

18 SEPTEMBER 2026

ASSOCHAM India Monitor

· (AIM Weekly) ·

----- Vol. 6/Issue 3 -----

A comprehensive weekly tracker of India's
macroeconomic indicators ↗



GDP GROWTH



INFLATION



INDUSTRIAL OUTPUT



Top Economic Developments



State Developments



Top Statistics



Weekly Market Mood



ASSOCHAM Analysis

India's Russian Crude Imports Set to Fall in September; Iraq Emerges as Key Alternative

India's imports of Russian crude oil are expected to decline in September amid tighter global supply conditions, with Iraq emerging as a key alternative source, reported this week. This diversification is a significant development for India's energy-security strategy, coming right after crude prices spiked past \$100/barrel and amid ongoing questions about the durability of India's discounted Russian oil arrangement.

India-New Zealand Trade Pact Likely to Come Into Force from Late October

The India-New Zealand Free Trade Agreement is likely to come into force in the latter half of October, Commerce Secretary Rajesh Agrawal indicated this week, with official dates still being finalised. This adds to India's expanding web of bilateral trade agreements following the UK CETA earlier this year.

India and China Begin Discussions on Trade Concerns and Structural Imbalances

India and China have started discussions to address bilateral trade concerns, including structural trade imbalances and supply-chain issues, with further meetings expected going forward, reported September 15. This is a notable diplomatic-economic development given the scale of India's trade deficit with China and ongoing concerns over import dependency in key sectors.

PM Modi Inaugurates SEMICON India 2026

Prime Minister Narendra Modi inaugurated SEMICON India 2026 on September 17 at Yashobhoomi, New Delhi, bringing together over 500 exhibitors and 240+ international companies from more than 40 countries to showcase India's growing semiconductor ecosystem — a flagship event for India's Semicon 1.0/2.0 policy push and a significant platform for state and central government semiconductor investment announcement.

India's Data Centre Capacity Pipeline to Add 3,860 MW by 2030

India's data centre capacity is projected to grow by 3,860 MW by 2030, requiring an estimated \$29.9 billion in development capital, according to an IBEF report released this week, with Mumbai leading the pipeline and Hyderabad, Chennai and Delhi-NCR emerging as key growth markets.

Cabinet Decisions

Cabinet approves enhancement of EPFO wage ceiling from Rs.15,000 to Rs.25,000 per month

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has approved the proposal of the Ministry of Labour & Employment to enhance the wage ceiling for mandatory coverage under the Employees' Provident Fund Organisation (EPFO) from Rs.15,000 to Rs.25,000 per month. The decision is expected to bring more than 51 lakh additional employees within the ambit of mandatory EPFO coverage, significantly widening social security protection for workers.

UP Draws ₹43,000 Crore Investment in Electronics and Semiconductor Sector

Uttar Pradesh's Invest UP portal reported the state has drawn ₹43,000 crore in investment across the electronics and semiconductor sector, alongside continued momentum on its ₹62,500 crore mobile-phone manufacturing scheme, reinforcing UP's position as a growing electronics-manufacturing destination.

Odisha Approves ₹3,406 Crore SiCSem Semiconductor Manufacturing Facility

Odisha approved a ₹3,406.25 crore silicon carbide semiconductor facility by SiCSem Private Limited, to be established at the ESDM Park in Info Valley-II near Bhubaneswar, spanning 21.89 acres and expected to generate around 1,270 jobs. The integrated project will cover semiconductor fabrication, assembly, testing, marking and packaging, with a proposed annual capacity of 4.8 million SiC diodes and 91.2 million SiC MOSFETs, and is expected to generate exports worth ₹7,043 crore over five years.

Mazagon Dock Joins Maharashtra's Greenfield Shipbuilding Cluster at Dighi

Mazagon Dock Shipbuilders Limited signed an MoU with NSHIPML to participate as Anchor Shipyard in a proposed Greenfield Shipbuilding Industrial Cluster at Dighi, Maharashtra, targeting an annual shipbuilding capacity of at least 1.2 million Gross Tonnage. The initiative, estimated at around ₹15,000 crore, aims to build an integrated maritime ecosystem involving MSMEs, ancillary industries and technology partners.

