

Declaration at BRICS summit reflects India's concerns over terrorism, governance reforms

Kallol Bhattacharjee

NEW DELHI

The majority of the world's population is not properly represented in key global institutions, Prime Minister Narendra Modi said on Sunday, addressing fellow leaders of emerging nations at the BRICS summit in Rio De Janeiro.

The BRICS Leaders' Declaration, adopted at the summit in the Brazilian city on Sunday, reflected India's key concerns, especially on cross-border terrorism and global governance reforms.

Noting that the Global South has often faced "double standards", Mr. Modi, speaking at the BRICS session on "Peace and security and reform of global governance", called for a greater role for the developing world in international decision-making.

The Leaders' Declaration also recorded support from Russia and China, permanent members of the United Nations Security Council, "to the aspirations of Brazil and India to play a greater role in the United Nations, including its Security Council".

"Two-thirds of humanity still lack proper representation in global institutions built in the



Reform drive: Prime Minister Narendra Modi with other leaders of BRICS in Rio de Janeiro on Sunday. AFP

20th century. Many countries that play a key role in today's global economy are yet to be given a seat at the decision-making table. This is not just about representation, it's also about credibility and effectiveness," Mr. Modi said, reiterating that global institutions have "failed to offer effective solutions".

Mr. Modi also welcomed the expansion of BRICS, saying that it shows the grouping's ability to "evolve with the times", as the leaders welcomed Indonesia as a new member state of BRICS.

Reflecting some of India's core concerns, the declaration adopted by BRICS leaders condemned the Pahalgam terror attack

in the "strongest terms", and called for a more "representative" international order. BRICS leaders expressed commitment to combat terrorism, including "cross border" terrorism, and called for "expeditious finalization" of the Comprehensive Convention on International Terrorism within the framework of the United Nations.

The grouping also described the Israel-U.S. military strikes against Iran as a violation of international law and the Charter of the United Nations.

CONTINUED ON

» **PAGE 12**

EDITORIAL

» **PAGE 8**

Two Kerala districts strengthen vigilance against Nipah infection

383 people in the State are under observation and those in isolation are receiving psychological support through regular phone calls: Health Minister; additional ICU, isolation facilities have been set up to prepare for a potential surge in patients

The Hindu Bureau

PALAKKAD/MALAPPURAM

The Palakkad and Malappuram district administrations have stepped up their efforts to prevent the spread of Nipah virus by strengthening medical surveillance in affected areas.

An adolescent girl from Chettiyarangadi in Malappuram and a 38-year-old woman from Thachanattukara in Palakkad had tested positive for Nipah. The girl died in a hospital in Kozhikode and the woman is battling for life in the intensive care unit of Moulana Hospital in Perinthalmanna.



Containment efforts: As many as 12 people, five of them in the ICU, are under treatment for Nipah virus in Malappuram. REUTERS

Health Minister Veena George said on Sunday that 383 persons in Kerala were under observation. While 241 of them are in Malappuram district, 142 are in Palakkad, 92 in Kozhikode,

and two in Kochi.

As many as 12 persons are under treatment in Malappuram, five of them in the ICU.

Four persons connected to the Palakkad woman are

currently under treatment in isolation.

According to Ms. George, those in isolation received mental support through regular phone calls. Additional ICU and isolation facilities were set up in Palakkad, Malappuram and Kozhikode to prepare for a potential surge in patients, she said.

Palakkad District Collector G. Priyanka said on Sunday that health teams had visited 2,185 houses in Thachanattukara and Karimpuzha panchayats in the district as part of Nipah surveillance. "We have offered psychological counselling to 165 persons over telephone," Ms. Priyanka

said. She said a control room functioning round the clock at Government Medical College, Palakkad, handled several calls since Nipah was reported first time in the district.

Control room number

Those in quarantine as well as their caregivers should wear N95 masks. Hands should be sanitised frequently.

Anyone experiencing symptoms such as fever, cough, headache, breathing difficulties, mental confusion or loss of consciousness should promptly contact local health workers or call the control room at 0491-2504002.

