

DAILY NEWS PAPER ANALYSIS

DATE - 01/09/2025

**SOURCE
THE HINDU & INDIAN EXPRESS**

**CHANAKYA IAS ACADEMY
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India, China commit to fair border solution: PM

After PM meets Xi, MEA says ready for 'reasonable and mutually acceptable' solution on the frontier

Xi says border issues should not define overall ties; he adds nations are not rivals, but cooperation partners

Foreign Secretary says India, China can stabilise world trade; leaders agree to reduce trade deficit

Vighnesh P. Venkitesh
TIANJIN

Prime Minister Narendra Modi, at his meeting with Chinese President Xi Jinping on Sunday, underlined the importance of peace and tranquillity on the India-China border for continued development of bilateral relations.

Meeting on the sidelines of the Shanghai Cooperation Organisation summit in the northern Chinese city of Tianjin, the two leaders agreed on the need to strengthen people-to-people ties through direct flights and visa facilitation, building on the resumption of the Kailash Mansarovar Yatra and tourist visas, amid an improving relationship between the neighbours. Mr. Xi said the border issue should not define overall relations.

"The two leaders noted with satisfaction the successful disengagement last year and the maintenance of peace and tranquillity along the border areas since then. They expressed

commitment to a fair, reasonable, and mutually acceptable resolution of the boundary question," the Ministry of External Affairs said in a statement following the meeting.

Mr. Modi called for mutual support in combating terrorism and the two leaders exchanged views on balanced bilateral trade, recognising that their economies could stabilise world trade. Foreign Secretary Vikram Misri said at a press briefing on Sunday night. They agreed to facilitate trade and investment ties while reducing their trade deficit, he said. They discussed the international economic situation, with Mr. Modi telling Mr. Xi that growing trade will contribute to a change in the world's perception of China, the Foreign Secretary added.

The meeting took place against the backdrop of U.S. President Donald Trump's tariff wars, with both India and China facing steep duties on their exports to the U.S., but Mr. Modi insisted that the rela-



Improved ties: Prime Minister Narendra Modi with Chinese President Xi Jinping during a meeting on the sidelines of the Shanghai Cooperation Organisation summit in the Chinese city of Tianjin. PHO

'Positive momentum'

While the Prime Minister noted that both countries pursue strategic autonomy, the two leaders said they would expand their common ground on bilateral, regional, and global issues and challenges, such as terrorism and fair trade in multilateral platforms,

the MEA statement said.

"Had a fruitful meeting with President Xi Jinping... We reviewed positive momentum in India-China relations since our last meeting in Kazan [in Russia, in October 2024]," Mr. Modi said on X. "We agreed on maintaining peace and tranquillity in border areas and reaffirmed our commitment to cooperation based on mutual respect, mutual interest, and mutual solidarity," he added.

The two countries should work together to ensure peace and not let the border issue define their overall relations, Mr. Xi said during the bilateral meeting, adding that the "cooperative pas de deux of the dragon and the elephant should be the right choice for the two countries". China and India are not rivals, but cooperation partners, Mr. Xi said, a sentiment which echoed by Mr. Modi. Both leaders

India and China are victims of terrorism: Modi

NEW DELHI

Prime Minister Narendra Modi on Sunday told Chinese President Xi Jinping that both countries are "victims" of terrorism, and should work together to combat the "scourge". Responding to the media about whether Mr. Modi raised the issue of Pahalgam attacks, Foreign Secretary Vikram Misri said it was discussed during bilateral meeting. » PAGE 5

reaffirmed that the two countries are "development partners and not rivals, and their differences should not turn to disputes", the MEA said.

The Prime Minister also met with Myanmar's Senior General Min Aung Hlaing and reiterated India's readiness to support developmental needs of the crisis-hit country. He noted that India attaches importance to its ties with Myanmar as part of its 'Neigh-

borhood First', 'Act East', and Indo-Pacific policies, the MEA said in a statement. Mr. Modi expressed the hope that the forthcoming elections in Myanmar will be held in a fair and inclusive manner. He underlined that India supports a Myanmar-led and Myanmar-owned peace process, the MEA added.

The Prime Minister also attended a banquet gala with other SCO leaders, including Russian President Vladimir Putin and Pakistani Prime Minister Shahbaz Sharif.

He expressed support for China's presidency of the ongoing summit, the MEA said, indicating that he is unlikely to raise any objections to the Tianjin Declaration expected to be signed and issued on Monday. Mr. Modi also invited Mr. Xi to the BRICS summit that India will host in 2026. (The writer is in China on the invitation of the China Public Diplomacy Association)

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KEY HIGHLIGHTS

India-China Relations

- Meeting Venue & Occasion:
 - PM Narendra Modi met President Xi Jinping on the sidelines of the SCO Summit in Tianjin, China (Sept 2025).
- Border Issue:
 - Both leaders reaffirmed peace & tranquillity on the India-China border as essential for bilateral relations.
 - Acknowledged successful disengagement (2024) and commitment to a fair, reasonable, mutually acceptable boundary resolution.
- Xi Jinping's statement:
 - Border issue should not define overall bilateral ties.
 - Called India-China relations a "cooperative pas de deux of the dragon and the elephant".
- People-to-People Engagements:
 - Strengthening ties through direct flights, visa facilitation, and Kailash Mansarovar Yatra resumption.
- Trade & Economy:
 - Discussion on balanced bilateral trade and reducing trade deficit.
 - Both economies seen as stabilising factors for world trade (context: US tariff wars).
 - Agreement to facilitate investment ties.
- Strategic Autonomy:
 - Modi emphasised that India-China ties should not be seen through a third-country lens (reference to US factor).
- Multilateralism:
 - Cooperation on terrorism, fair trade, multilateral platforms.
 - Support for China's SCO presidency & Tianjin Declaration.
- Future Engagements:
 - Modi invited Xi to BRICS Summit in India, 2026.

India-Myanmar Relations

- Meeting with Myanmar's Senior General Min Aung Hlaing.
- Policy Frameworks:
 - India's engagement aligned with Neighborhood First, Act East, and Indo-Pacific policies.
- Democracy & Elections:
 - India hopes for free, fair, and inclusive elections in Myanmar.
 - Reiterated support for a Myanmar-led and Myanmar-owned peace process.
- Development Cooperation:
 - India expressed readiness to support developmental needs of Myanmar (amid ongoing crisis).

Geopolitical Context

- Backdrop:
 - Ongoing US tariff wars, with both India & China facing duties on exports.
- SCO Summit:
 - Modi attended banquet gala with SCO leaders, including Putin & Pakistan PM Shahbaz Sharif.
- India's Diplomatic Messaging:
 - India & China are development partners, not rivals.
 - Emphasis on mutual respect, interest, and solidarity in ties.

Govt. to offer immediate liquidity, compliance relief to exporters hit by tariffs

T.C.A. Sharad Raghavan
NEW DELHI

The Union government has come up with an "action plan" to respond to the tariff escalation by the U.S., which includes short-, medium-, and long-term measures aimed at not only addressing the short-term pain points but also increasing long-term competitiveness, the spokesperson of the Ministry of Commerce and Industry told *The Hindu* on Saturday.

According to sources, the short-term measures include providing immediate liquidity and compliance relief to exporters and helping them maintain order levels and employment in vulnerable sectors. "The Government of India is proactively responding with a timely, well-calibrated, and comprehensive multi-tiered strategy designed not only to safeguard Indian exporters but also to strengthen our long-term competitiveness in global markets," the spokesperson said. "The Department of Commerce has framed a short-, medium-, and long-term action plan to respond to this tariff escalation."

'Guiding principles'

According to sources in the Ministry, this action plan is based on a few "guiding principles": providing immediate relief to exporters with regard to liquidity, compliance, and order levels, building resilience in

Tweaking export model

The government is working out ways to deflect the blow to exporters from the U.S. tariffs

- The plan includes short-, medium-, and long-term measures to address pain points and boost competitiveness
- It is based on a few "guiding principles": providing immediate relief with regard to liquidity, compliances, and order levels, building resilience in supply chains, leveraging existing trade agreements, and providing non-financial assistance

supply chains, leveraging existing trade agreements, and providing other non-financial assistance to exporters.

