DAILY NEWS PAPER ANALYSIS

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Monsoon deficit hits 40%; July outlook bleak

El Niño's impact is becoming evident; rainfall in June is the fifth lowest for the month since 1901

Less rain may raise the risk of heat stress and put pressure on water resources in several regions

Area under kharif crop falls 22% compared to the last year; reservoirs' water levels also plunge 25%

Jacob Koshy
NEW DELHI

Rainfall in July - the most important of the monsoon months – will be "below normal" or less than 94% of what is usual for the month, Mrutyunjay Mohapatra, Director-General, India Meteorological Department (IMD), said on Tuesday. India's current monsoon deficit is 40%.

"Below-normal rainfall can pose significant challenges for agriculture, water resources, hydropower generation, ecosystem sustainability, and drinking water availability," the agency said in a statement.

"Such conditions may increase the risk of heat stress, and pressure on available water resources in several regions. To reduce potential impacts, timely planning and preparedness measures, including water conservation, efficient management of available water resources, and suitable agricultural contingency measures, may be considered by the concerned agencies and stakeholders."

The outlook for July comes on the back of weak June rainfall where the shortfall was nearly 40% of what is usual for the month. The 99.5 mm received was the fifth lowest since 1901 and the least since 2094.

"Usually two-three low pressure systems in the Bay of Bengal (pre-cyclonic bands of moisture) bring rain in June. This time there was none. The El Niño that developed in June has negatively impacted rainfall," said Mr. Mohapatra at a press briefing. The first week of July will likely see good rainfall in India and this will benefit sowing, he said.

But with the month's rainfall expected to be weak, the overall outlook is "bleak", a senior meteorologist with the IMD told *The Hindu*. "The last two monsoons were good so we have some surplus water storage in reservoirs, but this could be drained out faster with higher evaporation (due to low rains in the weeks ahead and high temperatures)," the meteorologist added.

The area under Kharif crop has declined 22% compared to the same time last year, according to the Agriculture Ministry, with farmers likely delaying the sowing of paddy until more substantial showers. Key water reservoirs in India, as of the latest figures available from the Central Water Commission on June 25, have about 25% less water than they had in June 2025. But when averaged over 10 years, is 5% more than usual for June. The monsoon deficits assume significance in a year that forecasters globally have warned of what will likely be a 'Super El Niño' year.

This means an unusually hot Central Pacific through this peak period will only surface in winter - much after the southwest monsoon officially winds up by September-end. Six in 10 El Niño years translate to weak southwest monsoon rainfall.

Sea temperatures

Reputed weather models from the Australian Bureau of Meteorology have suggested that the Indian Ocean Dipole, or IOD, a climate pattern marked by changing sea surface temperatures between the western and eastern Indian Ocean that can strengthen or weaken India's monsoon depending on its phase, could develop in the second of the monsoon (August and September) and, in theory, ameliorate the El Niño's impact.

"Our own models and several other reputable models show that the dipole will be 'neutral,' [meaning unhelpful]. The El Niño is like the big brother, and the IOD cannot fully compensate," said Mrutyunjay Mohapatra.

The 1997-98 El Niño year - one of the strongest in meteorological history - saw 2% more rain than was usual in India due to a favourable phase of the IOD. "That has happened only once ever," IMD-DG said.

People walk on the dry bed of the Bargi dam in Jabalpur, Madhya Pradesh, on Tuesday. PTI

KEY HIGHLIGHTS:

Context of the News

- The India Meteorological Department (IMD) has forecast below-normal rainfall (<94% of Long Period Average - LPA) during July, the most crucial month for the Southwest Monsoon.
- India recorded an around 40% rainfall deficit in June due to the emergence of El Niño conditions and the absence of Bay of Bengal Low Pressure Systems (LPSs).
- Weak rainfall has delayed Kharif crop sowing, raising concerns over agricultural production, water availability and inflation.

Key Points

- July Rainfall Forecast: Below Normal (<94% of LPA).
- June Rainfall: 99.5 mm (5th lowest since 1901; lowest since 2014).
- Rainfall Deficit: Around 40%.
- Primary Cause: Developing El Niño.
- Secondary Cause: Absence of Low Pressure Systems (LPSs) over the Bay of Bengal during June.
- Kharif Sowing: Declined by about 22% compared to last year.
  - Reservoir Storage (CWC):~25% lower than June 2025.
  - ~5% above the 10-year average.
- Indian Ocean Dipole (IOD): Likely to remain Neutral; limited support to monsoon.
- Historical Exception: Strong 1997–98 El Niño coincided with a Positive IOD, resulting in above-normal rainfall.
  - Potential Impacts:Lower agricultural output.
  - Water scarcity.
  - Reduced hydropower generation.
  - Heat stress.
  - Food inflation risks.

Static Linkages

Southwest Monsoon

- Contributes nearly 75% of India's annual rainfall.
- Normally active from June to September.
- Two branches:
  - Arabian Sea Branch
  - Bay of Bengal Branch

Long Period Average (LPA)

- Average rainfall computed over 50 years.
- IMD classifies seasonal rainfall as:
  - Normal: 96–104% of LPA
  - Above Normal: 104–110%
  - Excess: >110%
  - Below Normal: 90–96%
  - Deficient: <90%

Low Pressure System (LPS)

- Forms mainly over the Bay of Bengal.
- Major contributor to monsoon rainfall over central and northern India.
- Includes:
  - Low Pressure Area (LPA)
  - Depression
  - Deep Depression
  - Cyclonic Storm

El Niño

- Periodic warming of sea surface temperatures in the Central and Eastern Equatorial Pacific Ocean.
- Weakens Walker Circulation.
- Usually causes:
  - Weak Indian monsoon
  - Higher temperatures
  - Drought conditions.

Indian Ocean Dipole (IOD)

- Difference in sea surface temperatures between the Western and Eastern Indian Ocean.
  - Positive IODWarmer western Indian Ocean.
  - Usually strengthens Indian monsoon.
  - Negative IODWeakens Indian monsoon.
  - Neutral IODMinimal influence on rainfall.

Central Water Commission (CWC)

- Ministry of Jal Shakti.
- Monitors reservoir storage, flood forecasting and water resources.

India Meteorological Department (IMD)

- Ministry of Earth Sciences.
- Nodal agency for:
  - Weather forecasting
  - Cyclone warning
  - Monsoon prediction
  - Climate services
  - Seismology.

Critical Analysis

Challenges

- Delay in Kharif sowing affecting foodgrain production.

- Higher dependence on groundwater.
- Reduced reservoir inflows.
- Lower hydropower generation.
- Rising food inflation risk.
- Increased rural distress.
- Greater frequency of heat waves.
- Higher climate vulnerability under El Niño conditions.

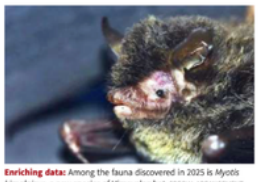
Opportunities

- Better utilisation of IMD's improved forecasting systems.
- Promotion of climate-resilient agriculture.
- Efficient reservoir operation and water budgeting.
- Expansion of micro-irrigation.
- Crop diversification towards less water-intensive crops.

Way Forward

- Implement district-level Contingency Crop Plans.
- Promote drought-tolerant and short-duration crop varieties.
- Strengthen Micro-Irrigation (PMKSY – Per Drop More Crop).
- Improve reservoir and groundwater management.
- Enhance real-time weather advisories through IMD and Mausam services.
- Promote rainwater harvesting and watershed development.
- Improve climate resilience under the National Mission for Sustainable Agriculture (NMSA).

India adds 709 new species to its fauna database



Enriching data: Among the fauna discovered in 2025 is *Myotis himalaicus*, a new species of Himayalan bat. SPECIAL ARRANGEMENT

Shiv Sahay Singh
KOLKATA

India added 709 species to its fauna in 2025, which includes 483 species new to science and 226 species recorded for the first time in India. The country also added 353 taxa to its flora, of which 14 are infraspecific taxa.