On 90th birthday, Dalai Lama reaffirms commitment to serve sentient beings

Press Trust of India

DHARAMSHALA

Heavy rain on Sunday morning did little to dispirit the thousands who gathered in the main courtyard of Tsuglagkhang, the Dalai Lama temple, to observe the 90th birthday of the 14th Dalai Lama.

The massive celebrations came in the wake of the Dalai Lama's announcement last week that put an end to all speculation about the discontinuation of the Dalai Lama institution. To irk China further, the Tibetan leader voiced his wish to live for another 30-40 years.

The birthday was attended by the representatives of Tibetan Buddhist sects, students, dancers, singers from different countries, and Buddhists from across the world. Pol-



Union Ministers Kiren Rijiju and Rajiv Ranjan attend Dalai Lama's birth anniversary celebrations at Dharamshala on Sunday. ANI

itical leaders from here and abroad also shared the stage with the Dalai Lama.

Speaking at the ceremony, Dalai Lama Tenzin Gyatso said that it is the love of the people that motivates him to continue on the path of serving all sentient beings. "So on my part, I reflect on Shantideva's Bodhisattvacharyavat-

ara, the Bodhisattva way of life, considering all sentient beings as my relatives and friends, and I always think of serving all sentient beings to the best of my ability. On this birthday celebration, you have come here with great joy. So thank you," he said.

Union Ministers Kiren Rijiju and Rajiv Ranjan

Singh, Arunachal Pradesh Chief Minister Pema Khan-du, Sikkim Minister Sonam Lama, and Hollywood actor Richard Gere addressed the gathering after the performances.

Mr. Rijiju, who sat on the right side of the Dalai Lama, called him a "living bridge between ancient wisdom and the modern world." "Your holiness, you are more than a spiritual leader. We feel blessed by his presence in our country, which he regards as his 'aryabhoomi'," he said.

"In a world at strife with conflict, your message embodied in how you continue to lead your life assumes even greater and more urgent significance. It is a matter of pride and honour for India and Indians to have you in our midst," he said.

No country with poverty rate of 28% can claim to be 'fourth most equal': Cong.

The Hindu Bureau

NEW DELHI

The Congress said in a statement on Sunday that no country that has a poverty rate of 28.1%, as India did in 2022 according to the World Bank, can make a "justifiable" claim to being one of the most equal societies in the world. It urged the government to update the official poverty measure to better reflect the country's economic reality.

As per a report by the World Bank released in April, and highlighted by a Union government press release on July 5, India's consumption-based Gini coefficient of inequality fell to 25.5 in 2022-23 from 28.8 in 2011-12. According to the Centre, this makes India "the fourth most equal country in the world", behind the Slovak Republic, Slovenia, and Belarus.

On Sunday, however, the Congress pointed out other aspects of the World Bank's report, which the government press release did not mention – high wage disparity in India,

It urges govt. to update the official poverty measure to better reflect India's economic reality

and a possible reason for the fall in consumption inequality.

"Wage disparity in India is high, with the median earnings of the top 10% being 13 times higher than the bottom 10% in 2023-24," the Congress said in its press statement, citing the same World Bank report from April.

'Data limitations'

The World Bank report added that "sampling and data limitations suggest that consumption inequality may be underestimated", a fact that the Congress highlighted.

The World Bank further said that changes in the questionnaire design, survey implementation, and sampling in the 2022-23 Household Consumption Expenditure Survey are improvements, but also "present challenges for making comparisons over

time". "It is worth recalling that these changes were made after the government rejected the previous iteration of the survey (conducted in 2017-18) after it showed falling consumption in rural areas," the Congress said. "As a lower middle-income country, the appropriate rate to measure poverty in India is that of \$3.65/day."

Using this measure, the World Bank says India's poverty rate stood at 28.1% in 2022.

"No country that has a poverty rate of 28.1% can make a justifiable claim to being one of the most equal societies in the world," the Congress statement said. "The report is therefore rather clear: poverty remains concerningly high, and so does inequality."

Among the Congress's several suggestions to address this issue was for the government to update its official poverty line.

"Sharpening inequality is now firmly embedded in the nature of our economic growth and its trajectory fuelled by the Modi govt.'s policies," it said.

