

May 19, 2026 – Tuesday

Economy

Current account deficit to widen to 2.3 per cent of GDP in FY27 from 0.9 pc in FY26: Report

India's current account deficit is set to widen to 2.3 per cent of GDP in FY27 from 0.9 per cent in FY26, a foreign brokerage said on Monday. The balance of payments (BoP) deficit is estimated to widen to USD 65 billion in the current fiscal from the last fiscal year's USD 35 billion, it said. HSBC said it has assumed crude prices to average USD 95 a barrel, and combined it with sensitivities in oil, gold, core goods, services trade and remittances to arrive at a current account deficit of 2.3 per cent of GDP in FY27 as against 0.9 per cent in FY26.
https://economictimes.indiatimes.com/news/economy/indicators/current-account-deficit-to-widen-to-2-3-per-cent-of-gdp-in-fy27-from-0-9-pc-in-fy26-report/articleshow/131177133.cms

Gold bars and coins make up 41% of gold demand in January-March 2026

At a time when attention is focused on India's gold purchases, data show demand for the precious metal in the form of bars and coins has risen sharply in recent years, exceeding the demand from gold exchange traded funds. Data from the World Gold Council (WGC) show that bar and coin demand stood at 62.3 tonnes in the quarter ended March 2026 (Q1 CY26), accounting for about 41 per cent of India's total gold demand during the period. The share of bars and coins in overall gold demand has risen from 34 per cent in the same quarter last year, well above the 20-30 per cent range they typically accounted for over the past decade.
https://www.thehindubusinessline.com/markets/gold/gold-bars-and-coins-make-up-41-of-gold-demand-in-jan-march-2026/article70990203.ece

Finance

Not activating countercyclical capital buffer: RBI

The Reserve Bank of India on Monday said it has decided against activating countercyclical capital buffer (CCyB) as the measure is not required in the current circumstances. As per the framework on countercyclical capital buffer (CCyB) laid out in the RBI (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, CCyB would be activated as and when circumstances warranted, and the decision would normally be pre-announced. The framework envisages the credit-to-GDP gap as the main indicator, which may be used in conjunction with other supplementary indicators.
https://www.thehindubusinessline.com/money-and-banking/public-sector-banks-insurers-financial-institutions-to-implement-austerity-measures/article70994129.ece

Public sector banks, insurers, financial institutions told to implement austerity measures

The Financial Services Department on Monday instructed public sector banks, insurance companies, financial institutions and regional rural banks to implement cost-cutting measures. Among the measures prescribed are conduct of meetings via video conferencing, adoption of EVs, cutting down on foreign travel and attending overseas engagements virtually wherever possible. Austerity measures are being implemented to rationalise expenditure

keeping in mind the West Asia crisis," said a senior official while confirming the issuance of the circular dated May 18.
https://www.thehindubusinessline.com/money-and-banking/public-sector-banks-insurers-financial-institutions-to-implement-austerity-measures/article70994129.ece

UPI processes 85% of India's payment volumes but just 9.5% of value; RTGS dominates at 68.6%

UPI processed 85.5% of all payment transactions in India by volume in the second half of CY 2025 but accounted for just 9.5% of the total value — while RTGS, handling a mere 0.1% of volumes, dominated with 68.6% of total transaction value, according to the Reserve Bank of India's Payments System Report for December 2025. The data lays bare the structural divide in India's payments architecture: UPI as the engine of mass retail transactions, and RTGS as the silent workhorse of high-value settlements.
https://economictimes.indiatimes.com/industry/banking/finance/upi-processes-85-of-indias-payment-volumes-but-just-9-5-of-value-rtgs-dominates-at-68-6/articleshow/131179619.cms