"It is anticipated that exporters may face delayed payments, stretched receivable cycles, and cancelled orders due to the tariff shock," a source said.

"To prevent working capital stress and protect employment, the government is considering several steps to ease liquidity, prevent insolvencies, and allow exporters to sustain operations until new markets are tapped."

The Hindu has learnt from various export promotion bodies that liquidity crunch is a major concern for exporters as they have already bought the stock that they would have exported to the U.S. under normal circumstances.

"A critical risk is a drop in order levels, particularly in SEZ-based units which contribute significantly to labour-intensive exports," the source explained. They confirmed *The Hindu's* August 13 report about the government tweaking the Export Promotion Mission, announced in the Union

Budget 2025, to better align it with the needs of the currently affected export sectors.

That plan is currently being appraised by the Expenditure Finance Committee (EFC). It will include 'Niryat Protsahan' or helping exporters with trade finance access such as interest subvention, e-commerce export cards, and collateral support. The second pillar would be 'Niryat Disha', which would help exporters with market access through export compliance support, branding and packaging support. The government is also considering some SEZ policy flexibility norms to help SEZs to sustain production volumes and scale.

The medium- and long-term strategy includes leveraging the existing Free Trade Agreements that India has signed, an export diversification push so that large shares of exports don't go to any single country, establishing strategic autonomy in crucial sectors, and creating digital trade infrastructure in the form of the BharatTradeNet.



- Tweaks in Export Promotion Mission (Union Budget 2025):
 - Niryat Protsahan → Trade finance support (interest subvention, e-commerce export cards, collateral support).
 - Niryat Disha → Market access, compliance support, branding and packaging.
- SEZ Policy Flexibility: Norm adjustments to sustain production and scale in export-oriented units.

Medium- & Long-Term Measures

- Export Diversification: Reduce overdependence on a single market (esp. U.S.).
- Leveraging FTAs: Optimizing benefits of India's existing Free Trade Agreements.
- Strategic Autonomy in Key Sectors: Reduce vulnerability to global supply chain disruptions.
- Digital Trade Infrastructure: Launch of BharatTradeNet to modernize and integrate trade processes.

Guiding Principles

- Provide immediate liquidity, compliance, and order-level relief.
- Build resilience in supply chains.
- Leverage trade agreements for long-term competitiveness.
- Provide non-financial support (branding, packaging, compliance).

Significance

- Economic Security: Shields exporters from short-term shocks.
- Employment Protection: Particularly in labour-intensive SEZ sectors.
- Competitiveness Boost: Push towards digital trade and export diversification.
- Strategic Trade Policy: Aligns with India's broader goals of Atmanirbhar Bharat and resilient supply chains.

KEY HIGHLIGHTS

Context

- U.S. tariff escalation has triggered concerns for Indian exporters, particularly in labour-intensive and SEZ-based sectors.
- Union Government has framed a short-, medium-, and long-term action plan to mitigate immediate pain and enhance long-term competitiveness.

Short-Term Measures

- Liquidity & Compliance Relief: Immediate support to exporters to prevent working capital stress, insolvencies, and job losses.
- Addressing Vulnerable Sectors: Focus on labour-intensive sectors and SEZ-based units facing cancelled orders and delayed payments.

Study finds T.N. has lowest density of rosewood tree population in South India

Geetha Srimathi
CHENNAI

Only 17.2% of India's suitable habitat for *Dalbergia latifolia* – Indian rosewood – lies in protected areas, according to recent habitat modelling by the Institute of Wood Science and Technology (IWST), Bengaluru.

The species, native to Tamil Nadu's Nilgiris, Anamalai, and Parambikulam ranges, now finds itself largely unprotected and increasingly vulnerable to exploitation as the State government decided not to renew the Tamil Nadu Rosewood Trees (Conservation) Act, 1995, beyond February 2025. Introduced in 1995, the Act had prohibited the cutting of rosewood without government permission and helped to prevent industrial-scale exploitation. It was extended in 2010 for a period of 15 years and was left to lapse this year without renewal. Experts say with the law gone, privately owned trees, many found in tea plantations of the Nilgiris, are now at risk.

Often called the 'ivory of the forests', it is prized for its rich grain, deep colour, and exceptional durability. It is a premium timber re-



Multiple benefits: Rosewood trees improve soil fertility through nitrogen fixation, and act as long-term carbon sinks. FILE PHOTO

source for the furniture and handicraft industries as well as a keystone ecological species. Rosewood trees improve soil fertility through nitrogen fixation and act as long-term carbon sinks.

Sharp decline

Recent field studies conducted by the Indian Council of Forestry Research and Education, led by the IWST, across 12 States between 2019 and 2025 show a sharp decline in rosewood populations, particularly in Tamil Nadu. The State recorded just 2.85 trees per 0.1 hectare, markedly lower than Karnataka's 6.19 and Kerala's 5.38.

According to the IWST, habitat modelling with the use of MaxEnt software, conducted with 3,224 geo-referenced occurrence

points and 19 bioclimatic variables, has identified six core districts in Tamil Nadu with high habitat suitability: the Nilgiris, Coimbatore, Erode, Tiruppur, Dindigul, and Theni.

Yet, the limited overlap between suitable habitat and protected areas means that most of the remaining rosewood populations are exposed to legal felling and land-use change. According to T.N. Manohara, Scientist-F, IWST, climate models suggest that the suitable habitat will likely shrink in the coming decades.

He says the State must urgently reinstate legal protections and bring in a tagging and certification system to differentiate the plantation-grown rosewood from illegally harvested wild timber.

- Extended in 2010 for 15 years → lapsed in Feb 2025 (not renewed).
- With lapse → private trees, esp. in tea plantations, vulnerable to felling and exploitation.
- Experts urge reinstating legal protection and introducing tagging & certification systems to distinguish plantation vs. illegally sourced timber.

Threats & Concerns

- Unsustainable logging and land-use change due to lack of legal safeguards.
- Climate change models predict further habitat shrinkage.
- Limited overlap between suitable habitat and protected areas → increased vulnerability.

KEY HIGHLIGHTS

Ecological & Environmental Importance

- *Dalbergia latifolia* (Indian rosewood): Keystone species; improves soil fertility via nitrogen fixation; long-term carbon sink.
- Known as the "ivory of the forests" → highly valued for timber (furniture, handicrafts).
- Habitat modelling shows only 17.2% of suitable habitat lies within protected areas.
- IWST habitat modelling (MaxEnt software, 3,224 occurrence points, 19 bioclimatic variables).

Distribution & Population Status

- Native to Tamil Nadu's Nilgiris, Anamalai, and Parambikulam ranges.
- Sharp population decline observed (2019–2025 field studies by ICFRE–IWST).
 - Tamil Nadu: 2.85 trees / 0.1 ha
 - Karnataka: 6.19 trees / 0.1 ha
 - Kerala: 5.38 trees / 0.1 ha
- Six high-suitability districts in TN: Nilgiris, Coimbatore, Erode, Tiruppur, Dindigul, Theni.

Legal & Policy Dimensions

- Tamil Nadu Rosewood Trees (Conservation) Act, 1995 → prohibited cutting without govt. permission.

Simplifying the mammoth Income Tax Act in six months

T.C.A. Sharad Raghavan
NEW DELHI

How did the Income Tax Department complete the "mammoth" task of rationalising and simplifying the huge Income Tax Act, 1961 in just about six months, and then implementing the Select Committee's voluminous suggestions in just one month? By cramming in 75,000 man-hours of work in that time and even putting probationers on the job, that's how.

The result was the hugely condensed and significantly more user-friendly Income Tax Act, 2025.

"The announcement by the honourable Finance Minister was made on July 23, 2024 that within six months the entire process of simplification of the law, to make it more lucid, clear, and precise will be achieved," R.N. Parbat, the Central Board of Direct Taxes (CBDT) member in charge of legislation, told

The Hindu. "The task was given to the Department of Revenue and the CBDT. It was to be done in-house."

By August 14, the drafting committee under Chief Commissioner of Income Tax V.K. Gupta was formed, and that's when the work began in earnest. Subcommittees were formed to look at every aspect of the law with a view to remove redundant sections and review the rest.