The details of new discoveries and new records by the Zoological Survey of India and Botanical Survey of India were released by Union Minister for Environment, Forest and Climate Change Bhupender Yadav in Kolkata on Tuesday.

Kerala highest in fauna

"India's total faunal biodiversity now stands at 1,05,953 species, reaffirming its status as one of the world's premier mega diverse nations," a press statement from Zoological Survey of India said.

A State-wide analysis of the new animal discoveries point out that Kerala recorded the highest 98 new species of animals, followed by West Bengal with 76 species, Karnataka 67 species and Arunachal Pradesh 65 species of fauna.

Among the animal groups added to the country's fauna database, Hymenoptera contributed the highest number of additions (106).

This was followed by Lepidoptera (65), Diptera (64), Arachnida (64), Coleoptera (55) and Pisces (50), reflecting the remarkable diversity and continuing discovery of India's invertebrate fauna.

Among the crucial fauna discovered in 2025, *Myotis himalaicus*, a new species of Himayalan bat. *Ptyctolaemus mamdaphaensis* and *Ptyctolaemu siangensis* are two newly discovered species of green fan-throated lizard and *Lycodon irwini*, a species commonly known as Irwin's wolf snake.

Of the 353 plant taxa added to the country's floral database, 221 taxa have been described as new to science, while 132 taxa represent new distributional records for India, thereby expanding the known geographical range of several plant groups and enriching the country's floristic inventory.

A State-wise analysis of the plant discoveries indicates that Arunachal Pradesh emerged as the leading contributor with 49 discoveries, followed by Uttarakhand (39) and Kerala (37).

Vascular plants

The Plant Discoveries, 2025 documents 154 angiosperms, three pteridophytes, 13 bryophytes, 62 lichens, 93 fungi, 22 algae, and six microbes. Among the most notable discoveries are several wild relatives of economically and ecologically significant plant groups, including Begonia, Impatiens (balsams), legumes, and orchids.

"Approximately 43% of the newly described taxa belong to vascular plants, while the remaining discoveries comprise a wide array of non-vascular organisms, highlighting the growing scientific attention being accorded to these ecologically significant groups," a press statement by the Botanical Survey of India said.

Among the plants discovered *Polystichum siangense*, a recently discovered species of fern belonging to the family *Dryopteridaceae* found in Siang district of Arunachal Pradesh, *Miliusa beddomei*, and new wild member of the custard apple family discovered from Western Ghats and *Hericium indicum* is a recently discovered species of wild edible tooth-fungus.

KEY HIGHLIGHTS:

Context

- The Zoological Survey of India (ZSI) and Botanical Survey of India (BSI) released Animal Discoveries 2025 and Plant Discoveries 2025.
- India added:
  - 709 faunal species483 new to science
  - 226 new records for India
  - 353 plant taxa221 new to science
  - 132 new distribution records
  - 14 infraspecific taxa

Key Points

Fauna

- Total recorded faunal diversity of India: 1,05,953 species.
- State-wise highest discoveries:
  - Kerala – 98
  - West Bengal – 76
  - Karnataka – 67
  - Arunachal Pradesh – 65

Major Groups Added

- Hymenoptera – 106
- Lepidoptera – 65
- Diptera – 64
- Arachnida – 64
- Coleoptera – 55
- Pisces – 50

Important Species

- Myotis himalaicus – Himalayan bat
- Ptyctolaemus mamdaphaensis
- Ptyctolaemus siangensis – Green fan-throated lizards
- Lycodon irwini – Wolf snake

Flora

- State-wise highest discoveries:
  - Arunachal Pradesh – 49
  - Uttarakhand – 39
  - Kerala – 37

Plant Groups

- Angiosperms – 154
- Fungi – 93
- Lichens – 62
- Algae – 22
- Bryophytes – 13
- Pteridophytes – 3
- Microbes – 6

Important Species

- Polystichum siangense – Fern
- Miliusa beddomei – Custard apple family
- Hericium indicum – Wild edible tooth fungus

Static Linkages

- Zoological Survey of India (ZSI)Established: 1916
  - Headquarters: Kolkata
  - Apex taxonomic institution for faunal surveys.
- Botanical Survey of India (BSI)Established: 1890
  - Headquarters: Kolkata
  - Apex institution for plant taxonomy and floristic surveys.
- India is among the 17 Mega-diverse Countries.
- India has nearly 8% of the world's recorded biodiversity on 2.4% of global land area.
- India has 4 Biodiversity Hotspots:
  - Himalaya
  - Indo-Burma
  - Western Ghats–Sri Lanka
  - Sundaland (Nicobar Islands)
- Biological Diversity Act, 2002Enacted to implement the Convention on Biological Diversity (CBD).
  - Provides for conservation, sustainable use and access & benefit sharing.
- Vascular plants possess xylem and phloem.
- Bryophytes are non-vascular plants.

Mains Value Addition

Significance

- Strengthens biodiversity inventory for conservation planning.
- Helps identify endemic and threatened species.
- Supports implementation of the Biological Diversity Act.
- Improves ecosystem monitoring under climate change.
- Provides genetic resources for agriculture, medicine and biotechnology.

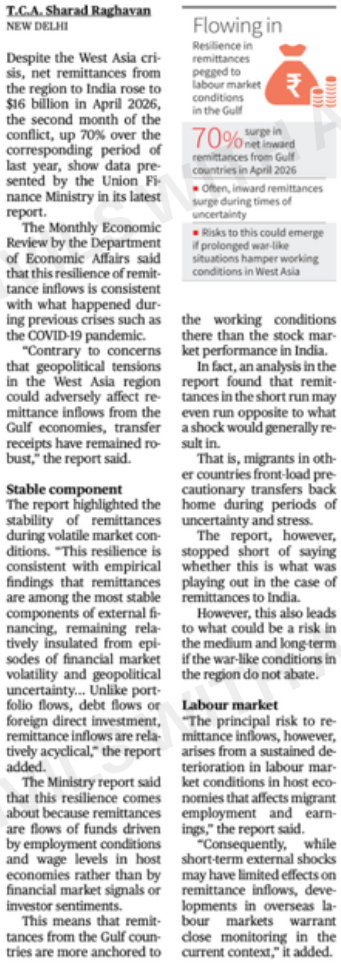
Challenges

- Taxonomic expertise remains inadequate.
- Habitat loss and climate change threaten newly discovered species.
- Several biodiversity-rich regions remain underexplored.
- Limited funding for long-term biodiversity surveys.

Way Forward

- Strengthen taxonomic research through increased funding.
- Expand biodiversity surveys in underexplored regions.
- Use DNA barcoding and modern taxonomy.
- Integrate new discoveries into conservation planning.
- Strengthen coordination among ZSI, BSI and State Biodiversity Boards.

Gulf remittances rose in April despite West Asia crisis: Ministry



T.C.A. Sharad Raghavan
NEW DELHI

Despite the West Asia crisis, net remittances from the region to India rose to $16 billion in April 2026, the second month of the conflict, up 70% over the corresponding period of last year, show data presented by the Union Finance Ministry in its latest report.

The Monthly Economic Review by the Department of Economic Affairs said that this resilience of remittance inflows is consistent with what happened during previous crises such as the COVID-19 pandemic.

"Contrary to concerns that geopolitical tensions in the West Asia region could adversely affect remittance inflows from the Gulf economies, transfer receipts have remained robust," the report said.

Stable component

The report highlighted the stability of remittances during volatile market conditions. "This resilience is consistent with empirical findings that remittances are among the most stable components of external financing, remaining relatively insulated from episodes of financial market volatility and geopolitical uncertainty... Unlike portfolio flows, debt flows or foreign direct investment, remittance inflows are relatively acyclical," the report added.

