted by (-)2.7% during April-August FY27 as compared to a growth of 2.9% during April-August FY26.
- Among indirect taxes, Gol's GST revenues showed a contraction of (-)3.4% during April-August FY27 compared to a growth of 5.0% during the corresponding period of FY26. This may largely be attributable to a sharp contraction in GST compensation cess reflecting its discontinuation in September 2025, creating a significant negative base effect.
- Union excise duties (UED) also showed a sharp contraction of (-)22.6% during April-August FY27 compared to a growth of 7.6% during April-August FY26, largely driven by the impact of a reduction in special additional excise duties on petrol and diesel.

Chart 4: Growth in central gross tax revenues during April-August (% , y-o-y)



Gol's GTR grew by only 6.5% during April-August FY27, with direct taxes growing by 13.4% but indirect taxes contracting by (-)2.7%.

Source: Monthly Accounts, CGA, Government of India

Notes: (a) Direct taxes include personal income tax (excluding securities transaction tax) and corporation tax, and indirect taxes include union excise duties, arrears of service tax, customs duty, and GST (comprising CGST, UTGST IGST and GST compensation cess) (b) Other taxes comprise (1) securities transaction tax, (2) other receipts and (3) all other taxes including stamps and registration fees, state excise, taxes on sales, trade, vehicles, etc. Other taxes are included in the Gol's GTR along with direct and indirect taxes.

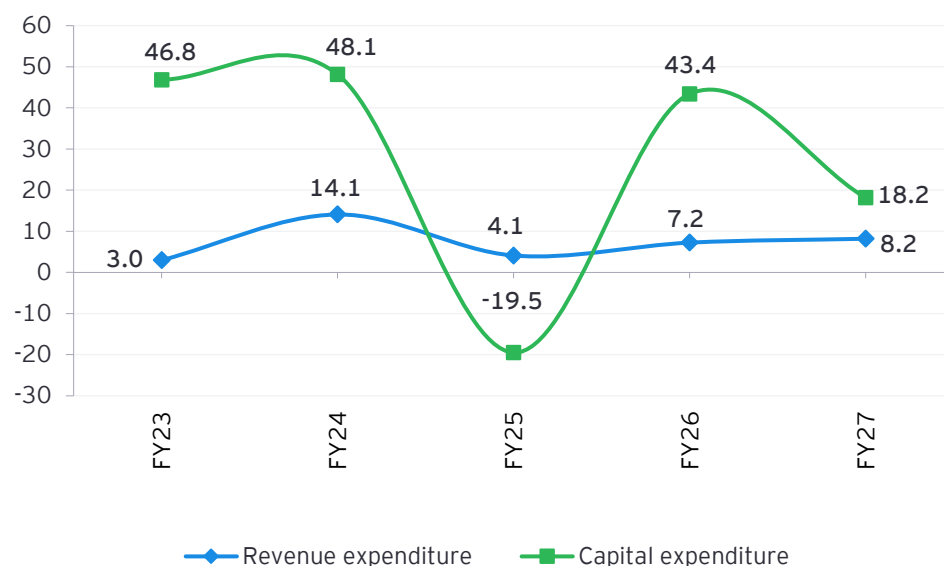


- Customs duties witnessed double-digit growth of 28.2% during April-August FY27 compared to a contraction of (-)11.9% during the corresponding period of FY26. This may partly be attributable to a favorable base effect and partly to higher import values driven by elevated global crude prices, a weakened INR, and duty increases on imports of gold, silver and precious metals effective May 2026.
- With respect to non-tax revenues, 68.2% of the annual budgeted target was met during the first five months of FY27, mainly supported by buoyant dividends and profits which reached 84.3% of the budgeted target, higher than the average of the last three years at 73.8% based on actual data.
- Non-debt capital receipts of the GoI during April-August FY27 stood at 63.5% of the annual budgeted target, higher than the corresponding ratio of 28.4% considering the average for the last three years (FY24 to FY26) based on actual data. This was mainly driven by GoI's disinvestment receipts that stood at 70% of the annual budgeted target during this period.
- Data from the Department of Investment and Public Asset Management shows that GoI's disinvestment receipts stood at INR55,757.29 crore until 26 October 2026, amounting to 69.7% of the annual budgeted target of INR80,000 crore.

3.2 Expenditures: Revenue and capital

- GoI's total expenditure grew by 10.5% during April-August FY27 compared to 13.8% during the corresponding period of FY26.
- Growth in GoI's revenue expenditure excluding major subsidies was contained to 6.3% while it was at 8.2% including subsidies during April-August FY27 (**Chart 5**). Major subsidies showed a growth of 24.4% in this period, which is not unexpected given the continuing global crude price related pressures.
- Growth in GoI's capital expenditure, although lower than the growth of 29.9% in the first four months, was still quite healthy at 18.2% considering the period April-August FY27.

Chart 5: Growth in GoI's expenditures during April-August (% , y-o-y)



GoI's total expenditure grew by 10.5% during April-August FY27, with growth in capital expenditure remaining buoyant at 18.2% and that in revenue expenditure limited to 8.2%.

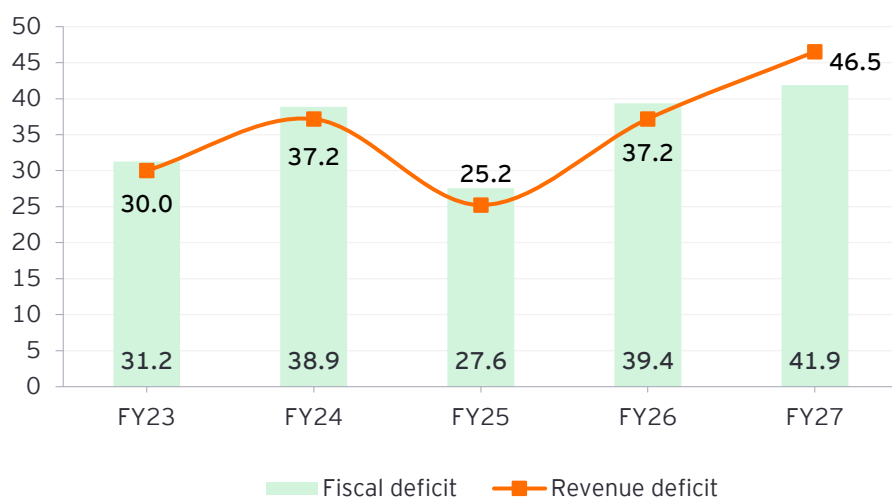
Source (basic data): Monthly Accounts, CGA, Government of India



3.3 Fiscal imbalance

- Gol's fiscal deficit during April-August FY27 stood at 41.9% of the annual budgeted target, higher than the corresponding ratios in the previous four years based on actual data (**Chart 6**).
- Similarly, Gol's revenue deficit stood at 46.5% of the annual budgeted target during April-August FY27, higher than the corresponding ratios during FY23 to FY26 based on actual data.

Chart 6: Fiscal and revenue deficit during April-August as a percentage of annual actuals (BE for FY27) (%)



Gol's fiscal and revenue deficits during April-August FY27 stood at 41.9% and 46.5% of their respective annual budgeted targets.

Source: Monthly Accounts, CGA, Government of India and MoSPI



Comparative trends: IMF projects India's real growth at double the global average in 2026 and 2027

4.1 Real GDP growth

- As per the IMF World Economic Outlook (October 2026), global growth is projected to fall from 3.5% in 2025 to 3.1% in 2026 before improving to 3.4% in 2027 (**Table 1**). In the medium term, global output is projected to expand at an average annual pace of 3.2% in 2028-31, a persistently lackluster performance compared with the pre-pandemic (2000-19) historical average of 3.7%.
- Among AEs, in the US, growth is projected to remain stable at 2.3% in 2026 and in 2027, unchanged from April 2026 forecast and an upward revision of 0.2% points for 2027. Economic activity is expected to be bolstered by resilient private consumption, supportive fiscal policy, favorable financial conditions, ongoing technology-related business investment, and solid productivity growth. In the medium term however, growth is projected to ease, reaching 1.8% by 2030.
- In the Euro area, growth is projected at 1.1% in 2026 and 1.2% in 2027. The forecast is unchanged from the April 2026 WEO for both years, reflecting the continued drag from higher energy prices and weak consumer confidence. Growth is projected to remain subdued until the end of the forecast period.
- In the UK, growth is projected to remain stable at 1.3% in 2026, a 0.5% point upward revision from the April 2026 WEO, and to edge down to 1.2% in 2027 as higher energy prices and long-term interest rates weigh on consumption and investment. Growth is forecasted to pick up marginally to 1.6% in 2028 followed by a gradual easing thereafter.
- Growth in Japan is projected to fall from 1.2% in 2025 to 0.7% in both 2026 and 2027, with fiscal support measures partly cushioning the impact from higher energy prices. Real growth is projected to remain subdued at 0.6% in each year during 2028 to 2031.

Table 1: Real GDP growth (% , y-o-y)

Country	2025	2026	2027	2028	2029	2030	2031
World	3.5	3.1	3.4	3.3	3.2	3.1	3.1
AEs	2.0	2.1	1.8	1.7	1.6	1.5	1.5
US	2.3	2.3	2.3	2.1	1.9	1.8	1.8
Euro area	1.2	1.1	1.2	1.3	1.2	1.1	1.1
UK	1.2	1.3	1.2	1.6	1.5	1.4	1.4
Japan	1.2	0.7	0.7	0.6	0.6	0.6	0.6
EMDEs	4.5	3.7	4.4	4.3	4.1	4.0	4.0
Brazil	2.3	2.2	1.9	2.4	2.5	2.5	2.5
Russia	1.0	0.9	0.9	1.0	1.0	1.0	1.0
India*	7.8	7.0	7.0	6.9	6.9	6.8	6.8
China	5.0	4.5	4.0	4.0	3.7	3.3	3.3
South Africa	1.1	1.0	1.3	1.5	1.7	1.8	1.8

Source (basic data): World Economic Outlook, IMF (October 2026); *data is on fiscal year basis



- Among EMDEs, growth in Brazil is expected to slow from 2.2% in 2026 to 1.9% in 2027, reflecting still-restrictive monetary conditions aimed at returning inflation to target, withdrawal of fiscal policy support, and global uncertainty. Post 2027, growth is projected to rebound to an average of 2.5% during 2028-31.
- In Russia, higher commodity prices are likely to provide some support to activity despite lower overall oil exports due to damage to oil infrastructure. Growth is projected at marginally under 1.0% in 2026-2027 and at 1% in the remainder of the forecast period.
- China's growth is projected to slow from 5.0% in 2025 to 4.5% in 2026 and further to 4.0% in 2027, as higher global oil prices, together with protracted uncertainty and structural headwinds, are expected to weigh on activity. Real growth is forecasted to fall during 2029-31 with the forecast for the terminal year at 3.3%.
- India is projected to remain among the fastest-growing major economies, with growth in 2026 (FY27) and 2027 (FY28) projected at 7.0%. These forecasts mark upward revisions of 0.6% points and 0.3% points respectively, reflecting sustained momentum supported by resilient domestic demand and robust services activity, and growing evidence of stronger growth potential supported by favorable demographic dynamics, a large and expanding domestic market, and continued structural reforms. In the medium term (FY29 to FY32), India's growth is forecasted to remain strong, averaging 6.9%.
- South Africa's growth outlook is expected to remain stable in the near term and improve gradually over the medium term, underpinned by strengthened policy frameworks and ongoing structural reforms. Consequently, real GDP growth is forecasted to increase from 1.0% in 2026 to 1.8% by 2030 and remain stable at that level in 2031.