Lam Research Commits ₹10,000 Crore to Karnataka for Silicon Component Manufacturing and R&D

US semiconductor equipment maker Lam Research announced on September 16 plans to invest approximately ₹10,000 crore (about \$1.2 billion) in India over the next several years, establishing its first silicon component manufacturing facility in the country and expanding its advanced R&D operations at its India Centre for Engineering in Bengaluru, Karnataka. The facility will cover silicon ingot production and processing for advanced chip nodes.

Fujifilm to Invest ₹800 Crore in Gujarat Semiconductor Materials Facility

Fujifilm announced a roughly ₹800 crore greenfield semiconductor materials facility in Gujarat, planned in two phases beginning October 2026, building on a June 2026 MoU with the Gujarat State Electronics Mission. The investment advances the localisation of specialised chip-polishing materials, adding another link to Gujarat's expanding semiconductor supply chain alongside its existing Dholera fab and Sanand cluster.

Uttar Pradesh Nets ₹7,600 Crore in Fresh FDI Proposals

Uttar Pradesh secured fresh FDI proposals of around ₹7,600 crore from Indian subsidiaries of US, Polish and Belgian industrial groups, spanning five greenfield projects in packaging, food processing and plastics across Meerut, Unnao, Bijnor and Kanpur Dehat. Canpack India (Poland) will invest ₹1,574 crore in an aluminium beverage-can plant in Unnao, Agristo Masa (Belgium) ₹794 crore in a French fries plant in Bijnor, and Supreme Industries ₹238 crore in value-added plastics in Kanpur Dehat.

India's Merchandise Exports Surge 26.12% in August; Trade Deficit Narrows Sharply

India's merchandise exports jumped 26.12% year-on-year to \$43.81 billion in August 2026, released by the Commerce Ministry on September 15, while the overall trade deficit narrowed to \$26.86 billion. This is a striking reversal from the deficit-widening trend seen in July, and a strong signal that India's export competitiveness — likely bolstered by the India-UK CETA and continued electronics/engineering-goods momentum — is holding up even as crude oil import costs remain elevated.

Retail Inflation Rises to 4.82% in August, Food Inflation at 5.95%

India's CPI inflation climbed to 4.82% in August 2026, with food inflation running even higher at 5.95%, according to data reported this week. This continues the inflationary trend flagged in recent weeks — breaching the RBI's comfort zone for a consecutive month — and sets up September's widely anticipated print (already projected to hit a 20-month high of 4.8%) as a critical data point for the RBI's next policy review.

India's Crude Oil Import Basket Touches \$126.88 Per Barrel on September 16

India's crude oil basket price touched \$126.88 per barrel on September 16, according to commerce ministry data cited in the week's reporting, marking one of the sharpest levels this year and intensifying pressure on India's oil import bill amid disrupted Gulf supplies and a US tariff threat on Russian energy buyers.

NSE's IPO Receives 43% Subscription on Day One

The National Stock Exchange's IPO received 43% subscription on its first day, with bids received for 5.93 million shares against 6.30 million shares on offer, high-net-worth individuals accounting for 5.78 million of those shares — a closely watched statistic given the scale and significance of the exchange's long-awaited public listing.

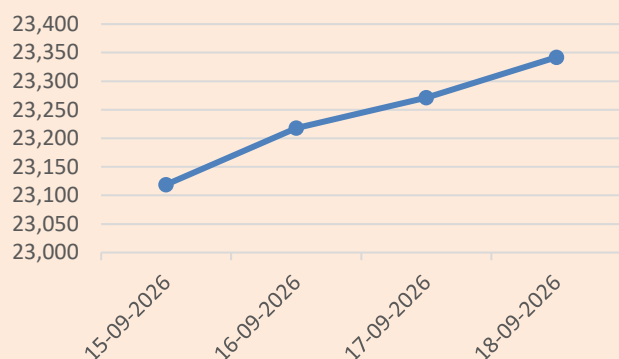
Marine Product Exports Rise 14% to \$3.65 Billion in April-August FY27

India's marine product shipments, the second-biggest agri-export item after rice, rose more than 14.3% year-on-year during April-August FY27, with August shipments alone — including frozen shrimp varieties and frozen fish — up 27% year-on-year to \$0.76 billion, according to DGCIS data.