The Ministry report said that this resilience comes about because remittances are flows of funds driven by employment conditions and wage levels in host economies rather than by financial market signals or investor sentiments.

This means that remittances from the Gulf countries are more anchored to the working conditions there than the stock market performance in India.

In fact, an analysis in the report found that remittances in the short run may even run opposite to what a shock would generally result in.

That is, migrants in other countries front-load precautionary transfers back home during periods of uncertainty and stress.

The report, however, stopped short of saying whether this is what was playing out in the case of remittances to India.

However, this also leads to what could be a risk in the medium and long-term if the war-like conditions in the region do not abate.

Labour market

"The principal risk to remittance inflows, however, arises from a sustained deterioration in labour market conditions in host economies that affects migrant employment and earnings," the report said.

"Consequently, while short-term external shocks may have limited effects on remittance inflows, developments in overseas labour markets warrant close monitoring in the current context," it added.

Flowing in

Resilience in remittances pegged to labour market conditions in the Gulf

70% surge in net inward remittances from Gulf countries in April 2026

- Often, inward remittances surge during times of uncertainty
- Risks to this could emerge if prolonged war-like situations hamper working conditions in West Asia

KEY HIGHLIGHTS:

Context

- Despite the ongoing West Asia conflict, India's net remittances from the region increased to nearly $16 billion in April 2026, about 70% higher than the corresponding period last year.
- The finding was reported in the Department of Economic Affairs (DEA), Ministry of Finance – Monthly Economic Review.
- The report observed that remittances have remained resilient during past crises (e.g., COVID-19) and continue to support India's external sector.
- However, prolonged weakness in Gulf labour markets remains a medium- to long-term risk.

Key Points

- Remittances: Money transferred by migrant workers to their home country.
- April 2026: Net remittances from West Asia rose to ~$16 billion.
- Growth: Around 70% YoY.
- Remittances are more stable (acyclical) than:
  - Foreign Portfolio Investment (FPI)
  - Foreign Direct Investment (FDI)
  - External debt flows
- Main determinants:
  - Employment conditions in host countries.
  - Wage levels of migrant workers.
- During crises, migrants often increase precautionary transfers to support families.
- Major long-term risk:
  - Weak labour markets in Gulf countries reducing migrant employment.

Static Linkages

- India is the world's largest recipient of remittances (World Bank).
- Remittances are recorded under the Current Account → Secondary Income (Private Transfers) in the Balance of Payments (BoP).
- Higher remittances:
  - Improve the Current Account Balance.
  - Support foreign exchange reserves.
  - Reduce external sector vulnerability.
- Major sources of remittances:
  - Gulf Cooperation Council (GCC) countries
  - United States
  - United Kingdom
  - Canada
  - Singapore

Critical Analysis

Significance

- Stable source of foreign exchange.
- Supports household income and consumption.
- Helps finance the Current Account Deficit (CAD).
- Less volatile than capital flows.

Challenges

- Dependence on Gulf economies.
- Geopolitical instability.
- Labour nationalisation policies in Gulf countries.
- Oil price volatility affecting employment.

Way Forward

- Diversify overseas employment destinations.
- Enhance skill development for global labour markets.
- Strengthen bilateral labour mobility agreements.
- Promote low-cost digital remittance channels.
- Closely monitor labour market conditions in host countries.

India's 'Israel habit' meets West Asian realities

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When leaders make foreign policy decisions, each may appear reasonable in isolation. However, their cumulative impact can be strikingly different from what was originally intended. As Iranian President Masoud Pezeshkian invited Prime Minister Narendra Modi to the funeral of former Supreme Leader Ayatollah Ali Khamenei, India's deepening engagement with Israel perhaps falls into that category. What was once a mutually beneficial partnership between New Delhi and Tel Aviv seems to have become more of a habit than the product of serious strategic deliberation. Yet, sound policy cannot be guided by the momentum of habit, for habit and strategy often pull in opposite directions.

A reconfigured region

For one thing, it is important to acknowledge the gains from the partnership between India and Israel. India has received considerable military technology and know-how from Israel, as well as expertise in intelligence gathering derived from their extensive counter-insurgency experience. However, the more important question is not only what this relationship provides today, but also what it forecloses over time. Judged on those terms, the picture is not particularly encouraging.

West Asia has been undergoing one of its most intense geopolitical reconfigurations in years, and this one is different in scale. For the past decade, the region's regional arithmetic has rested on the assumption that Iran was a wounded, sanctions-strangled actor whose reach could be curtailed and ambitions contained. That assumption has now been tested and found wanting. American and Israeli military strikes on Iranian facilities have not produced the strategic calm that Tel Aviv had hoped for at the outset of this costly campaign. Iran responded with retaliatory missile and drone salvoes and, more importantly, demonstrated that any blockade of the Strait of Hormuz could not be easily overcome by the rhetoric of carrier groups. Once again, the geography of energy has become the geography of coercion. The terms of the final agreement quietly confirm that Iran was not broken.

The last three months have made it clear that the United States-Iran confrontation is not a distant geopolitical contest for New Delhi. It has had a direct impact on India's economy. Most of India's oil imports pass through routes vulnerable to any prolonged conflict in the Gulf. Whenever the Strait of Hormuz becomes a flashpoint, the consequences are felt directly in Indian households. It is here that the strategic canvas becomes more complicated, with every diplomatic choice carrying economic consequences. Strategic flexibility requires shunning comfortable alignments.

Many strategic analysts have long believed that Washington's policy towards Israel is fixed and unchanging – a constant around which all regional policy revolves. That assumption now needs to be revised. The public differences between Washington and Tel Aviv, reflected in U.S. President Donald Trump's frequent outbursts against Israeli Prime Minister Benjamin Netanyahu, are no mere diplomatic squall. They appear to be genuine, notwithstanding Mr. Trump's well-known idiosyncrasies, because Washington's strategic calculus in West Asia has changed faster than expected.

The U.S. urgently needs off-ramps, while Mr. Netanyahu, whose political survival is bound up with escalation, has little interest in de-escalation without achieving his maximalist objectives. The friction becomes evident when the patron and the client are at odds, and the once-blank cheque starts to float.

Iran cannot be ignored

Thus, the perception of a shift towards Israel, reflected in Mr. Modi's unexpected visit to Tel Aviv (February 25-26, 2026) just before the U.S. and Israel launched their coordinated attack on Iran (February 28, 2026), becomes riskier when it is made more explicit, as it could place India on the wrong side of a regional reconfiguration that neither Israel nor any third party can control. While Mr. Modi's personal absence from Ayatollah Ali Khamenei's funeral is unsurprising, the choice of India's representatives is itself a deliberate signal. Pairing Minister of State for External Affairs Pabitra Margherita with Bihar Governor Lt. Gen. Syed Ata Hasnain (retired) – himself a soldier-scholar shaped by counter-insurgency experience – may be read as a calibrated posture of political reassurance, while also subtly reflecting India's religious pluralism.

In other words, it reflects a posture that has internalised the war's central lessons without yet being willing to say aloud that Tehran's coercive capacity, demonstrated through the Strait of Hormuz and the missile exchanges, cannot be managed through the optics of Tel Aviv alone. This choice conveys an important diplomatic message of reassurance to Iran, which has demonstrated that it remains a regional heavyweight.

Moreover, Iran is a civilisational state with deep-rooted political and ideological networks across Iraq, Lebanon, Syria, and Yemen, as well as the proven capacity to generate economic pressure that can bypass conventional military deterrence.

A nation that can dictate ceasefire terms to Mr. Trump after absorbing punitive strikes from the U.S. and Israel is not a nation that can be casually discounted. China also appears poised to expand its strategic and economic footprint in Iran, making it imperative for India to exercise greater caution. Greater alignment with Israel risks pushing Tehran further into the China-Pakistan strategic embrace.

