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May 2026



(Global Economic Outlook)



ASSOCHAM Global Research & Strategy Centre

The Associated Chambers of Commerce and Industry of India

MAFATLAL REDEFINES WHAT A UNIFORM CAN BE.

WHERE SHARP DESIGN MEETS EVERYDAY FUNCTION, MAFATLAL PROVES THAT A UNIFORM DOESN'T HAVE TO CHOOSE BETWEEN COMFORT AND CONFIDENCE.



ASSOCHAM Leadership Viewpoints



Mr. Nirmal K. Minda, President, ASSOCHAM

India's economy continues to demonstrate resilience despite heightened global uncertainty arising from the ongoing West Asia conflict and rising energy prices. Strong domestic demand, record GST collections, stable inflation, healthy bank credit growth, and robust foreign exchange reserves reflect the strength of India's macroeconomic fundamentals. Continued government focus on infrastructure development, policy stability, and investment support is helping sustain growth momentum across sectors.



Mr. Saurabh Sanyal, Secretary General, ASSOCHAM

India's economic performance remains encouraging despite challenging global conditions. Key economic indicators highlight the strength of the country's economic fundamentals. At the same time, India's external sector continues to remain stable, supported by healthy foreign exchange reserves and sustained services exports. India continues to be in a comparatively stronger position to sustain economic growth and stability during FY27.



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

Recent economic indicators suggest that India's growth momentum remains resilient despite the West Asia conflict. Strong GST collections of Rs. 2.47 lakh crore in April 2026, stable CPI inflation at 3.4%, WPI inflation at 3.88%, and non-food bank credit growth of 15.9% indicate continued strength in domestic economic activity. Going forward, policy stability, domestic demand, and investment activity are expected to remain key drivers of India's medium-term growth outlook.

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Part 1. Global Economic Monitor

1. GDP Growth Rate

The global economy is facing new uncertainty because of the West Asia Crisis. According to the IMF, the conflict is affecting oil and commodity markets, increasing inflation risks, and creating pressure on global financial conditions.

In the past year, the global economy had remained stable despite trade tensions and uncertainty. Growth was supported by strong investment in technology, easier financial conditions, a weaker US dollar, and support from governments and central banks. However, the Middle East conflict is now slowing this momentum.

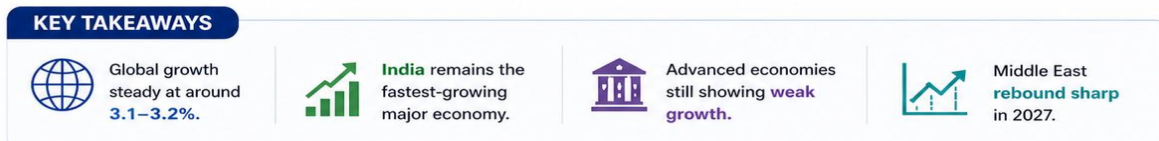
IMF GDP GROWTH PROJECTIONS – APRIL 2026 UPDATE

Real GDP growth (Y-o-y, per cent)



MAJOR ECONOMIES (Sorted by 2026 Growth)			
Economy	2026 (Apr)	2027 (Apr)	Trend
India*	6.5%	6.5%	→
United States	2.3%	2.1%	↓
Euro Area	1.1%	1.2%	↑
United Kingdom	0.8%	1.3%	↑
Japan	0.7%	0.6%	↓

EMERGING MARKETS & DEVELOPING ECONOMIES – REGIONAL VIEW		
Region	2026 (Apr)	2027 (Apr)
Emerging & Developing Asia	4.9%	4.8%
Sub-Saharan Africa	4.3%	4.4%
Middle East & Central Asia	1.9%	4.6%
Latin America & the Caribbean	2.3%	2.7%
Russia	1.1%	1.1%



Note: * India's data is on a fiscal year basis (April–March), while for all other countries it is for calendar years.

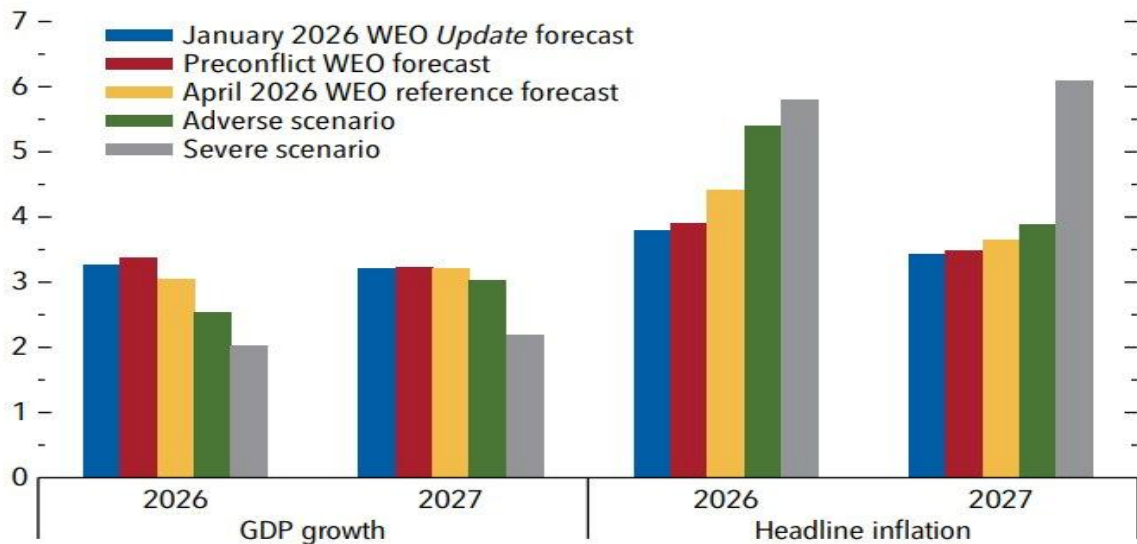
Source: IMF World Economic Outlook, April 2026.

The IMF expects global growth to slow to 3.1% in 2026 and slightly improve to 3.2% in 2027. This is lower than the average growth of around 3.4% seen in 2024–25 and also below the long-term average of 3.7% between 2000 and 2019. Compared to the IMF's January 2026 forecast, growth for 2026 has been reduced by 0.2% points mainly because of the conflict. At the same time, global inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027.

The report says that without the war, global growth in 2026 would actually have improved to 3.4%. This shows that the conflict has become the biggest reason for weaker economic

forecasts. The impact is much stronger on emerging and developing economies, especially countries that depend heavily on imported oil and commodities. Growth forecasts for these economies have been reduced by 0.3 percentage point, while advanced economies are expected to remain mostly stable.

Global Growth and Inflation Forecasts
(Percent)



Source: IMF staff estimates.

The IMF also warns that the situation could become worse. If energy prices rise further and stay high for a long time, global growth could slow to 2.5% in 2026, while inflation could rise to 5.4%. In a more serious situation, where energy infrastructure in the conflict region is badly damaged, global growth could fall to around 2%, and inflation could cross 6% by 2027.

The report highlights other risks as well. These include rising geopolitical tensions, trade disputes, high public debt, financial market instability, and falling confidence in institutions such as central banks. At the same time, there are some positive signs. Faster use of artificial intelligence (AI), better productivity, structural reforms, and lower trade tensions could support growth in the future.