26 subcommittees

As the scope of the work became more clear – the original 1961 Act had 819 sections – the number of subcommittees also grew. By the end of it, there were 26 different subcommittees, according to Mr. Parbat.

Apart from this, the process also incorporated a review committee that was formed with reviewing the work done by the drafting subcommittees.

"Once the review com-



On deck: The Income Tax Act, 2025, will come into effect from the next financial year, beginning April 1, 2026. GETTY IMAGES

mittee completed its work, it came to the Tax Policy and Legislation [TPL] division of the CBDT," Mr. Parbat explained. "And after that, when a draft was formed, it was reviewed by another set of senior officers of the CBDT."

Throughout this, the Revenue Secretary and the Finance Minister took regular briefings with the drafting committee and the TPL, while the Ministry of Law was also consulted.

"The work was broad-

based, with more than 150 officers of the Department working on it," Mr. Parbat said. "That included our Chairman, who was from the 1988 batch. At the same time, the junior-most person on the team was from the 2018 batch. Officers from all over India were selected for this purpose. We also involved our probationers who were undergoing training in Nagpur involved in the process."

The draft of the Bill was laid before Parliament on

February 13, 2025, six months after the drafting committee was formed. The number of chapters has been slashed from 47 to 23 and the number of sections from 819 to 536.

The new Bill included 57 tables as explanations, up from 18, and 46 formulae compared with the previous six.

The language was greatly simplified, jargon and archaic words such as 'notwithstanding' were removed as far as possible, and examples were provided where needed.

To put this in context, the Parliamentary Select Committee that was tasked with reviewing these changes took five months to submit its report.

"They forwarded around 1,312 suggestions to us, so again our TPL division officers along with the core committee members of the drafting committee formulated the written replies and submitted them

to the Select Committee," Mr. Parbat said.

After receiving the written and oral replies from the Revenue Secretary, the Chairman of the CBDT, Mr. Parbat and his team, along with the core members of the drafting committee, the Standing Committee submitted its report to Parliament on July 16, 2025.

'Mammoth task'

The revised Bill was then passed in Parliament on August 12, 2025 – just one year after the drafting committee was formed.

"The process was started and completed within the time given to us, so there is no question any longer of whether we would have preferred more time to do it," Mr. Parbat said. "It was a mammoth task that involved 75,000 man-hours, so whether you put it in two years or six months, that is the amount of work that was needed."

KEY HIGHLIGHTS

Context

- Income Tax Act, 1961 – had become lengthy and complex (819 sections, 47 chapters).
- Need – Simplification, rationalisation, removal of redundancies, clearer language for better compliance.

Timeline

- July 23, 2024 – Finance Minister announced completion of simplification within six months.
- Aug 14, 2024 – Drafting committee under Chief Commissioner of Income Tax V.K. Gupta formed.
- Feb 13, 2025 – Draft Bill laid before Parliament (6 months after work began).
- July 16, 2025 – Select Committee report submitted.
- Aug 12, 2025 – Revised Bill passed in Parliament → Income Tax Act, 2025.

Process & Structure

- Lead institution – CBDT (Central Board of Direct Taxes), Department of Revenue.
- Committees –
 - 26 drafting subcommittees (removed redundancies, reviewed sections).
 - Review committee → Tax Policy and Legislation (TPL) division → senior CBDT officers.
- Manpower – 150+ officers, from 1988 batch to 2018 batch + probationers (Nagpur).
- Total effort – 75,000 man-hours.
- Consultation – Revenue Secretary, Finance Minister, Ministry of Law.

Outcome – Key Features of the Income Tax Act, 2025

- 819 sections → 536 sections.
- 47 chapters → 23 chapters.
- 57 explanatory tables (previously 18).
- 46 formulae (previously 6).
- Language simplified: jargon/archaic words ("notwithstanding") removed.
- Explanations and examples included for clarity.

Select Committee Role

- Took 5 months to review the draft.
- 1,312 suggestions made.
- CBDT TPL + drafting core committee prepared replies (written + oral).
- Report submitted to Parliament on July 16, 2025.

Significance

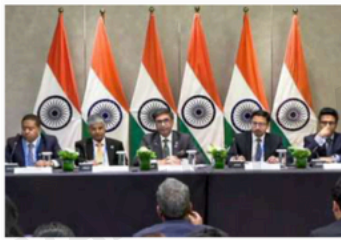
- Condenses and simplifies a major piece of legislation.
- Enhances lucidity, clarity, and precision in tax law.
- Shows administrative capacity to complete a "mammoth task" in limited time.
- Reflects coordination across multiple bureaucratic levels and legislative oversight.

India, China should work together to combat terrorism, Modi tells Xi

Suhasini Haidar
NEW DELHI

In what could be a shift in New Delhi's recent positions on the issue, Prime Minister Narendra Modi told Chinese President Xi Jinping that both countries are "victims" of terrorism, and should work together to combat the "scourge" of cross-border terrorism.

Responding to a number of questions from the media about whether Mr. Modi had raised the issue of terrorism and in particular the Pahalgam terror attacks that India has blamed Pakistan for, Foreign Secretary Vikram Misri said the issue was discussed during Sunday's bilateral meeting. "[The] Prime Minister outlined his understanding very crisply and very specifically. He outlined the fact that this is a scourge that both China and India have been victims of, and India is still combating this menace, and he asked for China's support on this particular issue," the Foreign Secretary said at the media briefing held in Tianjin after the talks.



Vikram Misri speaks during a special briefing on Prime Minister Narendra Modi's visit to China, in Tianjin on Sunday. PTI

In response to another question, Mr. Misri reiterated that the Prime Minister mentioned cross-border terrorism as a priority.

"[Mr. Modi] underlined the fact that this is something that impacts both India and China and that it's important therefore that we extend understanding and extend support to each other as both of us combat cross-border terrorism," he added, side-stepping a question on China's support to Pakistan during Operation Sindoor.

Mr. Misri also said that India has received China's

"understanding and cooperation" at the Shanghai Cooperation Organisation (SCO) on the issue of countering cross-border terrorism.

India is hopeful of strong references to the issue of cross-border terrorism in the SCO joint statement to be released on Monday.

Shifting stance

When asked, officials did not clarify which specific incidents of terrorism against China Mr. Misri was referring to.

Over the past decade,

China has blamed Tibetan and Uyghur groups for violence in the country, and Baloch groups for attacks on Chinese workers in Pakistan.

However, India has not previously endorsed those claims, and has on occasion raised the issue of human rights in Xinjiang and Balochistan.

In 2016, Mr. Modi had appealed to Mr. Xi for support at the UN on banning Pakistan-based terrorists like the 26/11 operations mastermind Zaki Ur Rahman Lakhvi and Jaish-e-Mohammad chief Masood Azhar, especially after China placed a hold on their designations as terrorists at the UN Security Council.

At the time, the Prime Minister had also said that "India and China are victims of terrorism and the region is suffering from the menace".

Subsequently, however, India had not repeated this contention, and has instead criticised Beijing on a number of occasions for "double-standards" and "double-speak" on the issue of terrorism.

KEY HIGHLIGHTS

Diplomatic Engagement

- PM Modi raised the issue of cross-border terrorism with Chinese President Xi Jinping during bilateral talks at the SCO Summit in Tianjin.
- Emphasis on both India and China being "victims of terrorism", marking a nuanced diplomatic stance.

Shift in India's Position

- Earlier (2016), Modi used similar language while appealing to China for support in the UN to designate Pakistan-based terrorists (Masood Azhar, Lakhvi).
- In recent years, India had avoided equating China with itself as a victim of terrorism, instead criticising Beijing's double standards on Pakistan.
- Current statement indicates a possible recalibration in India's China policy—seeking cooperation rather than confrontation on terrorism.

China's Terrorism Narrative

- China traditionally blames Tibetan and Uyghur groups for domestic violence.
- Also faces attacks on Chinese nationals in Pakistan by Baloch groups.
- India had previously not endorsed these claims, at times even highlighting human rights concerns in Xinjiang and Balochistan.

SCO Context

- India expects strong references to cross-border terrorism in the SCO joint statement.
- India values China's "understanding and cooperation" within the SCO framework on terrorism.
- SCO has emerged as a key platform for regional counter-terrorism discourse.