There is also the matter of Europe, an underutilised and undervalued element in India's economic planning. India must recognise that Europe's political landscape has turned against Israel's actions in Gaza and Lebanon in ways, and at a pace, that would have been unimaginable two years ago.

More than sentiment, electoral arithmetic is at work. And electoral arithmetic often shapes trade policy and, eventually, the tone of bilateral negotiations. India's status-seeking desire to be seen as a responsible international actor, rather than merely a vast market, and its economic ambitions in Europe – including the operationalisation of the India-European Union Free Trade Agreement – may come under closer scrutiny in the context of its West Asia policy than New Delhi anticipates.

What is unusual about the present moment is that India has no option but to act strategically, independently, and decisively. It has leverage because it has maintained good relations with many Arab Gulf states, from which millions of Indian workers send remittances home. Although Saudi Arabia may once again have found tactical reasons to accommodate Rawalpindi (Pakistan), India's relationship with the United Arab Emirates has grown even stronger.

New Delhi's historical ties with Tehran, though constrained by shifting regional dynamics, have not been completely severed. More fundamentally, India's sheer size combined with its geostrategic attributes makes it an indispensable stakeholder in any emerging regional order. What India needs now is the political will to wield its leverage effectively in pursuit of clearly defined national objectives.

Beyond binary choices

India needs a sufficiently ambitious strategic imagination. But that does not mean choosing between Israel and Iran, for that would be far too simplistic, and history rarely rewards such simplifications. Herein lies the distinction between an adaptive, alignment-driven foreign policy – the kind that follows and adapts to alignments forged by others – and an architectonic foreign policy, which seeks to shape its own strategic environment.

For a country that claims to be 'Vishwabandhu', it is important to recognise that the credibility of such a claim will be tested in moments such as these, when the world is watching India's words and actions. New Delhi's most valuable strategic asset in the coming multipolar decade is its authentic voice as a champion of the Global South, and every visible alignment with Israel in a conflict in which the Global South overwhelmingly sympathises with the Palestinians risks putting that precious capital in jeopardy. The defence technologies provided by Tel Aviv are undeniably valuable. But the strategic price of appearing aligned in a conflict that has reshaped West Asia is no less real.

A changing West Asia demands strategic imagination, flexibility, and diplomatic balance from India

KEY HIGHLIGHTS:

Context of the News

- The recent Iran–Israel conflict and subsequent ceasefire have altered the strategic landscape of West Asia.
- India has simultaneously strengthened ties with Israel, while maintaining strategic engagement with Iran through connectivity and energy interests.
- The developments have revived debates on India's Strategic Autonomy, balancing defence cooperation with Israel and geopolitical, energy and connectivity interests linked to Iran.

Key Points

- India follows Strategic Autonomy (Multi-alignment) in foreign policy.
- Israel is among India's major partners in:
  - Defence technology
  - Missiles and UAVs
  - Intelligence cooperation
  - Agriculture and water management
- Iran's strategic significance:
  - Gateway to Central Asia and Afghanistan via Chabahar Port.
  - Critical partner in the International North-South Transport Corridor (INSTC).
  - Located along the Strait of Hormuz, a major global oil chokepoint.
- Any conflict in the Gulf impacts:
  - India's crude oil imports
  - Freight and insurance costs
  - Inflation and Current Account Deficit (CAD)
- Gulf countries host over 9 million Indians, making regional stability crucial for remittances and diaspora welfare.
- India continues to support:
  - Two-State Solution on Palestine.
  - Peaceful resolution of disputes.
  - Freedom of navigation under international law.

Static Linkages

- Strategic Autonomy remains the cornerstone of India's foreign policy.
- Strait of Hormuz connects the Persian Gulf with the Gulf of Oman.
- Chabahar Port provides India access to Afghanistan and Central Asia bypassing Pakistan.
- INSTC is a 7,200-km multimodal corridor connecting India with Iran, Russia and Europe.
- SAGAR (Security and Growth for All in the Region) guides India's maritime vision.
- India is a founding member of the International Solar Alliance (ISA) and promotes rules-based international order.
- Energy security is an essential component of national security.

Critical Analysis

Significance

- Enhances defence preparedness through Israeli technology.
- Secures connectivity via Chabahar and INSTC.
- Ensures energy security through diversified partnerships.
- Strengthens India's role as a balancing power in a multipolar world.

Challenges

- Perceived tilt towards one regional actor may affect strategic autonomy.
- Escalation in West Asia threatens oil supplies and shipping.
- Sanctions on Iran complicate connectivity projects.
- Growing China-Iran partnership may reduce India's strategic space.
- Humanitarian concerns over Gaza influence global diplomatic discourse.

Way Forward

- Continue Strategic Autonomy without bloc politics.
- Fast-track Chabahar Port and INSTC.
- Diversify crude oil import sources.
- Strengthen Strategic Petroleum Reserves (SPR).
- Deepen engagement with Israel, Iran and Gulf countries simultaneously.
- Promote diplomacy, dialogue and adherence to international law.
- Enhance India's role as the voice of the Global South.

Reimagining sovereign AI for India's strategic future

The United States government recently directed American Artificial Intelligence (AI) behemoth Anthropic to suspend access to its most advanced Fable 5 and Mythos 5 models for foreign nationals on national security grounds. A U.S. Presidential order also creates a voluntary mechanism for the U.S. federal government to access such models up to 30 days before trusted partners can. The Trump administration is simultaneously considering equity stakes in leading AI companies, ostensibly to redistribute the supernormal profits expected from technological advances.

These policy shifts are the latest and most dramatic in a series of sovereign actions demonstrating that governments are increasingly shaping AI policy around national advantage. Europe is moving away from its "regulate first, ask questions later" approach by investing in AI compute and promoting "Buy European" public procurement. Meanwhile, in keeping with President Javier Milei's swashbuckling style, even Argentina aims to attract AI investment by offering a regulatory safe harbour.

Navigating AI geopolitics

Aggressive AI policy is the new normal. As a large IT services economy that does not have its own frontier AI systems – those requiring upwards of ten sepillion floating-point operations to train – India must review global developments and articulate a coherent policy response that allows it to benefit from frontier technology without letting its economic capabilities depend on policy decisions made elsewhere.

India's IT and app companies are well positioned to scale the everyday use of AI, raising domestic productivity and competitiveness. But rapid diffusion and model dependence pull in opposite directions: using foreign AI models today is the only way to build the economic surpluses needed to depend on them less in the future. Businesses must use the best AI available to outcompete rivals. They cannot, however, manage the geopolitical risks that accompany dependence on those technologies. This is where public policy must step in. India's discourse is stuck in a false binary between globalisation and industrial policy. India's industries must benefit from both at the same time.

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India must leverage global AI while reducing strategic technological dependence over time

The lesson is already visible in another strategic industry: Indian pharma is deeply dependent on ingredients from China, and at the same time, navigates wavering policy regimes for market access in the U.S. A Production-Linked Incentive promotes domestic manufacturing of bulk drugs but NITI Aayog's latest assessment finds that India still sources 65% of critical ingredients from China. Industrial policies can create footholds, not instant resilience.

Building strategic AI linkages

Frontier AI presents the same strategic dilemma, but on a much larger scale. India's spends 0.6% of GDP on research and development, and the private sector accounts for a third of this. OpenAI alone projects its compute spending at $50 billion this year, over six times India's annual private R&D spend. The implication is straightforward.

India cannot outspend frontier AI investment, so it must instead deepen its backward linkages to frontier AI through government action while strengthening its forward linkages to global markets for its products and services. This starts with a whole-of-government approach, in which ministries such as external affairs coordinate closely with commerce and it, and perhaps even defence, energy, and telecom, to better serve the technology industry.