Musk launches a new political party in the aftermath of Trump fallout

Agence France-Presse
WASHINGTON

Elon Musk, a former ally of U.S. President Donald Trump, said on Saturday he had launched a new political party in the United States to challenge what the tech billionaire described as the country's "one-party system."

The world's richest person – and Mr. Trump's biggest political donor in the 2024 election – had a bitter falling out with the President. Mr. Musk has clashed with Mr. Trump over the President's massive domestic spending plan, saying it would explode the U.S. debt, and vowed to do everything in



Own course: Elon Musk said he has created the so-called America Party to challenge the country's 'one-party system'. AFP

his power to defeat lawmakers who voted for it.

Now he has created the so-called America Party, his own political framework, through which to try

and achieve that.

"When it comes to bankrupting our country with waste & graft, we live in a one-party system, not a democracy," the Space X and

Tesla boss posted on X. "Today, the America Party is formed to give you back your freedom."

Mr. Musk cited a poll – uploaded on U.S. Independence Day – in which he asked whether respondents "want independence from the two-party (some would say uniparty) system" that has dominated U.S. politics for some two centuries. The yes-or-no survey earned more than 1.2 million responses.

"By a factor of 2 to 1, you want a new political party and you shall have it!" he posted on Saturday.

Mr. Musk also shared a meme depicting a two-headed snake and the caption "End the Uniparty."

‘Without trade deals, U.S. tariffs will kick in on Aug. 1’

Agence France-Presse

WASHINGTON

U.S. tariffs will kick in on August 1 if trading partners from Taiwan to the European Union do not strike deals with Washington, Treasury Secretary Scott Bessent said on Sunday.

The rates will “boomerang back” to the sometimes very high levels which U.S. President Donald Trump had announced on April 2 – before he suspended the levies to allow for trade talks and set a July 9 deadline for agreement, Mr. Bessent told CNN.

Mr. Bessent confirmed the comments made by Mr. Trump to reporters aboard the Air Force One on Friday in which he also cited a new deadline for the tariffs: “Well, I will probably



Arm twisting: The rates may boomerang back to the high levels announced by Donald Trump on April 2. GETTY IMAGES

start them on August 1.”

The U.S. President said he had signed 12 letters to be sent out, likely on Monday.

Countries have been pushing to strike deals that would help them avoid these elevated duties. So far, the Trump administration has unveiled deals with the United Kingdom

and Vietnam, while Washington and Beijing agreed to temporarily lower staggeringly high levies on each other’s products. Mr. Bessent said the administration was “close to several deals.”

“I would expect to see several big announcements over the next couple of days,” he said.

French intel: China used its embassies to undermine sales of Rafale fighter jets

Move after jets' combat with fighters made in China in India-Pak conflict

JOHN LEICESTER

PARIS, JULY 6

CHINA DEPLOYED its embassies to spread doubts about the performance of French-made Rafale jets after they saw combat in India and Pakistan's clashes in May, French military and intelligence officials have concluded, implicating Beijing in an effort to hammer the reputation and sales of France's flagship fighter.

Findings from a French intelligence service seen by The Associated Press say defense attaches in China's foreign embassies led a charge to undermine Rafale sales, seeking to persuade countries that have already ordered the French-made fighter — notably Indonesia — not to buy more and to encourage other potential buyers to choose Chinese-made planes. The findings were shared with AP by a French military official on condition that the official and the intelligence service not be named.

Four days of India-Pakistan clashes in May were the most se-



A Rafale jet at the Yelahanka air base in Bengaluru. AP

rious confrontation in years between the two nuclear-armed neighbors, and included air combat that involved dozens of aircraft from both sides.

Military officials and researchers have since been digging for details of how Pakistan's Chinese-made military hardware — particularly warplanes and air-combat missiles — fared against weaponry that India used in airstrikes on Pakistani targets, notably French-made Rafale jets.

Sales of Rafales and other armaments are big business for France's defense industry and help efforts by the government in Paris to strengthen its ties. **AP**

GREEK-OWNED BULK CARRIER HAS TAKEN ON WATER

Ship under attack in Red Sea off Yemen: UK maritime agency

REUTERS

CAIRO, JULY 6

A SHIP came under attack in the Red Sea off the southwest coast of Yemen on Sunday, a British maritime agency and a security firm said, in an assault that one of them said bore the hallmarks of the Houthi militant group.