Pakistan Factor

- Modi's remarks came soon after the Pahalgam terror attacks, which India blamed on Pakistan.
- Sensitive issue: China's historical support for Pakistan (including during Operation Sindoor and UN vetoes on terror designations).
- India's call for support tests China-Pakistan-India triangular dynamics.

Strategic Significance

- The articulation of India-China shared victimhood of terrorism may serve:
 - To diplomatically pressure Beijing to reconsider overt support for Pakistan.
 - To create common ground within SCO against terrorism.
 - To subtly balance criticism on human rights with cooperation on security issues.

India's economic churn, the nectar of growth

Indian civilisation has long believed that trial precedes triumph. Like the churning of the ocean, Samudra Manthan, where turbulence yielded nectar, our economic churns have always produced renewal. From the crisis of 1991 came liberalisation and from the COVID-19 pandemic came a digital surge. And, today, from the cacophony of doubters calling India a "dead economy" emerges the fact-rich story of resilience: faster growth, stronger buffers, and broader opportunity.



Hardeep S. Puri
is Union Minister for
Petroleum and
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Government of India

The economic data-energy security link

Consider the latest GDP numbers. Real GDP grew 7.8% in Q1 FY 2025-26, a five-quarter high. Crucially, this growth is broad-based: Gross Value Added is up 7.6%, with manufacturing 7.7%, construction 7.6%, and services approximately 9.3%. Nominal GDP expanded 8.8%. This is not an arbitrary spike – it reflects rising consumption, robust investment, and the payoff from steady public capex and logistics reforms that reduce costs across the economy.

India is now the world's fourth-largest economy, and the fastest-growing major one, outpacing even the first and second largest, the United States and China. On present trajectories, India is poised to overtake Germany and become the third-largest economy in market exchange terms before the decade ends. India's momentum matters globally; independent estimates show that India already contributes over 15% of incremental world growth. The Prime Minister has set a clear ambition – raising India's share toward 20% as reform deepens and new capacity comes online.

Markets and rating agencies have recognised this discipline. S&P Global raised India's first sovereign rating upgrade in 18 years, citing robust growth, monetary credibility and fiscal consolidation. That upgrade lowers borrowing costs and widens the investor base. It also punctures the "dead economy" narrative that independent assessors of risk have voted with their ratings.

Equally important is who benefits. Between 2013-14 and 2022-23, 24.82 crore Indians moved out of multidimensional poverty. That shift rests on basic-services delivery at scale – bank accounts, clean cooking fuel, health cover, tap water – and on direct transfers that empower the poor to make choices. This scale of growth amid the world's most vibrant democracy and with remarkable demographic challenges is distinctive. India's model values consensus-building, competitive federalism, and last-mile delivery through digital rails. It is slower to announce, faster to implement, and built to last. When critics compare us to authoritarian sprints, they miss the point: India is building a marathoner's economy.

As India's Petroleum Minister, this writer can attest to how India's energy security supports this rapid growth. India, today, stands as the third

largest energy consumer, fourth largest refiner, and fourth largest liquefied natural gas importer in the world. India operates over 5.2 million barrels per day of refining capacity, with a clear road map to expand beyond 400 million tonnes per annum by the end of the decade.

India's energy demand, which is projected to double by 2047, will account for nearly a quarter of incremental global demand, making India's success central to global energy stability. The government's approach has been to combine security with reform. Exploration acreage has expanded from 8% of sedimentary basins in 2021 to over 16% in 2025, with a target of covering one million square kilometres by 2030. The drastic reduction of so-called 'No-Go' areas by 99% has unlocked vast potential, while the Open Acreage Licensing Policy (OALP) ensures transparent and competitive bidding. New gas pricing reforms linking prices to the Indian crude basket and offering 20% premiums for deepwater and new wells have spurred investment.

A story of energy transition

India's energy story is not only about hydrocarbons; it is also about transition. Ethanol blending has surged from 1.5% in 2014 to 20% today, saving over ₹1.25 lakh crore in foreign exchange and paying more than ₹1 lakh crore directly to farmers. Over 300 compressed biogas plants are being rolled out under Sustainable Alternative Towards Affordable Transportation, with a 5% blending mandate targeted by 2028. Oil public sector units (PSUs) are leading the charge in green hydrogen.

Much heat has been generated in some quarters about India's purchase of Russian crude. Let us separate fact from noise. Russian oil has never been sanctioned like Iranian or Venezuelan crude; it is under a G7/European Union price cap system deliberately designed to keep oil flowing while capping revenues. There have been 18 rounds of such packages, and India has complied with each one. Every transaction has used legal shipping and insurance, compliant traders and audited channels. India has not broken rules. India has stabilised markets and kept global prices from spiralling.

Some critics allege that India has become a "laundromat" for Russian oil. Nothing could be further from the truth. India has been the fourth-largest exporter of petroleum products for decades – long before the Ukraine conflict – and its refiners process a basket of crudes from across the globe. Exports keep supply chains functioning. Indeed, Europe itself turned to Indian fuels after banning Russian crude. The volume of exports and refining margins – Gross Refining Margins or GRMs – remains broadly the same. There is no question of profiteering.

Equally important, India acted decisively to shield its citizens when global prices spiked after the Ukraine conflict. Oil PSUs absorbed losses of up to ₹10 per litre on diesel; the government cut

central and State taxes and export rules mandated that refiners selling petrol and diesel abroad must sell at least 50% of petrol and 30% of diesel in the domestic market.

These measures, at considerable fiscal cost, ensured that not a single retail outlet ran dry and that Indian households saw stable prices. The larger truth is this – there is no substitute for the world's second-largest producer supplying nearly 10% of global oil. Those who are pointing fingers ignore this fact. India's adherence to all international norms prevented a catastrophic \$200-per-barrel shock, aligning with its civilisational values of *Vasudhaiva Kutumbakam*.

It is the same, 'Made in India' for the world vision that shapes the new industrial revolution taking shape in India. This spans semiconductors, electronics, renewables, defence and speciality chemicals powered by production linked incentives and the Pradhan Mantri Gati Shakti logistics backbone. The momentum in semiconductors is now reaching a new scale – a testament to policy seriousness and execution. The Cabinet recently approved four additional semiconductor manufacturing projects under the India Semiconductor Mission. The Prime Minister's visit to a semiconductor facility in Japan, on August 30, 2025, and renewed Japanese investment commitments, underline a shared road map for resilient, trusted tech supply chains.

The digital economy multiplies these gains. India leads the world in real-time payments; the Unified Payments Interface's ubiquity raises productivity for small businesses, and India's startup ecosystem is translating innovation into exports of services and solutions. When digital rails meet hard infrastructure, the effect is compounding – lower friction, higher formalisation, and a virtuous circle of investment and consumption.

India's scoreboard has the answers

The arc is ahead in promising. Independent projections (EY) suggest that by 2038, India could emerge as the world's second-largest economy in purchasing power parity (PPP) terms, with a GDP above \$34 trillion. This trajectory rests on steady reforms, human capital and abundant, clean, reliable energy for every enterprise and household.

The test of a great civilisation lies in its crucible moments. When doubted in the past, India responded with Green Revolutions, IT Revolutions, and the quiet dignity of millions lifting themselves through education and enterprise. Today's moment is no different. India will keep its gaze steady; its reforms relentless, and its growth rapid, democratic, and inclusive – so that the benefits reach the most underserved. To the naysayers, the scoreboard is the answer. Under Prime Minister Narendra Modi's leadership, Viksit Bharat is not an aspiration. It is a deliverable – and the numbers are simply the latest chapter in that larger story.

Key enablers:

- Bank accounts, Ujjwala LPG, Ayushman Bharat, Jal Jeevan Mission.

- Direct Benefit Transfer (DBT).

Model: Consensus-building, competitive federalism, digital rails.

Energy Security & Strategy

India's energy profile:

- 3rd largest energy consumer.
- 4th largest refiner.
- 4th largest LNG importer.
- Refining capacity: 5.2 mb/d; expanding to 400 MTPA by decade end.

Energy demand: Expected to double by 2047 → 25% of global incremental demand.

Exploration reforms:

- Acreage expansion (8% in 2021 → 16% in 2025; target: 1 mn sq km by 2030).
- 'No-Go' area reduction by 99%.
- OALP → transparent bidding.