India's Russian Crude Imports Worth \$28.32 Billion in FY27 Through July, 45% of Total Crude Bill

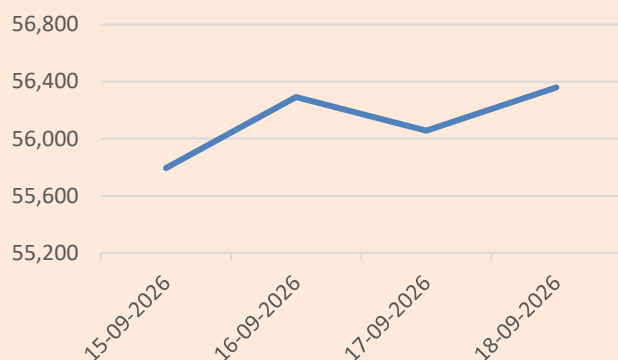
India imported Russian crude worth \$28.32 billion in FY27 through July, accounting for nearly 45% of its total crude import bill of \$63.32 billion, according to commerce ministry data — down from the 30% share Russian oil held of India's \$134.71 billion crude imports in FY26 (\$40.823 billion), underscoring both the continued scale and the growing vulnerability of India's discounted-Russian-oil arrangement.

NIFTY 50



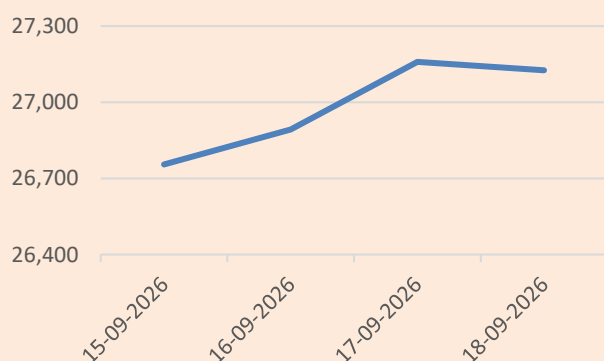
The Nifty 50 staged a steady recovery through the week, with each session posting a consecutive advance. This marks a welcome reversal after the sharp crude-driven sell-off seen in the prior week, likely helped by crude oil easing back from its September 15 peak of \$105.83 to around \$102 by week's end, along with the record forex-reserve build-up (\$785.7 billion) providing a reassuring macro backdrop even as inflation (WPI at 9.92%, CPI at 4.82%) stayed elevated.

NIFTY BANK



Bank stocks also recovered, climbing from 55,795 (Sep 15) to 56,359 (Sep 18) — up ~1.0% — though the path was choppy than the broader index, with a dip to 56,056 on September 17 before the final rebound. This resilience aligns with the sector's continued strong credit-growth fundamentals, even as banking stocks remain sensitive to the RBI's rate-hike deliberations flagged this week following the Fed's own hike and persistent above-target inflation

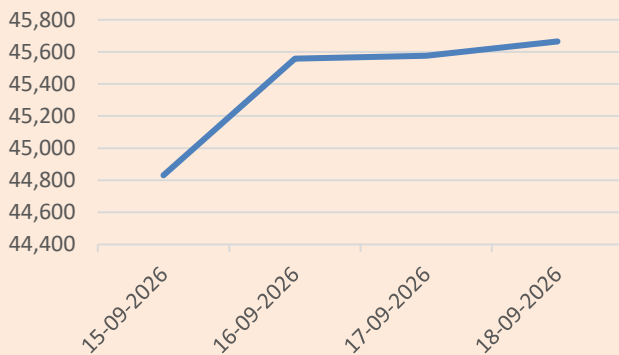
NIFTY AUTO



Auto stocks posted the strongest percentage gain among the indices, rising from 26,755 (Sep 15) to 27,126 (Sep 18) — up ~1.4% — despite a dip to 26,893 on September 16. This rebound, after a sharp fall the previous week, likely reflects some relief as crude oil eased off its mid-week high of \$105.83, easing input and fuel-cost concerns just as festive-season demand expectations remain in focus.

