

ECONSCIENCE

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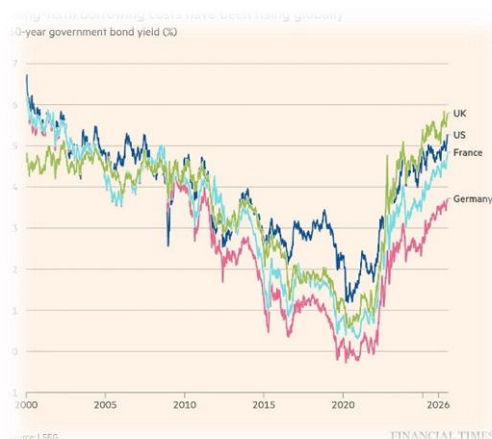


Global Economic Developments: Trade Tensions, Rising Bond Yields and Surging Technology Costs

UAE Halts Trade with Iran Following Maritime Missile Attack:

The United Arab Emirates (UAE) officially suspended all commercial, trade, and financial transactions with Iran. This decision followed an incident where the UAE military detected two ballistic missiles fired from Iranian territory toward shipping vessels in the Gulf.

Economic Impact: The abrupt severing of ties between these major regional trade hubs immediately sent shockwaves through the energy market. Oil futures registered a four-day consecutive gain as transit through critical maritime choke points remains highly vulnerable. A prolonged blockade or escalation risks driving crude oil prices to severe highs, which inflates global shipping and consumer manufacturing costs.



Global Bond Yields Surge to Historic Highs:

Amid Swelling Debt Global government bond yields have stabilized near multi-decade highs. A stark example is Europe's largest economy, where the Germany 10-Year Government Bond Yield hit a 15-year peak of 3.21%. Concurrently, the U.S. Treasury announced emergency doubled debt buybacks in an aggressive bid to steady highly volatile domestic bond markets.

Economic Impact: High bond yields reflect deep investor anxiety regarding sticky global inflation and massive government deficits. Because bond yields set the baseline for the wider financial system, this movement makes corporate expansion loans and sovereign refinancing significantly more expensive, threatening to put the brakes on global industrial capital expenditure.

India's Economic Outlook: Rising Inflation, Slower GDP Growth and RBI's Monetary Policy Challenges

Retail Inflation Rebounds to a 19-Month High:

High:

The Ministry of Statistics and Programme Implementation released data showing that India's annual retail inflation accelerated to 4.45%. This breaks past the Reserve Bank of India's (RBI) ideal 4% target for the second consecutive month. **The Cause:** Stubborn spikes in the food and beverage basket specifically essential kitchen items like ginger, garlic, and onions alongside volatile global fuel prices.

Economic Impact: Higher inflation directly erodes the purchasing power of middle- and lower-income families. Furthermore, the rising cost of transportation inputs threatens a wider spillover effect into manufactured goods, putting pressure on overall consumer spending.



RBI Holds Repo Rate at 5.25% and Signals Rate Hike Risks:

The RBI's Monetary Policy Committee (MPC) unanimously decided to keep the benchmark repo rate steady at 5.25% while maintaining a neutral stance. However, the latest meeting minutes reveal that policymakers are adopting an increasingly hawkish tone. **The Cause:** Newly appointed RBI Governor Sanjay Malhotra and other board members cited a lack of clarity on the food and fuel inflation path. They warned that if inflation peaks close to 5.9% in the upcoming quarter, the central bank may be forced to hike interest rates later this year.

Economic Impact: Keeping interest rates locked in means that borrowing costs for home loans, car purchases, and corporate expansions will remain high. The threat of a future rate hike creates a cautious sentiment in the stock market and acts as a minor brake on aggressive capital expenditure by corporate firms.

DO YOU KNOW?

18th BRICS Summit will be hosted by India in New Delhi on 12-13 September 2026

Assam's Economic Development Initiatives: Labour Reforms, Education Expansion and Youth Empowerment



Complete Modernisation of State Labour Ecosystem:

The Assam Cabinet officially approved the Assam Industrial Relation Rules, 2026 alongside the Assam Social Security Rules, 2026. This landmark regulatory shift completely repeals and replaces three outdated, colonial-era labor acts.

Effect on State Economy: Positive (Ease of Doing Business). By aligning local regulations with

India's central Code on Social Security, the state creates a highly modernized, worker-centric framework. This legal clarity minimizes compliance red tape for corporate houses and factories, which is expected to attract greater private industrial investments into Assam's manufacturing zones.

Permanent Allotment of Premium Institutional Campuses:

To transform the state into a premier regional education hub, the Cabinet approved the immediate transfer and allotment of land parcels for setting up permanent physical campuses for IIM Guwahati and Azim Premji University.

Effect on State Economy: Positive (Service Sector Stimulus). The construction and long-term expansion of these high-tier universities will inject immediate capital into local infrastructure. Over time, it retains local student spending within the state, establishes an influx of premium non-local talent, and creates an academic ecosystem that directly supplies skilled graduates to Assam's banking, tech, and corporate sectors.



DO YOU KNOW?

Assam State government is going to invest ₹8,970-crore for Guwahati–Tezpur 4-lane corridor, which will connect Baihata Chariali to Tezpur over 135.87 km, improving Assam's road connectivity

Guwahati & Kamrup Metro Economic Development: Infrastructure, Aviation Expansion and Administrative Modernization

₹2,100 Crore Sanctioned for the Guwahati Aerotropolis Satellite City Land Acquisition:

The state leadership officially authorized a capital allocation of ₹2,100 crore to acquire and develop land for the Aerotropolis Satellite City Project centered around the Lokpriya Gopinath Bordoloi International (LGBI) Airport in Guwahati.



Economic Impact: Highly Positive (Real Estate, Civil Aviation & Hospitality). The injection of infrastructure capital will trigger an immediate real estate boom and construction-sector employment spike on the outskirts of the city. Developing a structured aerospace and business ecosystem around the airport lays the foundation for Guwahati's emergence as an international maintenance, repair, and overhaul (MRO) gateway to Southeast Asia, attracting massive commercial corporate footprints.



Opening of the New Integrated District Commissioner's Office in Rupnagar:

Chief Minister Himanta Biswa Sarma officially inaugurated the state of the art Integrated District Commissioner's Office for the Kamrup Metropolitan District at Rupnagar, Guwahati.

Economic Impact: Positive (Ease of Doing Business & Public Service Efficiency). Operating through a unified complex significantly minimizes administrative red tape and delays for local trade licensing, land registrations, and commercial clearances. By expediting standard bureaucratic timelines, it builds a friendlier commercial environment for MSMEs, urban startups, and real estate developers looking to scale operations within the capital city region.

DO YOU KNOW?

Guwahati's Bharalu-Khanajan river pollution-control project is moving toward implementation, with bids for in-situ wastewater treatment due by 5 September 2026.

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