Gas pricing reforms: Linked to Indian crude basket, premium for deepwater wells.

Energy Transition & Green Agenda

- Ethanol blending: From 1.5% (2014) → 20% (2025).
 - FX savings: ₹1.25 lakh crore.
 - Farmer payment: ₹1 lakh crore.
- Compressed Biogas (CBG): 300+ plants, 5% blending by 2028.
- Green Hydrogen: PSU-led initiatives.

Russia-Ukraine Oil Issue

- Russian oil not sanctioned like Iran/Venezuela; under G7/EU price cap.
- India's transactions legal, compliant, audited.
- India = long-standing exporter of petroleum products.
- Domestic stability: PSUs absorbed ₹10/litre diesel losses, tax cuts ensured stable prices, no retail shortage.

Industrial Policy & Digital Economy

- Production Linked Incentive (PLI): Semiconductors, electronics, renewables, defence, chemicals.
- Semiconductor Mission: 4 new projects approved (2025).
- PM visit to Japan → semiconductor collaboration.
- Digital Economy:
 - India = global leader in real-time payments.
 - UPI ubiquity → boosts MSMEs and formalisation.
 - Startup ecosystem → innovation exports.

Future Projections

- EY forecast: By 2038 → India could be 2nd largest economy in PPP, GDP > \$34 trillion.
- Drivers: steady reforms, human capital, clean/abundant energy.

KEY HIGHLIGHTS

Historical & Civilisational Framing

- Trial precedes triumph → Civilisational analogy (Samudra Manthan) used to frame resilience.
- Past crises led to renewal:
 - 1991 → Liberalisation
 - COVID-19 → Digital surge
 - Current Economic churn → Resilient growth.

Growth Performance

- Q1 FY 2025-26 GDP growth: 7.8% (five-quarter high).
- Broad-based growth:
 - GVA up 7.6%
 - Manufacturing 7.7%
 - Construction 7.6%
 - Services ~9.3%
- Nominal GDP: +8.8%
- Global positioning:
 - 4th largest economy; fastest growing among major economies.
 - India contributes 15%+ to world growth, aim to raise to 20%.

Global Recognition

- S&P Global: First sovereign rating upgrade in 18 years.
 - Cited robust growth, fiscal consolidation, monetary credibility.
 - Lowers borrowing costs, boosts investor confidence

Poverty Reduction & Social Development

- 24.82 crore people lifted out of multidimensional poverty (2013-2023).

India's fact-rich story of resilience, growth and energy security will silence the global doubters' who call it a 'dead economy'

Ukraine as a battle between America and Washington

The outcome of the Alaska summit, on August 15, 2025, was not the product of a diplomatic contest between Donald Trump and Vladimir Putin, or the United States and Russia, or the U.S. and Europe. Neither was the outcome of talks that Mr. Trump held with European leaders and Ukrainian President Volodymyr Zelenskyy. The biggest unknown variable impacting the question of peace was how much Mr. Trump would concede to Russia. While he acceded to Mr. Putin's demand for no ceasefire without a permanent peace agreement and no North Atlantic Treaty Organization in Ukraine, Mr. Trump's campaign platform in 2024 had promised much more – an immediate end to the war.

Mr. Trump could deliver this and satisfy his base by offering the requisite incentives to Moscow in exchange for halting its advance and convincing Kyiv by leveraging arms supply and intelligence sharing. His inability to bring peace reveals the limits of power that the President of the United States has to enact the platform that he was democratically elected on.

These limits are due to a contest inside the U.S. – one that will likely shape future global security more than any other internal power struggle in any country. This includes shaping the U.S.'s responses to India's rise. It is the contest between the America-First or anti-interventionist camp, and those represented by what Mr. Trump himself rose to power deriding – the 'permanent Washington'.

From 2024 on
During the 2024 presidential campaign, Mr. Trump promised that he would end the Ukraine war 'on my first day in office' and 'before I even enter office'. This was striking. Campaign promises are usually undertakings known to be popular, and Western mainstream media had spent two years stigmatising any call for peace with Russia, delineating it as a fringe opinion. But Mr. Trump knew what was rarely revealed – that the American public agreed. Even in early 2024,



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66% of Americans supported a negotiated end to the war, even if it involved compromises with Russia, as a Quincy Institute survey found.

This reflected a growing and widely held position among the American population that the U.S. should curtail its worldwide military adventures and reallocate resources domestically. Six of the last eight U.S. presidential elections were won by a candidate who wanted a less interventionist foreign policy than their opponent.

This anti-interventionist position is sanguine about other great powers such as India, China and Russia maintaining hegemony in their respective regions while the U.S. prioritises its own hemisphere.

The Trump approach versus factors

Anti-interventionism is central to Mr. Trump's 'Make America Great Again' (MAGA) movement and one that is espoused by true-believers such as U.S. Vice-President J.D. Vance and Indian-American Republican presidential candidate Vivek Ramaswamy. Mr. Trump's election victory was a popular endorsement of peace, particularly given that it was the only aspect of foreign policy where there was a meaningful, overt difference with that of the (former) U.S. President, Joe Biden.

Despite this crystal-clear mandate, and the straightforward path to peace given Russia's unambiguous, long-standing demands, Mr. Trump's approach since his election has vacillated. When it comes to optics and public narrative, he has made some strides in line with his pledges. He undermined both the deification of Ukraine (dressing down Mr. Zelenskyy at the White House) and the demonisation of Russia (Alaska Summit). In doing so, he has helped re-normalise U.S. diplomacy with its rivals, harking back to a more pragmatic time.

Mr. Trump's concrete policy actions toward peace, however, are a fraction of that promised. At most, he briefly halted weapon shipments to and intelligence sharing with Ukraine. But this

was outweighed by continuing to bankroll Kyiv's defence, as well as escalations such as the secondary sanctions on India for purchasing Russian oil. Recently, Mr. Trump humoured the backers of the non-starter proposal for a 'post-war security guarantee' for Ukraine.

The reason for this dithering is a contest, an ongoing negotiation, a back and forth between Mr. Trump and his movement, and those who have largely dominated U.S. foreign policy since the death of President John F. Kennedy. The latter, proximately outlined by Eisenhower, consists of a coalition of commercial and ideological interests intersecting in their preference, primarily for continuous military action and spending, and secondarily for US global hegemony. It is represented by 'permanent Washington': 'neo-con' politicians whom it funds, and ideological civil servants, including those the Republican establishment foisted on Trump's administration. Often the contest plays out internally within individuals, sometimes inside Mr. Trump himself.

A clash

The Alaska summit is a case in point. The two forces within U.S. foreign policy clashed, sculpting a compromised result. Mr. Trump got his desired optics, a red carpet for Mr. Putin evoking grand Cold War-era summits, positioning the U.S. President as a peacemaker-statesman and staying true to his promise to the American people. Without granting concessions to Russia, however, it ensured the war would carry on and a continuation of 'permanent Washington's' interests being served.

The Ukraine war is the closest the world has ever come to a global nuclear conflagration. The path away from the abyss is not by complex international negotiations. There are complex domestic power struggles inside the U.S. The final resolution will be determined not by America versus Russia, but by America versus Washington. So too will many of the geo-strategic contests in the decades ahead.

KEY HIGHLIGHTS

Nature of the Alaska Summit

- Not a bilateral contest of U.S.–Russia or U.S.–Europe, but an outcome of internal U.S. power struggles.
- Trump acceded to some Russian demands (e.g., no ceasefire without permanent peace, no NATO in Ukraine) but fell short of his campaign promise of immediate war termination.
- Summit symbolised optics of peacemaking but lacked substantive concessions.

Limits of U.S. Presidential Power

- Trump's inability to deliver peace reveals constraints on the U.S. President despite electoral mandates.
- Root cause: contest between "America First" anti-interventionists vs "Permanent Washington" (military–industrial complex + ideological elites).

