

## Editorial Note

Greetings!

We at the *Journal of Development Economics and Management Research Studies* (JDMS) warmly greet our esteemed readers and supporters, wishing you all a joyful, prosperous, and peaceful **New Year 2026**. May this year usher in global peace, solidarity, and universal love and affection.

India's macroeconomic trajectory continues to demonstrate remarkable resilience amidst evolving global and domestic challenges. Recent data highlight a 9.2% year-on-year rise in direct tax revenues, signalling robust collections and underlying fiscal strength. At the same time, inflationary pressures persist, with consumer prices rising to 2.1% in August 2025, driven largely by higher food costs, while core inflation remains broadly stable. Wholesale inflation has also inched up, reflecting rising manufacturing costs.

The Government of India is taking practical measures to catalyse investment and strengthen India's industrial and digital base. A proposed ₹200 billion guarantee fund for infrastructure projects seeks to mitigate risks associated with policy uncertainty and land acquisition delays. Complementary incentives, including tax breaks and GST relief for data centres, underscore India's ambition to emerge as a leading digital infrastructure hub in the Asia-Pacific region, with projections suggesting it could become the second-largest power consumer among data centres by 2030, surpassing Japan and Australia.

For instance, the recent GST reduction in India is giving a clear boost to both consumers and businesses. Lower prices make goods more affordable and encourage spending, while businesses benefit from reduced costs and simpler compliance. Beyond immediate gains, this move strengthens India's investment appeal, supports growth, and helps keep inflation in check.

Sectoral developments continue to reshape the economy. Agrochemical exports surged 300% to \$3.3 billion in FY25, positioning India as the world's third-largest exporter after China and the US. Calls for a Production-Linked Incentive (PLI) scheme aim to consolidate this momentum. Indian IT firms are diversifying into electronics and semiconductors, aligning with global technology trends, while agriculture remains steady, with FY26 foodgrain output projected at 362.5 million tons.

Energy and financial sectors also remain areas of focus. India's dependence on Russian oil persists, even as efforts are underway to steer the steel industry toward sustainability under the National Mission for Sustainable Steel. Financial reforms, including SEBI's approval of REIT reclassifications and measures to expand participation of banks, pension funds, and foreign investors in commodities trading, reflect a broader agenda to deepen and modernise India's financial markets.

On the global stage, economic developments reveal a complex interplay of monetary policy, trade, and geopolitical manoeuvring. The US economy shows resilience, while gold prices reach record highs amid market uncertainties. Central banks across the world are adjusting policy rates to balance growth and inflation, with divergent strategies reflecting regional economic realities. Geopolitical developments, including US-China trade agreements, EU sanctions on Russian energy, and credit rating concerns in France, underscore the interconnectedness of global markets.

External trade dynamics offer a mix of optimism and caution. India's goods trade deficit is narrowing, aided by moderating imports and rising smartphone exports. However, global frictions remain: while India's request regarding US tariffs on copper derivatives was denied, resumed trade talks signal a potential path forward. The EU's new strategic agenda to deepen cooperation in defence, trade, and technology further reflects recognition of India's growing economic influence.

Altogether, India stands at a pivotal juncture in strengthening revenue mobilisation, diversifying industrial and digital capacities, and expanding global engagements. While opportunities abound, careful policy calibration is essential to navigate inflationary pressures, external trade frictions, and energy dependencies, ensuring sustainable growth in the year ahead.

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Founder- Chief Editor