

Goods exports surge 20% as India diversifies trade

India's exports to West Asia recovered in July amid the crisis after re-routing shipping lines, says Commerce Secretary; trade deficit, however, widens as service exports grow slower than imports

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NEW DELHI

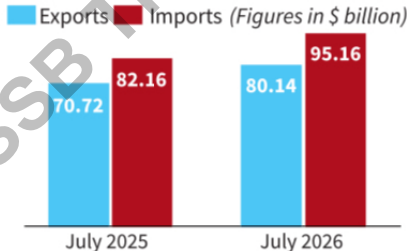
Despite the ongoing turmoil in West Asia, India's merchandise exports saw a growth of nearly 20% in July this year, faster than that of imports, official data released on Thursday show.

Notably, exports to West Asia itself have recovered, with July's exports to the region nearly 9% higher than the same period last year. According to Commerce Secretary Rajesh Agrawal, this has been achieved by routing India's trade through different ports and shipping lines.

India's merchandise exports stood at \$44.2 billion in July, up 19.6% over its level in the same period last year. According to Mr. Agrawal, this was achieved

Soaring trade

India's total exports for July 2026 grew 13.31% from July 2025, while imports grew by 15.83% in the same period. The chart shows India's total exports and imports in July 2026 compared to the year-ago period



through continued diversification of export destinations. Merchandise imports, meanwhile, grew at a relatively slower 17.5% in July to \$76.2 billion.

"If you look at destination countries, we are now doing well in countries where we typically did not

earlier, such as China, Singapore, Japan, South Korea, Taiwan, Vietnam, Austria, Malaysia, and several other countries," Mr. Agrawal said at a press conference. "Even in Africa, in Kenya and the South African Customs Union region, there has been an increase

in exports in the first four months of this financial year," the Commerce Secretary noted. "Tanzania has also been a very strong silver lining where 130% growth in exports has been seen."

India's exports to China grew 65% to \$2.2 billion in July, albeit on a low base. Over the course of April-July this year, exports to China grew 36%.

However, India's trade deficit still widened to \$15 billion in July from \$11.4 billion in the corresponding period last year as services imports grew faster than services exports. The data show that services exports grew 6.4% in July to \$35.9 billion while imports grew 9.5% to \$18.9 billion.

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Goods exports surge 20% as trade diversified

The growth in services exports is in keeping with the subdued export order growth sentiments expressed by service exporters surveyed in the HSBC India Services PMI report for the month.

The ongoing war in West Asia hit India's exports to the region in March and April, with exports contracting nearly 57% in March and 27% in April. Since then, however, exports to the region have recovered, and stood at \$5.7 billion in July 2026, up 8.8% over July last year.

"Some of the ports in Oman that are outside the Strait of Hormuz have been doing well and more cargo has been flowing through them. Even two ports in the UAE – Fujairah and Khor Fakkan – are seeing more traffic," Mr. Agrawal explained.

Normally, he said, it was the Jebel Ali port in Dubai that had been handling the bulk of the cargo.

"Since that is not being able to handle it currently, other ports are stepping up and infrastructure has been upgraded on that side," Mr. Agrawal added. "More shipments are going through those routes. So, that has helped us recover our exports to the region."

BCI bars enrolment of NALSAR graduates, later withdraws order

Soibam Rocky Singh

NEW DELHI

The Bar Council of India (BCI) on Thursday issued a direction to all State Bar Councils not to enrol students who graduated from the NALSAR University of Law, Hyderabad, in 2026, only to withdraw it hours later.

In its initial communication, the BCI had directed the State Bar Councils to halt the graduates' enrolment until further orders, pending an inquiry into a campaign by students opposing the participation of Chief Justice of India Surya Kant in the university's convocation. However, it later withdrew the order, issued by its Chairman Manan Kumar Mishra, saying that all graduates would be free to enrol with the State Bar Council of their choice.

In the latest communication, the BCI said its members had unanimous-



Students of NALSAR University of Law, Hyderabad, take out a protest in July. FILE PHOTO

ly concluded that the “vast majority” of the 2026 graduates were innocent and had not been inclined to participate in what the Council described as a “move of disrespect”.

The BCI, however, said it would await the inquiry report from the NALSAR Vice-Chancellor before deciding on further action. “No student shall be made to suffer without any fault on his part,” it said in the revised statement.

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BCI goes back on bar on NALSAR graduates

The dispute followed a representation by NALSAR students opposing the proposed participation of Justice Kant as the chief guest at their convocation, citing his remarks during proceedings concerning alleged police excesses against NEET protesters in the national capital.