Domestic Contest in U.S. Foreign Policy

- America First / Anti-interventionist camp
 - Advocates reduced U.S. overseas military commitments.
 - Endorsed by Trump, VP J.D. Vance, Vivek Ramaswamy.
 - Public support: 66% Americans (2024 survey) favoured negotiated peace with Russia.
 - Trend: 6 of last 8 U.S. elections won by less interventionist candidates.
 - Accepts regional hegemony of powers like India, China, Russia.
- Permanent Washington
 - Coalition of neo-con politicians, commercial & ideological lobbies.
 - Seeks continuous military action, defence spending, and U.S. global hegemony.
 - Controls bureaucracy, policy elites, and often overrides elected leadership.

Trump's Policy vs. Optics

- Optics & narrative shifts:
 - De-normalised Ukraine's "sainthood" (dressing down Zelenskyy).
 - Re-normalised U.S.–Russia diplomacy (grand Cold War–style summit).
- Policy actions (limited & inconsistent):
 - Temporary halt of U.S. arms/intel support to Ukraine.
 - Continued funding of Ukraine's defence.
 - Escalations like secondary sanctions on India (for Russian oil).
 - Entertained post-war "security guarantees" for Ukraine (a non-starter proposal).

Geopolitical Implications

- Ukraine war: closest ever to nuclear escalation.
- Peace prospects depend less on international bargaining, more on domestic U.S. power equations.
- Long-term global security contests (including U.S. response to India's rise) will be shaped by America vs Washington, not America vs Russia.

India-Specific Dimensions

- Secondary U.S. sanctions on India for Russian oil purchases show contradictions in Trump's anti-interventionist stance.
- India's rise will be affected by whether U.S. embraces regional multipolarity (MAGA view) or pursues global dominance (Permanent Washington view).
- Lesson: Domestic politics of major powers directly shape India's strategic space and foreign policy choices.

Renewed focus

India and Japan showed that their ties were stable amid a global churn

In the first leg of his tour East, Prime Minister Narendra Modi travelled to Japan for a two-day visit for the 15th Annual Summit with Japanese Prime Minister Shigeru Ishiba before moving to Tianjin to attend the SCO Summit. The last summit, in India, was in 2022. The two sides issued at least a dozen documents, aimed primarily at updating their agreements and giving them a "Next-Gen" focus. Japanese businesses have raised their investment targets in India to \$68 billion and signed about 170 MoUs with Indian partners. Apart from the Joint Statement, there was a 2035 Vision Statement, including eight areas of cooperation such as economic security, mobility and green technology transition. A "Next-Gen State-Prefecture Partnership" highlighted grassroot-level ties and a boosting of direct flight connectivity. India and Japan updated their 2008 Security partnership to include an annual NSA-level dialogue, more engagement over the Quad, Indo-Pacific cooperation and UN Security Council reform. Of interest is their Economic Security Partnership goal to build resilient supply chains and secure critical infrastructure, using Japanese technology to help manufacture and process semiconductor technology in India, as Indian companies face Chinese restrictions on the export of rare earth magnets. Japan's collaboration with India's High Speed Rail "Bullet Train" project was showcased, with Mr. Modi and Mr. Ishiba travelling to Miyagi province by train, where they also inspected a semiconductor factory. The joint statement included strong language condemning North Korea's missile tests and nuclear programme, and the Pahalgam attack and cross-border terrorism, albeit without mention of Pakistan. The leaders also stressed the importance of the upcoming Quad Summit of leaders in India this year, which has come under a cloud over Mr. Trump's actions against India.

While the text of the India-Japan meetings was largely bilateral, the subtext was geopolitical. Mr. Modi flew to Tokyo in the wake of the massive American tariffs which threaten to upturn the Indian economy. He also chose to make Japan his first stop before his talks with Chinese President Xi Jinping on Sunday towards normalising relations after a four-year standoff. Japan too is concerned about the situation in the East China Sea, and has tensions over trade with the U.S., which led it to cancel a trade negotiation team visit to Washington. The message that Mr. Modi and Mr. Ishiba sent out was that amidst geopolitical turmoil caused by global powers, the India-Japan relationship remains stable and continues to grow.

KEY HIGHLIGHTS

Context

- 15th Annual Summit in Tokyo between PM Modi & PM Shigeru Ishiba.
- Last summit held in India, 2022.
- Visit came before SCO Summit (Tianjin) and amid U.S. tariff escalation.

Major Outcomes

- Agreements: Over a dozen documents signed, with a "Next-Gen" focus.
- Vision 2035 Statement: Eight areas → economic security, mobility, green technology transition, etc.
- Next-Gen State-Prefecture Partnership → sub-national cooperation, grassroots ties, direct flights.

Economic & Infrastructure Cooperation

- Japanese investment target raised to \$68 billion.
- About 170 MoUs with Indian partners.
- Focus on resilient supply chains & critical infrastructure.
- Collaboration on semiconductor manufacturing & rare earth processing (China export restrictions context).
- High-Speed Rail (Bullet Train) project highlighted.
- Modi & Ishiba visited Miyagi province → inspected a semiconductor plant.

Security & Strategic Cooperation

- 2008 Security Partnership updated:
 - Annual NSA-level dialogue.
 - Stronger Quad & Indo-Pacific engagement.
 - Support for UNSC reforms.
- Joint statement:
 - Condemned North Korea's missile/nuclear programme.
 - Mentioned Pahalgam terror attack & cross-border terrorism (no Pakistan reference).

Geopolitical Context

- Modi chose Japan first before talks with Xi Jinping → balancing act.
- Japan has concerns over East China Sea tensions & U.S. trade frictions (cancelled Washington delegation).
- Message: India-Japan ties remain stable amid global turmoil (U.S.-China-Russia power plays).
- Importance of upcoming Quad Summit in India (clouded by Trump's policies).

Significance for India

- Strategic hedge against both China and U.S. unpredictability.
- Economic security diplomacy: semiconductors, rare earths, supply-chain resilience.
- Infrastructure & technology transfer: boost to India's modernization.
- Multilateral cooperation: Indo-Pacific, Quad, UNSC reform.
- Reinforces "Special Strategic and Global Partnership" with Japan.

Why NRIs are choosing India for medical tourism

When people think of medical tourism, they often imagine a trade-off between affordability and quality; India has rewritten the equation by proving one doesn't need to compromise on either

HEALTH ECONOMICS

Siddharth Singhal

Healthcare decisions, perhaps more than any other, show the complex equation of trust, access and value for money. Add to that the factor of geographical distance for NRIs and the decision becomes even more nuanced. For millions of NRIs, this decision is now shaped by the realities of rising healthcare costs abroad and the assurance of timely, high-quality care back home in India.

When people think of medical tourism, they often imagine a trade-off between affordability and quality. India has rewritten the equation by proving one doesn't need to compromise on either.

The numbers speak for themselves. A complex surgery in the U.S. can easily cost more than \$1,00,000. The same procedure at a top hospital in India may cost just \$10,000 to \$20,000.

Also, our data suggests NRIs can save anywhere from 60-90% on major surgeries in India.

With relaxed norms, affordable policies and ease of claims, growth has trickled down to health insurance too. Over the last one year, adoption of health cover among NRIs has risen by more than 150%. Young NRIs under 35 led the way with a 148% rise, while women buyers climbed 125%. Notably,



Heart bypass surgery costs \$5,000-\$8,000 in India versus \$70,000-\$1,50,000 in U.S.; Knee replacement in U.S. costs up to \$50,000 versus \$4,000-\$6,000 in India

60% of NRIs are buying health cover for elderly parents living in India. Here's what makes India the top choice for medical tourism

Value for money

Undeniably, the most important factor driving this adoption is affordability.

For instance, a heart bypass surgery costs only \$5,000-\$8,000 in India compared with \$70,000-\$1,50,000 in the U.S. Similarly, a knee replacement surgery in the U.S. costs up to \$50,000 compared with only \$4,000-\$6,000 in India. More important, this affordability doesn't come at the cost of quality.

From liver and kidney transplant to dental procedures and other major surgeries, the cost gap is huge.

Even routine treatments show similar gaps, with India offering care at less than a third of international prices. Medicines, too, are up to 90% cheaper compared with global markets. So, the financial logic is undeniable. India offers world-class care at a fraction of the price, making it an increasingly compelling choice for NRIs.