4.2 CPI inflation

- Global headline CPI inflation is projected to rise from 4.1% in 2025 to 4.7% in 2026 before easing to 4.1% in 2027, with the increase for 2026 driven mainly by higher energy and food prices (**Table 2**). The forecast is unchanged for 2026 from that in the July 2026 WEO Update, but it is revised upward by 0.2% points for 2027. The revision, compared with that in the April 2026 WEO, is a cumulative 0.7% points.
- Inflation dynamics are expected to remain uneven across countries, reflecting differences in exchange rate pass-through, the persistence of services price inflation, labor market conditions, policy credibility, and administered price systems.
- Among AEs, CPI inflation is expected to return to the target of 2% only gradually - by 2028 in the UK and Japan, and by 2029 in the US and Euro area.
- Among selected major EMDEs, CPI inflation in all countries is projected to remain high in 2026 owing to the Middle-East conflict-induced supply shocks. These levels are forecasted to gradually ease during the remainder of the forecast period (2027 to 2031), except in the case of China.
- CPI inflation in China is expected to rise beyond 2026, reaching 2.0% by 2030-2031, as policy support and a progressive strengthening of domestic consumption reduce economic slack and ease the deflationary effects of weak demand and the property-sector adjustment.
- CPI inflation in India is estimated to remain higher than the central bank's 4% target in both 2026 and 2027, partly due to elevated global crude oil prices and other factors higher food prices. Subsequently, inflation is forecasted to converge to the RBI's target in 2028, remaining at this level until the end of the forecast period.



Table 2: Headline CPI inflation (% , y-o-y)

Country	2025	2026	2027	2028	2029	2030	2031
World	4.1	4.7	4.1	3.5	3.3	3.2	3.1
AEs	2.5	3.1	2.7	2.1	1.9	2.0	2.0
US	2.7	3.6	2.8	2.1	1.9	1.9	1.9
Euro area	2.1	3.1	2.8	2.2	2.0	2.0	2.0
UK	3.4	3.3	2.8	2.0	2.0	2.0	2.0
Japan	3.2	2.0	2.6	2.0	2.0	2.0	2.0
EMDEs	5.2	5.7	5.1	4.4	4.1	3.9	3.8
Brazil	5.0	4.4	4.1	3.1	3.0	3.0	3.0
Russia	8.7	6.1	4.8	4.0	4.0	4.0	4.0
India*	2.0	5.0	4.4	3.9	4.0	4.0	4.0
China	0.05	1.0	1.4	1.6	1.9	2.0	2.0
South Africa	3.2	4.4	3.9	3.3	3.0	3.0	3.0

Source (basic data): World Economic Outlook, IMF (October 2026); *data is on fiscal year basis



In Focus: India's matrix of trade imbalances

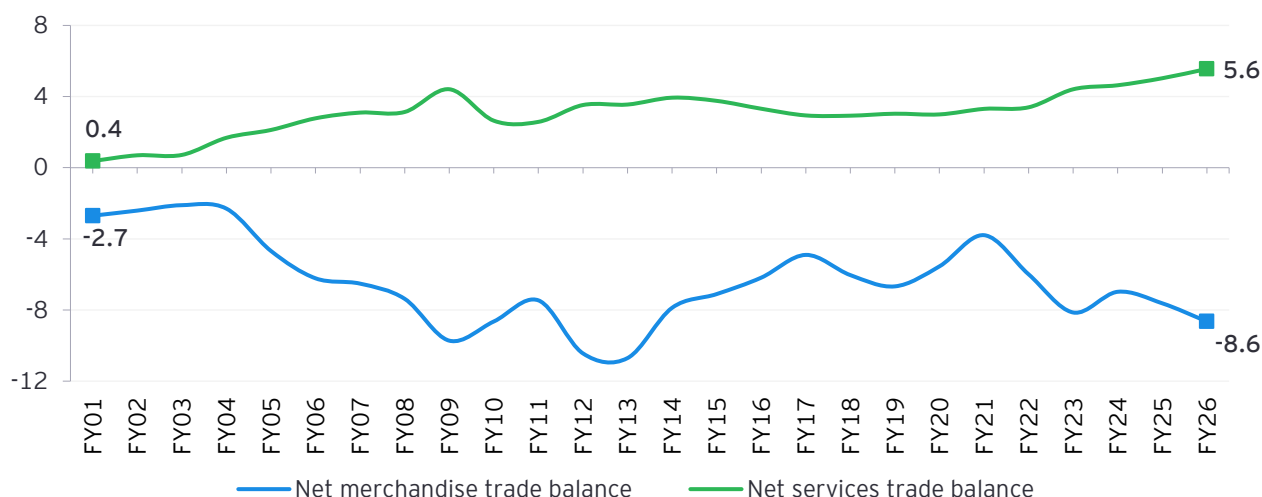
5.1 Introduction

India has maintained a current account balance over the years which has remained contained within the range of (-)4.8% to 2.3% of GDP. There has been a profile of volatility in this series but the long period average from FY01 to FY26 is a deficit of (-)1.2% of GDP. The current account deficit consists of merchandise and services trade imbalances along with net transfers and net income from abroad. While India enjoys a services trade surplus which has been rising in recent years, it suffers from a sustained deficit on merchandise trade account which has also been rising in recent years. In this writeup, we examine the relative roles of merchandise trade deficit, services trade surplus and the surplus arising from the aggregate of net transfers and net incomes from abroad. We also look at country and commodity profiles in selected cases that determine the net trade balances.

5.2 Trade and current account balance

As **Chart 7** shows, India suffers from a large and growing trade deficit with respect to goods, and trade surplus with respect to services. The net of the two trade flows leaves India in net trade deficit. The profile of services trade surplus has been relatively stable, close to 4% of GDP from FY09 to FY23. During FY22-26, this surplus increased from a level of 3.4% to 5.6% of GDP. Merchandise trade deficit, on the other hand, has been more volatile. During FY12 and FY13, it reached the high levels of (-)10.4% and (-)10.7% respectively. After reaching a trough of (-)3.8% of GDP in FY21, this deficit has risen to (-)8.6% in FY26. The extraordinarily high levels of merchandise trade deficit in FY12 and FY13, and in FY14 to some extent, were largely on account of elevated levels of global crude prices which averaged above US\$100/bbl. in these three years.

Chart 7: Merchandise and services trade balances as % of GDP

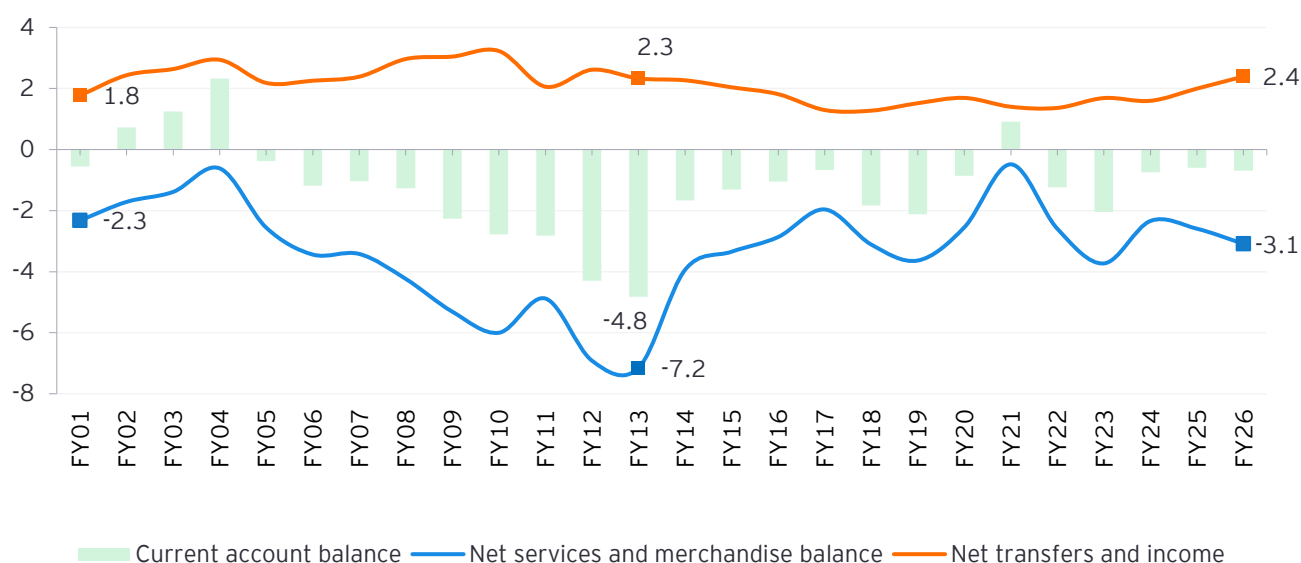


Source (basic data): RBI



The net of these two trade flows results in overall current account imbalance which, except for few years of surplus, has remained consistently in deficit. **Chart 8** shows that the surplus years were FY02, FY03, FY04 and FY21. Notably, in these years, global crude prices were exceptionally low. In FY02-04, it averaged only US\$26.6/bbl. Even in FY21, it was only US\$43.8/bbl. Favorably for India, the net impact of transfers and income inflows tends to partly balance out the large trade imbalance. In years in which global crude prices become high, net inflow of private transfers to India also increase due to larger employment and income opportunities in gulf countries who experience windfall gains during these times. This helps keep the overall current account imbalance in check. As **Chart 8** shows, when current account deficit peaked at (-)4.8% in FY13, it reflected the trade account imbalance peak of (-)7.2% of GDP. However, it got moderated because of the positive impact of net transfers.

Chart 8: Current account, merchandise and services trade balances as % of GDP



Source (basic data): RBI; -ve implies deficit and +ve implies surplus

5.3 Country-wise profile of merchandise trade surpluses

As far as merchandise trade is concerned, India maintains, on a consistent basis, a surplus with respect to some countries. Prominent among these are the US, Netherlands and the UK. In our neighborhood, India maintains a surplus with Bangladesh and Nepal. Considering 2025 data, **Table 3** shows that the US accounts for 33.8% of the total merchandise trade surplus followed by Netherlands at 10.7%, Bangladesh at 7.6%, Nepal at 4.4% and the UK at 3.5% (see *Technical Appendix Table A2 for surplus magnitudes*). The CAGR over the period 2010-25 for this merchandise trade surplus is highest at 16.1% for the US followed by 11.2% for Spain, 9.5% for Nepal and 8.8% for Bangladesh. In the case of Bangladesh, the share in trade surplus has fallen from a peak of 11.4% in 2021 to 7.6% in 2025. The CAGR for overall merchandise trade surplus is reasonably healthy at 7.1% over the period 2010-25.

Table 3: India's bilateral merchandise trade surplus: key trading partners (% of gross merchandise trade surplus with surplus countries)

Country	2010	2015	2019	2021	2022	2023	2024	2025	CAGR (2010-25) (%)
US	10.1	23.0	24.5	27.9	22.9	26.2	28.4	33.8	16.1
Netherlands	10.3	3.5	6.6	5.5	10.1	14.3	15.7	10.7	7.4
Bangladesh	6.0	5.9	8.8	11.4	9.6	7.4	7.5	7.6	8.8
Nepal	3.2	3.3	8.2	7.3	6.1	5.1	4.9	4.4	9.5



Country	2010	2015	2019	2021	2022	2023	2024	2025	CAGR (2010-25) (%)
UK	2.8	4.1	2.5	3.4	1.3	3.7	4.5	3.5	8.6
Spain	2.0	1.4	3.3	2.2	1.6	1.5	2.2	3.5	11.2
Kenya	4.3	3.4	2.3	2.2	2.3	2.5	2.2	2.7	4.0
Sri Lanka	6.3	5.5	4.1	3.5	4.3	1.9	2.7	2.7	1.2
Mexico	-0.5	0.0	-1.5	0.0	0.5	1.8	2.1	2.5	NA
Turkey	3.5	4.0	3.9	4.9	5.1	3.0	1.7	1.8	2.7
Others	52.1	45.8	37.2	31.6	36.3	32.5	28.1	26.8	2.5
Total surplus	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	7.1

Source: IMF

Note: (-) implies deficit and (+) surplus; countries are arranged in descending order of shares in 2025

The country surpluses are highly dependent on growth of exports of specific commodities. Thus, in the case of the US, there is a heavy dependence on exports of three commodity groups namely, electronics, engineering goods and drugs and pharmaceuticals. In the case of Netherlands, India's exports of refined petroleum products, along with engineering goods and electronics have shown impressive performance.