Credit card transactions jump 2.6 times in four years: RBI report

Credit card transactions in the country rose over 2.6 times between calendar years 2021 and 2025, with private sector banks further increasing their market share and consolidating their dominance in the segment, the RBI said on Monday. Credit card transaction volumes increased to 570 crore in calendar year 2025, from 216 crore in 2021, while transaction value rose to Rs 23.2 lakh crore from Rs 8.9 lakh crore during the same period, translating into an annual growth rate of around 27 per cent, RBI's Payment System Report, December 2025 said.
https://economictimes.indiatimes.com/news/economy/finance/credit-card-transactions-jump-2-6-times-in-four-years-rbi-report/articleshow/131182807.cms

RBI dispenses with commercial banks' requirement for investment fluctuation reserve

The Reserve Bank of India on Monday issued final amendment directions dispensing with the need to maintain Investment Fluctuation Reserve requirement for banks that already maintain capital charge for market risk and follow the revised norms governing classification, valuation and operation of investment portfolios. This move is aimed at reducing operational rigidity while preserving prudential safeguards. The IFR acts as a buffer maintained by banks to absorb valuation losses in their investment portfolios arising from interest rate movements and market volatility.
https://www.thehindubusinessline.com/money-and-banking/rbi-dispenses-with-commercial-banks-requirement-for-investment-fluctuation-reserve/article70994646.ece

Industry

Industry must aim for import-substitution, gear up for $1 trillion export target: Goyal

Commerce and Industry Minister Piyush Goyal has asked the industry to work with the government to identify goods that can be manufactured in India to bring down reliance on imports. Industry must look at import data put up by the Commerce Department on its trade portal to identify opportunities for local manufacture and substitution of imports.
https://www.thehindubusinessline.com/economy/industry-must-aim-for-import-substitution-gear-up-for-1-trillion-export-target-goyal/article70994113.ece

Govt extends bid deadline for Rs 7,280 crore rare earth magnet scheme till June 29

The government has extended the timelines for global tender under the Rs 7,280-crore scheme to promote the manufacturing of sintered rare earth permanent magnet (REPM) to facilitate wider participation and provide additional time for stakeholders in the bidding process. The bid submission due date has been extended from May 28 earlier to June 29, while the opening of technical bids has been rescheduled from May 29 to June 30, 2026. The government's response to queries from bidders will be issued on June 9.
https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/govt-extends-bid-deadline-for-rs-7280-crore-rare-earth-magnet-scheme-till-june-29/articleshow/131117008.cms

Agriculture

Fertiliser subsidy bill for FY27 may rise by ₹70,000 cr on West Asia crisis

India's fertiliser subsidy bill for 2026-27 may surge by ₹70,000 crore to ₹2.41 trillion, driven by rising import costs of urea and other fertilisers amid the ongoing West Asia crisis, a senior government official said on Monday. If the actual subsidy numbers come close to the current estimates, this would mean that India's FY27 fertiliser subsidy could be among the highest in recent years. The last time India spent more on fertiliser subsidy than what is being projected for FY27 was in FY23, when the country spent more than ₹251,000 crore in subsidies in light of the Russia-Ukraine war.
https://www.business-standard.com/industry/agriculture/fertiliser-subsidy-bill-for-fy27-may-rise-by-70-000-cr-on-west-asia-crisis-126051801274_1.html

El Nino spells trouble for kharif harvests across India

A study by scientists from an ICAR institute has found that El Niño events have historically reduced yields of major kharif crops in India, especially in districts across several states. The research, led by Subash N Pillai at the ICAR-Indian Institute of Farming Systems Research, shows that paddy production fell by over 10% in 77 districts, while maize output dropped similarly in 65 districts during El Niño years.
https://economictimes.indiatimes.com/news/economy/agriculture/el-nino-spells-trouble-for-kharif-harvests-across-india/articleshow/131170860.cms

Plans afoot to set up Basmati promotion board on lines of other commodities bodies

Plans are afoot in India to set up a Basmati development board on the lines of various commodities boards that function under the Commerce Ministry. The move follows demand to set up a dedicated statutory organisation and separate it from APEDA's control.
https://www.thehindubusinessline.com/economy/agri-business/plans-afoot-to-set-up-basmati-promotion-board-on-lines-of-other-commodities-bodies/article70994552.ece