The IMF says countries need strong and practical policies to deal with these challenges. Central banks should focus on controlling inflation and keeping financial markets stable. Governments should provide targeted support to vulnerable people while maintaining fiscal discipline. The report also stresses the need for international cooperation, stable trade policies, and structural reforms to improve long-term economic growth and resilience.

2. Global Economic Indicators for March / April 2026

Table: Current Global Economic Indicators

S. No.	Indicator	India	USA	Euro Area	China	Japan	UK
1.	GDP Growth Rate (%)	-	2	0.1	1.3	0.3	0.1
2.	Unemployment Rate (%)	5.1	4.3	6.2	5.4	2.7	4.9
3.	Inflation Rate (%)	3.4	3.3	3	1	1.5	3.3
4.	Interest Rate (%)	5.25	3.75	2.15	3	0.75	3.75
5.	Balance of Trade	-20.67 (\$ bn)	-60.31 (\$ bn)	11.51 (€ bn)	51.13 (\$ bn)	667 (¥ bn)	-0.72 (£ bn)
6.	Business Confidence	119	52.7	-0.28	50.3	17	-65
7.	Manufacturing PMI	54.7	54.5	52.2	52.2	55.1	53.7
8.	Non-Manufacturing PMI	-	53.6	-	49.4	-	-
9.	Services PMI	58.8	51	47.6	52.6	51	52.7
10.	Consumer Confidence	95.7	49.8	-20.6	91.6	32.2	-25

(Source: Trading Economics)

Part 2. India's Current Economic Scenario

India's economy continues to show resilience despite rising global uncertainty and the impact of the ongoing West Asia conflict. India entered this period with strong macroeconomic fundamentals, supported by steady growth, controlled inflation, healthy financial conditions and robust domestic demand.

The global environment, however, has become more challenging due to geopolitical tensions, supply chain disruptions and rising energy prices. These developments have increased inflation concerns across the world and created pressure on financial markets and currencies. India is also expected to face some impact through higher crude oil prices, rising import costs, weaker global demand and disruptions in shipping and supply chains.

Even with these challenges, economic activity in India remains strong. Private consumption and investment demand continue to support growth, while sectors such as manufacturing and services are showing resilience. Rural demand remains healthy due to favourable agricultural conditions and a stable labour market. Urban consumption is also expected to improve further. Government spending on infrastructure and continued policy support are helping maintain growth momentum.

The RBI has projected India's real GDP growth at 6.9% for F27, with Q1 at 6.8%; Q2 at 6.7%; Q3 at 7.0%; and Q4 at 7.2%. While risks remain because of the global situation and possible weather-related disturbances, India's economy is considered to be in a stronger position compared to previous crisis periods.

Inflation has remained under control so far, staying below the RBI's target during the early months of 2026. Food prices are relatively comfortable due to good crop production, adequate reservoir levels and sufficient foodgrain stocks. However, rising global energy prices and possible weather risks could create inflationary pressures going forward. CPI inflation for FY27 is projected at 4.6%.

India's external sector also remains stable. Although merchandise exports have been affected by global disruptions, services exports and remittance inflows continue to provide support. Foreign exchange reserves remain strong and adequate to manage external risks. The banking system and non-banking financial companies are financially sound, with healthy capital positions and improving asset quality.

Overall, India's economy remains resilient, supported by strong domestic demand, stable financial conditions and continued policy support.

1. Important Statistics at a Glance

Table: Current Economic Indicators

Category	Indicator	Latest (Value / YoY Change)
Demand & Consumption	GST Collections	Rs. 2.42 lakh crore (Apr 26)
	UPI Transactions	22.35 billion transactions worth Rs. 29.03 lakh crore (Apr 26)
	Vehicle Sales (Domestic)	~24.94 lakh units (Mar 26)
Industrial Activity	Core Sector Growth	-0.4% (Mar 26)
	IIP Growth	4.1% (Mar 26)
	Power Consumption	153.99 billion units / 4.04% growth (Apr 2026)
Inflation	CPI Inflation	3.40% (Mar 26)
	WPI Inflation	3.88% (Mar 26)
External Sector	Total Exports	\$74.11 billion (Mar 26)
	Total Imports	\$76.55 billion (Mar 26)
	Trade Deficit	-\$2.44 billion (Mar 26)
	Forex Reserves	\$698 billion (Week ending 24 Apr 26)
Financial & Fiscal	Bank Credit Growth	15.9% (non-food bank credit growth)
	ECB	\$4.59 billion (Feb 26)
	UPI Transactions	Volume: 22,641.11 Million (Mar 26) Value: Rs. 29,52,542.05 Cr. (Mar 26)
Energy & Commodities	Crude Oil	114 (\$/bbl.) (Apr 26)
	Natural Gas	\$2.483-\$2.899 (Apr 26)
	Domestic Gas Price	\$11.59/MMBTU (for May 26)

(Source: Compiled from Various Sources)

2. Index of Industrial Production (IIP) for March 2026 Stood at 4.10%

The Index of Industrial Production (IIP) growth rate for March 2026 stood at 4.1%, compared to 5.1% (Quick Estimate) in February 2026 and 3.9% in March 2024-25, indicating a moderation on a month-on-month basis but an improvement on a year-on-year basis. Sector-wise, Mining recorded a growth of 5.5%, Manufacturing grew by 4.3%, and Electricity registered a growth of 0.8% during March 2026. Within the Manufacturing sector, 14 out of 23 industry groups at the NIC 2-digit level recorded positive growth.

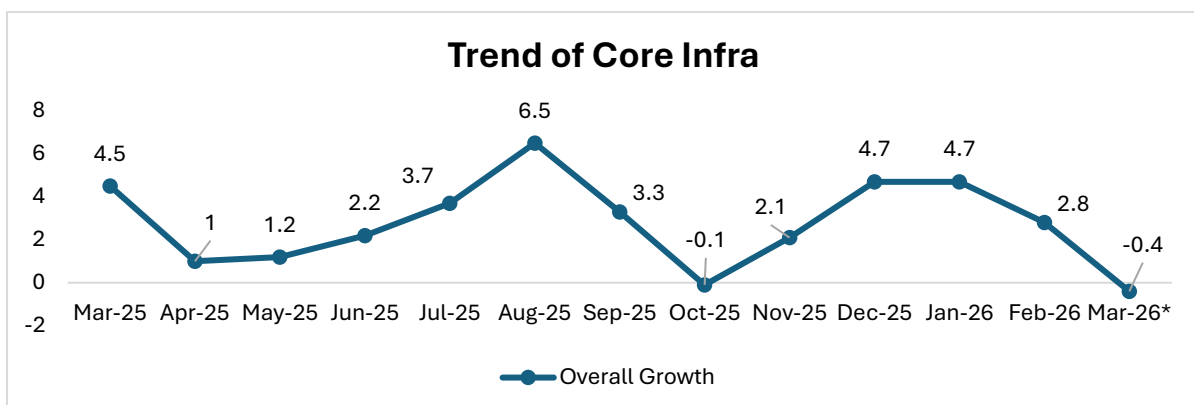
Table: Index of Industrial Production for March 2026

Component	Weight in IIP	Dec 26	Jan 26	Feb 26	Mar 26*	Apr-Mar 26
Mining	14.37	6.9	4.3	3.1	5.5	1.4
Manufacturing	77.63	8.4	5.3	5.9	4.3	5.0
Electricity	7.99	6.3	5.1	2.3	0.8	1.0
General	100	8.0	5.1	5.1	4.1	4.1

(Source: MoSPI, Government of India)

3. Index of Eight Core Industries for March 2026 Declines by 0.40%

The combined Index of Eight Core Industries (ICI) declined by 0.4% (provisional) in March 2026 as compared to the Index in March 2025. The production of Fertilizers, Crude Oil, Coal and Electricity recorded negative growth in March 2026. The ICI measures the combined and individual performance of production of eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The y-o-y growth rate of Coal stands at -4.0%, Crude Oil at -5.7%, Natural Gas at 6.4%, Refinery Products at 0.1%, Fertilizers at -24.6%, Steel at 2.2%, Cement at 4.0% and Electricity at -0.5% in March 2026 as compared to March 2025. The final growth rate of Index of Eight Core Industries stood at 2.8% in February 2026. The cumulative growth rate of ICI during April to March, 2025-26 is 2.6% (provisional).