5.4 Country-wise profile of merchandise trade deficits

Table 4 summarizes India's dependence on imports from a select group of countries on a consistent basis. The largest and fastest growing merchandise trade deficit is with respect to China. The magnitude of trade deficit with China has increased at a CAGR of 10.5% during 2010-25 whereas that with respect to Russia and UAE show a CAGR of 23.9% and 21.9% respectively (see *Technical Appendix Table A1 for deficit magnitudes*). In the aggregate merchandise trade deficit, China's share in 2025 was 24.6% followed by Russia at 12.6% and UAE at 6.6%. In terms of goods imported from China, the main items are electronics, machinery and chemicals. In the case of Russia and UAE, the main import items are petroleum crude and products. In UAE's case, there are also tangible imports of gold, pearls and precious stones.

Table 4: India's bilateral merchandise trade deficit: key trading partners (% of gross merchandise trade deficit with deficit countries)

Country	2010	2015	2019	2021	2022	2023	2024	2025	CAGR (2010-25) (%)
China	7.9	24.5	21.9	22.8	21.6	23.6	23.4	24.6	10.5
Russia	0.7	1.4	1.4	1.9	9.2	15.9	15.1	12.6	23.9
UAE	0.5	-4.7	0.2	6.2	5.6	3.3	5.8	6.6	21.9
Iraq	2.2	4.8	8.6	8.6	9.1	7.2	6.7	5.4	8.8
Saudi Arabia	5.3	6.8	9.0	6.9	8.9	6.4	4.6	4.5	1.4
Switzerland	7.2	9.5	7.1	10.0	3.7	5.1	5.8	3.9	NA
Hong Kong	-0.6	-3.0	2.3	2.4	2.4	2.7	3.2	3.9	NA
Indonesia	1.7	5.2	4.7	3.1	4.6	4.3	4.5	3.6	7.7
South Korea	2.1	4.5	4.9	3.5	3.3	4.2	3.7	3.5	6.0
Japan	1.2	2.3	3.4	2.9	2.5	3.5	3.2	3.4	10.1
Others	71.7	48.7	36.6	31.7	29.1	23.9	23.9	28.0	-3.7
Total deficit	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	2.5

Source: IMF

Note: (-) implies deficit and (+) surplus; countries are arranged in descending order of shares in 2025



5.5 Country-wise profile of service trade surplus and deficits

Data for bilateral trade in services are limited. In terms of maintaining country-wise trade surplus, the UK, the US, Germany and Netherlands are the key countries. Recent trends indicate that surplus with respect to the US, which had reached a level of US\$11.37 billion in 2021, has fallen since then to US\$4.73 billion in 2025. Countries where the volume of trade surplus has been growing at CAGR higher than 10% are the UK, Germany, Netherlands, Sweden, Finland and France (Table 5).

Table 5: India's bilateral services trade imbalances: key trading partners (US\$BN)

	2010	2015	2019	2021	2022	2023	2024	2025	CAGR (2010-25)
Services trade surplus									
UK	NA	NA	2.24	1.24	2.15	4.54	6.83	5.45	20.0
US	5.36	7.55	7.34	11.37	4.56	1.56	1.32	4.73	-4.2
Germany	-2.82	0.75	1.43	1.28	1.55	3.68	3.57	4.12	17.0
Netherlands	0.39	1.11	2.01	3.34	3.62	4.05	4.42	3.20	10.7
Singapore	-1.02	-0.15	1.05	1.97	2.30	2.87	2.09	NA	47.7
Sweden	0.06	0.23	1.03	1.39	1.45	0.72	1.27	1.70	19.6
Finland	-0.34	-0.06	0.43	0.54	0.47	0.90	0.84	1.17	37.8
Cyprus	-0.01	0.10	0.39	0.43	0.52	0.68	0.67	0.61	12.9
France	NA	-0.12	0.40	-1.84	-0.24	1.08	0.55	1.78	20.4
Belgium	-0.03	0.17	0.26	0.35	0.44	0.47	0.48	0.31	3.0
Portugal	0.10	0.05	0.08	0.14	0.19	0.13	0.11	0.10	6.1
Services trade deficit									
Ireland	-0.81	-2.81	-2.20	-2.02	-1.06	-2.25	-1.60	-2.26	-3.1
Malaysia	-0.74	-0.48	0.10	0.41	0.06	-0.56	-1.44	-1.08	8.1
Greece	-0.07	-0.40	-0.72	-0.77	-0.84	-0.69	-0.66	-0.64	6.8
Denmark	-0.33	-0.20	-0.27	-1.35	-1.86	-0.38	-0.60	-0.28	12.8
Turkey	NA	NA	-0.31	-0.24	-0.53	-0.71	-0.42	NA	3.8
Hong Kong	-0.25	-0.29	-0.25	-0.45	-0.50	-0.44	-0.34	NA	1.7
Italy	-0.14	-0.13	-0.03	-0.07	-0.11	-0.14	-0.20	-0.03	-18.6
Memo:									
Total Services balance	38.14	73.72	84.23	102.68	132.53	159.14	178.21	209.57	

Source: IMF

Note: (-) implies deficit and (+) surplus; countries are arranged in descending order of magnitude in 2024; CAGRs for Singapore and Hong Kong are over the period 2016-24 while for Turkey, it pertains to the period 2019-2024.

On the other hand, India also maintains services trade deficit with a limited number of countries, mainly Ireland, Malaysia, Greece and Denmark. The deficit magnitudes are rather small with the highest being that with respect to Ireland at US\$2.26 billion. A large share of India's services imports from Ireland arises from Ireland's role as a global hub for aircraft leasing, digital platforms, cloud computing, intellectual-property ownership, pharmaceuticals, financial services and multinational corporate headquarters.

India may look to strengthen its services surplus by expanding beyond traditional markets and technology-services exports.



The continuing expansion of GCCs may provide another channel through which increasingly knowledge-intensive technology, engineering, analytics and governance functions are undertaken from India. EY's research highlights infrastructure, talent, data, legal frameworks and cybersecurity among the key elements required for developing India's AI capabilities⁴.

AI-enabled services should be viewed as a potentially important but conditional source of medium-term export growth. The policy objective should be to enable India's services sector to capture a greater share of the value created by AI, rather than assuming that growth in traditional IT and business-process exports will continue unchanged.

5.6 Strategies for India to improve its trade imbalance profile

The previous analysis indicates that both in terms of trade surplus and trade deficit, India's profile is concentrated with respect to a limited number of countries. On the side of surplus, the US dominates, whereas on the side of deficit, China dominates. This makes India's trade imbalance profile highly vulnerable to policy changes in the US which may arise in unpredictable ways through excessive tariffs and other restrictions on India's exports. Similarly, supply restrictions imposed by China makes India's production structure highly vulnerable to supply side shocks. For crude oil and natural gas, India is highly dependent on some of the Middle-eastern countries, particularly the UAE.

To develop greater resilience in the context of foreign exchange management and overall production dynamics, India needs to diversify its export destinations and import sources. Two channels that offer immediate scope for such diversification are: 1) partnerships within the BRICS+ grouping and 2) India's extensive list of bilateral trade agreements.

1. Partnerships within the BRICS+ group

India's exports to BRICS+ countries have been rising at a CAGR of only 3.8% over the period 2015-25 (Table 6). Within this group, UAE and China accounted respectively for shares of 32.8% and 15.3% of the total merchandise exports to BRICS+ group in 2025. Saudi Arabia ranks third with a share of 9.1%. The highest CAGRs are for Uzbekistan and Russia at 19.3% and 10.8%, respectively.

Table 6: India's merchandise exports to BRICS+ countries: share in total and CAGR (%)

Country	2015	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-25)
UAE	37.2	30.8	22.3	23.0	26.2	28.8	32.0	32.8	2.4
China	11.9	17.8	23.4	20.9	12.6	14.2	12.8	15.3	6.4
Saudi Arabia	8.5	6.2	7.6	7.5	8.4	9.4	10.4	9.1	4.5
South Africa	4.7	4.1	4.3	5.4	6.9	7.0	7.0	5.9	6.1
Brazil	3.8	4.2	4.5	5.7	8.1	5.8	5.5	5.9	8.4
Malaysia	6.1	6.5	7.6	6.1	6.0	5.9	6.9	5.4	2.5
Vietnam	6.6	5.7	5.5	6.0	4.9	4.9	4.7	5.1	1.3
Thailand	3.9	4.5	4.7	5.0	5.1	4.4	4.1	4.3	4.8
Russia	2.0	3.0	3.2	3.0	2.4	3.6	4.2	3.8	10.8
Indonesia	3.6	4.7	5.4	7.3	8.3	6.5	4.7	3.7	3.9
Egypt	2.9	2.7	2.7	3.0	3.4	3.5	2.7	3.4	5.4
Nigeria	2.8	3.8	3.7	4.1	4.5	3.5	2.4	2.7	3.3
Iran	3.9	4.0	2.8	1.2	1.5	1.0	1.1	1.0	-9.2

⁴ EY: Is India ready for Agentic AI? The Aldea of India: Outlook 2026 - PDF (<https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/insights/ai/documents/is-india-ready-for-agentic-ai-the-aidea-of-india-outlook-2026.pdf>)



Country	2015	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-25)
Uzbekistan	0.1	0.2	0.3	0.2	0.2	0.3	0.4	0.5	19.3
Ethiopia	0.9	0.8	0.8	0.7	0.5	0.4	0.4	0.4	-4.7
Uganda	0.7	0.7	0.8	0.6	0.5	0.5	0.4	0.4	-2.9
Kazakhstan	0.2	0.2	0.3	0.2	0.4	0.2	0.2	0.2	1.6
Belarus	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	6.4
Bolivia	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	-2.6
Cuba	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	-9.5
Total BRICS+	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	3.8

Source: IMF

There is substantial scope for augmenting India's exports to BRICS+ countries. This may be facilitated by accelerating the adoption of trade in local currencies within the BRICS+ group.

India's total merchandise imports from BRICS+ countries have increased at a CAGR of 8.1% over the period 2015-25 (Table 7), much higher than the corresponding CAGR of 3.8% for exports to BRICS+. China, UAE and Russia accounted for shares of 34.0%, 18.3% and 16.1% respectively of the total merchandise imports from the BRICS+ countries in 2025. The highest CAGR for imports from the BRICS+ members is that from Russia at 29.3%. But its share increased more than three times in 2022 mainly on account of imports of crude. India's imports from Vietnam and Thailand also show a high CAGR of 15.3% and 10.9% respectively.

Table 7: India's merchandise imports from BRICS+ countries: share in total and CAGR (%)

Country	2015	2019	2020	2021	2022	2023	2024	2025	CAGR (2015-25)
China	36.5	34.0	37.3	36.0	30.2	31.7	31.3	34.0	7.3
UAE	12.1	15.1	15.2	17.7	15.9	14.0	17.5	18.3	12.6
Russia	2.7	3.1	3.8	3.6	11.8	19.3	18.8	16.1	29.3
Saudi Arabia	12.6	13.4	11.3	11.4	13.6	10.6	8.8	8.3	3.7
Indonesia	8.2	7.7	7.6	6.9	8.4	7.1	6.8	5.5	3.8
Thailand	3.4	3.5	3.3	3.6	3.3	3.2	3.3	4.3	10.9
Malaysia	5.7	5.2	4.7	5.0	4.0	3.4	3.6	3.6	3.3
Vietnam	1.6	3.7	3.5	2.9	2.7	2.9	2.9	3.0	15.3
South Africa	3.7	3.3	4.2	4.6	3.3	3.3	3.1	2.1	1.9
Brazil	2.4	1.5	2.0	2.0	2.1	1.9	1.5	2.0	5.8
Nigeria	6.1	5.3	4.0	3.8	2.6	1.0	1.5	1.5	-6.1
Egypt	0.9	1.0	1.1	1.2	0.8	0.5	0.3	0.7	6.2
Bolivia	0.1	0.4	0.6	0.8	0.8	0.4	0.1	0.2	16.5
Iran	3.7	1.7	0.2	0.2	0.2	0.2	0.1	0.1	-22.0
Ethiopia	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	12.7
Kazakhstan	0.2	0.8	0.8	0.2	0.0	0.0	0.0	0.0	-11.3
Belarus	0.1	0.1	0.1	0.2	0.1	0.0	0.0	0.0	-8.5
Uganda	0.0	0.0	0.0	0.0	0.1	0.3	0.1	0.0	1.2
Uzbekistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-12.0
Cuba	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.8
Total BRICS+	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	8.1

Source: IMF



Apart from increasing India's trade with BRICS+ countries, there is also considerable scope for increasing exports to countries or country groups with whom India's FTAs are already operative or are about to be brought in force (**Table 8**). Wherever feasible, trade in local currency with the FTA countries may be emphasized.