Maritime security sources said the vessel, which they identified as the Liberian-flagged, Greek-owned bulk carrier Magic Seas, had taken on water after being hit by sea drones.

The ship was first targeted by gunfire and self-propelled grenades launched from eight small boats, with armed security



on the ship returning fire, the United Kingdom Maritime Trade Operations (UKMTO) and British maritime security firm Ambrey said in advisories.

Ambrey said in a separate advisory that the ship was later attacked by four Unmanned Surface Vehicles.

"Two of the USVs impacted the port side of the vessel, damaging the vessel's cargo," Ambrey added. UKMTO said the attack resulted in a fire onboard and that the incident was ongoing. There were no reports of injuries among the crew, a source at maritime security company Diaplous said.

The vessel's operator was not immediately available for comment. No one immediately claimed responsibility for the attack, but Ambrey assessed the vessel "to meet the established Houthi target profile". Sunday's attack occurred 51 nautical miles southwest of Yemen's port city of Hodeidah, the UKMTO and Ambrey said.

'Invisible hand' in foreign trade

India's foreign exchange earnings from services and private remittance transfers today exceed that from the 'visible' goods exports. These 'invisibles' have also remained safe from geopolitics and tariff wars



HARISH DAMODARAN

INTERNATIONAL TRADE is normally associated with the movement of physical goods loaded onto ships, whether directly as bulk unpackaged cargo or in standard-sized containers. But trade isn't just about the exchange of tangible stuff across national borders through sea and by air. It is also about the global flows of services, people, capital, data and ideas.

In India's case, the "invisibles" trade — export and import of services plus cross-border private individual money transfers — is today bigger than the "visible" merchandise trade account in its external balance of payments.

Tangibles vs Intangibles

Table 1 shows that India's exports of goods rose almost five-folds, from \$66.3 billion to \$318.6 billion, between 2003-04 and 2013-14.

Thereafter, it flattened out and fell to below \$300 billion by 2020-21, before registering a significant jump to \$429.2 billion in 2021-22 and \$456.1 billion in 2022-03. That was basically on the back of a rebound in global economic activity and goods demand after the all-round collapse during the Covid-19 pandemic. The value of world merchandise exports grew by 26.3% in 2021 and 11.7% in 2022, according to UNCTAD (United Nations Trade and Development) data.

But after 2022-23, India's goods exports dipped again to \$441.4 billion in 2023-24 and \$441.8 billion in 2024-25. On the other hand, the receipts from "invisible" transactions — those not involving export of physical goods — have posted steady, if not impressive, increase over the last two decades and more. In gross terms, these went up nearly 4.5 times between 2003-04 and 2013-14 (from \$53.5 billion to \$233.6 billion) and by another 2.5 times to \$576.5 billion in 2024-25.

In 2013-14, India's goods exports were about \$85 billion more than its receipts from invisibles. In 2024-25, it was the other way round, with invisible receipts roughly \$135 billion higher than merchandise exports. While trade deals — including the one now being negotiated with the United States —

TABLE 1

INDIA'S 'VISIBLE' VERSUS 'INVISIBLE' EXPORTS

	Goods Exports	Invisibles Receipts	Services Exports	Private Transfers
2003-04	66.29	53.51	26.87	22.18
2013-14	318.61	233.57	151.81	69.64
2014-15	316.55	241.65	158.11	69.82
2015-16	266.37	235.04	154.31	65.59
2016-17	280.14	242.05	164.20	61.30
2017-18	308.97	283.41	195.09	69.13
2018-19	337.24	306.48	208.00	76.40
2019-20	320.43	321.71	213.19	83.20
2020-21	296.30	307.25	206.09	80.19
2021-22	429.16	369.6	254.53	89.13
2022-23	456.07	465.8	325.33	112.47
2023-24	441.44	501.42	341.06	118.71
2024-25	441.79	576.54	387.54	135.43