In its previous communication, the BCI had sought an authenticated report from the NALSAR Vice-Chancellor on the campaign and asked the university to identify those who were principally instrumental in initiating, organising, coordinating or mobilising the campaign. It had also sought details of the representation submitted to the university and its signatories.

In its revised communication, the BCI said it had received information from “some reliable sources” that a “handful of teachers and outsiders” had been instrumental in “instigating the innocent students”. The Council said it would take further action after receiving and examining the Vice-Chancellor’s inquiry report.

The BCI’s initial communication had said that participation in the campaign needed to be examined in the context of the standards of conduct expected of persons seeking entry into the legal profession.

“A student of Law, having no regard or respect for the highest Judicial Office of the country, is not expected to be a responsible or sensible Advocate, Teacher or a Judge. Such persons shall always be a liability on the profession,” the BCI said in the initial communication.

“Such conduct, reflects adversely upon the person’s suitability for entry into or association with the legal profession,” it read.

“Final decision in the matter would be taken on 19th August, 2026, after receipt of the report from the Vice-Chancellor,” the BCI had said.

The BCI, it said, being the regulator of legal education in the country, “cannot be a mute spectator of such a serious situation”.

Assam outfit suspends 'blockade' imposed on Arunachal boundary

The Hindu Bureau

GUWAHATI

Tension along the Assam-Arunachal Pradesh boundary eased on Thursday night after Takam Mising Porin Kebang (TMPK), the apex student body of Assam's Mising community, suspended the "economic blockade" of Arunachal Pradesh. However, it gave a

48-hour ultimatum to arrest four Arunachal Pradesh-based persons accused in the August 10 firing incident that took place over a land dispute.

On Wednesday, the TMPK and other groups had launched the blockade in protest against the firing in which 11 persons from



Protesters in Assam blocking a road leading to Arunachal Pradesh on Thursday. SPECIAL ARRANGEMENT

Assam were injured in the Mingmang Bodoti area of Assam's Dhemaji district. After talks with the Assam government and civil society groups of Arunachal Pradesh on Thursday, the TMPK said: "Assurances were given regarding action on the core demands raised

by the TMPK. In view of these assurances and in consideration of the difficulties being faced by the common people, the TMPK has decided to temporarily suspend the blockade."

Earlier in the day, officials in Dhemaji said police restored order by firing blank shots after a scuffle between people from both States followed an incident of stone-pelting. The violence was reported from an area adjoining Likabali in Arunachal Pradesh.

Officials of both the States had expected tension along the boundary to ease after Assam Chief Minister Himanta Biswa Sarma and his Arunachal Pradesh counterpart Pema

Khandu appealed for calm, and promised action against those responsible for the firing.

Following the renewed unrest, the Assam government rushed Ministers Atul Bora and Ranoj Pegu to Dhemaji. They held a meeting with the TMPK leaders and several other organisations.

TMPK president Tilak Doley said the meeting was positive. "They accepted our demands and said these would be fulfilled through dialogue," he said. Mr. Pegu told the TMPK leaders that Assam police have requested their Arunachal Pradesh counterparts to hand over the four persons accused of firing.

Arunachal students' body to assess claims of Chinese incursion

The Hindu Bureau

GUWAHATI

An Arunachal Pradesh students' body sent a team to the frontier village of Taksing in the State's Upper Subansiri district on Thursday to "assess the prevailing situation in the border areas" following reports of alleged incursions and activities by the Chinese People's Liberation Army (PLA).

The decision of the All Arunachal Pradesh Students' Union (AAPSU) to visit a sensitive stretch of the India-China border followed a fact-finding report by the People's Party of Arunachal (PPA), which said that Chinese soldiers had taken over a patrolling point abandoned by the Indian Army in 2023.

AAPSU president Meje Taku said his team's tour to Taksing was planned to draw greater attention to border security, connectivity, and infrastructure in remote areas. He also said the union's "Taksing Chalo, Bharat Bachao" tour would culminate on August 15 with the hoisting of the national flag.

"Arunachal Pradesh was, is, and will forever remain an integral and inalienable part of India. Our people will continue to stand with our armed forces and residents of the border villages," he added. The AAPSU said it would prepare a ground assessment report based on its team's visit and submit it to the Central and Arunachal Pradesh governments, seeking stronger security



All Arunachal Pradesh Students' Union president Meje Taku. FILE PHOTO

arrangements and faster implementation of development projects in the frontier villages.

Although the Indian government and armed forces have denied any transgression by Chinese soldiers, the Nah Welfare Society, an organisation of a tribe residing near the international border, has been repeatedly flagging the alleged takeover of Indian territories by the PLA.