Table 8: India's FTAs

Partner/Region	Agreement	Key date	Current status
Sri Lanka	India-Sri Lanka FTA	Signed 1998; in force 2000	In force
Singapore	CECA	Signed 2005	In force
ASEAN (10 countries)	AITIGA	Signed 2009; in force 2010	In force; review/upgrade under negotiation
South Korea	CEPA	Signed 2009; in force 2010	In force; upgrade negotiations ongoing
Japan	CEPA	Signed 2011	In force
Malaysia	CECA	Signed 2011	In force
Mauritius	CECPA	Signed Feb 2021	In force
UAE	CEPA	Signed Feb 2022; in force May 2022	In force
Australia	ECTA (interim)	Signed Apr 2022; in force Dec 2022	In force; CECA negotiations ongoing
EFTA (Switzerland, Norway, Iceland, Liechtenstein)	TEPA	Signed Mar 2024; entered into force Oct 2025	In force
UK	CETA	Signed 24 Jul 2025; entered into force 15 July 2026 ⁵	In force
Oman	CEPA	Signed 18 Dec 2025; entered into force 1 June 2026 ⁶	In force
New Zealand	FTA	Negotiations concluded Dec 2025; signed Apr 2026; entered into force on 20 October 2026 ⁷	In force
European Union	India-EU FTA	Negotiations concluded 27 Jan 2026	Signing of the agreement is expected on 16 December 2026; implementation by early 2027 ⁸
US	Interim Trade Agreement/BTA Framework	Announced 6 Feb 2026 ⁹	Framework announced; broader BTA under discussion

Source: compiled from various sources

⁵ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2284878®=48&lang=2>

⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2268595®=3&lang=1>

⁷ <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2313143®=48&lang=1>

⁸ <https://www.thehindu.com/business/Economy/india-eu-fta-to-be-signed-on-december-16/article71499760.ece>

⁹ <https://www.whitehouse.gov/briefings-statements/2026/02/united-states-india-joint-statement/>



5.7 Concluding observations

India's merchandise trade deficit is quite large. The balance becomes better once we take into account the surplus on account of services trade. Further, the trade deficit translates into current account deficit after some moderation owing to net private transfers and net income from abroad. India's merchandise trade surpluses and deficits are highly dependent on a limited number of countries and commodity groups. With respect to surplus, India's merchandise trade surplus largely arises from its exports to the US. Similarly, trade deficit primarily arises from its large imports from China, energy-exporting economies and countries from where India imports strategically important inputs such as electronics, machinery and chemicals.

The policy objective may be to reduce critical single-country dependencies, diversify export markets, deepen domestic value addition and preserve access to productive imports. India may simultaneously strengthen the services surplus by expanding beyond established markets and traditional technology-services exports.

Local-currency settlement can support this strategy where trade flows are sufficiently balanced and the required financial infrastructure is available, but it cannot substitute for export competitiveness or supply-chain resilience.

One major vulnerability arises from India's high level of imports of energy products, particularly crude oil and natural gas. From the viewpoint of developing resilience in trade and production dynamics, such heavy dependence on a limited number of countries needs to be progressively moderated. There is scope for expanding India's trade with respect to the BRICS+ countries and countries with whom India's FTAs are already in effect or are about to be made operational. In both cases, trade in terms of local currencies may be encouraged.

Excessive trade imbalance, whether surplus or deficit, results in stress. The long-term goal for India may be to establish near balance with its key trade partners which may also facilitate local currency trade by avoiding accumulation of excessive local currency stocks in one country or another. In the medium term, that is, up to FY31, India may target to moderate its trade surplus of merchandise and services with the US by two-thirds by ensuring higher growth of imports from the US as compared to growth of exports to the US. Further, India may also reduce its merchandise trade deficit with China, by a combination of export promotion and import substitution.

Calibrations indicate that if exports to the US of goods and services were to grow by a CAGR of 10.0% while imports from the US increase at a faster rate, say about 16%, India's present merchandise and services trade surplus would be reduced to nearly half its 2025 level while the overall volume of trade covering both goods and services will increase to close to US\$500 billion by 2031.



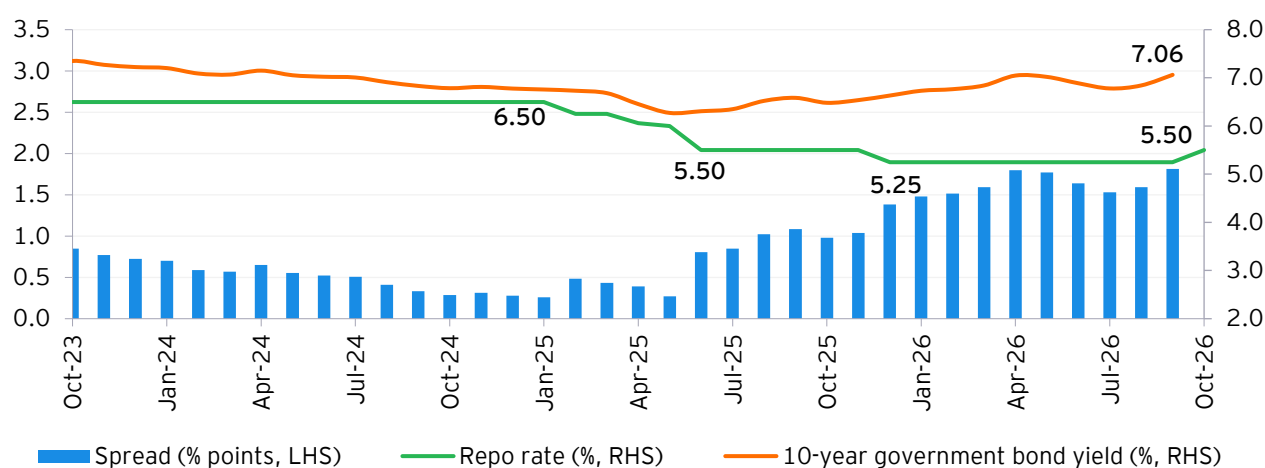
Money and finance: The RBI hiked the repo rate by 25 basis points to 5.50% in October 2026

6.1 Monetary sector

Monetary policy

- The MPC unanimously voted to increase the repo rate by 25 basis points to 5.50% in its October 2026 monetary policy review from 5.25% (Chart 9). It also changed the policy stance from neutral to calibrated tightening.
- The MPC's revised stance also sheds light on the likely direction of monetary policy in the coming months. The statement explicitly notes that "... given the current conditions, rate cuts are off the table in the near term and policy action ahead can only be a rate hike or a pause... The duration and extent of rate hike cycle would be contingent on the actual growth-inflation developments and outlook...".
- The factors underlying the MPC's decision include: (a) the persistence and broadening of inflationary pressures, reflected in rising food inflation, firming core inflation, and weather-related risks arising from a deficient monsoon and El Niño conditions; (b) elevated global energy and commodity prices linked to geopolitical tensions in the Middle East, along with concerns that inflation expectations could become more deeply embedded; and (c) continued resilience in domestic economic activity, with strong growth prospects providing room for a tighter monetary policy stance.

Chart 9: Movements in the repo rate and the 10-year government bond yield



Source: Database on Indian Economy, RBI

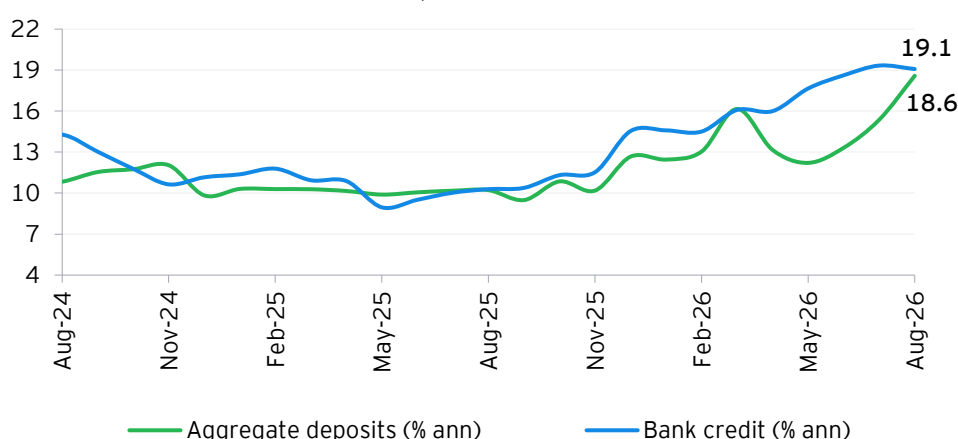
Money stock

- Growth in broad money stock (M3)¹⁰ remained elevated at 16.9% in September 2026, although easing marginally from 17.4% in August 2026.
- Time deposits, the largest component of M3, moderated to 16.8% in September 2026 from 18.0% in August 2026.
- Growth in M1 increased to 17.0% in September 2026 from 15.5% in August 2026. This was driven by higher growth in both demand deposits and currency with the public. Demand deposits grew by 20.9% and currency with the public by 13.8% in September 2026, compared with 18.8% and 12.9%, respectively, in August 2026.

Aggregate credit and deposits

- Growth in gross bank credit remained robust at 19.1% in August 2026, close to its level of 19.3% in July 2026, driven by continued credit expansion across key sectors of the economy (Chart 10).
- Non-food credit growth also remained high at 18.8% in August 2026, although marginally lower compared with 19.1% in July 2026.

Chart 10: Growth in credit and deposits



Gross bank credit growth continued to expand at a healthy pace of 19.1% in August 2026, close to its level of 19.3% in July 2026.

Source: Database on Indian Economy

- Among the key segments of non-food credit, credit to the services sector, which accounted for an average share of 27.5% of total non-food credit over the last five years, showed a growth of 24.3% in August 2026, its highest level since November 2023, increasing from 22.9% in July 2026.
- Growth in personal loans, which accounted for a 31.5% share of total non-food credit, was at a 26-month high of 16.9% in August 2026, increasing from 16.2% in July 2026. Among its key sub-components, growth in vehicle loans was higher at 19.7% in August 2026, compared with 18.8% in July 2026, while growth in housing loans at 11.1% in August 2026, was close to its level of 11.3% in July 2026. Growth in advances against fixed deposits¹¹ surged to 43.2% in August 2026, its highest level since June 2023, from 14.6% in July 2026. Growth in loans for consumer durables remained low at 2.4% in August 2026, although improving from 0.4% in July 2026.
- Outstanding credit to industry, which accounted for an average share of about 23.4% of total non-food credit over the last five years, continued to maintain a strong growth of 18.2% in August 2026, although marginally lower compared with 20.0% in July 2026.
- Among the major segments of industrial credit, credit to construction sector and chemicals and chemical products posted strong growth rates of 24.7% and 23.5% respectively in August 2026, close to their respective levels of 24.4% and 24.0% in July 2026. Growth in credit to textiles

¹⁰ The RBI discontinued reporting data on Money Stock: Components and Sources excluding the impact of the merger of a non-bank with a bank from 11 July 2025. Accordingly, the M3 data used in this analysis includes the impact of the merger, as reported by the RBI.

¹¹ Including FCNR (B), NRNR Deposits etc.



increased to 16.6% in August 2026 from 15.1% in July 2026. Growth in credit to infrastructure was stable at 10.2% in July and August 2026 while credit to cement and cement products grew by 14.1% in August 2026, marginally lower compared with 16.3% in July 2026.

- Growth in credit to the agricultural sector increased to a 24-month high of 17.2% in August 2026, from 17.0% in July 2026.
- Growth in other non-food credit, that is, non-food credit excluding credit to agriculture, industry, services and personal loans, moderated sharply to 8.6% in August 2026 from 18.1% in July 2026.
- Growth in aggregate deposits increased to 18.6% in August 2026 from 15.4% in July 2026.