Coordination alone, however, is insufficient. Firms can manage commercial risk through contracts and diversified supply chains. They cannot insure themselves against geopolitical risk or concentrated technological dependence; that is the sovereign's role. Like export credit and hybrid-annuity infrastructure models, the government should help underwrite risks that private firms cannot efficiently bear alone. Export credit recognises that firms cannot shoulder geopolitical risks on their own and insures them against disruption. Hybrid-annuity contracts do the same for long-gestation infrastructure by having the state fund part of a project and make fixed payments over time, rather than leaving private capital to bear the full risk.

Industry must step up

And while the government can create the conditions for success, competitiveness must ultimately come from firms themselves. For its part, the Indian tech ecosystem needs to pay attention to quality and innovation that makes services and products valuable to the world.

There is less room for complacency than India's technology industry often assumes. The Philippines generates $40 billion in IT exports – already nearly a sixth of India's IT exports – and is growing faster than the global industry.

Similarly, Indian app companies have barely made a dent abroad. No Indian app features among the top 10 by downloads, in-app purchase revenue, or monthly active users. This calls for greater ambition from the industry itself.

Indian technology also needs a more coherent strategic voice. Incumbent IT firms remain preoccupied with visas and market access, while start-ups are consumed by regulatory frictions and fundraising. Yet, both ultimately share the same interest: ensuring that India remains deeply connected to the world's leading AI ecosystems while steadily building greater domestic capability.

The real contest in AI is not simply over who builds the best models. It is about who captures the economic and strategic advantages they create. India's objective should be clear: remain deeply integrated with global AI ecosystems while steadily reducing the strategic vulnerabilities that such integration creates.

KEY HIGHLIGHTS:

Context

- The U.S. restricted foreign access to Anthropic's most advanced AI models citing national security concerns.
- The U.S. government will receive priority access to advanced AI models before foreign partners.
- Major economies are increasingly treating Artificial Intelligence (AI) as a strategic technology, similar to semiconductors and critical minerals.
- The development highlights the growing geopoliticisation of AI, where access to advanced AI models is becoming an instrument of strategic influence.
- For India, which has a strong IT services sector but lacks indigenous frontier AI models, this raises concerns regarding technological dependence and strategic autonomy.

Key Points

Frontier AI

- AI systems trained using extremely large computational resources, advanced chips, massive datasets and high-end computing infrastructure.
- Examples: Large Foundation Models (LLMs) capable of multi-domain reasoning and generative AI.

Global AI Trends

- Countries are adopting AI industrial policies to secure technological leadership.
- Increasing use of:
  - Export controls
  - AI compute restrictions
  - Domestic AI investments
  - Strategic partnerships
  - Public procurement policies

India's Position

- Strong comparative advantage in:
  - IT services
  - Digital Public Infrastructure (DPI)
  - AI application development
  - Digital talent pool
- Major limitations:
  - Absence of indigenous frontier AI models
  - Limited GPU/compute infrastructure
  - Low private R&D investment
  - Semiconductor dependence

IndiaAI Mission

Objectives include:

- AI Compute Infrastructure
- IndiaAI Innovation Centre
- Indigenous Foundation Models
- AI Datasets Platform
- AI Startup Financing
- FutureSkills Programme
- Safe & Trusted AI

Strategic Concerns

- Dependence on foreign AI models
- Export restrictions
- Technology denial
- Data sovereignty concerns
- National security implications
- Supply chain vulnerabilities

Static Linkages

- Research & Development (R&D) is a key determinant of technological competitiveness.
- Strategic technologies require balancing economic efficiency with national security.
- Public investment becomes necessary where market failures exist in strategic sectors.
- Technology forms an important pillar of comprehensive national power.
- Diversified global value chains reduce strategic vulnerabilities.
- Digital infrastructure acts as a public good supporting innovation.

Critical Analysis

Positives

- Encourages indigenous AI ecosystem.
- Promotes technological self-reliance.
- Improves economic productivity.
- Enhances strategic autonomy.
- Supports innovation-led growth.
- Strengthens national security.

Challenges

- High cost of frontier AI development.
- Low R&D expenditure.
- Limited compute infrastructure.
- Semiconductor import dependence.
- Risk of AI technology concentration.
- Data governance and cybersecurity concerns.
- Shortage of advanced AI researchers.

Way Forward

- Increase public and private R&D investment.
- Accelerate implementation of the IndiaAI Mission.
- Develop indigenous foundation models.
- Expand sovereign AI compute infrastructure.
- Strengthen semiconductor manufacturing ecosystem.
- Promote industry-academia collaboration.
- Diversify international AI partnerships.
- Develop trusted AI governance standards.
- Enhance AI skilling and research ecosystem.

Indian and foreign

Forcing students to learn at least two Indian languages is not ideal

The controversy over introducing a third language from Class 6 stems from an unresolved contradiction in the National Education Policy (NEP) 2020. At several places, the NEP, rightly, extols the special importance of English, especially in mathematics, science and even legal education, and does not club it with other "foreign" languages such as French or Spanish. At the same time, it advocates the three-language formula, with two languages required to be native to India, one of them ideally the mother tongue, in effect relegating English to the status of a foreign language. The Central Board of Secondary Education (CBSE) has implemented this aspect of the NEP, ignoring other welcome observations that the policy makes on language learning. While introducing three languages from Class 6, it said students in Classes 7, 8 and 9 should also study three languages, of which two should be "Bharatiya". Thus, if a student had taken French as a second language along with English, they would have had to forego French and switch to two Bharatiya languages, one of which would be entirely new to them. This could adversely affect their Class 10 Board examination performance, and render redundant the teaching capacity and resources schools had built in those languages. Following backlash, the CBSE has said that students in Classes 7, 8 and 9 need take only one additional Bharatiya language if they had taken English and, say, Spanish. The third language, moreover, will not be tested in the Class 10 examinations. These are, however, temporary arrangements and the CBSE is going ahead with the three language policy with two Bharatiya languages from Class 6.

Prudence demands that if the NEP is to guide the Union government's decisions, it should ensure language learning that serves the best interests of students. The policy speaks of the need for "high-quality bilingual textbooks and teaching-learning materials for science and mathematics, so that students are enabled to think and speak about the two subjects both in their home language/mother tongue and in English". Here, the NEP places the mother tongue and English on an equal footing if STEM is to be central to India's progress. In the same breath, it speaks of the importance of learning languages such as Japanese and German at the secondary level to enhance students' "mobility". The government's vision is to skill Indians for cutting-edge jobs worldwide, building the human capital needed to drive India's development. Instead of atavistic relapses, education initiatives should look ahead to serve at least this vision, even if that model is open to question. Given that the CBSE often becomes the template for much of India, the better course would be to teach the mother tongue and English and, where resources permit and students desire, offer a third language of their choice.

KEY HIGHLIGHTS:

Context of the News

- CBSE has begun implementing the Three-Language Formula under the National Education Policy (NEP), 2020 from Class VI.
- Students are required to study three languages, with at least two being Indian (Bharatiya) languages.
- The move triggered concerns over reduced flexibility for students already studying foreign languages (French, German, Spanish, etc.).
- After criticism, CBSE provided temporary relaxation for Classes VII–IX, but the long-term implementation remains aligned with NEP 2020.
- The debate concerns multilingualism, mother tongue education, English proficiency, federalism, and educational choice.

Key Points

- NEP 2020Recommends the Three-Language Formula.
- No language shall be imposed on any State or student.
- At least two languages should be native to India.
- Medium of instruction preferably in mother tongue/home language/local language till Class V, preferably till Class VIII.
- Encourages multilingualism and foundational literacy.
- Supports learning of foreign languages (French, German, Japanese, Korean, etc.) at the secondary stage.
- Recognizes the importance of English for higher education, STEM, legal education, research and global employability.
- EducationFalls under the Concurrent List (42nd Constitutional Amendment, 1976).