On August 10, the PPA said local residents told them that the Indian Army had never returned to Shera 5 Point, a border patrolling point, after a 2023 confrontation between the PLA and Arunachal Scouts, a specialised mountain infantry regiment of the Indian Army based in the State.

The party also said Nanga Pahar, once considered the ancestral hunting and yak-rearing areas of the Nah and Mara communities living along the border, has been turned into a "strictly prohibited zone for the locals, giving an advantage to the PLA to push their encroachment activities".

Six feared trapped as debris enters tunnel in Uttarakhand

Ishita Mishra

NEW DELHI

Six workers were feared trapped after water and debris entered an under-construction tunnel in the Palkoti area of Chamoli district in Uttarakhand on Thursday. Sixteen workers were rescued from the site, officials said.

Preliminary information suggested that 22 workers were inside the tunnel being built for a Tehri Hydro Development Corporation Limited project when water and debris entered it. The district has witnessed heavy rainfall over the past several days.

Rescue operations were launched soon after the incident was reported. Teams from the Indian Ar-



People gather at the entrance of the under-construction tunnel in Chamoli, Uttarakhand, amid the rescue efforts on Thursday. PTI

my, Indo-Tibetan Border Police, National Disaster Response Force, and State Disaster Response Force were rushed to the site and raced against time to evacuate the trapped workers.

Uttarakhand Chief Minister Pushkar Singh Dha-

mi expressed concern over the incident and directed officials to carry out the rescue operation on a war footing. He said the government's priority was to ensure the safe evacuation of every worker trapped inside the tunnel.

A predictable rise

Inflation will remain high in the foreseeable future

A rise in India's July retail inflation was a foregone conclusion, but its modest increase, at 4.45%, up from 4.38% in June, is still the highest in 19 months, since December 2024. This is the second consecutive month that retail inflation has stayed above the Reserve Bank of India (RBI)'s 4% target, even while remaining comfortably within its 2%-6% tolerance range. Predictably, it has again been driven by food, fuel and transport, even as core inflation, excluding precious metals, has remained below 3%. What is telling is the extent of rural, food-led inflation, which rose from 5.45% in June to 5.79% in July, while urban food inflation decreased marginally from 5.09% to 5.05%. Staples such as onion (22.54%), garlic (35.36%) and ginger (83.62%) fuelled the rise, even as potato (-16.56%) and tomato (-4.59%) moderated. Transport, however, continues to have a wider impact, pointing to elevated input-cost pressures. Transport inflation quickened to 4.43% in July from 4.31% in June, while the crucial subdivision, transport services for goods, rose from 7.70% to 7.77%. Despite the July 1 cut in commercial LPG prices of about ₹183, food and beverage serving services inflation quickened to 7.75% in July, indicating that restaurants are yet to recoup revenues and margins lost following the steep operating costs from March through May. Commercial LPG was cut by a further ₹202 on August 1, but this is unlikely to immediately bring down menu prices.

The monsoon remains a concern, with parts of western, central and southern India remaining rain-deficient. Precious metals inflation, particularly gold (32.98%) and silver (109.84%), moderated, but remains extraordinarily high. Crude prices were relatively stable during the July CPI reference period, but began rising again in August. More worryingly, Ukraine-related disruptions around Russia's Black Sea export infrastructure, particularly Novorossiysk, could raise freight and risk premiums for Russian crude. Russia supplied nearly half of India's crude imports in June, making such disruptions relevant to India's landed energy costs. The rupee also depreciated by about 1.6% between the June 15 and July 15 CPI reference dates, further amplifying imported inflation. In the background, there are signs of weakening economic momentum, with the HSBC composite PMI showing a sharp fall from 57.1 in June to 54.3 in July, its weakest expansion since March 2022. While the PMI is a high-frequency indicator and need not reflect a long-term trend, it is nevertheless worth taking note of. The RBI's Monetary Policy Committee, which held the repo rate at 5.25% for the fourth consecutive meeting in August, is therefore likely to remain on hold through the second quarter of FY27, as it weighs persistent supply-side inflation against weakening economic momentum.

Emails reveal carmakers' fuel contamination worries before public retreat

Reuters

NEW DELHI

Hours after India made public assurances last week that its ethanol-blended petrol was safe, the country's main auto lobby withdrew a complaint about fuel contamination it had sent to the government a week earlier. The group said some figures needed more checks.