6.2 Financial sector

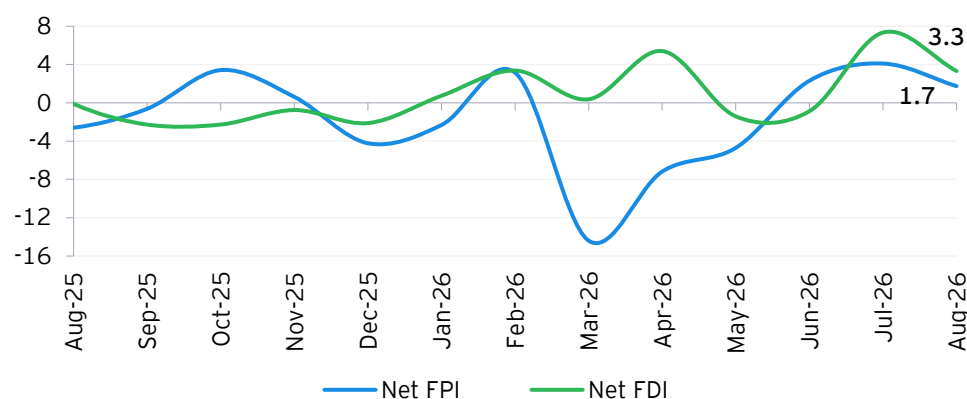
Interest rates

- According to data released by the RBI, the yield on the benchmark 10-year government bonds averaged at a 29-month high of 7.06% in September 2026, an increase of 22 basis points compared with 6.84% in August 2026 (**Chart 11**). Benchmark bond yield averaged 6.90% in 2QFY27, marginally lower than 6.99% in 1QFY27.
- The average interest rate on term deposits with a maturity period of more than one year remained unchanged for the second consecutive month at 6.38% in September 2026, with actual rates ranging between 6.00% and 6.75%.
- The average MCLR also remained stable for the third consecutive month at 7.90% in September 2026, with the actual MCLR ranging between 7.80% and 8.00%.
- The weighted average lending rate (WALR) on fresh rupee loans (FRL) by scheduled commercial banks (SCBs) was at a nine-month high of 8.61% in August 2026, the latest month for which data is available, compared with 8.52% in July 2026.

FDI and FPI

- As per provisional data released by the RBI on 23 October 2026, overall foreign investment (FIs) inflows were significantly lower at US\$5.1 billion in August 2026 compared with US\$11.5 billion in July 2026 due to a fall in net FDI and net FPI inflows.
- Net FDI inflows fell to US\$3.3 billion in August 2026 from US\$7.3 billion in July 2026. During April-August FY27, net FDI inflows were higher at US\$13.8 billion, compared with US\$9.6 billion during the corresponding period of FY26.
- Net FPI inflows were also lower at US\$1.7 billion in August 2026 compared with US\$4.1 billion in July 2026. On a cumulative basis, net FPI outflows were at US\$3.7 billion during April to August FY27, marginally higher than outflows of US\$3.5 billion during the corresponding period of FY26.

Chart 11: Net FDI and FPI inflows (US\$ billion)



Net FDI and net FPI inflows were lower at US\$3.3 billion and US\$1.7 billion respectively in August 2026 compared with US\$7.3 billion and US\$4.1 billion in July 2026.

Source: Database on Indian Economy, RBI Bulletin and RBI Monthly BoP Statistics



- Gross FDI inflows fell to US\$11.1 billion in August 2026 from US\$14.6 billion in July 2026. Outflows on account of repatriation/disinvestment were higher at US\$5.8 billion in August 2026 compared with US\$3.8 billion in July 2026. FDI by India, however, was lower at US\$1.9 billion in August 2026 compared with US\$3.4 billion in July 2026. On a cumulative basis, gross FDI inflows during April-August FY27 amounted to US\$54.9 billion, their highest level since the inception of the monthly data series in FY12.



Trade and CAB: Merchandise exports showed a robust growth of 23.0% in September 2026

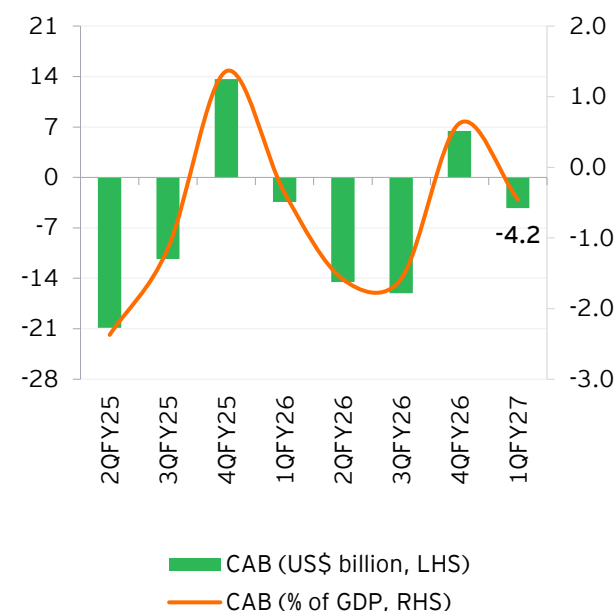
7.1 Current account turned into a deficit in 1QFY27

- Current account surplus of 0.6% of GDP in 4QFY26 turned into a deficit of (-)0.5% in 1QFY27, led by a widening of net merchandise trade deficit by 1.1% points of GDP (Chart 12, Table 9).
- Net merchandise trade deficit relative to GDP expanded to 9.2% in 1QFY27 from 8.1% in 4QFY26, driven by an increase in merchandise imports to a 15-quarter high of 23.4% of GDP, even while merchandise exports were at a 15-quarter high of 14.2%. The sharp growth in merchandise imports was attributable mainly to rising crude prices accompanied by a fast pace of growth in electronic goods imports. Merchandise exports growth was led by oil exports, engineering goods and electronic goods.
- Net invisibles rose to an unprecedented high of 8.8% of GDP in 1QFY27, reflecting a surge in private transfers to 4.4% of GDP, its highest level since 2QFY10, even as earnings from net services exports eased relative to GDP to a four-quarter low of 5.5%. Net transfers appear to be driven by higher precautionary remittances from Gulf economies.
- Net income outflows in 1QFY27 remained unchanged from their 4QFY26 level of (-)1.1% of GDP.

Table 9: Components of CAB (in US\$ billion)

Fiscal year	CAB as % of nominal GDP	CAB	Merchandise net	Invisibles * net
FY23	-2.0	-67.1	-265.3	198.2
FY24	-0.7	-26.1	-244.9	218.8
FY25	-0.6	-23.1	-286.9	263.9
FY26	-0.7	-27.5	-337.3	309.8
2QFY26	-1.6	-14.5	-89.1	74.6
3QFY26	-1.6	-16.1	-95.9	79.8
4QFY26	0.6	6.5	-83.4	89.9
1QFY27	-0.5	-4.2	-86.1	81.8

Chart 12: CAB



Source: Database on Indian Economy, RBI; Note: (-) deficit; (+) surplus; *invisibles include services, current transfers and income components

- On a y-o-y basis, the current account position weakened marginally, with the deficit widening to (-)0.5% of GDP in 1QFY27 from (-)0.4% in 1QFY26, due to a significant expansion in merchandise trade deficit partially offset by resilient services exports and remittances.



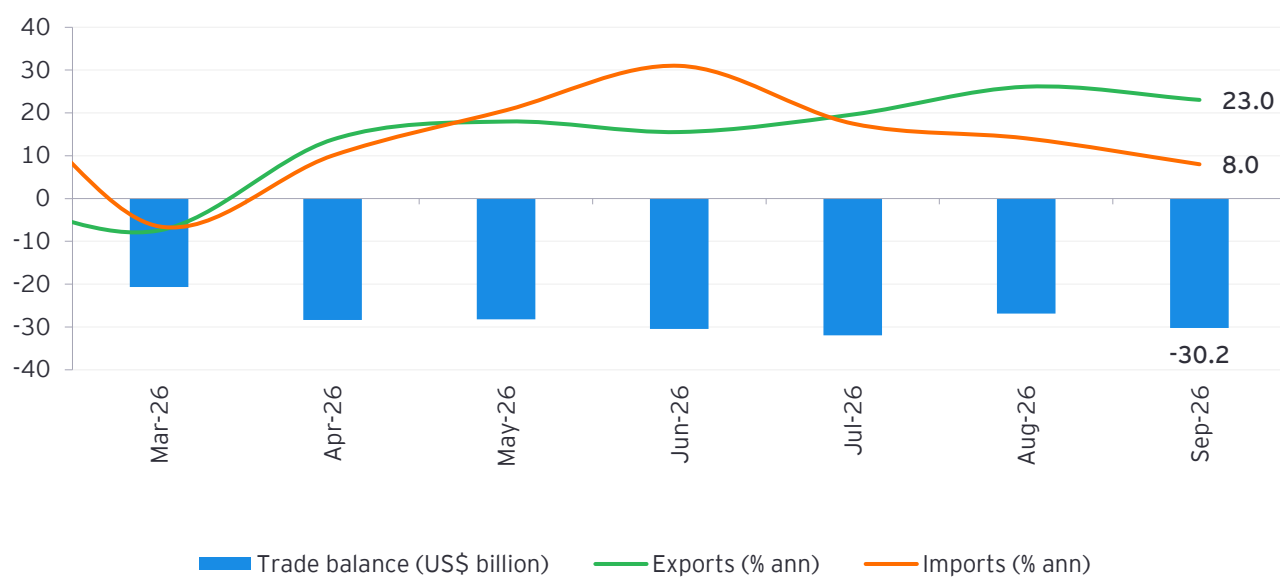
7.2 Merchandise trade and exchange rates

- Merchandise export growth remained strong at 23.0% in September 2026, close to the four-year high of 26.1% in August 2026 (**Chart 13**), led by electronic goods, engineering goods and petroleum products. Merchandise import growth moderated to a six-month low of 8.0% in September 2026, largely reflecting the sharp contraction in gold and silver imports.
- Electronic goods exports continued to expand at a fast pace, growing by 70.4% in September 2026, although easing from 89.8% in August 2026. Electronic goods imports accelerated to a three-month high of 51.5% in September 2026, pointing to the growing importance of electronics in both India's export and import basket.
- Growth in exports of petroleum products remained elevated at 31.9% in September 2026, although moderating from 63.3% in August 2026.
- Engineering goods exports, accounting for more than one-fourth of total merchandise exports, grew by 20.9% in September 2026, easing from 24.9% in August 2026 but remaining a major source of export growth.
- Oil imports growth increased to 30.8% in September 2026 from 25.8% in August 2026 owing partly to rising global crude prices.
- Gold and silver imports contracted sharply by (-)81.3% and (-)49.1% respectively in September 2026, compared to (-)57.7% and 127.1% in August 2026, partly attributable to a) declining demand resulting from the increase in customs duty tariff on gold and silver and their high price, b) quantitative/administrative import restrictions on specified silver imports and c) base effects.
- Growth in exports and imports excluding petroleum products, coal, gold, silver and gems and jewelry registered high growth rates of 22.0% and 21.5% respectively in September 2026, compared to 22.7% and 18.6% in August 2026 reflecting strong global and domestic demand for core exports and imports.
- Key destinations contributing to the growth in overall merchandise exports in September 2026 were the US with a growth of 48.0% followed by Singapore at 169.1%, Malaysia at 119.8% and Egypt at 90.1%, reflecting export momentum across both advanced and emerging markets.
- Merchandise trade deficit increased to US\$30.2 billion in September from US\$26.9 billion in August 2026 as imports increased more strongly than exports in absolute dollar terms.
- Services trade surplus eased to a three-month low of US\$16.5 billion in August 2026 from US\$17.6 billion in July 2026. On a year-on-year basis, services exports and imports grew by 13.7% and 21.4%, respectively, with the faster increase in imports progressively moderating the growth contribution from the services surplus.
- The combined goods and services trade deficit moderated to a four-month low of US\$10.3 billion in August 2026. The improvement was driven by the substantial sequential decline in the merchandise trade deficit, which more than offset the moderation in the services trade surplus.
- The INR averaged INR95.5/US\$ in September 2026, unchanged from its level in August 2026, despite pressures from elevated crude oil prices and higher US bond yields. RBI intervention in the foreign exchange market provided support to the INR, helping contain currency volatility during the month.