Static Linkages

- Article 29 – Protection of language, script and culture.
- Article 30 – Minority educational rights.
- Article 350A – Mother tongue instruction for linguistic minorities at the primary stage.
- Article 351 – Development of Hindi.
- Eighth Schedule – 22 Scheduled Languages.
- Official Languages Act, 1963
- Kothari Commission (1964–66) – Recommended the Three-Language Formula.
- National Policy on Education, 1968 – First adopted the Three-Language Formula.
- NEP 2020 – Emphasizes multilingual education and flexibility.
- UNESCO – Advocates Mother Tongue-Based Multilingual Education (MTB-MLE).

Critical Analysis

Advantages

- Improves foundational learning through mother tongue.
- Promotes multilingualism and cognitive development.
- Preserves India's linguistic diversity.
- Supports implementation of NEP 2020.
- Strengthens national integration.

Challenges

- Reduced flexibility in choosing foreign languages.
- Possible adverse impact on students during transition.
- Shortage of trained language teachers.
- Variation in implementation across States.
- Balancing regional languages with English for global competitiveness.
- Potential Centre–State friction over language policy.

Way Forward

- Maintain flexibility in language choice.
- Strengthen mother tongue + English bilingual education.
- Allow optional foreign languages based on demand.
- Increase investment in multilingual textbooks and teacher training.
- Promote cooperative federalism in education reforms.
- Implement NEP in a phased and consultative manner.

Data doubts

The latest IIP dataset raises more questions than it answers

India's latest industrial growth figures show that, contrary to global trends and overall perception, the country's industrial output is getting stronger. Notably, the data show a quick bounce-back in industrial performance after the initial hit from the West Asia crisis. However, the new data also raise some important concerns about the composition of the growth, the systems behind the recent data upgrades, and the need for further improvements. Growth in the Index of Industrial Production hit a five-month high of 5.1% in May 2026, up from the 4.9% growth seen in April, which itself was a substantial improvement over the performance in March – the first full month after the West Asia crisis began. Within this, the manufacturing sector grew at a relatively robust 5.5% in May, albeit slower than in April. One view is that this is due to a revival in domestic consumption, since the consumer durables and non-durables sectors also grew at multi-month highs. Consumer durables, especially, have done well in April and May. However, the contrary argument is that domestic demand is in fact not doing well, and it is export growth that is leading to higher production. This is bolstered by the fact that GST revenues from domestic transactions have grown slower over the last six months than in 2025-26 and the year before that. Merchandise exports, on the other hand, hit a four-year high in April followed by an all-time high in May. It would certainly be welcome if India's industry has global demand to fill, but the fact that more of this demand is not coming from within the country is a cause for concern. The economy is already hostage to world events.

The May IIP data were also accompanied by a note from the Ministry of Statistics and Programme Implementation (MoSPI) stating that it had made a major change to the methodology for computing growth for some sectors. It had abandoned the Wholesale Price Index as its chosen deflator to estimate the value of production in favour of the new Producer Price Index. This is a more accurate approach. But it did not, however, answer why this change was implemented belatedly and not when the new series of data was introduced on June 1. It suggests an unusually unsystematic approach by MoSPI. The strong growth in the IIP also does not reconcile with the fact that the Index of Eight Core Sectors – a separate government measure of industrial growth – grew at its second-lowest rate in 21 months in May. The core sector index is still outdated while the other major indices have been recently updated, but such a discrepancy nevertheless raises questions about what exactly is being measured.

KEY HIGHLIGHTS:

Context

- Index of Industrial Production (IIP) grew by 5.1% in May 2026, the highest in five months, indicating resilience despite the West Asia crisis.
- Manufacturing recorded 5.5% growth, remaining the key driver of industrial expansion.
- Consumer Durables and Consumer Non-Durables registered multi-month high growth.
- Merchandise exports reached a 4-year high (April 2026) and an all-time high (May 2026), while domestic GST growth remained comparatively subdued.
- MoSPI replaced the Wholesale Price Index (WPI) with the Producer Price Index (PPI) as the deflator for selected sectors in IIP compilation.
- Growth in IIP contrasted with the relatively weak performance of the Index of Eight Core Industries, highlighting statistical and methodological concerns.

Key Points

Index of Industrial Production (IIP)

- Released by Ministry of Statistics and Programme Implementation (MoSPI).
- Published monthly.
- Measures short-term changes in industrial production.
- Base Year: 2022–23.

Components

- Manufacturing (Highest Weight)
- Mining
- Electricity

Use-Based Classification

- Primary Goods
- Capital Goods
- Intermediate Goods
- Infrastructure/Construction Goods
- Consumer Durables
- Consumer Non-Durables

Recent Development

- Adoption of Producer Price Index (PPI) instead of Wholesale Price Index (WPI) for deflating selected manufacturing output.
- PPI reflects producer-level prices more accurately, improving estimation of real industrial growth.

Index of Eight Core Industries

- Released by Office of Economic Adviser, DPIIT, Ministry of Commerce & Industry.
- Covers:
  - Coal, Crude Oil, Natural Gas, Refinery Products, Fertilisers, Steel, Cement, Electricity
- Constitutes about 40.27% of the IIP.

Static Linkages

- IIP is a high-frequency indicator of industrial performance.
- Manufacturing contributes the largest share in industrial output and employment.
- IIP is widely used by:
  - RBI for monetary policy assessment.
  - Government for economic policy formulation.
  - Investors for assessing economic momentum.
- Strong industrial growth supports GDP, employment and investment.
- Export-led industrial growth is generally more vulnerable to external shocks than consumption-led growth.

Critical Analysis

Positives

- Reflects resilience of Indian manufacturing.
- Strong export demand supports industrial production.
- Improved statistical methodology enhances data quality.
- Industrial recovery strengthens economic growth prospects.

Concerns

- Industrial growth appears increasingly export-driven rather than domestic demand-driven.
- Dependence on global markets increases vulnerability to geopolitical disruptions.
- Divergence between IIP and Eight Core Industries raises questions on data consistency.
- Delayed methodological revisions reduce statistical transparency.

The Indo-Pacific is here to stay, with or without Washington

RAJA MANDALA
BY C RAJA MOHAN

JAPANESE PRIME Minister Sanae Takaichi's visit to India this week highlights one important fact — the Indo-Pacific as a geopolitical construct will live on. Whatever Washington's reasons are for restoring the name Pacific Command, the logic of the Indo-Pacific will continue to drive key regional actors like India and Japan.

Prime Minister Narendra Modi's visit later this month to Indonesia, Australia and New Zealand will reinforce the proposition. In sum, the Indo-Pacific will remain a critical theatre of India's national economic and security strategy.

It was the Trump administration that officially adopted the Indo-Pacific lexicon in 2017, during its first term. At the time, many in India's strategic community viewed the concept with deep suspicion. Was Washington trying to lure India into an anti-China alliance? Was this another attempt to compromise India's strategic autonomy? Today, the anxiety has simply reversed. If Washington no longer emphasises the Indo-Pacific, does it mean America is abandoning Asia? Is it preparing to build a condominium with China?

Both reactions overestimate Washington's power to define India's strategic environment. What they reveal is a self-generated anxiety in Indian strategic discourse that swings wildly between concerns about American "entrapment" and fears of American "abandonment".

The Indo-Pacific construct, when it emerged in the early 2000s, reflected the changing distribution of economic and military power in Asia driven by China's rise and assertion. What Americans call that reality matters less than the fact that Beijing's neighbours have no option but to deal with it — with or without American support.

In any case, the Indo-Pacific was not an American invention. Its modern political articulation came from Japan. In August 2007, during his historic address to the Indian Parliament, the late Shinzo Abe spoke of the "Confluence of the Two Seas". His argument was both simple and profound: The destinies of the Indian and Pacific Oceans had become inseparable, and the democracies along their littorals needed to work together to preserve an open regional order.

For Abe, this was not diplomatic rhetoric. It reflected Japan's assessment that China's rise had fundamentally altered Asia's strategic balance. The old Cold War alliance system centred exclusively on northeast Asia would no longer suffice. Japan needed stronger partnerships with India, Australia, Southeast Asia and Europe while reinforcing its alliance with the United States. The Indo-Pacific became the organising principle for that broader strategy.