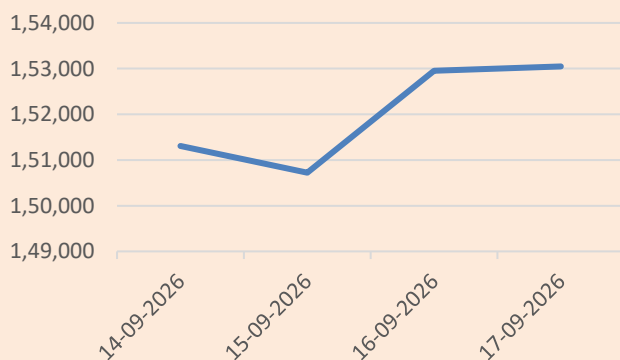
Date	USD (INR / 1 USD)	GBP (INR / 1 GBP)	EUR (INR / 1 EUR)	JPY (INR / 100 JPY)
18/09/2026	95.7910	128.0882	109.9885	60.9900
17/09/2026	95.8855	128.4083	110.0452	61.6200
16/09/2026	95.9433	129.3204	110.7908	61.8600
15/09/2026	95.9253	129.1900	110.5920	61.9400

NIFTY FMCG



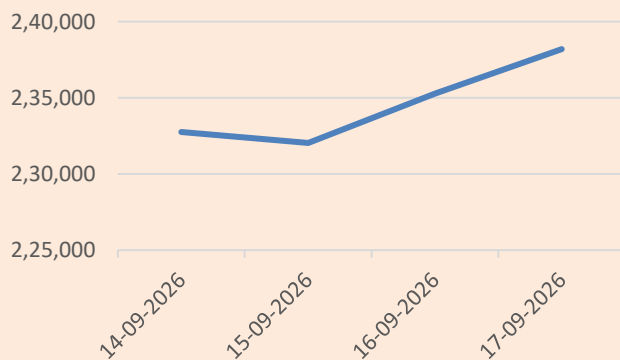
FMCG staged a modest recovery, rising from 44,831 (Sep 15) to 45,665 (Sep 18) — up ~1.9%, its best weekly performance in several weeks after a prolonged multi-week decline. This rebound likely reflects some easing of the acute crude-driven cost-pressure narrative, though with WPI food inflation still climbing (7.05% in August) and CPI food inflation at 5.95%, the sector's underlying margin pressures remain far from resolved.

Gold (INR/10 GM)



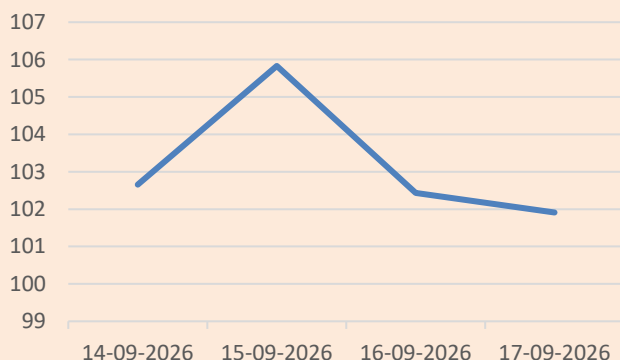
Gold recovered steadily after its sharp dip, rising from ₹1,50,723 (Sep 15) to ₹1,53,048 (Sep 17) — a gain of ~1.5% — continuing a rebound from the prior week's five-week low. This renewed strength likely reflects safe-haven demand persisting alongside still-elevated crude oil prices and growing anticipation of a possible RBI rate move, even as the pace of gains moderated compared to earlier in the month.

Silver (INR/KG)



Silver rallied even more sharply than gold, climbing from ₹2,32,036 (Sep 15) to ₹2,38,195 (Sep 17) — a gain of ~2.7% — extending its post-dip recovery. The stronger percentage move, consistent with silver's dual precious-and-industrial character, likely reflects both continued safe-haven flows and firming industrial-demand expectations tied to the week's semiconductor and manufacturing investment announcements (SEMICON India 2026).