Merchandise exports growth remained elevated at 23.0% in September 2026 close to its level of 26.0% in August 2026, led by electronic goods, engineering goods and petroleum products. Merchandise imports growth moderated to a six-month low of 8.0% in September 2026 nearly entirely on account of easing gold and silver imports.



Chart 13: Developments in merchandise trade



Source: Ministry of Commerce and Industry, Gol



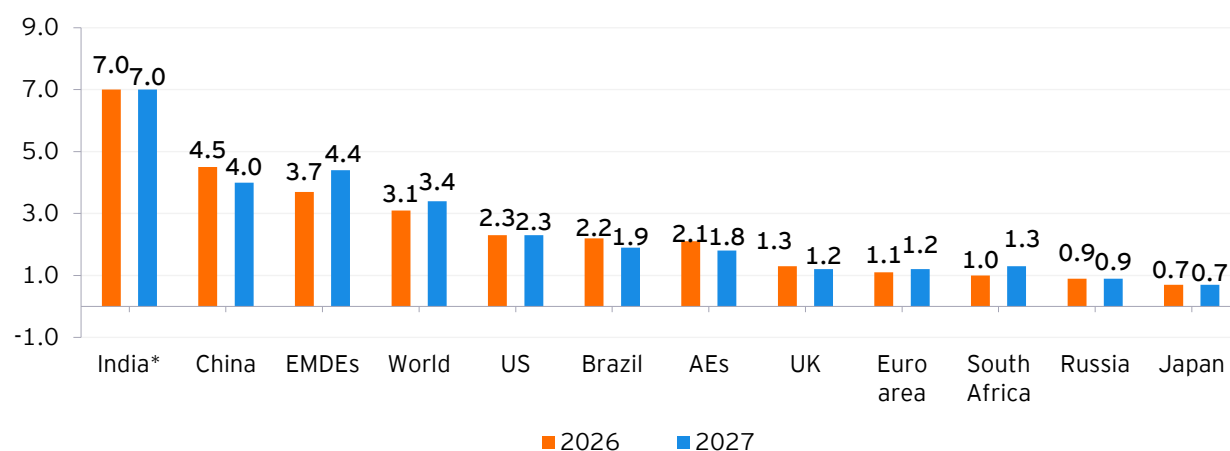
Global growth: IMF projected global growth at 3.1% in 2026 and 3.4% in 2027

8.1 Global growth outlook

- As per the IMF (World Economic Outlook, October 2026), global GDP growth is projected to decelerate from 3.5% in 2025 to 3.1% in 2026 before recovering to 3.4% in 2027 (Chart 14).
- Growth in AEs is expected to slightly rise from 2.0% in 2025 to 2.1% in 2026 before decelerating to 1.8% in 2027. However, performance is expected to remain uneven across countries. Net energy exporters are likely to benefit from favorable terms-of-trade gains, which partly cushion economic pressures, while net energy importers may face stronger headwinds from elevated energy prices unless these effects are offset by gains from technology-driven activities and innovation-led growth.
- In the US, growth is projected to remain steady at 2.3% in 2026 and 2027 supported by robust private consumption, fiscal policy, accommodative financial conditions, continued technology-related business investment and productivity strength, with only limited direct impact from the Middle-East conflict given the country's net energy exporter status.
- In the Euro area, growth is projected to remain modest at 1.1% in 2026 and 1.2% in 2027, reflecting the continued drag from higher energy prices and weak consumer confidence.
- In the UK, growth is projected at 1.3% in 2026, easing to 1.2% in 2027 as higher energy prices and long-term interest rates weigh on consumption and investment.
- Growth in Japan is projected to slow to 0.7% in 2026 with fiscal support measures partly cushioning the impact from higher energy prices, and to stabilize at that level in 2027 as the energy shock dissipates and monetary policy gradually normalizes.

The IMF has projected global growth at 3.1% in 2026 and 3.4% in 2027 with India's FY27 and FY28 growth rates forecasted at 7.0% each.

Chart 14: Growth projections (% annual)



Source: World Economic Outlook, IMF (October 2026)

*Data pertains to fiscal years

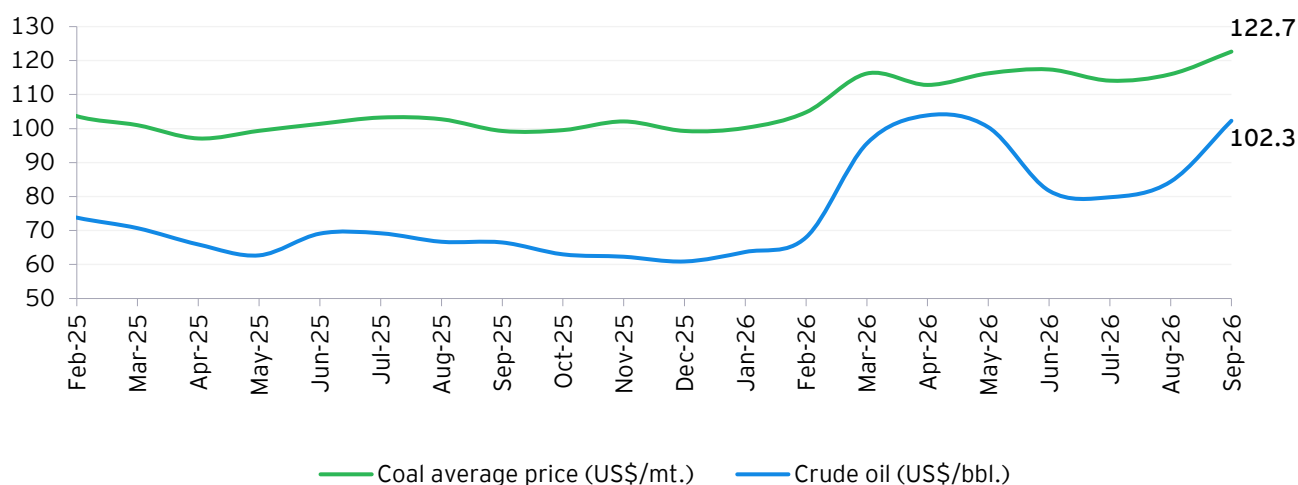


- In EMDEs, growth is projected to slow from 4.5% in 2025 to 3.7% in 2026 before recovering to 4.4% in 2027. The outlook is heterogeneous, reflecting differences in commodity dependence, geographic exposure to the Middle East conflict, remittances and tourism receipts, financial conditions, policy frameworks, and position in the global technology value chain.
- China's 2026 growth is projected to slow to 4.5%, as higher global oil prices, together with protracted uncertainty and structural headwinds, are expected to weigh on activity. Policy support is expected to prevent a sharper slowdown.
- India remains among the fastest-growing major economies, with growth in 2026 (FY27) and 2027 (FY28) projected at 7.0% each, supported by resilient domestic demand and robust services activity.

8.2 Global energy prices: Global crude price increased to a five-month high of US\$102.3/bbl. in September 2026

- Average global crude price¹² increased for the second successive month to US\$102.3/bbl. in September 2026 from US\$84.4/bbl. in August 2026 with renewed hostilities undermining progress in the US-Iran negotiations aimed at ending the conflict in the Middle East¹³ (**Chart 15**). On a quarterly basis, global crude price averaged US\$88.8/bbl. in 2QFY27, lower than US\$95.3/bbl. in 1QFY27.
- Average global coal price¹⁴ increased from US\$116.0/mt. in August 2026 to US\$122.7/mt. in September 2026, its highest level since November 2024 supported by stronger coal demand following a surge in natural gas prices amid Middle East tensions and LNG supply disruptions¹⁵. On a quarterly basis, global coal price averaged US\$117.6/mt. in 2QFY27, slightly higher than US\$115.5/mt. in 1QFY27.

Chart 15: Global crude and coal prices



Source (basic data): World Bank Pink Sheets, October 2026

¹² Simple average of three spot prices, namely, Dated Brent, West Texas Intermediate and Dubai Fateh

¹³ <https://www.iea.org/reports/oil-market-report-september-2026>

¹⁴ Simple average of Australian and South African coal prices.

¹⁵ <https://www.iea.org/reports/coal-mid-year-update-2026>

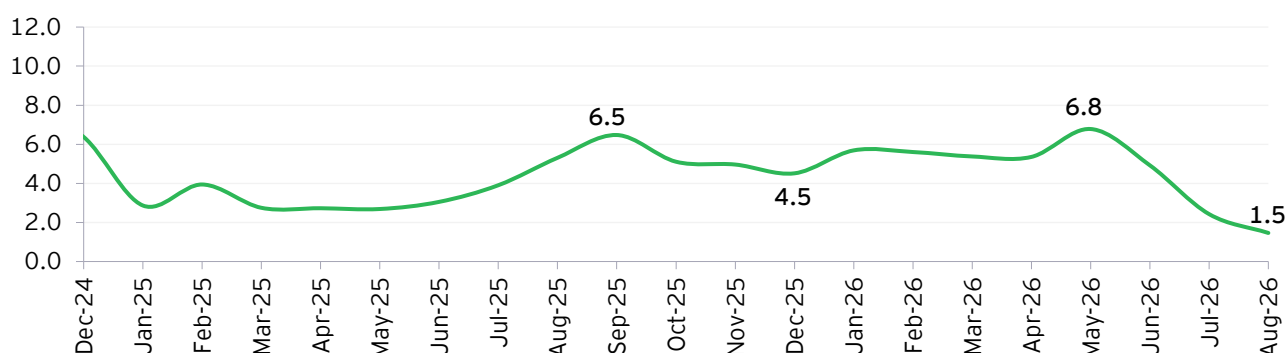


Monthly Index of Aggregate Demand (IAD): Growth in IAD remained low at 1.5% in August 2026

9.1 Growth in IAD moderated in August 2026

- Growth in IAD¹⁶ eased to a 54-month low of 1.5% in August 2026 from 2.4% in July 2026, pointing to sustained weakness in demand conditions, particularly in the manufacturing and services sectors (Chart 16 and Table 10).
- Demand conditions in the manufacturing sector remained subdued in August 2026, as reflected in the manufacturing PMI, which moderated to 52.8 from 53.5 in July 2026.
- The services sector witnessed a marginal improvement in demand conditions, with the services PMI rising to 54.1 in August 2026 from 53.3 in July 2026. However, the index value remained significantly below its level a year earlier.
- In the agricultural sector, however, demand conditions continued to remain resilient, as reflected in a robust agricultural credit growth of 17.3% (sa) in August 2026, compared with 17.0% in July 2026.

Chart 16: Growth in IAD (% y-o-y)



Source (Basic data): S&P - IHS Markit PMI, RBI and EY estimates

Table 10: IAD

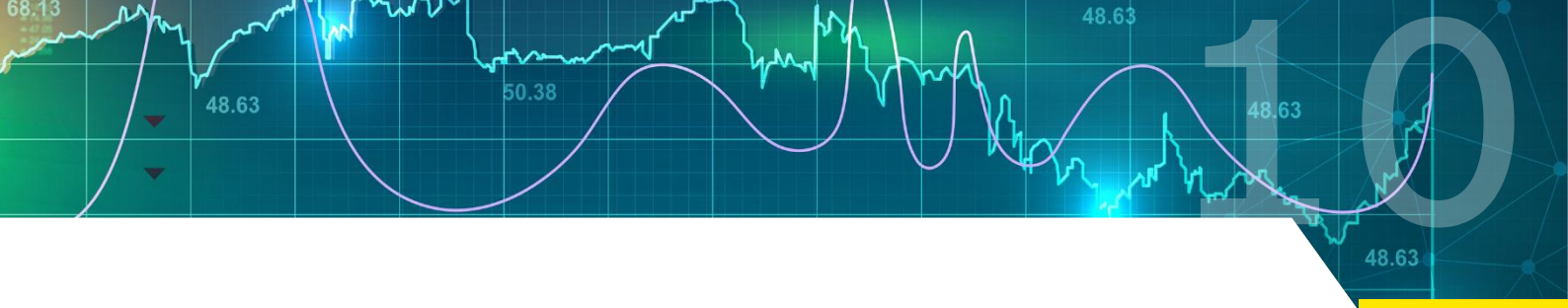
Month	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
IAD	188.8	189.9	191.8	192.6	193.2	195.7	194.8	191.8	193.5
Growth (% y-o-y)	4.5	5.7	5.6	5.4	5.4	6.8	4.9	2.4	1.5
Growth in agr. credit	12.1	11.3	12.2	15.5	13.7	15.0	16.8	17.0	17.3
Mfg. PMI*	5.0	5.4	6.9	3.9	4.7	5.0	4.2	3.5	2.8
Ser. PMI*	8.0	8.5	8.1	7.5	8.8	9.8	7.4	3.3	4.1

Source (Basic data): S&P - IHS Markit PMI, RBI and EY estimates

*Values above (+) or below (-) benchmark value of 50

¹⁶ EY has developed an Index of Aggregate Demand (IAD) to reflect the monthly combined demand conditions in the agriculture, manufacturing, and services sectors. It considers the movements in PMI for manufacturing and services, both measured in seasonally adjusted (sa) terms, tracing the demand conditions in these sectors. Movements in the monthly agricultural credit off-take (sa) capture the demand conditions in the agricultural sector.