(Source: Ministry of Commerce and Industry)

4. Consumer Price Index (CPI) for March 2026 Stood at 3.40%

The Consumer Price Index (CPI) inflation stood at 3.40% (provisional) in March 2026 as compared to March 2025. The corresponding inflation rates for rural and urban areas were recorded at 3.63% and 3.11%, respectively. The Consumer Food Price Index (CFPI) inflation stood at 3.87% (provisional) in March 2026 over March 2025, with rural inflation at 3.96% and urban inflation at 3.71%. The year-on-year Housing inflation rate stood at 2.11% (provisional) in March 2026, with rural and urban inflation rates at 2.54% and 1.95%, respectively. Division-wise inflation in the Combined sector for March, 2026 shows Food & Beverages at 3.71%; Paan, tobacco and intoxicants at 4.23%; Clothing and footwear at 2.75%; Housing, water, electricity, gas, etc. at 1.97%; Furnishings, household equipment, etc. at 1.39%; Health at 1.75%; Transport at 0%; Information and communication at 0.33%; Recreation, sport and culture at 2.28%; Education services at 3.30%; Restaurants and accommodation services at 2.88%; and Personal care, social protection, etc. at 18.65%.

Table: CPI (General) and CFPI Rates in %: March 2026 over February 2026

		March 2026 (Provisional)			February 2026 (Final)		
		Rural	Urban	Combined	Rural	Urban	Combined
Inflation (%)	CPI (General)	3.63	3.11	3.40	3.37	3.02	3.21
	CFPI	3.96	3.71	3.87	3.46	3.48	3.47

(Source: MoSPI, GoI)

5. Wholesale Price Index (WPI) for March 2026 Reaches 3.88%

The annual inflation rate based on the All-India Wholesale Price Index (WPI) stood at 3.88% (provisional) in March 2026 as compared to March 2025. The rise in inflation during March, 2026 was mainly driven by higher prices of crude petroleum and natural gas, other manufacturing, non-food articles, manufacture of basic metals, and food articles. On a month-on-month basis, WPI increased by 1.64% in March 2026 compared to February 2026. Among the major groups, Primary Articles recorded increased by 2.28%, Fuel and Power by 4.13%, and Manufactured Products by 0.88% during the same period.

Table: WPI Inflation (YoY in %)

Particulars	Jan-26 (Final)	Feb-26 (Provisional)	Mar-26 (Provisional)
All Commodities	1.68	2.13	3.88
Primary Articles	2.27	3.27	6.36
Fuel & Power	-4.01	-3.78	1.05
Manufactured Products	2.58	2.92	3.39
Food Index	1.51	1.85	1.85

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

6. Bank Credit Growth for Fortnight Ended March 2026 Grew by 15.90%

Non-food bank credit grew by 15.9% (y-o-y) as on the fortnight ended March 31, 2026, up from 10.9% in the corresponding fortnight of the previous year (4 April 2025). Highlights of the sectoral deployment of bank credit as on the fortnight ended March 31, 2026, are as follows:

- Credit to agriculture and allied activities recorded a y-o-y growth of 15.7% as compared to 10.4% in the corresponding fortnight of the previous year.
- Credit to industry registered a y-o-y growth of 15.0% (8.2% in the corresponding fortnight of last year). Credit to ‘Micro and Small’ and ‘Medium’ industries continued to witness strong growth. Credit to large industries also showed further improvement. Among major industries, outstanding credit to ‘infrastructure’, ‘all engineering’, ‘basic metal and metal product’, ‘chemical and chemical products’, and ‘petroleum, coal products and nuclear fuels’ recorded healthy y-o-y growth.
- Credit to the services sector registered a y-o-y growth of 19.0% (12.0% in the corresponding fortnight of the previous year), supported by higher growth in segments such as ‘non-banking financial companies’ (NBFCs), ‘trade’ and ‘commercial real estate’.
- Credit to the personal loans segment recorded a y-o-y growth of 16.2%, compared to 11.7% a year ago. Segments such as ‘vehicle loans’ and ‘loans against gold jewellery’ continued to see strong growth, while credit to the ‘housing’ segment remained stable.

7. Fiscal Deficit - Union Government Accounts as of February 2026

The Government’s fiscal position up to February 2026 shows steady progress against the Revised Estimates (RE) for 2025-26. Revenue Receipts stood at Rs. 27,26,396 crore (81.6% of RE), with Tax Revenue at Rs. 21,45,223 crore (80.2%) and Non-Tax Revenue at Rs. 5,81,173 crore (87.0%). Total Receipts were Rs. 27,91,943 crore (82.0%).

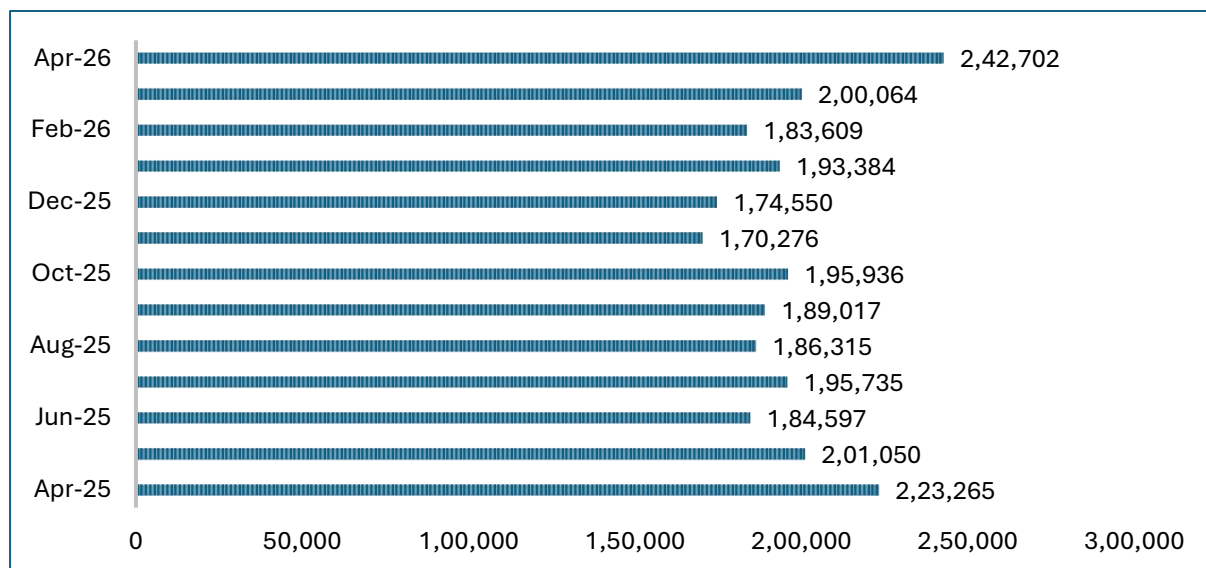
On the expenditure side, Capital Expenditure reached Rs. 9,29,322 crore (84.8%), while Total Expenditure stood at Rs. 40,44,592 crore (81.5%). Consequently, the Fiscal Deficit was Rs. 12,52,649 crore (80.4%), Revenue Deficit Rs. 3,88,874 crore (73.8%), and Primary Deficit Rs. 1,87,344 crore (65.9%) of the Revised Estimates.