Crude (\$/BL) Price



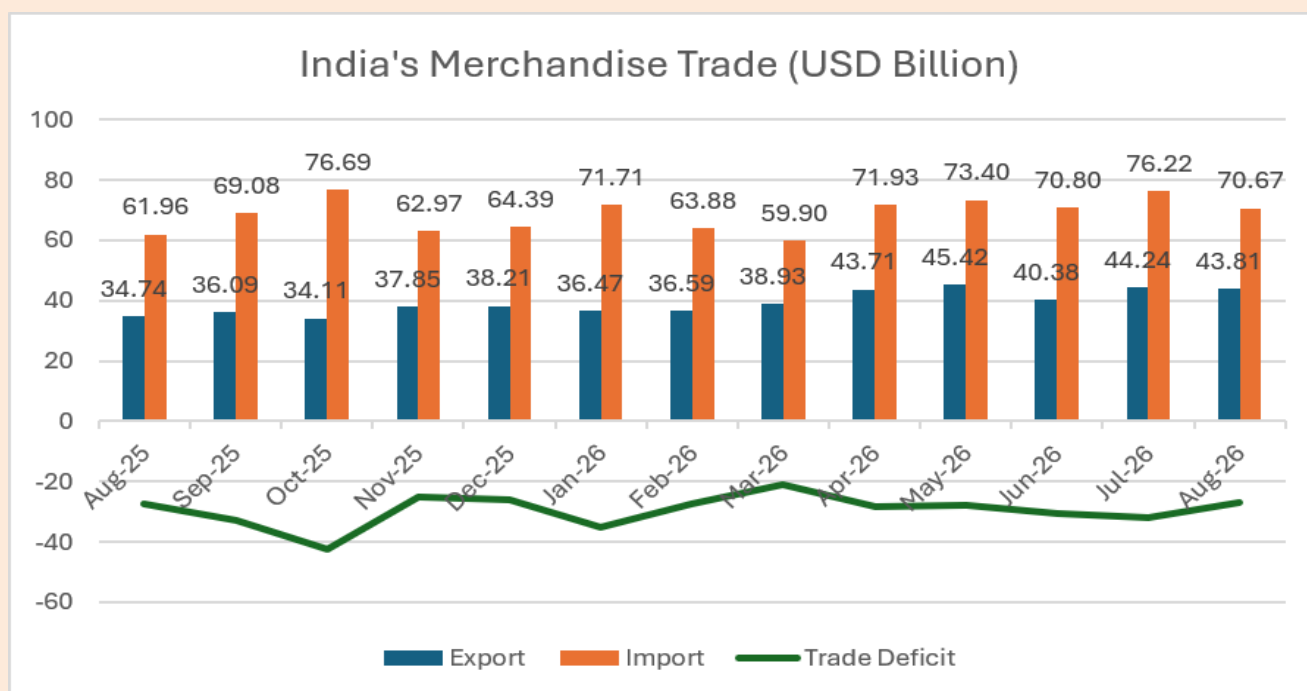
Crude oil eased from its September 15 peak of \$105.83 to \$101.91 by September 17 — a pullback of ~3.7%, though prices remained well above \$100 throughout the week. This partial cooling, after the acute spike driven by West Asia tensions and the US tariff threat on Russian oil buyers, offers some relief, but crude sustaining above the \$100 mark for a full week is itself a significant statistic — keeping pressure on India's import bill, WPI fuel inflation (22.93% in August), and the RBI's October policy calculus.

Analysis of India's Trade: August 2026

India's total exports (Merchandise and Services) for August 2026* is estimated at US\$ 82.68 Billion, registering a positive growth of 25.41 percent (YoY).

Merchandise exports during August 2026 recorded US\$ 43.81 Billion as compared to US\$ 34.74 Billion in August 2025. While merchandise imports during August 2026 stood at US\$ 70.67 Billion as compared to US\$ 61.96 Billion in August 2025.

- India's merchandise trade deficit narrowed to \$26.86 billion in August 2026, down from \$27.20 billion in the same month last year and nearly \$32 billion in July, as exports grew faster than imports for the first time.
- The rise in exports was led by engineering goods, petroleum products, chemicals and textiles.
- Demand from key markets, including the US, European Union and BRICS economies, supported the growth.
- Exports to countries including China, Singapore, Germany, South Africa, Malaysia, Tanzania, Hong Kong, Australia, Spain and Sri Lanka have picked up, indicating greater diversification in India's export basket.
- Domestic economic expansion and demand for energy and critical inputs continued to drive imports.
- Imports from China remained elevated, reaching \$65.49 billion during April-August 2026, compared with \$51.56 billion in the same period last year.