Capturing macro-fiscal trends: Data appendix

Table A1: Industrial growth indicators (annual, quarterly and monthly growth rates, y-o-y)

Fiscal year/ quarter/ month	IIP	Mining	Manufacturing	Electricity	Water supply	Core IIP	Fiscal year/ quarter/ month	PMI mfg.	PMI ser.
	% change y-o-y (2022-23 series)					2011-12 series		Index	
FY23	NA	NA	NA	NA	NA	NA	FY23	55.6	57.3
FY24	6.7	2.2	7.1	6.2	17.8	NA	FY24	57.2	60.3
FY25	6.4	2.8	6.3	9.5	11.9	4.3	FY25	57.4	59.2
FY26	4.3	3.7	4.9	1.1	6.4	3.0	FY26	57.3	59.4
2QFY26	5.4	14.0	4.7	3.7	6.9	4.2	3QFY26	56.9	58.9
3QFY26	4.3	2.2	5.2	-0.9	4.9	3.3	4QFY26	55.4	58.0
4QFY26	3.8	-1.8	4.7	2.7	5.7	3.7	1QFY27	54.6	58.7
1QFY27	6.2	-1.2	6.9	9.4	6.0	3.9	2QFY27	53.8	54.2
May-26	5.0	-1.4	5.2	11.2	5.5	3.2	Jun-26	54.2	57.4
Jun-26	8.8	1.6	9.5	11.4	6.1	6.0	Jul-26	53.5	53.3
Jul-26	7.4	-0.9	8.2	8.4	7.4	5.0	Aug-26	52.8	54.1
Aug-26	8.0	-5.6	9.0	11.6	6.3	4.8	Sep-26	55.1	55.2

Source: MoSPI, Office of the Economic Adviser, Ministry of Commerce and Industry and S&P Global

Table A2: Inflation indicators (annual, quarterly and monthly growth rates, y-o-y)

Fiscal year/ quarter/ month	CPI	Food and beverages	Housing and utilities [#]	Transport	WPI	Food Index	Mfg. products	Fuel and power	Core WPI
	% change y-o-y (2024 base series)				% change y-o-y (2022-23 series)				
FY23	6.6	NA	NA	NA	NA	NA	NA	NA	NA
FY24	5.4	NA	NA	NA	NA	NA	NA	NA	NA
FY25	4.6	NA	NA	NA	1.7	6.7	0.9	-2.1	0.2
FY26	2.0	NA	NA	NA	0.4	-1.3	2.2	-2.9	2.0
3QFY26	0.6	NA	NA	NA	-0.5	-3.8	1.7	-3.1	1.8
4QFY26	3.1	3.1	1.6	0.0	2.4	0.9	3.7	-1.3	4.0
1QFY27	3.9	4.5	1.8	2.0	9.4	4.7	7.4	27.6	7.6
2QFY27	4.9	6.1	2.5	4.7	10.4	7.4	8.8	22.9	8.7
Jun-26	4.4	5.1	2.0	4.3	10.0	6.2	7.8	27.2	7.8
Jul-26	4.5	5.2	2.2	4.4	9.8	6.6	8.3	19.8	8.2
Aug-26	4.8	5.7	2.6	4.6	9.9	7.0	8.4	22.9	8.1
Sep-26	5.5	7.4	2.7	5.0	11.4	8.7	9.8	25.9	9.8

Source: Office of the Economic Adviser, Ministry of Commerce and Industry and MoSPI

Note: CPI inflation is calculated on the basis of the 2024 base series that was released by the MoSPI in February 2026. Data for the CPI categories under the 2024 base series is not available for other months of the previous years and hence corresponding inflation estimates are unavailable.

[#]Housing and utilities include Housing, water, electricity, gas and other fuels; *sourced from RBI monthly Bulletin



Table A3: Fiscal indicators (annual growth rates, cumulated monthly growth rates, y-o-y, unless otherwise specified)

Fiscal year/month	Gross tax revenue	Corporate tax	Income tax	Direct taxes*	Indirect taxes**	Fiscal deficit % of GDP	Revenue deficit % of GDP
FY23	12.7	16.0	19.7	17.8	7.2	6.5	4.0
FY24	13.5	10.3	25.4	17.9	8.5	5.5	2.5
FY25	9.5	8.3	18.2	13.6	4.3	4.8	1.7
FY26 (RE over FY25 act.)	7.4	12.4	6.2	9.0	5.2	4.4	1.5
FY27 (BE over FY25RE)	8.0	11.0	11.7	11.4	3.0	4.3	1.5
Cumulated growth (% , y-o-y)						% of budgeted target	
Jan-26	8.6	14.7	4.9	9.3	8.2	63.0#	37.3#
Feb-26	6.7	12.4	0.9	5.9	8.0	80.4#	73.8#
Mar-26	6.0	11.4	0.0	5.2	7.2	97.5#	101.3#
Apr-26	-1.9	17.4	6.8	8.6	-12.5	21.4	30.8
May-26	1.8	26.1	6.8	10.5	-7.5	9.6	-11.6
Jun-26	3.7	19.7	6.8	11.7	-7.6	18.2	0.4
Jul-26	11.4	20.8	24.3	23.1	-2.8	26.8	7.4
Aug-26	6.5	15.4	12.3	13.4	-2.7	41.9	46.5

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents; # indicates that the values as percent of revised estimates; annual data is sourced from Union Budget documents.

* Includes corporation tax and income tax

** Includes customs duty, excise duty, service tax, CGST, UTGST, IGST and GST compensation cess

Fiscal year/month	CGST	UTGST	IGST	GST compensation cess	Total GST
	INR crore				
FY26 (RE)	9,58,480	5,019	0	88,000	10,51,499
FY27 (BE)	10,19,020	5,485	0	0	10,24,505
Jan-26	87,680	1,134	-8,750	5,696	85,760
Feb-26	82,192	578	-11,377	4,870	76,263
Mar-26	87,067	741	1,950	-25	89,733
Apr-26	1,07,747	438	-6,841	-187	1,01,157
May-26	82,589	195	3,527	373	86,684
Jun-26	80,614	561	-3,539	7	77,643
Jul-26	90,561	612	387	18	91,578
Aug-26	89,210	616	-7,944	32	81,914

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents

Note: IGST revenues are subject to final settlement



Table A4: Monetary and financial indicators (annual, quarterly and monthly growth rates, y-o-y)

Fiscal year/ month	Repo rate (end of period)	Fiscal year/ quarter/ month	Bank credit	Agg. deposits	Net FDI	Net FPI	Fiscal year/ quarter/ month	M1	M3	10- year govt. bond yield	FX reserves
	%		% change y-o-y		US\$ billion			% change y-o-y		%	US\$ billion
Nov-25	5.50	FY23	15.1	9.5	28.0	-5.2	FY23	6.9	9.0	7.35	578.4
Dec-25	5.25	FY24	18.6	13.0	10.2	44.1	FY24	7.3	11.6	7.16	645.6
Jan-26	5.25	FY25	13.6	11.3	1.0	3.6	FY25	7.9	9.4	6.88	665.4
Feb-26	5.25	FY26	11.9	11.3	6.7	-17.9	FY26	22.4	15.3	6.54	688.1
Mar-26	5.25	2QFY26	10.2	10.0	2.1	-5.7	3QFY26	17.4	12.1	6.55	696.6
Apr-26	5.25	3QFY26	12.5	11.2	-5.1	-0.2	4QFY26	22.4	15.3	6.78	688.1
May-26	5.25	4QFY26	15.1	13.9	4.5	-13.6	1QFY27	13.8	13.0	6.99	666.9
Jun-26	5.25	1QFY27	17.4	12.9	3.1	-9.6	2QFY27	17.0	16.9	6.90	747.6
Jul-26	5.25	May-26	17.7	12.2	-1.4	-4.7	Jun-26	13.8	13.0	6.89	666.9
Aug-26	5.25	Jun-26	18.6	13.3	-0.9	2.3	Jul-26	15.5	14.7	6.78	692.9
Sep-26	5.25	Jul-26	19.3	15.4	7.3	4.1	Aug-26	15.5	17.4	6.84	740.8
Oct-26	5.50	Aug-26	19.1	18.6	3.3	1.7	Sep-26	17.0	16.9	7.06	747.6

Source: Database on Indian Economy - RBI

Table A5: External trade and US Dollar Index

External trade indicators (annual, quarterly and monthly growth rates)								
Fiscal year/ quarter/ month	Exports	Imports	Trade balance	Ex. rate (avg.)	Crude prices (avg.)	Coal prices (avg.)	Calendar year	DXY
	% change y-o-y		US\$ billion	INR/US\$	US\$/bbl.	US\$/mt.		Index
FY23	6.0	16.8	-264.9	80.4	92.7	283.4	2022	104.0
FY24	-2.3	-5.3	-241.1	82.8	81.1	126.4	2023	103.4
FY25	0.1	6.2	-283.5	84.6	77.1	118.2	2024	104.2
FY26	0.9	7.5	-333.2	88.4	67.8	102.1	2025	100.8
3QFY26	2.1	7.9	-91.3	89.1	62.1	100.3	4Q2025	99.0
4QFY26	-2.8	11.3	-82.5	91.4	75.8	107.1	1Q2026	98.4
1QFY27	15.8	19.9	-87.0	94.7	95.3	115.5	2Q2026	99.3
2QFY27	22.9	13.1	-89.0	95.6	88.8	117.6	3Q2026	100.2
Jun-26	15.5	31.0	-30.4	95.0	81.7	117.4	Jun-26	100.3
Jul-26	19.6	17.5	-32.0	95.8	79.8	114.1	Jul-26	100.9
Aug-26	26.1	14.1	-26.9	95.5	84.4	116.0	Aug-26	99.5
Sep-26	23.0	8.0	-30.2	95.5	102.3	122.7	Sep-26	99.5

Source: Ministry of Commerce and Industry, Refinitiv, Database on Indian Economy - RBI, Pink Sheet - World Bank



Table A6: Global growth

Calendar year	Growth (annual)			
	World GDP	Adv. econ.	Emer. Econ.	India [#]
	% change y-o-y			
2020	-2.7	-3.9	-1.8	-5.8
2021	6.7	6.1	7.0	9.7
2022	3.8	3.1	4.3	7.6
2023	3.3	1.7	4.4	7.3
2024	3.5	2.0	4.5	7.2
2025	3.5	2.0	4.5	7.8
2026*	3.1	2.1	3.7	7.0
2027*	3.4	1.8	4.4	7.0
2028*	3.3	1.7	4.3	6.9
2029*	3.2	1.6	4.1	6.9
2030*	3.1	1.5	4.0	6.8
2031*	3.1	1.5	4.0	6.8

Source: IMF WEO (October 2026); * indicates projections; [#]data is on fiscal year basis



Table A7: Macroeconomic aggregates (annual and quarterly real growth rates, % change y-o-y)

Fiscal year/quarter	Output: Major sectors									IPD inflation
	GVA	Agr.	Ming.	Mfg.	Elec.	Cons.	Trans.	Fin.	Publ.	GVA
FY24	10.8	7.6	6.3	10.8	23.9	7.8	13.8	11.3	12.1	-3.1
FY25 (FRE)	9.2	9.2	6.4	8.4	9.9	7.7	7.6	11.4	9.0	-1.9
FY26 (PE)	8.8	2.5	3.7	11.6	1.9	7.3	12.4	11.2	10.0	-0.9
1QFY25	7.5	2.6	15.7	9.9	9.8	8.1	8.1	8.5	6.9	2.3
2QFY25	7.0	4.0	6.7	7.5	-0.2	5.6	7.5	10.0	6.0	1.4
3QFY25	7.6	5.7	16.5	12.2	0.7	5.2	6.7	9.7	4.2	2.2
4QFY25	6.6	3.8	13.6	10.3	1.0	7.5	5.9	7.7	3.5	1.9
1QFY26	7.0	4.4	12.4	8.3	-1.8	5.2	9.8	8.8	4.6	1.1
2QFY26	8.3	3.2	21.6	10.0	3.8	7.8	10.6	9.9	5.7	0.8
3QFY26	7.6	1.9	3.3	9.0	1.9	7.0	11.7	10.9	6.6	0.4
4QFY26	8.7	3.9	-2.9	7.9	4.8	8.7	12.9	12.3	8.0	1.2
1QFY27	8.2	3.6	-2.4	9.2	8.9	7.7	8.5	12.1	7.5	3.0

Source: National Accounts Statistics, MoSPI

Note: Data is as per 2022-23 base series

*Growth numbers for FY24, FY25 (First Revised Estimates, FRE) and FY26(Provisional estimates, PE) of National Account Statistics released on 31 August 2026.