TABLE 2

A DELICATE BALANCE

	Goods Trade Balance	Invisibles Balance	Current Account Balance
2013-14	-147.61	115.31	-32.30
2014-15	-144.94	118.08	-26.86
2015-16	-130.08	107.93	-22.15
2016-17	-112.44	98.03	-14.42
2017-18	-160.04	111.32	-48.72
2018-19	-180.28	123.03	-57.26
2019-20	-157.51	132.85	-24.66
2020-21	-102.15	126.06	23.91
2021-22	-189.46	150.69	-38.77
2022-23	-265.29	198.24	-67.05
2023-24	-244.91	218.8	-26.11
2024-25	-287.21	263.85	-23.37

Amt. in (\$ billion) Source: Reserve Bank of India.

are mostly focused around seaborne and air-borne material cargo, India's foreign trade story in recent times has had more to do with the exports of intangibles.

Invisible components

A break-up of India's gross invisible receipts of \$576.5 billion in 2024-25 reveals \$387.5 billion coming from exports of services, which have soared from a mere \$26.9 billion in 2003-04 and \$151.8 billion in 2013-14.

The other major source of invisible income has been private transfers or remittances (\$135.4 billion). This is money sent by Indians working and living abroad, be it temporarily or as permanent residents and even foreign citizens. The dollars, pounds and dirhams remitted by them is essentially receipts from export of human resources from India.

The rise in private transfers — from \$22.2 billion in 2003-04 and \$69.6 billion in 2013-14 — is also huge, although not as steep as services exports. The latter has been powered primarily by the exports of software services — from \$12.8 billion in 2003-04 to \$69.5 billion in 2013-14 and \$180.6 billion in 2024-25. Equally important is the export of miscellaneous "business, financial and communication services" — from \$37.5 billion in 2013-14 to \$118 billion in 2024-25.

Thus, services exports are not only from Information Technology engineers writing software code, but also from accountants, auditors, financial analysts, research & de-

velopment professionals, management consultants and computer data storage providers.

All these "invisible" exports have seemingly been relatively immune to the vicissitudes of global business cycles, financial crises, pandemics, geopolitical conflicts or tariffs wars. And they have grown with not much government efforts at sealing bilateral trade agreements or unveiling production-linked incentive schemes.

The ongoing India-US trade talks are largely over the Narendra Modi-led government seeking lower tariffs for the country's exports of textiles, leather, auto components, steel and aluminium products and the Donald Trump administration pushing hard to gain market access for American genetically modified soyabean and corn, ethanol, dairy and other farm produce.

"Invisible" services exports and foreign worker visas aren't part of the negotiations, at least for now.

The Chinese comparison

Table 2 shows India's merchandise trade deficit virtually doubling from \$147.6 billion in 2013-14 to an all-time-high of \$287.2 billion in 2024-25. During the last fiscal ended March 2025, the country's goods imports, at \$729 billion, far exceeded its exports of \$441.8 billion.

But the widening goods trade deficits have been considerably offset by surpluses on the net invisible receipts account, surging from

\$115.3 billion in 2013-14 to \$263.8 billion in 2024-25. As a result, the overall current account deficit in India's balance of payments in 2024-25, at \$23.4 billion, was actually lower than the \$32.3 billion for 2013-14.

Compare this with China, which recorded a merchandise trade surplus of \$768 billion in 2024, from goods exports of \$3,409 billion versus imports of \$2,641 billion. But unlike India, China had a deficit of \$344.1 billion on its net invisibles account. That led to a narrowing down of its overall current account surplus to \$423.9 billion in 2024.

China, simply put, is the "factory of the world" due to its dominance in global manufacturing. That is also reflected in its running humongous goods trade surpluses year after year. However, when it comes to services, China's imports in 2024, at \$613 billion, were way higher than its corresponding exports of \$384 billion.

India, on its part, can lay claim to being the "office of the world". Its services trade surplus alone was \$188.8 billion in 2024-25, with exports at \$387.5 billion and imports at \$198.7 billion. The large net surplus of \$263.8 billion from all "invisible" transactions, including private remittances, is what helped contain its overall current account deficit to a manageable \$23.4 billion in 2024-25.

Whichever way one looks at, it is "invisibles" — and not physical movement of goods — that have been the key drivers of India's foreign trade.