Non-petroleum and non-gems & jewellery exports in August 2026 declined as compared to the corresponding period last year whereas Non-petroleum, non-gems & jewellery imports in August 2026 were US\$ 49.22 Billion compared to US\$ 41.39 Billion in Aug 2025.

Major drivers of merchandise exports growth in August 2026 include Electronic Goods, Petroleum Products, Engineering Goods, Organic & Inorganic Chemicals, Cotton Yarn/Fabs/made-ups and Handloom Products etc.

- Electronic Goods exports increased by 89.82% from US\$ 2.93 Billion in August 2025 to US\$ 5.55 Billion in August 2026
- Engineering Goods exports increased by 24.86% from US\$ 9.87 Billion in August 2025 to US\$ 12.32 Billion in August 2026
- Organic & Inorganic Chemicals exports increased by 16.38% from US\$ 2.41 Billion in August 2025 to US\$ 2.80 Billion in August 2026

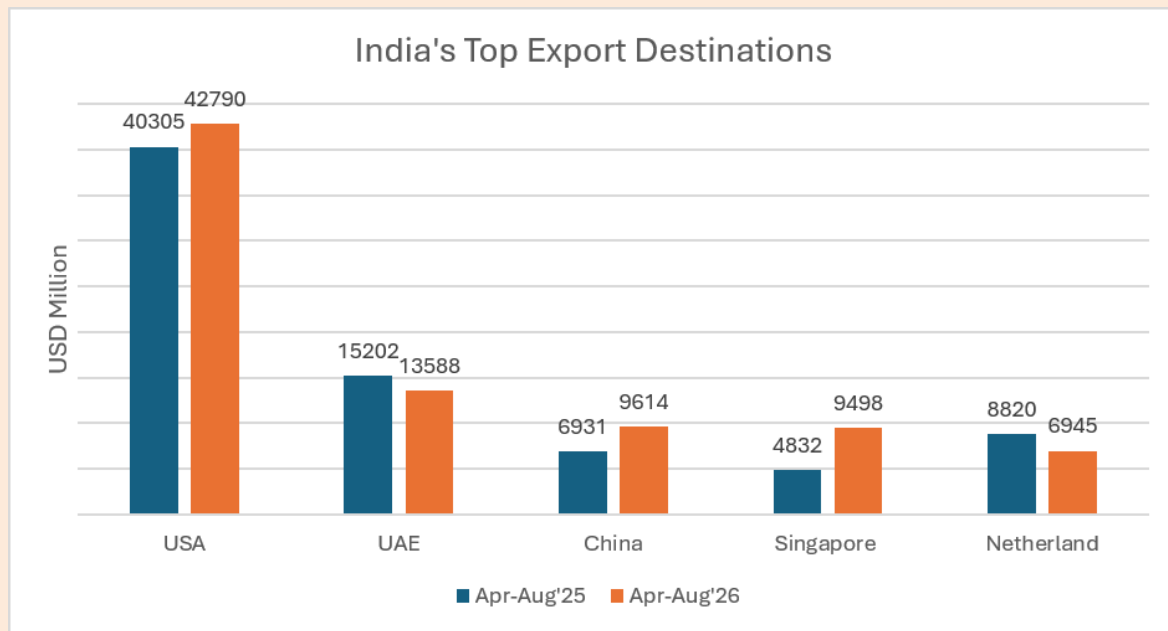
The cumulative value of merchandise exports during April-August 2026-27 was US\$ 215.91 Billion, as compared to US\$ 183.21 Billion during April-August 2025-26, registering a positive growth of 17.85%. Total imports during April-August 2026-27* is estimated at US\$ 459.65 Billion registering a growth of 18.01 percent.

USD Billion	April-August 2026-27	April-August 2025-26
Merchandise	Exports	215.91
	Imports	363.00
Services*	Exports	183.36
	Imports	96.65
Total Trade (Merchandise +Services) *	Exports	399.27
	Imports	459.65
	Trade Balance	-60.38

The estimated value of services export for August 2026* is US\$ 38.87 Billion as compared to US\$ 31.19 Billion in August 2025. while services imports for August 2026* is US\$ 21.42 Billion as compared to US\$ 15.59 Billion in August 2025.