Fiscal year/quarter	Expenditure components						IPD inflation
	GDP	PFCE	GFCE	GFCF	EX	IM	GDP
FY24	7.3	6.2	0.8	9.0	1.1	-0.2	3.5
FY25 (FRE)	7.2	6.4	6.6	8.2	4.9	5.7	2.0
FY26 (PE)	7.8	7.2	5.9	8.0	6.4	4.6	0.7
1QFY25	7.5	6.0	6.6	9.7	6.0	8.4	2.7
2QFY25	7.3	6.4	5.0	8.9	1.0	5.1	1.6
3QFY25	7.4	6.9	9.6	6.9	8.2	5.1	2.2
4QFY25	6.6	6.4	5.5	7.6	4.3	4.4	1.8
1QFY26	6.9	6.8	4.5	5.8	6.0	5.3	1.1
2QFY26	8.1	6.4	4.4	7.2	9.7	5.0	0.3
3QFY26	7.7	8.0	7.0	8.3	6.2	7.0	1.0
4QFY26	8.6	7.5	7.7	10.5	3.9	0.8	0.6
1QFY27	7.8	7.1	4.3	11.9	12.0	-1.1	2.3

Source: National Accounts Statistics, MoSPI

Note: Data is as per 2022-23 base series

* Growth numbers for FY24, FY25 (First Revised Estimates, FRE) and FY26(Provisional estimates, PE) of National Account Statistics released on 31 August 2026.



Technical appendix: In Focus section

Table A1: India's bilateral merchandise trade deficit: key trading partners (US\$ billion and % of gross merchandise trade deficit with deficit countries)

Country	2010	2015	2019	2021	2022	2023	2024	2025	CAGR (2010-25) (%)
US\$ Billion									
China	-23.8	-51.9	-51.1	-64.4	-87.2	-85.1	-94.2	-106.8	10.5
Russia	-2.2	-2.9	-3.4	-5.4	-37.1	-57.5	-60.8	-54.7	23.9
UAE	-1.5	9.9	-0.4	-17.6	-22.5	-11.8	-23.2	-28.6	21.9
Iraq	-6.6	-10.2	-20.0	-24.5	-36.7	-26.0	-27.1	-23.4	8.8
Saudi Arabia	-15.9	-14.3	-21.0	-19.4	-36.1	-23.1	-18.5	-19.7	1.4
Switzerland	-21.7	-20.1	-16.5	-28.2	-15.0	-18.2	-23.5	-17.1	NA
Hong Kong	1.7	6.3	-5.3	-6.9	-9.7	-9.6	-13.0	-16.8	NA
Indonesia	-5.1	-10.9	-11.0	-8.6	-18.7	-15.4	-18.3	-15.8	7.7
South Korea	-6.3	-9.4	-11.5	-10.0	-13.1	-15.1	-15.0	-15.1	6.0
Japan	-3.5	-4.9	-7.9	-8.3	-10.0	-12.6	-13.1	-14.8	10.1
Others	-214.9	-103.0	-85.4	-89.7	-117.5	-86.3	-96.4	-121.9	-3.7
Total deficit	-299.7	-211.6	-233.5	-283.1	-403.5	-360.6	-403.0	-434.6	2.5
% share									
China	7.9	24.5	21.9	22.8	21.6	23.6	23.4	24.6	10.5
Russia	0.7	1.4	1.4	1.9	9.2	15.9	15.1	12.6	23.9
UAE	0.5	-4.7	0.2	6.2	5.6	3.3	5.8	6.6	21.9
Iraq	2.2	4.8	8.6	8.6	9.1	7.2	6.7	5.4	8.8
Saudi Arabia	5.3	6.8	9.0	6.9	8.9	6.4	4.6	4.5	1.4
Switzerland	7.2	9.5	7.1	10.0	3.7	5.1	5.8	3.9	NA
Hong Kong	-0.6	-3.0	2.3	2.4	2.4	2.7	3.2	3.9	NA
Indonesia	1.7	5.2	4.7	3.1	4.6	4.3	4.5	3.6	7.7
South Korea	2.1	4.5	4.9	3.5	3.3	4.2	3.7	3.5	6.0
Japan	1.2	2.3	3.4	2.9	2.5	3.5	3.2	3.4	10.1
Others	71.7	48.7	36.6	31.7	29.1	23.9	23.9	28.0	-3.7
Total deficit	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	2.5

Source: IMF

Note: (-) implies deficit and (+) surplus; countries are arranged in descending order of magnitude in 2024



Table A2: India's bilateral merchandise trade surplus: key trading partners (US\$ billion and % of gross merchandise trade surplus with surplus countries)

Country	2010	2015	2019	2021	2022	2023	2024	2025	CAGR (2010-25) (%)
US\$ Billion									
US	4.5	19.7	19.3	30.1	28.6	33.0	36.2	42.1	16.1
Netherlands	4.5	3.0	5.2	5.9	12.6	18.1	20.0	13.3	7.4
Bangladesh	2.7	5.1	6.9	12.3	12.0	9.3	9.5	9.4	8.8
Nepal	1.4	2.8	6.5	7.9	7.7	6.4	6.2	5.5	9.5
UK	1.2	3.5	1.9	3.6	1.6	4.7	5.8	4.3	8.6
Spain	0.9	1.2	2.6	2.4	2.0	1.9	2.8	4.3	11.2
Kenya	1.9	2.9	1.8	2.3	2.8	3.1	2.8	3.4	4.0
Sri Lanka	2.8	4.7	3.2	3.8	5.3	2.4	3.5	3.3	1.2
Mexico	-0.2	0.0	-1.1	0.0	0.6	2.2	2.7	3.2	NA
Turkey	1.5	3.4	3.0	5.3	6.3	3.8	2.2	2.3	2.7
Others	23.1	39.2	29.2	34.0	45.3	41.0	35.8	33.4	2.5
Total surplus	44.3	85.6	78.5	107.6	124.9	126.0	127.6	124.5	7.1
% share									
US	10.1	23.0	24.5	27.9	22.9	26.2	28.4	33.8	16.1
Netherlands	10.3	3.5	6.6	5.5	10.1	14.3	15.7	10.7	7.4
Bangladesh	6.0	5.9	8.8	11.4	9.6	7.4	7.5	7.6	8.8
Nepal	3.2	3.3	8.2	7.3	6.1	5.1	4.9	4.4	9.5
UK	2.8	4.1	2.5	3.4	1.3	3.7	4.5	3.5	8.6
Spain	2.0	1.4	3.3	2.2	1.6	1.5	2.2	3.5	11.2
Kenya	4.3	3.4	2.3	2.2	2.3	2.5	2.2	2.7	4.0
Sri Lanka	6.3	5.5	4.1	3.5	4.3	1.9	2.7	2.7	1.2
Mexico	-0.5	0.0	-1.5	0.0	0.5	1.8	2.1	2.5	NA
Turkey	3.5	4.0	3.9	4.9	5.1	3.0	1.7	1.8	2.7
Others	52.1	45.8	37.2	31.6	36.3	32.5	28.1	26.8	2.5
Total surplus	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	7.1

Source: IMF

Note: (-) implies deficit and (+) surplus; countries are arranged in descending order of magnitude in 2024



List of abbreviations

Sr. no.	Abbreviations	Description
1	AD	Aggregate demand
2	AEs	Advanced economies
3	Agr.	Agriculture, forests and fishing
4	AY	Assessment year
5	Bcm	Billion cubic meters
6	bbl.	Barrel
7	BE	Budget estimate
8	CAB	Current account balance
9	CGA	Comptroller General of Accounts
10	CGST	Central Goods and Services Tax
11	CIT	Corporate income tax
12	Cons.	Construction
13	CPI	Consumer Price Index
14	COVID-19	Coronavirus disease 2019
15	CPSE	Central public-sector enterprise
16	CRAR	Credit to Risk- weighted Assets Ratio
17	Disc.	Discrepancies
18	ECBs	External Commercial borrowings
19	Elec.	Electricity, gas, water supply and other utility services
20	EMDEs	Emerging Market and Developing Economies
21	EXP	Exports
22	FAE	First advance estimates
23	FC	Finance Commission
24	FII	Foreign investment inflows
25	Fin.	Financial, real estate and professional services
26	FPI	Foreign portfolio investment
27	FRBMA	Fiscal Responsibility and Budget Management Act
28	FRL	Fiscal Responsibility Legislation
29	FY	Fiscal year (April–March)



Sr. no.	Abbreviations	Description
30	GDP	Gross Domestic Product
31	GFCE	Government final consumption expenditure
32	GFCF	Gross fixed capital formation
33	GoI	Government of India
34	G-secs	Government securities
35	GST	Goods and Services Tax
36	GVA	Gross value added
37	IAD	Index of Aggregate Demand
38	IBE	Interim budget estimates
39	ICRIER	Indian Council for Research on International Economic Relations
40	IEA	International Energy Agency
41	IGST	Integrated Goods and Services Tax
42	IIP	Index of Industrial Production
43	IMF	International Monetary Fund
44	IMI	Index of Macro Imbalance
45	IMP	Imports
46	INR	Indian Rupee
47	IPD	Implicit price deflator
48	MCLR	Marginal cost of funds-based lending rate
49	Mfg.	Manufacturing
50	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
51	Ming.	Mining and quarrying
52	m-o-m	Month-on-month
53	Mt	Metric ton
54	MoSPI	Ministry of Statistics and Programme Implementation
55	MPC	Monetary Policy Committee
56	MPF	Monetary Policy Framework
57	n.i.e	Not indicated elsewhere
58	NDB	New Development Bank
59	NEXP	Net exports (exports minus imports of goods and services)
60	NSO	National Statistical Office
61	NSSO	National Sample Survey Organisation
62	NPA	Non-performing assets
63	OECD	Organization for Economic Co-operation and Development
64	OPEC	Organization of the Petroleum Exporting Countries
65	PFCE	Private final consumption expenditure
66	PIT	Personal income tax
67	PMI	Purchasing Managers' Index (reference value = 50)



Sr. no.	Abbreviations	Description
68	PoL	Petroleum oil and lubricants
69	PPP	Purchasing power parity
70	PSBR	Public sector borrowing requirement
71	PSU/PSE	Public sector undertaking/public sector enterprises
72	RE	Revised estimates
73	REE	Rare earth elements
74	RBI	Reserve Bank of India
75	sa	Seasonally adjusted
76	SLR	Statutory Liquidity Ratio
77	Trans.	Trade, hotels, transport, communication and services related to broadcasting
78	US\$	US Dollar
79	UNCTAD	United Nations
80	UTGST	Union Territory Goods and Services Tax
81	WALR	weighted average lending rate
82	WHO	World Health Organization
83	WPI	Wholesale Price Index
84	y-o-y	Year-on-year
85	1HFY20	First half of fiscal year 2019-20, i.e., April 2019-September 2019



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