The data shows that the Government’s finances are on track, with most figures reaching around 80-85% of the targets by February 2026. Revenue collection is steady, and capital spending is strong, indicating focus on growth. At the same time, deficits are within expected levels, suggesting maintenance of fiscal discipline.

8. GST Collection for April 2026 Reach Highest at Rs. 2.47 Lakh Crore

India's Goods and Services Tax (GST) collections reached a record high of Rs 2.47 lakh crore in April 2026, up from Rs 2 lakh crore in March. The increase was mainly driven by higher GST from imports, while domestic consumption showed some moderation. GST collections were higher than Rs 2.23 lakh crore in April 2025, reflecting a year-on-year growth of 8.7%. Net GST revenue stood at nearly Rs 2.11 lakh crore, up 7.3% over the previous year.

Domestic GST revenue grew by 4.3% (y-o-y) to Rs 1.85 lakh crore, while GST from imports rose sharply by 25.8% to Rs 57,580 crore, indicating that the overall growth was largely led by external trade. Despite the West Asia crisis, GST growth remained stable at 8.7% in April 2026.



(Source: Ministry of Finance, GoI)

9. India's Total Trade for March 2026 Stood at \$150.66 Billion

India's total exports (merchandise and services combined) for March 2026* are estimated at \$74.11 Billion, registering a negative growth of (-) 4.58% compared to March 2025, while total imports are estimated at \$76.55 Billion, showing a negative growth of (-) 5.76% over the same period. Merchandise exports during March 2026 stood at \$38.92 Billion, down from \$42.05 Billion in March 2025, and merchandise imports were \$59.59 Billion compared to \$63.74 Billion in March 2025.

India's total exports during FY 2025-26 (April-March)* are estimated at \$860.09 Billion, registering a growth of 4.22%, while total imports are estimated at \$979.40 Billion, showing a growth of 6.47%. Merchandise exports stood at \$441.78 Billion as compared to \$437.70 Billion, reflecting a marginal increase. Merchandise imports were \$774.98 Billion as against \$721.20 Billion, indicating a notable rise.

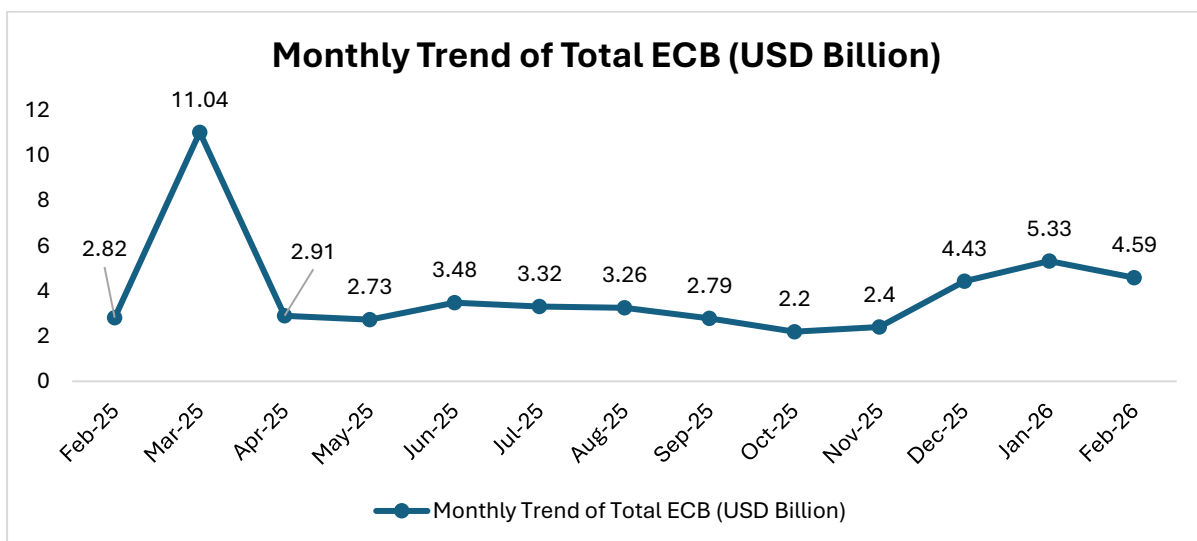
Table: India’s Trade in \$ Billion (Nearest Decimal)

		Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Merchandise	Export	42.1	38.5	38.7	35.1	37.2	35.1	36.4	34.4	38.1	38.5	36.6	36.6	38.9
	Import	63.7	64.9	60.6	53.9	64.6	61.6	68.5	76.1	62.7	63.6	71.2	63.7	59.6
Services	Export	35.6	35.3	32.4	32.8	31.0	34.1	30.8	38.5	35.9	35.5	43.9	39.5	35.2
	Import	17.5	17.5	17.1	17.6	15.4	17.5	15.3	18.6	18.0	17.4	19.6	16.4	17.0
Total	Export	77.7	73.8	71.1	68.0	68.3	69.2	67.2	72.9	74.0	74.0	80.5	76.1	74.1
	Import	81.2	82.5	77.8	71.5	80.0	79.0	83.8	94.7	80.6	80.9	90.8	80.1	76.6
Total Trade		158.9	156.3	148.9	139.5	148.3	148.2	151.0	167.6	154.6	155.0	171.3	156.2	150.7

(Source: Ministry of Commerce & Industry, GoI)

10. External Commercial Borrowings (ECB) for Feb 2026 Reach \$4.59 Billion

The monthly trend of total ECB shows some fluctuation over the period. It started at \$2.82 billion in February 2025 and rose sharply to a peak of \$11.04 billion in March 2025. After this spike, ECB flows declined and remained relatively stable between \$2.7–3.5 billion from April to August 2025. There was a dip in October 2025 to around \$2.2 billion, followed by a gradual recovery. ECB flows increased again towards the end of the period, reaching \$5.33 billion in January 2026, before slightly declining to \$4.59 billion in February 2026, indicating a moderate upward trend in recent months. Overall, the trend reflects a steady recovery in ECB inflows, with policy stability and external sector resilience helping maintain consistent capital inflows.