But separate communications between industry executives, reviewed by *Reuters*, showed that in the preceding days, top automakers Maruti Suzuki, Tata Motors and Mahindra

discussed their concerns about contamination of petrol blended with 20% ethanol, called E20.

Their data compiled the most comprehensive fuel testing done by the industry since Prime Minister Narendra Modi's government started rolling out E20 nationwide from last year to help curb pollution and cut oil imports.

With no other petrol available since April 1, consumer concerns have grown about the impact on vehicle performance.

The carmakers' emails show for the first time how they are privately worried

about contaminants in E20, like chloride and moisture, which they say are hurting vehicles, even as they publicly back the government's roll-out of the fuel.

The Society of Indian Automobile Manufacturers (SIAM) withdrew its July 28 letter on fuel contamination after a government and public uproar over the warning, saying "some numbers" need "authentication".

The previously unreported industry data and emails reviewed by *Reuters* show "multiple" automakers had already conducted



Maruti Suzuki, Tata Motors and Mahindra discussed concerns over contamination of petrol blended with ethanol. GETTY IMAGES/ISTOCK

extensive tests by collecting over 250 fuel samples from pumps over a year from as many as 21 of India's 36 states and territo-

ries. They found high chloride contamination in many of the samples in 18 states, as well as high moisture content.

The executives' emails raised no concern about data authentication.

Asked for comment on the private emails, SIAM told *Reuters* the data was intended only for internal circulation, discussion and validation, and collected by "very few" automakers.

Maruti, Tata and Mahindra, who were part of the SIAM internal emails seen by *Reuters*, account for 67% of India's car market.

As "the testing basis and sample size were insufficient to support definitive conclusions, the communication was withdrawn" as it was sent inadvertently,

SIAM said, adding it intends to undertake a proper scientific study.

The Ministry of Petroleum and Natural Gas did not respond to requests for comment. Its minister, Hardeep Singh Puri, said on Friday that two weeks prior to receiving the letter from SIAM, India's oil marketing companies had begun "rigorous testing" of fuel at retail outlets to check for contamination.

Only four cases of contamination were found, he said. State-run fuel retailers also said last week that extensive random and scientific tests showed "no

cause for any alarm on account of fuel contamination".

Mahindra said conclusions drawn from its executive's emails "are completely baseless and incorrect", industry data is limited and preliminary, and it does not see issues with E20.

Maruti and Tata did not respond to requests for comment.

E20 has angered motorists, with hundreds alleging it has reduced mileage and increased wear and tear on their cars, and triggered at least one court challenge.

Turkiye lays out plans for defence pact with Pakistan, Saudi Arabia

Reuters

ANKARA

Turkiye, Saudi Arabia and Pakistan will group senior Ministers, hold joint exercises and deepen defence industry cooperation under a military pact signed between the regional powers last week, Türkiye's Defence Ministry said on Thursday.

The three Sunni Muslim U.S. allies, alarmed by a regional conflagration that has brought Iranian missile fire onto Gulf oil exporters,

signed the "Mecca Joint Defence Agreement" on August 7.

They said the accord stipulates that an armed attack against any member would be regarded as an attack on all, similar to NATO's Article 5 collective defence clause.

The Ministry added that joint military exercises involving land, naval, and air forces, as well as air defence and unmanned systems were planned, in addition to deeper defence industry cooperation.

Putin's first trip to the Pacific island chain claimed by Japan draws ire from Tokyo

Associated Press
MOSCOW

Russian President Vladimir Putin on Thursday made his first visit to the Kuril Islands, a Moscow-controlled Pacific archipelago that also is claimed by Japan, which voiced a diplomatic protest over the trip.

Mr. Putin visited a fish plant, a hospital and a school on Iturup, one of the volcanic chain's southern islands. He also briefly spoke to local residents and met with the governor of Russia's Sakhalin region, Valery Limarenko.



Vladimir Putin interacts with local residents on Iturup island, part of the contested chain known as the Kuril Islands on Thursday. AFP

Japan asserts territorial rights to the four southernmost islands of the chain, which it calls the Northern Territories. The Soviet Un-

ion took them from Japan in the final days of the Second World War, and the dispute kept the countries from signing a peace treaty

formally ending their hostilities.

Japanese Foreign Minister Toshimitsu Motegi said his country “strongly protests” Mr. Putin’s visit to Iturup, which Japan calls Etorofu.

“The Northern Territories, including Etorofu (Iturup) Island, are Japan’s inherent territory both historically and from the perspective of international law,” Mr. Motegi said.

He summoned Russian Ambassador Nikolay Nozdrev to the Ministry in Tokyo and lodged a strong protest over the visit.