Infrastructure

Govt working on plan to rollout water metro transport system in 18 cities

The government is working on a plan to rollout water metro transport system in 18 cities across the country, the shipping and waterways ministry said on Monday. The Union Ports, Shipping and Waterways Ministry, in a statement, said it has circulated the draft National Water Metro Policy for an inter-ministerial consultation ahead of the national rollout of the project.
https://economictimes.indiatimes.com/news/economy/infrastructure/govt-working-on-plan-to-rollout-water-metro-transport-system-in-18-cities/articleshow/131183020.cms

Energy

Petrol, diesel prices hiked by 90 paise per litre

Petrol and diesel prices were increased by 90 paise per litre on Tuesday, the second increase in less than a week, reported PTI. Petrol price was hiked to Rs 98.64 a litre from Rs 97.77 per litre in the national capital. Diesel now costs Rs 91.58 a litre against Rs 90.67 previously, according to PTI's industry sources. This is the second increase in rates in less than a week. Prices were hiked by Rs 3 a litre on Friday.
https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-diesel-prices-hiked-by-90-paise-per-litre/articleshow/131188251.cms

India targeting 100 GW nuclear capacity by 2047: BJP MP Shringla on US Executive Nuclear Mission to India

BJP Rajya Sabha MP Harsh Vardhan Shringla emphasised on the importance of scaling up the country's nuclear capacity, as the US Executive Nuclear Mission came to India, highlighting that the target is to scale up the capacity to 100 gigawatts by 2047. Speaking to on Monday, Shringla pointed to the passage of the recent landmark

Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Act, 2025, as the foundation for this rapid expansion.
https://economictimes.indiatimes.com/industry/energy/power/india-targeting-100-gw-nuclear-capacity-by-2047-bjp-mp-shringla-on-us-executive-nuclear-mission-to-india/articleshow/131188349.cms

Rs 3 a litre fuel price hike cuts losses by 25 per cent; daily loss drops to Rs 750 crore

A Rs 3-per-litre increase in petrol and diesel prices has helped state-run oil marketing companies trim daily losses by nearly a quarter, reducing overall losses to around Rs 750 crore per day from Rs 1,000 crore, a senior oil ministry official said Monday. However, elevated global crude prices and a weak rupee continue to keep pump rates below cost-recovery levels.
https://economictimes.indiatimes.com/industry/energy/oil-gas/rs-3-a-litre-fuel-price-hike-cuts-losses-by-25-per-cent-daily-loss-drops-to-rs-750-crore/articleshow/131180505.cms

India to continue purchasing Russian crude notwithstanding US sanctions

India will continue to buy Russian crude oil regardless of the status of the US sanctions waiver, based on commercial viability, after Washington let the waiver on Moscow's seaborne crude oil expire over the last weekend.
https://www.thehindubusinessline.com/economy/india-to-continue-purchasing-russian-crude-notwithstanding-us-sanctions/article70994779.ece

States

Telangana govt to finalise norms for universal life cover scheme

As announced previously, the State Government will launch its flagship 'Indiramma Kutumba Jeevitha Bima Padhakam (IKJBP)', a universal life insurance scheme to provide life cover of ₹5 lakh to every household in the state. A sub-committee of the Telangana State Cabinet will meet on Wednesday to discuss the modalities of a universal life insurance scheme for every household in the State. To provide life cover of ₹5 lakh to every household in the state.
https://www.thehindubusinessline.com/news/telangana-govt-to-finalise-norms-for-universal-life-cover-scheme/article70994686.ece

From queues to QR codes: A state in India may have found the fix for India's fertiliser distribution woes