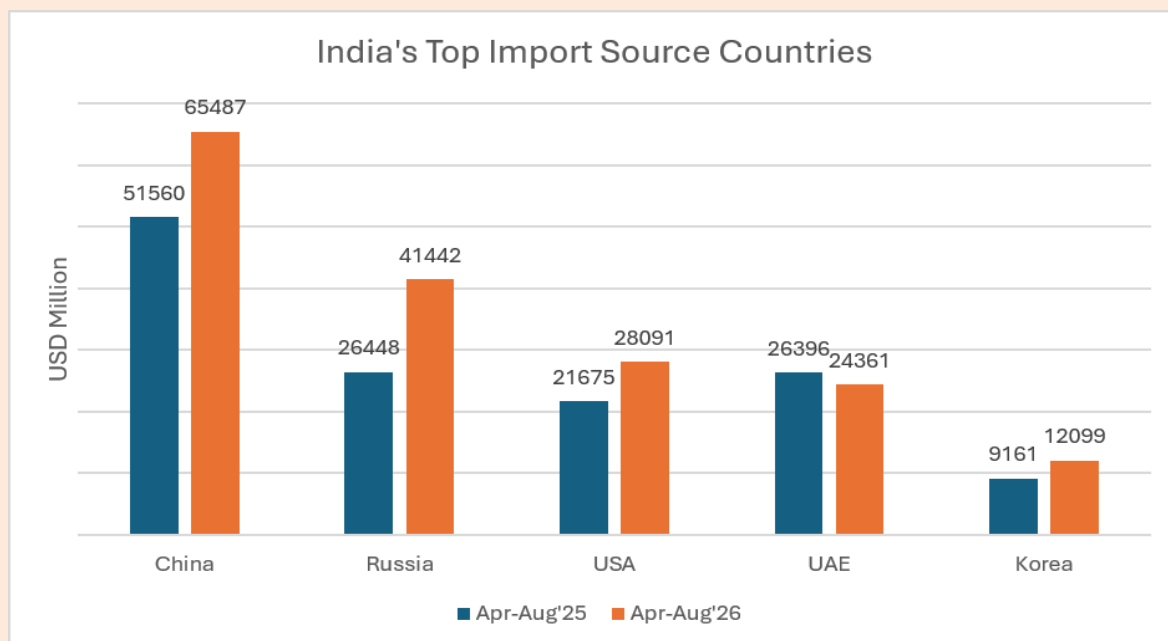
Among the top five destination of India's export, during first five months of current financial year, exports to the USA, China and Singapore registered a positive growth as compared to corresponding period last year. For UAE and Netherlands, exports witnessed a decline during April-August period as compared to last year.

The USA remained India's largest export destination, though its share declined from 22% for Apr - Aug 25 to 19.8% for Apr - Aug 26. Singapore and China increased their shares to from 3.8% to 4.5% and 2.6% to 4.4% respectively, while the UAE and the Netherlands recorded a decline in their share of India's total exports from 8.3% and 4.8% to 6.3% and 3.2% respectively.



China remained India's largest import source, with its share rising from 16.8% for Apr - Aug 25 to 18% for Apr - Aug 26. Russia and USA also increased their shares from 8.6% to 11.4% and 7.1 to 7.7% respectively during the same period. In contrast, the UAE's share declined significantly from 8.6% to 6.7%.

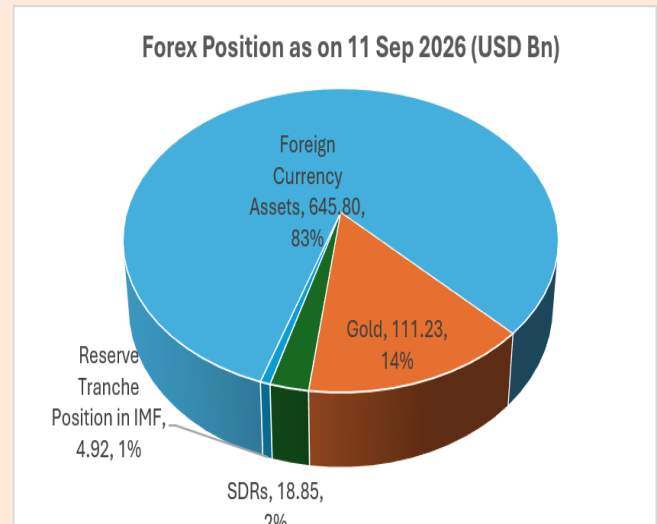
Among the top five destination of India's import, during first five months of current financial year, imports from China, Russia, USA and Korea registered a positive growth as compared to corresponding period last year while imports from UAE recorded a decline of 7.7%.