(Source: Reserve Bank of India)

11. Overview of the Indian Rupee for March 2026

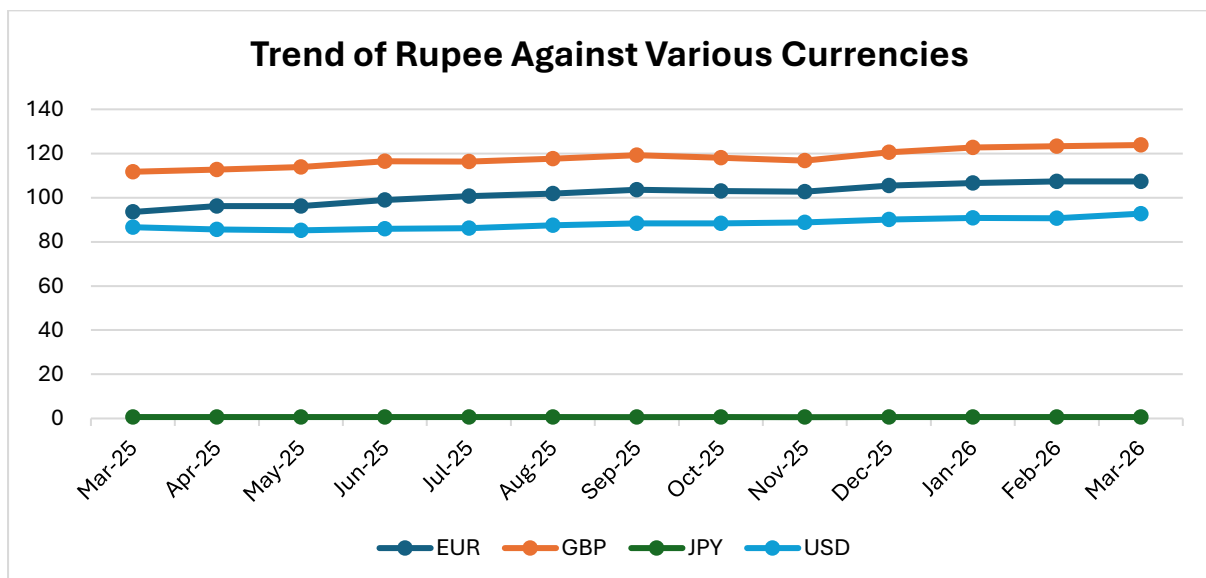
For the month of March 2026, the rupee remained under pressure against major currencies. It traded in the range of 91.45-94.65 against the US dollar, 122.04-126.19 against the pound, and 105.58-109.15 against the euro, indicating a weaker trend. In contrast, the rupee remained relatively stable against the Japanese yen, moving within a narrow range of 0.57-0.59. Overall, the movement reflects depreciation against key currencies with limited volatility against the yen, largely influenced by the prevailing geopolitical scenario and higher crude oil prices.

Table: Trend of Rupee for March 2026

Currency	High	Low
US Dollar	91.45	94.65
Pound Sterling	122.04	126.19
Euro	105.58	109.15
Japanese Yen	0.59	0.57

(Source: Reserve Bank of India)

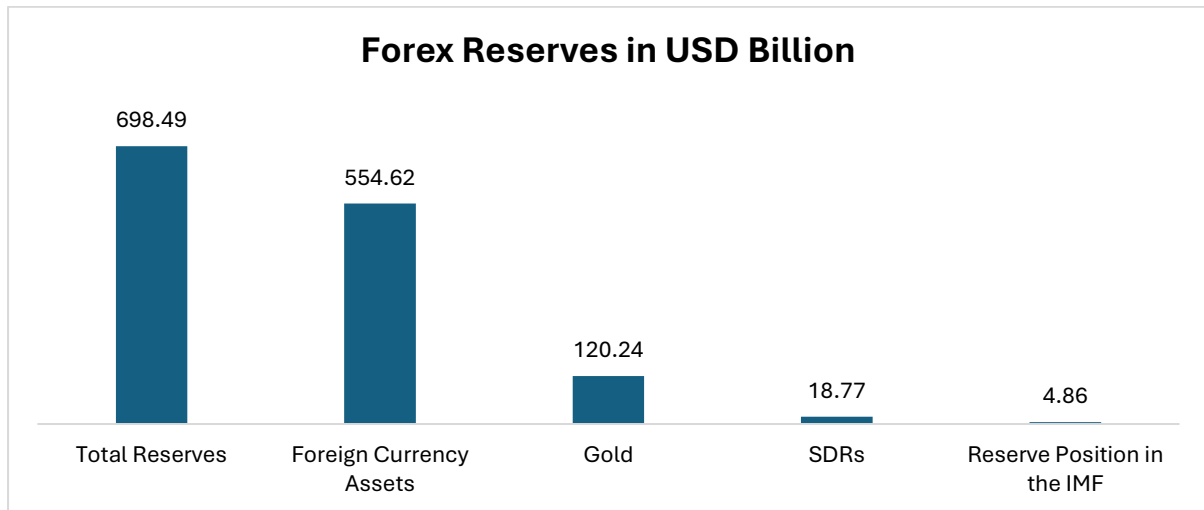
The exchange rate trend shows a steady depreciation of the rupee against major currencies over the period. Against the US dollar, the rupee weakened from 86.63 in March 2025 to 92.76 in March 2026, with a gradual rise through the months. A similar pattern is seen against the euro (from 93.50 to 107.27) and pound (from 111.73 to 123.83). The Japanese yen remained relatively stable around 0.58-0.59. The consistent upward movement indicates sustained pressure on the rupee, likely due to external factors such as global uncertainties and capital flows, despite short-term fluctuations.



(Source: Reserve Bank of India)

12. Forex Reserves for Week Ended 24th April 2026 Stand at \$4.82 Billion

India's foreign exchange reserves declined by \$4.82 billion to \$698 billion during the week ended 24th April, mainly due to a fall in foreign currency assets. Foreign currency assets, which form the largest component of reserves, decreased by \$2.84 billion during the week. Gold reserves also saw a decline of \$1.89 billion, reaching \$120 billion. In addition, Special Drawing Rights (SDRs) fell by \$67 million to \$18.8 billion. India's reserve position with the International Monetary Fund (IMF) also declined by \$15 million to \$4.86 billion. Overall, the decline in reserves was broad-based.



(Source: Reserve Bank of India - For Week Ending 24 April 2026)

13. Markets Overview for April 2026

Global markets remained steady in April 2026, with major indices closing higher despite ongoing geopolitical volatility. Market movements stayed within a range through the month, reflecting cautious sentiment.

Table: Overview of Markets (April 2026)

Market	Index	Open	High	Low	Close
India	Sensex	73,762	79,367	71,545	76,913
India	Nifty 50	22,899	24,601	22,182	23,997
USA	DJIA	46,396	49,848	45,897	49,652
USA	S&P 500	6,556	7,219	6,474	7,209
USA	Nasdaq	21,742	24,935	21,371	24,892
Japan	Nikkei 225	51,959	60,903	51,902	59,284
Germany	DAX P	23,326	24,792	22,677	24,292

(Source: Compiled from Various Sources)

14. Recent Economic Developments

1) India Remains Among the Fastest-Growing Economies

As per the World Bank press release of **9th April 2026**, India's growth is projected at 6.6% in FY27, according to the World Bank, with higher energy prices and supply chain disruptions due to the Middle East conflict expected to moderate economic activity. Despite this, India remains one of the fastest-growing major economies globally. The India Development Update highlights that strong macroeconomic fundamentals, including high foreign exchange reserves, low inflation, a stable financial sector, and trade diversification, provide resilience against external risks. The World Bank emphasised the need to boost private sector-led growth to support employment and investment. It also noted that South Asia's growth may slow to 6.3% in 2026 before recovering, with industrial policy playing a key but mixed role in the region.