The distribution of fertiliser across states in India has long been plagued by shortages, panic buying, diversion allegations, and chaotic scenes outside cooperative societies, with Madhya Pradesh (MP), one of the country's key agri-producing states, no exception. During the previous kharif season, crowd control emerged as a major challenge at several distribution centres. Against this backdrop, the state rolled out the AgriStack-linked e-Vikas portal statewide from April 1.
https://economictimes.indiatimes.com/news/economy/agriculture/from-queues-to-qr-codes-a-state-in-india-madhya-pradesh-may-have-found-the-fix-for-indias-fertiliser-distribution-woes/articleshow/131166896.cms

Haryana cabinet approves new rules: No petrol, diesel vehicles for cab aggregators in NCR

Haryana's Cabinet has approved new rules for vehicle aggregators. From January 1, 2026, all new vehicles joining fleets in NCR areas must be electric, CNG, or use cleaner fuels. This aims to reduce pollution and promote green mobility. The rules also introduce licensing, safety measures, and insurance for drivers and passengers.
https://economictimes.indiatimes.com/industry/renewables/haryana-bans-petrol-and-diesel-cabs-in-ncr-new-aggregator-licence-rules-for-clean-mobility/articleshow/131177804.cms

MPEZ approves new projects worth ₹450 crore in Tamil Nadu

The Unit Approval Committee (UAC) of MEPZ Special Economic Zone, chaired by Arthur Worchuiyo, Joint Development Commissioner, MEPZ, has approved a new set of projects across multiple sectors. These sectors include IT/ITES, nutraceuticals, warehousing & logistics, engineering services, and footwear, further accelerating industrial growth across the Tamil Nadu, Andaman & Puducherry (TAP) Region.

https://www.thehindubusinessline.com/economy/logistics/mpez-approves-new-projects-worth-450-crore-in-tamil-nadu/article70994860.ece

Delhi cuts VAT on aviation turbine fuel to 7% from 25%

The Delhi government has significantly cut the Value Added Tax on Aviation Turbine Fuel. The tax on ATF will now be 7 percent, down from 25 percent. This decision aims to lower airline operating expenses. It is expected to boost Delhi's standing as a major aviation center. Airlines operating from the national capital will benefit from this tax reduction.
https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/delhi-cuts-vat-on-aviation-turbine-fuel-to-7-from-25/articleshow/131138603.cms

External

Free trade pact by year-end: EU Chief

European Commission president Ursula von der Leyen announced that the India-EU Free Trade Agreement (FTA) will be inked by the end of 2026 and assured that the "mother of all deals" will be operationalised at record speed. Speaking at the European Round Table for Industry in Gothenburg, Sweden, on Sunday alongside Prime Minister Narendra Modi and Swedish PM Ulf Kristersson, she said that the agreement heralds a transformative new era for global commerce. "We are committed to signing the agreement by the end of the year and making it fully operational at record speed," von der Leyen said at a joint press briefing. "Our EU-India agreement-the mother of all deals!-heralds a new era in our relations. We're working hard to have it applied this year to fast-forward its benefits for our people and businesses."
https://economictimes.indiatimes.com/news/economy/foreign-trade/free-trade-pact-by-year-end-eu-chief/articleshow/131184924.cms

India, Sweden aim to double bilateral trade and investment

Prime Minister Narendra Modi’s visits to Sweden and Norway over the past two days sought to deepen India’s trade and investment ties with the two Nordic countries by leveraging the India-European Union Free Trade Agreement, which envisages $100 billion in investments and creating one billion jobs in India in the next 15 years. On Monday, during PM Modi’s visit to Norway, the two countries elevated their bilateral relations into a ‘green strategic partnership’. In his statement after his talks with Norwegian PM Jonas Gahr Støre, Prime Minister Modi said that through this partnership Indian companies will develop global solutions from the blue economy to green shipping by combining India’s scale, speed, and talent with Norway’s technology and capital.
https://www.business-standard.com/economy/news/india-sweden-aim-to-double-bilateral-trade-and-investment-in-five-years-126051801507_1.html