Coming to health insurance premiums, in India, they are often 25-40 times



For NRIs balancing mortgages, kids' education and retirement goals, the difference in cost savings with treatment in India can be life-changing

cheaper than in the U.S. or GCC countries like Kuwait, Oman, Qatar, Saudi Arabia, and the UAE. For NRIs, this means getting comprehensive protection without the financial strain.

Financial ripple effect

What's fascinating is the

benefits of medical tourism are no longer restricted only to big cities. In fact, almost half of NRI health insurance claims now come from Tier-3 towns and cities. It is true metros like Hyderabad, Chennai, Kochi, and Thiruvananthapuram continue to remain trusted choices. But what is encouraging is smaller hubs such as Thrissur, Kollam, and Thane are quickly gaining ground as well. Access to quality care in these regions has been made possible by better infrastructure and rise of digital platforms.

Savings from choosing treatment in India aren't just figures on a hospital bill. They directly impact a family's financial security. For NRIs already balancing mortgages, children's education and retirement goals, this difference could be life-changing.

Another finding is most claims by NRIs are tied to

respiratory diseases, infectious ailments, cancer, and heart conditions. What the ailments have in common is they are not one-time occurrences but recurring health needs demanding long-term planning. By having insurance in India, families of the NRI can plan ahead without draining savings each time a health emergency strikes.

This shift also shows NRIs are becoming more health-conscious. Instead of waiting for a crisis to strike, they're taking charge early and protecting themselves against risks they know could come their way.

Policy push, digital push

Government initiatives like Heal in India and the growth of digital-first platforms have further simplified the process. NRIs can explore, compare and buy policies remotely. Cashless claims across hospitals have bridged the distance, ensuring seamless access even when NRIs are thousands of miles away. The convenience of digital access, coupled with the affordability of premiums, has turned insurance into a natural extension of the medical tourism story.

India's medical tourism market is on track to cross \$13 billion, and that growth opens a clear opportunity for the industry. With the right approach, India can strengthen its place as a global hub where healthcare and financial protection go hand in hand.

(Head, Health Insurance, Policybazaar.com)

Financial & Social Implications

- Direct household benefit: Savings on treatment → stronger financial security for NRIs managing mortgages, education, retirement.
- Recurring disease focus: Claims mainly for respiratory, cancer, cardiac, and infectious diseases → highlights need for long-term planning, not one-time cover.
- Health-conscious behaviour: Shift from reactive to preventive insurance adoption.

Policy & Digital Ecosystem

- Government initiatives: Heal in India → positions India as a medical tourism hub.
- Digital push: Remote exploration, comparison, and purchase of policies; cashless claims enabling access despite geographical distance.
- Integration: Medical tourism + health insurance = dual assurance of treatment & financial protection.

Macro-Economic & Strategic Dimension

- Market outlook: India's medical tourism sector projected to cross \$13 billion.
- Employment & infrastructure multiplier: Boosts hospital infra, allied industries, and insurance penetration.
- Soft power projection: India as a global healthcare hub, enhancing international image.

KEY HIGHLIGHTS

Drivers of Medical Tourism to India

- Affordability + Quality: India disproves the traditional trade-off; surgeries in India cost 60-90% less than in the U.S./West without compromising standards.
- Cost differential examples:
 - Heart bypass: \$5,000-\$8,000 (India) vs \$70,000-\$1,50,000 (U.S.).
 - Knee replacement: \$4,000-\$6,000 (India) vs up to \$50,000 (U.S.).
 - Medicines up to 90% cheaper.
- Insurance premium advantage: 25-40 times lower than U.S. or GCC countries.

NRI Health Insurance Adoption Trends

- Overall growth: >150% rise in last one year.
- Demographic breakdown:
 - Young NRIs (<35 years): +148%
 - Women buyers: +125%
- Family-centric pattern: 60% of NRIs buying health cover for elderly parents in India.

Geographical Spread of Benefits

- Earlier concentrated in metros (Hyderabad, Chennai, Kochi, Thiruvananthapuram).
- Now Tier-3 cities (Thrissur, Kollam, Thane) witnessing ~50% of claims due to improved healthcare infra + digital platforms.
- Decentralisation effect: healthcare penetration beyond metros.

● Punjab flood

only source of survival. How can I leave it behind?" she said, adding that she was clutching a rope tied to the animal which is being sheltered on a raised platform.

Similar scenes were playing out this weekend across Ajnala and Chak Aul nearby, less than 10 km from the India-Pakistan border — the two villages cut off, water lapping against homes on streets turned into rivers. Families here were camping on terraces, keeping a watch on their belongings, fearful that thieves might loot what little is left.

With hundreds of villages across eight districts of Punjab inundated since late August, at least 24 people have died, mostly in building collapses. According to officials, the flooding followed incessant rains in the catchment areas of Himachal Pradesh and J&K, compounded by the release of water from dams, such as Bhakra and Ranjit Sagar, which caused the Sutlej, Beas and Ravi rivers to overflow and seasonal rivulets to swell.

Punjab witnessed floods in 2023 and 2019 but officials estimate that this is "one of the worst" swells along the Ravi with water submerging villages in Gurdaspur, Pathankot, Amritsar, Tarn Taran, Ferozepur and Fazilka. Educational institutions across the state were closed on August 27, with the government later extending the shutdown until September 3.

On Sunday, the state's Revenue, Rehabilitation and Disaster Management Minister Hardeep Singh Mundian said that so far 14,936 people have been evacuated to safer places from flood-affected areas across the state. The entire state machinery along with NDRF, SDRF, Army and Punjab Police personnel are working to safeguard lives and property, he said.

Additional Chief Secretary and Financial Commissioner (Revenue) Anurag Verma said 3 lakh acres of land have been affected so far, impacting around 1.25 lakh people.

Local residents in Lal Singh Wala and Chak Aul said official relief supplies were yet to reach their villages. "Our village got its first assistance from Sikh preachers in Guru Ka Bagh, who brought fodder for animals and rations for villagers. So far, no administration has reached us. Maybe they will come tomorrow (Monday)," said Avatar Singh, sarpanch of Lal Singh Wala.

According to the sarpanch, the sudden surge of water left villagers with little time to prepare. "We could shift only some belongings to the upper floors," Avatar said.

Despite appeals from the administration, most residents like Ranjit Kaur are unwilling to evacuate. "Our area is notorious for drug addicts. If we leave our homes, they will loot whatever remains. And it is impossible to move livestock in such a hurry — the water came too quickly,"

said Joginder Singh, sarpanch of Chak Aul. His ground floor, used for storing farm equipment, is now under water, and tubewells are submerged, leaving families in the neighbourhood short of drinking water. "We had some warning that floods might come, but we never imagined the water would rise so fast," said Satnam Singh of Lal Singh Wala.

Adding to the despair, a viral video of Punjab Chief Minister Bhagwant Mann's helicopter on a relief assignment has sparked outrage in the area. The downdraft of the helicopter, deployed by Mann to drop relief material, nearly blew away a temporary polythene hut as it hovered low, triggering panic among residents. Besides, most of the ration that was dropped fell into the swirling waters and was wasted.

The crisis on the ground has also led to a "black market" in essential items. "The price of polythene sheets has jumped from Rs 130 per kg to Rs 170-200 per kg. Bottled water is being sold at double the price," said Sarwan Singh Pandher, president of the Kisan Mazdoor Sangharsh Committee, who toured the flood-hit villages on a tractor.

Ajnala MLA and former minister Kuldeep Singh Dhaliwal has, meanwhile, released video messages warning shopkeepers against exploiting the situation. And, civil society organisations and NGOs have stepped in with food, water and fodder, filling gaps left by the administration.

KEY HIGHLIGHTS

Humanitarian Dimension

- Families (like Ranjit Kaur's) refusing evacuation due to attachment to livestock and fear of theft.
- Displacement of 14,936 people officially; many self-sheltering on rooftops and terraces.
- Black marketing of essentials: polythene sheets (₹130 → ₹200/kg), bottled water at double price.
- NGOs, religious organisations (Sikh preachers from Guru Ka Bagh) stepping in before official relief.