2) ADB Projects Strong and Resilient Growth Outlook for India

As per the Asian Development Bank (ADB) press release of **10th April 2026**, the bank projects India's GDP growth at 6.9% in FY26, with growth expected to rise further to 7.3% in FY27. Despite global uncertainties, India continues to remain one of the fastest-growing major economies. Growth in FY26 is supported by strong domestic demand, steady private consumption, and robust public investment. Central government capital expenditure is set to increase by 11.5%, reinforcing the investment-led growth strategy. Private investment is also expected to strengthen due to supportive policies, improved infrastructure, and healthier corporate and banking sectors. Over the medium term, growth will be driven by manufacturing and services, along with investments in clean energy and power reforms aimed at improving competitiveness and integration with global value chains.

3) India-Republic of Korea Strategic Partnership Outcomes

During the State visit of President of Republic of Korea to India from **19th-21st April 2026**, India and the Republic of Korea strengthened their Special Strategic Partnership through multiple agreements and frameworks. Key outcomes included joint statements on sustainability, energy resource security, and maritime cooperation, along with a comprehensive framework covering shipbuilding, shipping, and logistics. Several MoUs were signed in areas such as ports, steel supply chains, MSMEs, science and technology, climate, and digital cooperation. Financial and payment system linkages were also expanded, along with cultural, sports, and heritage collaboration. Both sides announced the launch of an Economic Security Dialogue, new engagements between Foreign Ministries, and participation in global initiatives. The year 2028-29 will be marked as the Year of India-ROK Friendship.

4) India's Seafood Exports Reach Record High

As per the information released on **21st April 2026**, India's seafood exports reached an all-time high of Rs. 72,325.82 crore (\$8.28 Billion) in FY 2025-26, with export volumes at 19.32 lakh metric tonnes. Frozen shrimp remained the key driver, contributing Rs. 47,973.13 crore (\$5.51 Billion), accounting for over two-thirds of total export value. The United States remained the largest market at \$2.32 Billion, though exports declined due to tariffs. This was offset by strong growth in China, the EU, and Southeast Asia. Exports to China and the EU recorded significant increases in both value and volume. Other products such as frozen fish, squid, and surimi also performed well. Major ports like Vizag, JNPT, Kochi, Kolkata, and Chennai handled nearly 64% of exports.

5) Progress Of Summer Crop Area Coverage

As on **24th April 2026**, the total area under summer crops stood at 72.30 lakh hectare, higher than 70.19 lakh hectare in the corresponding period last year, showing an increase of 2.11 lakh hectare. Pulses, coarse cereals, and oilseeds recorded higher area coverage, while rice area declined. Pulses increased to 17.19 lakh hectare from 15.93 lakh hectare, supported by growth in greengram and blackgram. Coarse cereals rose to 15.21 lakh hectare, led by maize. Oilseeds also saw an increase to 9.21 lakh hectare, mainly due to higher groundnut area. However, rice area declined to 30.68 lakh hectare compared to 32.31 lakh hectare last year.

6) DPIIT Issues Guidelines for Startup India Fund of Funds 2.0

As per the information released on **25th April 2026**, the Department for Promotion of Industry and Internal Trade (DPIIT) has issued operational guidelines for the Startup India Fund of Funds 2.0, with a corpus of Rs. 10,000 crore. The scheme aims to improve capital flow to startups through investments in SEBI-registered Category I and II Alternative Investment Funds (AIFs), which will further invest in DPIIT-recognised startups. SIDBI will act as the Implementation Agency, with an additional agency to be onboarded. The framework includes segmentation of AIFs into categories such as deep tech, early-stage, and manufacturing-focused funds, ensuring targeted support. A two-stage selection process and defined investment norms aim to ensure efficient fund deployment, encourage private participation, and strengthen India's startup ecosystem.

7) India-New Zealand Free Trade Agreement Signed

Union Minister of Commerce and Industry and New Zealand's Minister for Trade and Investment signed the India-New Zealand Free Trade Agreement on **27th April 2026**, marking a major step in bilateral economic ties. The agreement provides 100% duty-free access for India's exports and expands market access across 118 service sectors, benefiting MSMEs, startups, and labour-intensive sectors such as textiles, leather, engineering goods, and processed food. The pact includes a \$20 Billion investment commitment and supports sectors like agriculture, manufacturing, and emerging

technologies. It also promotes talent mobility, student opportunities, and innovation. Sensitive sectors such as dairy and key agricultural products remain protected. The agreement further strengthens cooperation in supply chains, farm productivity, and traditional knowledge systems including AYUSH.

8) Review Of Export Promotion Mission And \$2 Trillion Export Target

The Union Minister of Commerce and Industry chaired a review meeting, on **27th April 2026**, on the Plan of Action to achieve a \$2 Trillion export target by 2030-31, comprising \$1 Trillion each in merchandise and services exports. A structured Export Monitoring Framework has been developed with sector-wise actions across key industries. The Export Promotion Mission focuses on MSMEs and aims to address issues related to finance, market access, logistics, and certification. Key components include interest subvention, export credit support, e-commerce assistance, warehousing, and trade facilitation. The review emphasised better coordination, use of technology for monitoring, and stronger outreach to exporters, with a focus on agricultural exports and strengthening Brand India.

9) India-Kenya Joint Trade Committee Meeting Strengthens Economic Cooperation

The 10th session of the India-Kenya Joint Trade Committee was held in Nairobi, on **27-28th April 2026**, to review and enhance bilateral trade and economic cooperation. India has emerged as a key trading partner for Kenya, with total trade reaching \$4.31 Billion in 2025-26, reflecting a growth of 24.91% over the previous year. Discussions focused on improving market access, trade diversification, and cooperation in sectors such as engineering goods, pharmaceuticals, agriculture, and electronics. Several MoUs were signed to strengthen standardisation, customs cooperation, and industry collaboration. Both sides also explored local currency trade, digital payment systems, renewable energy, and capacity building initiatives, while reaffirming their commitment to expanding bilateral economic ties.

10) Invest India Facilitates \$6.1 Billion Investments

As per the information released on **30th April 2026**, Invest India, under DPIIT (Department for Promotion of Industry and Internal Trade), facilitated the grounding of 60 projects worth over \$6.1 Billion during FY 2025-26. These projects span 14 states and are expected to generate more than 31,000 jobs, indicating continued global confidence in India as an investment destination. Around 42% of the total investment value came from European countries, highlighting strong India-Europe economic ties. Investments from the United States, Japan, South Korea, and Australia remained significant, while emerging sources such as Brazil, New Zealand, and Canada reflected a diversification of India's investment base.

Part 3. States' Economy Updates

1. Top Economic Updates Across Indian States

1) Andhra Pradesh: Google Begins Construction of AI Hub

Google has started construction of its AI hub in Visakhapatnam, marking a major step in its \$15 Billion investment in India's digital ecosystem for 2026-2030. The project includes India's first gigawatt-scale AI hub with three data centre campuses, aimed at strengthening AI capabilities and digital services. The project will be developed with support from partners for data centre infrastructure and connectivity. It also includes expansion of fibre-optic networks and a focus on clean energy to support sustainable operations. The AI hub is expected to support innovation, research, and advanced digital services, helping strengthen India's position in the global AI ecosystem.