Nearly two decades later, Prime Minister Takaichi has become the principal custodian of Abe's vision. Rather than retreating in the face of Washington's change of emphasis, Tokyo has doubled down. Speaking at Vietnam National University in Hanoi in May, Takaichi unveiled an updated "Free and Open Indo-Pacific" strategy, reaffirming the concept's validity despite shifts in American policy. Her updated framework places new emphasis on resilient supply chains, critical minerals, economic security, maritime cooperation and stronger partnerships across the region.

Japan's credibility rests not merely on its diplomacy but on the transformation underway at home. Under Takaichi, Tokyo has accelerated the most ambitious expansion of Japanese defence capabilities since World War II. Defence spending crossed the 2 per cent of GDP threshold ahead of schedule. Long-range strike capabilities — including Tomahawk cruise missiles and extended-range indigenous missiles — are being deployed. Japan is reorganising its maritime forces, expanding its space capabilities, strengthening defence-industrial cooperation with partners, and building new security networks with Australia, South Korea, the Philippines and India. Tokyo's message is clear: Preserving a stable Indo-Pacific requires Japan to become a stronger strategic actor in its own right, not merely a dependent ally of the US.

The outcomes from Takaichi's visit will reflect that strategy. Tokyo and Delhi are preparing a joint declaration on economic security that, according to Japanese officials, will register their shared opposition to economic coercion. The two sides are expected to identify priority sectors, from semiconductors and critical minerals to clean energy, and to commit to coordinating their response when coercion is used.

Ironically, perhaps the strongest validation of the Indo-Pacific idea comes from China itself. Beijing dismisses the Indo-Pacific as an artificial construct. Yet, its own policies increasingly integrate the two oceans into a single strategic theatre. Over the past two decades, China's dependence on Middle Eastern energy and African resources has steadily grown.

Beijing has built overland economic corridors linking western China to the Indian Ocean, established its first overseas military base in Djibouti, maintained a continuous naval presence across the Indian Ocean and developed an expanding network of dual-use commercial facilities stretching from Southeast Asia to the east coast of Africa. Chinese strategy increasingly treats the Indian and Pacific Oceans as one connected maritime space — which is precisely the logic underlying the Indo-Pacific concept.

India recognised this transformation nearly a decade ago when it formally embraced the Indo-Pacific as the widening arena of its strategic interests. There is little reason to abandon that framework simply because Washington has altered its vocabulary.

Delhi need not become captive to American enthusiasm or American indifference.

The Indo-Pacific ultimately rests not on American terminology but on Asian geography and Asian power politics. As China expands simultaneously into the Pacific and the Indian Ocean, and as Japan emerges as an increasingly capable strategic actor, the integration of the two oceans will only deepen.

The Indo-Pacific, then, is a structural reality of Asian politics, not a shifting American narrative. India should focus on building its own capabilities and deepening partnerships with like-minded Indo-Pacific countries to strengthen the regional balance of power.

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Delhi need not become captive to American enthusiasm or indifference. The Indo-Pacific ultimately rests not on terminology but on Asian geography and Asian power politics

KEY HIGHLIGHTS:

Context of the News

- Recent changes in U.S. strategic terminology (re-emphasis on "Pacific") triggered debate on the future of the Indo-Pacific concept.
- During her India visit, Japanese Prime Minister Sanae Takaichi reaffirmed Japan's commitment to a Free and Open Indo-Pacific (FOIP), indicating continuity in regional strategy.
- India continues to strengthen strategic partnerships with Japan, Australia, ASEAN, France and Quad partners, reinforcing the Indo-Pacific as a core pillar of its foreign and security policy.

Key Points

- Indo-Pacific is a geopolitical construct linking the Indian Ocean and Pacific Ocean as a single strategic theatre.
- The term "Confluence of the Two Seas" was coined by Shinzo Abe during his address to the Indian Parliament (2007).
- India formally articulated its Indo-Pacific vision at the Shangri-La Dialogue (2018).
- India's Indo-Pacific vision is based on:
  - Free, Open and Inclusive Indo-Pacific
  - ASEAN Centrality
  - Rule-based international order
  - Freedom of Navigation and Overflight
  - Respect for Sovereignty and Territorial Integrity
  - UNCLOS, 1982 as the basis for maritime governance
- Major Indian initiatives:
  - SAGAR (2015)
  - Indo-Pacific Oceans Initiative (IPOI), 2019
  - Quad
  - Indian Ocean Rim Association (IORA)
  - Indian Ocean Naval Symposium (IONS)
- Japan's updated FOIP emphasizes:
  - Economic security
  - Semiconductor cooperation
  - Critical minerals
  - Supply-chain resilience
  - Maritime security
- China's growing strategic footprint includes:
  - Belt and Road Initiative (BRI)
  - Maritime Silk Road
  - Djibouti military base
  - Expanding PLA Navy presence in the Indian Ocean Region
  - Dual-use port infrastructure across the Indo-Pacific

Static Linkages

- UNCLOS (1982) is regarded as the "Constitution of the Oceans."
- India has:
  - Coastline: 7,516 km
  - Exclusive Economic Zone (EEZ): ~2.37 million sq. km
- Nearly 95% of India's trade by volume and about 68% by value moves through sea routes.
- Andaman & Nicobar Command is India's only Tri-Service Command and overlooks the Malacca Strait, a critical Sea Line of Communication (SLOC).
- India follows the doctrine of Strategic Autonomy, not military alliance.

Critical Analysis

Significance

- Enhances India's role as a net security provider in the Indian Ocean Region.
- Diversifies strategic partnerships while preserving Strategic Autonomy.
- Promotes resilient supply chains and economic security.
- Strengthens maritime domain awareness and disaster response.
- Counters coercive maritime practices through a rules-based order.

Challenges

- Intensifying U.S.-China strategic rivalry.
- Chinese naval expansion in the Indian Ocean.
- Divergent interests among Indo-Pacific partners.
- Resource constraints in India's maritime modernization.
- Balancing continental and maritime security priorities.

Way Forward

- Strengthen SAGAR and IPOI implementation.
- Modernize the Indian Navy and coastal infrastructure.
- Enhance Andaman & Nicobar strategic capabilities.
- Deepen cooperation with Quad, ASEAN, IORA and France.
- Secure critical mineral and semiconductor supply chains.
- Promote UNCLOS-based maritime governance.
- Expand Blue Economy partnerships.

Road ahead is electric, but it isn't easy

THE DELHI government's decision to make electric mobility the default choice for significant sections of its transport system could be a watershed in the environmental governance of a city that has been dogged by persistent pollution problems. Most EV policies in the country have primarily relied on subsidies, tax concessions and awareness campaigns. Delhi's new framework does not totally discard the path of persuasion and affirms a phased approach to the transition. But significantly, it introduces clear deadlines. From April 2028, electric vehicles will be the only option for residents seeking to purchase a new two-wheeler. Commercial three-wheelers will undergo a mandatory transition beginning January 1 next year. Urban transport worldwide is moving towards electrification, and cities that prepare early are likely to enjoy competitive advantages, especially in investment. The Delhi government's decision to establish firm timelines, therefore, demonstrates a welcome willingness to move beyond incrementalism.

While studies may differ on the exact pollution burden imposed by vehicles, there is near unanimity that tailpipe emissions are among the major reasons for Delhi's poor air quality. The policy's immediate focus on two-wheelers is salient given that these vehicles comprise two-thirds of the capital's vehicle fleet. At the same time, the policy also uses incentives to nudge four-wheeler users to give up fossil-fuel-driven vehicles. Given that EVs currently comprise about 15 per cent of the total vehicles registered in the capital, the Delhi government's push for a greener fleet by 2030 might appear ambitious. But the city is among the fastest-growing EV markets in the country. According to the research and advocacy group, Enviro catalysts, Delhi saw record growth in electric vehicle adoption during January-May — e-bike registrations increased 70 per cent compared to the same period last year, while those of private e-cars went up by 95 per cent.