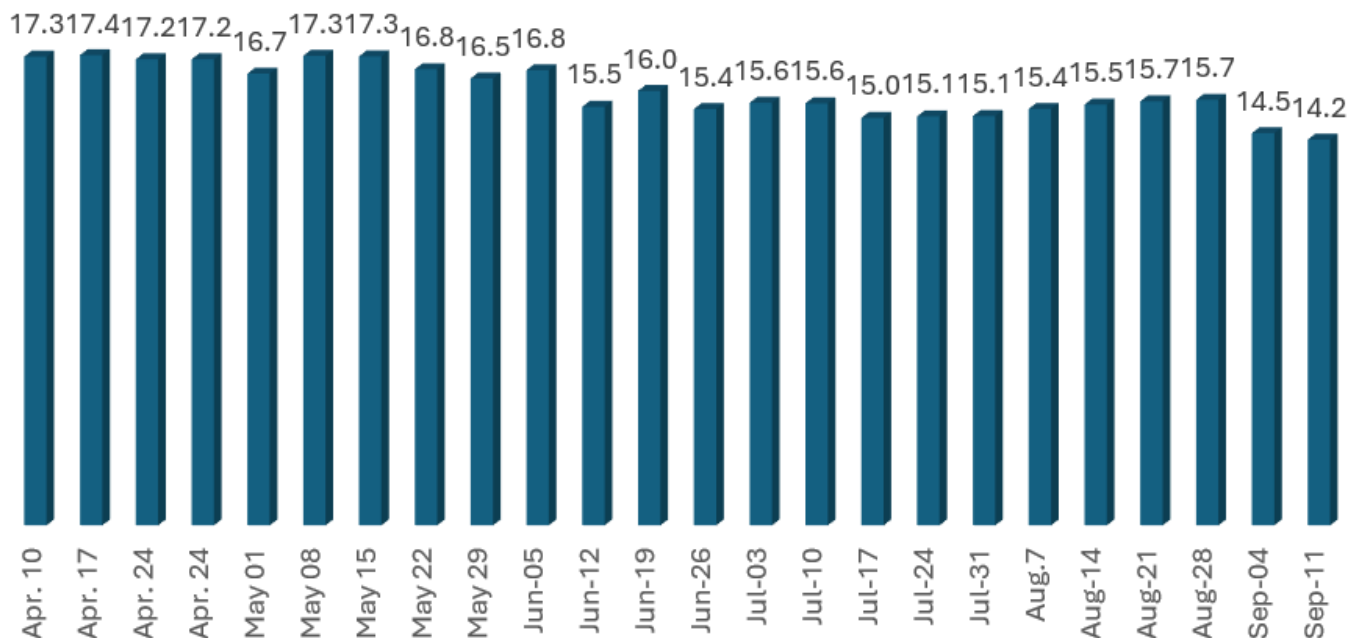
INDIA'S FOREIGN EXCHANGE RESERVES STOOD AT USD 780.78 BILLION

ASSOCHAM Perspective

- India's Forex reserves as on 11 September 2026 stood at USD 780.78 billion registering a decline of USD 4.92 billion compared to last week's record high reserve levels.
- Foreign currency assets which constitute a major part of forex reserves recorded at USD 645.8 billion down by USD 2.37 billion as compared to last week.
- Gold, the second largest component recorded a value of USD 111.23 billion.
- Reserve position at IMF remained unchanged in the week ending 11 September as against last week.
- Reserves have declined after increasing for eleven weeks in a row.
- The share of Gold in India's forex reserves declined to 14.2% in the week ending 11 September from more than 17% in the beginning of the current financial year.



Share of Gold in Forex Reserves (%)



(Source: RBI)

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