Geographic Spread & Scale

- At least 8 districts impacted: Gurdaspur, Pathankot, Amritsar, Tarn Taran, Ferozepur, Fazilka.
- 3 lakh acres of land affected, ~1.25 lakh people directly impacted.
- Flooding caused by:
 - Incessant rainfall in Himachal Pradesh & J&K catchment areas.
 - Release of water from Bhakra & Ranjit Sagar dams.
 - Overflow of Sutlej, Beas, Ravi rivers + swollen seasonal rivulets.

Disaster Impact

- 24 deaths, mostly due to building collapses.
- Tube-wells submerged → shortage of safe drinking water.
- Loss of farm equipment and livestock risk → long-term livelihood damage.
- Educational institutions closed (Aug 27 – Sept 3).

Governance & Relief Measures

- State Disaster Management Minister: state machinery, NDRF, SDRF, Army, Punjab Police mobilised.
- Relief challenges: slow official response, logistical gaps, relief material wastage (e.g., helicopter downdraft blowing away supplies).
- Civil society & farmer organisations filling governance gaps.
- Local distrust in administration due to crime/drug abuse concerns → unwillingness to evacuate.

Structural Issues Highlighted

- Lack of early warning dissemination → villagers unprepared for sudden water surge.
- Weak disaster preparedness in border districts.
- Social vulnerabilities: drug menace, fear of looting → lower compliance with evacuation orders.
- Price gouging during disasters → regulatory failure.

Under cover of trade deficit



FROM PLATE TO PLOUGH
ASHOK GULATI

Politics of imposition of higher import duties shows lack of understanding of theory of comparative advantage

US PRESIDENT DONALD Trump's frequent claims about stopping the conflict between India and Pakistan, which he believes could have gone nuclear, show that he wants to go down in history as a peacemaker. Interestingly, Pakistan has nominated him for the Nobel Peace Prize and has managed to attract a much-favoured treatment from the US. In contrast, India's steadfast denial of Trump's role in stopping the four-day conflict seems to have irked Trump.

Now, Peter Navarro, Trump's trade advisor, has quite irresponsibly said that the Russia-Ukraine conflict is actually "Modi's war", as India is funding it through Russian oil purchases. Trump's punitive tariffs of 25 per cent for buying Russian oil, on top of the reciprocal tariffs of 25 per cent, could be only the beginning of the punishment. The White House is already talking about cutting down on H-1B visas, and some senators have even described these as a "scam". India is the biggest beneficiary of H-1B visas, with an almost 70 per cent share. With high tariffs of 50 per cent, Indian exports to the US are going to suffer massive losses — they could be around \$40-50 billion. While a federal appeals court ruled on August 29 that the President overstepped his powers in imposing the tariffs, enforcement of the order is on hold till mid-October, giving the administration time to appeal to the US Supreme Court. And if Trump doubles down on H-1B visas, the losses could be much higher. So, India has many stakes in its relationship with the US.

Prime Minister Narendra Modi has stood his ground so far. He told the nation that he is ready to suffer, but will not compromise. However, the EU, Japan, and South Korea have already made deals. China is the only country that has withstood Trump's pressure tactics so far and even retaliated through its monopoly over rare earth minerals. India does not have that leverage. The Indian economy is less than one-seventh of the US economy. The only way

to escape being crushed during this power play is to be extremely agile and smart.

Most economists outside Trump's circle opine that the US will soon hit stagflation — high inflation and low growth — if not outright recession. But that won't happen tomorrow. It will take at least six months to a year for Trump's policies to run their course. Only then will there be a likelihood of the US realising the folly of its current policies and making corrections. In the meantime, the US has already inflicted massive damage on its own reputation and trust. No one, including its allies, is likely to trust the US anymore. India certainly will not. The hard work of diplomats over the last 25 years in building good Indo-US relations has been undone in the last two months. Trust is fundamental in any relationship. It cannot and should not be traded for short-term transactional gains. Once trust is lost, it takes decades to rebuild and, in any case, fear always remains.

In such a situation, what should India do? Here are some pointers:

First, there is no need to retaliate. We have quite a bit at stake, and we don't have the leverage China has. Second, fast-track diversification of exports to other regions and countries, from Russia to Japan to Australia to the African continent to Latin America. We need to get going on free trade agreements (FTAs) with the EU, Russia, ASEAN, and the African Union and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Third, make the expanded BRICS more proactive on trade by adhering to the rules. The US has already buried the World Trade Organisation (WTO) with its barrage of differential tariffs on various countries. Can BRICS take the initiative to resurrect it? Fourth, remain engaged with the US on trade negotiations and adopt a somewhat more flexible approach. We need to be pragmatic and weigh the net benefit of sourcing oil from Russia,

which, as per our rough calculation, is not more than \$6-7 billion. If we reduce that somewhat and increase imports from the US, that may help save our exports of \$40 to \$50 billion. All this will require smart negotiation and should not be seen as a compromise with sovereignty. Lastly, there is a lot to do on the home front, and second-generation reforms need to be undertaken, including a significant reduction in import duties. Otherwise, we help Trump in saying that India is the tariff king.

Let me turn to the issue of trade deficits, which seems to have spurred the US to impose higher reciprocal tariffs. A majority of politicians in most countries, including India, think exports are always good but imports are bad. That gives them the rationale for imposing higher import duties. The fundamental problem with these politicians is that they don't understand the theory of comparative advantage. Trade brings prosperity among trading nations. The only thing one has to ensure is that trading is based on rules, not export subsidies. That's where the WTO's role becomes critical. While export subsidies were banned, exchange rate distortions (especially undervalued currency) were not subjected to any scrutiny. It is well known that China, from the mid-1990s to the mid-2000s, pegged its exchange rate to the dollar at around 8.28. Several studies pointed out that the Chinese yuan was hugely undervalued (by about 20 per cent), which was a hidden way of giving an export subsidy across all sectors. This was a period when China was accumulating trillions of dollars, and yet the exchange rate remained undervalued. This is at the root of the current-day overblown trade deficits of many countries vis-à-vis China. Unless this is checked, undue trade imbalances will remain.

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Views are personal

KEY HIGHLIGHTS

Diplomatic Dimension

- Donald Trump positioned himself as a potential peacemaker between India and Pakistan; Pakistan even nominated him for the Nobel Peace Prize.
- India denied Trump's mediatory role in the short India-Pakistan conflict, which irked the US administration.
- Diplomatic trust deficit: 25 years of India-US goodwill damaged in a few months due to tariffs, visa restrictions, and transactional approach.
- Trust is fundamental in foreign relations; once broken, it takes decades to rebuild.

Trade & Economic Tensions

- Trump imposed 25% punitive tariffs on Indian oil imports from Russia; reciprocal tariffs raised this to 50% total.
- Indian exports to US risk losses of \$40-50 billion due to tariff war.
- H-1B visas: India is the largest beneficiary (~70% share); restrictions seen as major threat to India's IT workforce.
- US federal appeals court ruled tariffs an overreach (Aug 29), but enforcement stayed till October; Trump govt likely to appeal to Supreme Court.
- Trump's tariff policies risk pushing the US into stagflation/recession within 6-12 months.

India's Limited Leverage vs. China's Position

- China countered US pressure with its monopoly on rare earth minerals and undervalued yuan (hidden export subsidy).
- India lacks such leverage; Indian economy is 1/7th of US economy.
- Only option for India: smart, agile diplomacy and trade diversification.

Suggested Strategic Responses for India

- No retaliation (India lacks economic leverage compared to China).
- Diversify exports: Expand trade with Russia, Japan, Australia, Africa, Latin America.
- Accelerate FTAs: With EU, Russia, ASEAN, African Union, and CPTPP.
- Use BRICS: Make expanded BRICS proactive in global trade governance; explore revival of WTO rules-based system.
- Pragmatic oil sourcing: Reassess Russian oil imports (savings ≈ \$6-7 bn) vs. losses in US exports (\$40-50 bn).
- Second-generation reforms: Cut import duties, enhance competitiveness, avoid the "tariff king" image.

Wider Lessons & Theoretical Insights

- Comparative Advantage Principle: Trade brings prosperity when rules are followed; both exports and imports are essential.
- Politicians often misinterpret trade deficits as negative, leading to protectionism.
- China's undervalued yuan (1990s-2000s) functioned as a hidden export subsidy, fuelling trade imbalances worldwide.
- WTO banned export subsidies but ignored currency undervaluation—one root of global trade distortions.