If implemented well, the capital's EV policy could offer pointers to green mobility in the country. It will face challenges. An EV-dominated fleet will require an adequate charging infrastructure. The transition will also be confronted with the limitations of India's battery supply chain, especially its dependence on imported lithium cells and critical minerals. Geopolitical uncertainties, fluctuating commodity prices and concentration of mineral processing capacities in a few countries could expose manufacturers to supply disruptions. The transition in Delhi will require making economic adjustments, adapting to logistical challenges, and enhancing technological capabilities. The national capital's endeavour will be closely watched.

KEY HIGHLIGHTS:

Context

- Delhi Government approved a new Electric Vehicle (EV) Policy with mandatory transition timelines.
- From April 2028, only electric two-wheelers can be registered as new vehicles in Delhi.
- Commercial three-wheelers will mandatorily shift to EVs from January 2027.
- Objective: Achieve a cleaner transport system and improve Delhi's air quality.

Key Points

- Delhi is among India's leading EV markets.
- EVs constitute around 15% of new vehicle registrations in Delhi.
- Two-wheelers account for nearly two-thirds of Delhi's total vehicle population.
- EV adoption (Jan–May 2026):
  - E-bike registrations increased by ~70%.
  - Private e-car registrations increased by ~95%.
- Policy measures include:
  - Mandatory EV adoption timelines.
  - Financial incentives.
  - Expansion of charging infrastructure.
  - Promotion of battery swapping.
- Supports India's commitments towards:
  - Net Zero by 2070.
  - Updated Nationally Determined Contributions (NDCs).

Static Linkages

- National Electric Mobility Mission Plan (NEMMP), 2020.
- PM E-DRIVE Scheme.
- FAME India Scheme.
- National Clean Air Programme (NCAP).
- Battery Waste Management Rules, 2022 (Extended Producer Responsibility).
- Energy Conservation Act, 2001.
- National Action Plan on Climate Change (NAPCC).
- Critical Minerals Mission.
- Critical minerals: Lithium, Cobalt, Nickel, Graphite, Rare Earth Elements.
- Transport sector is a major contributor to PM2.5, NOx and greenhouse gas emissions.
- SDG-11 (Sustainable Cities) and SDG-13 (Climate Action).

Critical Analysis

Positives

- Reduces vehicular emissions and urban air pollution.
- Supports India's climate commitments.
- Lowers dependence on imported crude oil.
- Promotes domestic EV manufacturing and green jobs.
- Encourages technological innovation.

Challenges

- Insufficient public charging infrastructure.
- Dependence on imported lithium-ion cells and critical minerals.
- High initial cost of EVs.
- Battery recycling and disposal issues.
- Pressure on electricity distribution networks.
- Supply-chain risks due to geopolitical factors.

Way Forward

- Expand fast and public charging infrastructure.
- Strengthen domestic battery manufacturing under PLI schemes.
- Secure critical mineral supply through domestic exploration and international partnerships.
- Develop an efficient battery recycling ecosystem.
- Promote renewable energy-based EV charging.
- Improve urban power distribution capacity.
- Integrate EV policy with public transport and sustainable urban planning.

New FCRA rules shrink space for civic action

THE FOREIGN Contribution Regulation (Amendment) Rules, 2026 mark a troubling expansion of executive control over civil society by deepening a regulatory framework that has steadily transformed the FCRA from a law governing foreign funding into an instrument for supervising and constraining the functioning of voluntary organisations. The rules require NGOs to classify their activities under narrowly defined categories, specify geographical areas of operation, submit more granular disclosures, and face stricter compliance obligations. They also expand oversight of organisations engaged in activities with religious dimensions, with the government citing concerns over the misuse of foreign funds and unlawful conversions. Transparency in the use of foreign contributions is necessary to address large-scale violations and infractions. But a compliance regime that increasingly allows the executive to shape the scope and character of an organisation's work reinforces a governance model that treats independent civic action as a source of potential risk rather than a democratic asset.

The FCRA was originally enacted in 1976, during the Emergency, to prevent foreign intervention in India's political processes. It was substantially revised in 2010, introducing stricter registration and reporting requirements, and amended again, most consequentially, in 2020, prohibiting the onward transfer of foreign contributions to partner organisations and capping administrative expenses at 20 per cent of foreign funding, among other changes. Each successive amendment has increased compliance burdens while widening executive discretion over who may receive foreign funds and on what terms. The cumulative effect has been considerable. As of March 2026, nearly 20,000 organisations had lost their FCRA licences in the last 12 years.

Whether in education, healthcare, environmental conservation, legal aid or advocacy for vulnerable communities, civil society organisations fill gaps that governments cannot or do not. A regulatory framework that demands ever greater disclosures while expanding official discretion risks shrinking the space in which such organisations can function with confidence. It reflects a troubling assumption that the state alone should determine the boundaries of legitimate public engagement — the new rules, for instance, demand disclosure of social media accounts and all publications by key functionaries. Instances of misuse undoubtedly warrant investigation and punishment. They cannot, however, justify subjecting every organisation to expanding layers of surveillance and procedural control.

KEY HIGHLIGHTS:

Context

- The Union Government notified the Foreign Contribution (Regulation) Amendment Rules, 2026 under the Foreign Contribution (Regulation) Act (FCRA), 2010.
- The Rules enhance compliance requirements for NGOs receiving foreign contributions through:
  - Detailed categorisation of activities.
  - Mandatory disclosure of geographical area of operation.
  - Enhanced reporting and documentation.
  - Disclosure of social media accounts and publications of key functionaries.
  - Greater scrutiny of organisations involved in religious activities.
- The Government states the objective is to improve transparency, accountability, national security, and prevent misuse of foreign funds.

Key Points

- Original FCRA: Enacted in 1976.
- Present law: Foreign Contribution (Regulation) Act, 2010.
- Administrative Ministry: Ministry of Home Affairs (MHA).
  - Major FCRA Amendment, 2020Prohibited transfer of foreign contribution to another NGO.
  - Reduced administrative expenditure limit from 50% to 20%.
  - Mandatory receipt of foreign contribution through designated SBI, New Delhi branch.
  - Mandatory identification (Aadhaar/Passport/OCI as applicable) of key functionaries.
  - Latest Rules (2026)More detailed disclosure requirements.
  - Enhanced executive oversight.
  - Stricter compliance and monitoring.
- Government Data: Nearly 20,000 FCRA registrations were cancelled, surrendered or expired between 2014 and March 2026.

Static Linkages

- Article 19(1)(c) – Freedom to form associations.
- Article 19(4) – Reasonable restrictions.
- Article 14 – Equality before law.
- Article 21 – Privacy and due process (judicial interpretation).
- Reasonable restrictions in the interest of sovereignty, integrity and public order.
- NGOs as partners in welfare delivery and participatory governance.
- Supreme Court: Acceptance of foreign contribution is not a Fundamental Right.

Critical Analysis

Positives

- Enhances financial transparency.
- Prevents diversion and misuse of foreign funds.
- Strengthens national security.
- Improves accountability of foreign-funded NGOs.

Concerns

- Increased compliance burden.
- Greater executive discretion in registration and renewal.
- May affect functioning of small grassroots NGOs.
- Reduced collaboration due to prohibition on transfer of foreign contribution.
- Possible impact on freedom of association and civic space.

Way Forward

- Adopt risk-based regulation instead of excessive compliance.
- Ensure transparent and time-bound registration and renewal.
- Strengthen digital compliance systems.
- Maintain a balance between national security and constitutional freedoms.
- Encourage periodic stakeholder consultations while framing subordinate legislation.