2) Andhra Pradesh and Odisha: Coal Ministry Signs UCG-Linked Agreements in

The Ministry of Coal has signed Coal Mine/Block Production and Development Agreements (CMDPAs) for four coal mines under the 14th round of commercial coal auctions. These are the first coal mines in India to include provisions for Underground Coal Gasification (UCG), marking a major step in improving coal utilisation. The mines have been allocated to private companies and are located in Andhra Pradesh and Odisha. UCG technology allows coal to be converted into gas directly underground, enabling use of deeper and otherwise inaccessible reserves. This initiative is expected to enhance domestic energy production and support sectors such as fertilisers, chemicals, and fuels through better use of coal resources.

3) Arunachal Pradesh: Cabinet Approves Major Hydro Power Projects

The Cabinet Committee on Economic Affairs approved investments of Rs. 26,069.5 crore for the Kamala Hydro Electric Project and Rs. 14,105.83 crore for the Kalai-II Hydro Electric Project, with a total outlay of about Rs. 40,176 crore. The Kamala project will have a capacity of 1,720 MW and is expected to generate 6,870 million units annually, while the Kalai-II project will have a capacity of 1,200 MW with generation of 4,852.95 million units. Both projects will be developed through joint ventures with central public sector companies and the state government. Arunachal Pradesh will receive 12% free power and 1% for local development funds.

4) Gujarat: Semiconductor SEZ Notified in Dholera

The Government has notified a Special Economic Zone (SEZ) to be set up in Dholera, Gujarat. Spread over 66.166 hectares, the SEZ will focus on electronic hardware, software, and IT/ITES, and is expected to generate around 21,000 jobs. It will include supporting infrastructure and a streamlined approval system to improve operations and logistics. This will be India's first chip fabrication plant, marking a major step in

strengthening the semiconductor ecosystem. The initiative aligns with recent reforms in SEZ laws aimed at promoting high-value investments, innovation, and ease of doing business in electronics manufacturing.

5) Gujarat & Madhya Pradesh: Indian Railways Approves OFC (Optical Fibre Cable) Backbone Project

Indian Railways has approved a project worth Rs. 398.36 crore to strengthen communication infrastructure in the Ahmedabad and Ratlam divisions of Western Railway. The project involves laying 4×48 Optical Fibre Cable (OFC) as part of the broader Kavach and LTE-based communication upgrade. Under the project, 2×48 fibre OFC cables will be deployed over 1,929 route kilometres, including 1,456 km in Ahmedabad and 473 km in Ratlam divisions. This upgrade will improve communication capacity, reliability, and support modern signalling systems like Kavach. It is expected to enhance safety, operational efficiency, and overall service delivery in passenger and freight operations.

6) Karnataka: Quantum Ecosystem Map Launched

Karnataka became the first state in India to launch a comprehensive Quantum Ecosystem Map on World Quantum Day 2026, marking the start of Phase-I of its Quantum Roadmap. The initiative highlights the state's leadership in emerging technologies and aims to build a strong quantum innovation ecosystem. A key initiative is the proposed "Q-City", a hub to connect academia, startups, and industry. The state has also announced a Rs. 10 crore grant to support research, skilling, and startups in the quantum sector. With additional investments and programmes, Karnataka aims to strengthen its position as a leading hub for advanced technologies and innovation.

7) Punjab: The State Records Highest-Ever GST Collections in April 2026

Punjab reported its highest monthly GST collections since the tax system began, showing strong improvement in state finances. In April 2026, gross GST collections reached Rs. 2,987 crore, while net collections stood at Rs. 2,725 crore. This marks a sharp growth of about 70.7% compared to April last year. The increase reflects better tax compliance, stronger enforcement, and higher economic activity in the state. The strong revenue performance gives the government more room for public spending and development projects, and highlights Punjab's improving fiscal position.

8) Rajasthan: NTPC Expands Solar Capacity

NTPC Limited, through its subsidiary NTPC Green Energy Limited (NGEL), has added 150 MW of solar power capacity in Rajasthan. This capacity became operational on April 18, 2026 and is part of a larger 300 MW solar project. With this addition, NGEL's total commercial capacity has increased from 10,126.40 MW to 10,276.40 MW. This

development reflects NTPC’s continued progress in expanding its renewable energy portfolio and strengthening its clean energy presence in India.

9) Rajasthan: RIICO Industrial Plot Allotments Rise Sharply

Rajasthan State Industrial Development and Investment Corporation (RIICO) allotted 3,055 industrial plots in FY25 and FY26, compared to 2,105 plots in FY23 and FY24, marking a 45% increase. The rise is linked to policy changes and investor-friendly reforms introduced under the Rising Rajasthan Global Investment Summit. Measures such as faster land allocation, improved infrastructure, reduced lease periods, and discounted pricing in underused areas helped boost investor interest. RIICO also developed 33 new industrial areas and allowed more flexible land-use policies. These steps have improved ease of doing business and strengthened Rajasthan’s position as a growing industrial hub.

10) Uttar Pradesh: Ganga Expressway Inaugurated to Boost Connectivity

The Prime Minister inaugurated the 594-km Ganga Expressway on April 29, 2026, built at a cost of Rs. 36,230 crore (\$3.92 Billion). The expressway connects Meerut to Prayagraj, reducing travel time from 10-12 hours to about 6-7 hours. The six-lane expressway, expandable to eight lanes, passes through 12 districts and improves connectivity across Uttar Pradesh. It is linked with other expressways, creating a strong road network. The project is expected to support logistics, reduce transport costs, and boost industrial and agricultural growth. It will also generate jobs and improve access to key religious and tourism centres.

2. Economic Data of States

The fiscal position of states in 2026-27 shows mixed trends. Out of 18 states, nine are expected to have a revenue deficit, while many are budgeting fiscal deficits above 3% of GSDP. Some states, however, are in a stronger position. States with revenue surplus are able to spend more on capital investment, such as infrastructure, as they have lower interest burdens. For example, Odisha has higher capital spending despite a fiscal deficit. In contrast, revenue-deficit states face higher debt and interest payments, limiting their ability to invest and respond to economic shocks. This highlights differences in fiscal strength across states.

Table: Fiscal Indicators for Indian States (FY27 Budget Estimates)

State	Fiscal Deficit (% GSDP)	Outstanding Liabilities (% GSDP)	Revenue Balance (% GSDP)	Capital Outlay (% GSDP)	Own Revenue Receipts (% Total RR)
Odisha	3.5%	14.1%	3.0%	6.5%	56.7%

State	Fiscal Deficit (% GSDP)	Outstanding Liabilities (% GSDP)	Revenue Balance (% GSDP)	Capital Outlay (% GSDP)	Own Revenue Receipts (% Total RR)
Jharkhand	2.2%	25.8%	2.5%	4.0%	49.0%
Uttar Pradesh	3.0%	23.1%	1.6%	4.5%	49.6%
Goa	3.4%	29.3%	1.3%	4.7%	70.7%
Gujarat	2.0%	14.7%	0.8%	3.3%	71.4%
Uttarakhand	3.4%	28.5%	0.59%	4.2%	46.8%
Telangana	3.0%	28.7%	0.3%	2.4%	76.2%
Bihar	3.0%	34.0%	0.1%	3.0%	26.4%
MP	3.9%	32.5%	0.0%	4.3%	46.0%
Chhattisgarh	4.1%	21.4%	-0.3%	3.8%	54.0%
Maharashtra	2.8%	20.4%	-0.7%	1.8%	73.3%
Karnataka	2.9%	25.0%	-0.7%	2.1%	74.9%
Haryana	2.7%	25.8%	-0.9%	1.5%	79.0%
Rajasthan	3.7%	36.8%	-1.1%	2.5%	58.7%
AP	3.8%	36.0%	-1.1%	2.5%	58.6%
Kerala	3.4%	33.4%	-2.1%	1.2%	63.0%
Punjab	4.1%	45.1%	-2.2%	1.9%	68.6%
HP	3.5%	40.5%	-2.4%	1.1%	47.7%

(Source: Monthly Economic Review, DEA, Ministry of Finance, GoI)

Part 4. Policy Developments

1. Top Policy Developments

1) Key Legislative Developments During Budget Session 2026

The Budget Session of Parliament was held from **January 28 to April 18, 2026**. During the session, ten Bills were introduced and six Bills were passed. These are: (i) the Transgender Persons (Protection of Rights) Amendment Bill, 2026 (ii) the Central Armed Police Forces (General Administration) Bill, 2026, (iii) the Jan Vishwas (Amendment of Provisions) Bill, 2026, (iv) the Insolvency and Bankruptcy Code (Amendment) Bill, 2025, (v) the Andhra Pradesh Reorganisation (Amendment) Bill, 2026, and (vi) the Industrial Relations Code (Amendment) Bill, 2026. The Corporate Laws (Amendment) Bill, 2026 was introduced and referred to a Joint Committee.

2) Government Extends RoSCTL Scheme for Garment Exports

On **1st April 2026**, the Ministry of Textiles has extended the Rebate of State and Central Taxes and Levies (RoSCTL) Scheme for exports of garments and made-ups up to September 30, 2026, or until approval under the 16th Finance Commission period, whichever is earlier. Under the scheme, exporters receive refunds of embedded central and state taxes that are not reimbursed through any other mechanism. The scheme is aimed at improving export competitiveness, especially for MSMEs in the textile and garment sector.

3) Draft Tar-Balls Management Rules Released

The Ministry of Environment, Forest and Climate Change has released the draft Tar-balls Management Rules, 2026 on **3rd April 2026**, for public consultation. The draft rules aim to ensure safe management of tar-balls and reduce risks to marine ecosystems, public health, and coastal economies. The rules cover collection, storage, transportation, treatment, and disposal of tar-balls. Entities involved in these activities will require authorisation from State Pollution Control Boards. The framework also assigns responsibilities to district administrations and state governments, while encouraging sustainable disposal methods such as co-processing in cement plants.

4) Coal Ministry Releases Guidelines for Underground Coal Gasification

On **6th April 2026**, the Ministry of Coal released guidelines for preparation and approval of mining plans for underground coal gasification projects. The guidelines apply to all coal and lignite blocks proposed for underground gasification. The guidelines include safety measures related to fire, groundwater contamination, and land subsidence. In mixed mining areas, a minimum distance of 500 metres must be maintained between gasification and mining operations. Mine closure plans have also been made mandatory,

covering well sealing, land restoration, and groundwater monitoring. The framework also provides for escrow accounts to support mine closure activities.

5) Government Revises Toll Rules for Overloaded Vehicles

On **13th April 2026**, the Ministry of Road Transport and Highways notified the National Highways Fee (Determination of Rates and Collection) Fourth Amendment Rules, 2026. The amendments revise the toll charges applicable to overloaded vehicles on national highways. Under the new rules, vehicles carrying up to 10% excess load will not face any overload fee. Vehicles overloaded between 10% and 40% will pay twice the base toll fee, while those carrying more than 40% excess load will pay four times the base fee. The rules also provide for installation of certified weighment systems at toll plazas. No overload fee will be charged where weighment facilities are unavailable.

6) SEBI Amends Alternative Investment Funds Regulations

On **18th April 2026**, the Securities and Exchange Board of India (SEBI) has issued amendments to the Alternative Investment Funds (AIF) Regulations, 2016. AIFs are privately pooled investment funds that collect money from domestic and foreign investors for investment purposes. Under the revised regulations, the minimum investment amount for individual investors in social impact funds has been reduced from Rs. 2,00,000 to Rs. 1,000. The amendments also introduce a new provision allowing SEBI to classify an AIF as an inoperative fund.

7) RBI Issues Draft Directions on Prepaid Payment Instruments

The Reserve Bank of India (RBI) has issued draft Master Directions on Prepaid Payment Instruments (PPIs) on **22 April 2026**, proposing changes in the use and regulation of PPIs. The draft proposes to stop the use of PPIs for cross-border transactions, which were earlier allowed in selected cases. It also proposes reducing the monthly cash-loading limit for full-KYC PPIs from Rs. 50,000 to Rs. 10,000. The framework restructures PPIs into two categories; general purpose and special purpose PPIs. In addition, the draft introduces a Rs. 25,000 monthly limit for person-to-person transfers from full-KYC PPIs.

8) Government Notifies Rules for Online Gaming

On **22nd April 2026**, the Ministry of Electronics and Information Technology (MeitY) has notified the Promotion and Regulation of Online Gaming Rules, 2026 under the Online Gaming Act, 2025. The Act prohibits online money games and related advertisements or transactions. The Rules provide for the creation of an Online Gaming Authority, which will oversee complaints, issue directions, and publish lists of online money games. The Rules also define factors for identifying online money games, including payment of fees, monetary rewards, and monetisation methods. Registration of online games will be required in specified cases, including games offered as e-sports, with registration certificates valid for 10 years.

Part 5. Conclusion & Economic Outlook

1. Conclusion

India's economy remained stable during April 2026 despite global challenges such as the West Asia conflict, higher crude oil prices, and supply chain disruptions. Even with these pressures, India continued to remain one of the fastest-growing major economies in the world.

Several economic indicators showed positive trends. GST collections reached a record high, bank credit growth remained strong, and exports continued to grow during FY 2025-26. Inflation stayed under control and government spending on infrastructure and development projects supported economic activity. Major investments in roads, renewable energy, digital infrastructure, semiconductors, and technology reflected a focus on long-term growth.

Many states also reported progress in industrial development, investment, clean energy, and technology sectors. New policy measures related to exports, startups, transport, and finance will improve the ease of doing business and strengthen the economy further.

2. Economic Outlook

India's economy continues to remain resilient despite global uncertainty caused by the ongoing West Asia conflict and rising energy prices. Strong domestic demand, record GST collections in April 2026, stable inflation, healthy bank credit growth, and robust foreign exchange reserves reflect the strength of the country's economic fundamentals. India's external sector also remains stable, supported by strong services exports. Continued government focus on infrastructure development, investment support, and policy stability is helping maintain growth momentum across sectors.

Going ahead, the global economic outlook continues to remain uncertain due to the ongoing tensions between the US and Iran, with no clear resolution emerging so far despite continued discussions between both sides. At this stage, financial and commodity markets may remain volatile, keeping investor sentiment cautious.

Despite these global challenges, India's economic fundamentals continue to remain resilient, with GDP growth expected to stay around 7%. However, some volatility in financial markets cannot be ruled out. Any positive progress towards peace and stability in the region would further strengthen investor confidence and business sentiment in India.

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