

Petrol, diesel prices hiked by ₹3 per litre

The move will help state-run oil marketing companies stem some losses caused by global prices; Centre imposes windfall tax on petrol exports

Saptaparno Ghosh

NEW DELHI

Petrol and diesel prices were hiked by ₹3 a litre across all variants on Friday, in the first major increase in more than four years.

The move will help state-run oil marketing companies (OMCs) stem some of their losses caused by global price and supply pressures due to the war in West Asia.

The price of the regular variant of petrol is now ₹97.77 a litre in Delhi, while that of diesel is ₹90.67 a litre. Premium and high-octane variants have also seen a similar increase. Compressed natural gas (CNG) prices were also hiked by ₹2 a kg.

This is the first major hike – defined as more



Fuelling fury: A protest against the hike in petrol and diesel prices in Vijayawada on Friday. G.N. RAO

than ₹1 a litre – on regular retail fuel since the approximately ₹9 hike executed in a staggered manner over the course of a week in March 2022, soon after Russia invaded Ukraine.

Since then, OMCs have periodically announced minimal increases of a few paise per litre, but no ma-

major hikes. The Centre also imposed a windfall gains tax of ₹3 a litre on petrol exports, while reducing the levy on diesel to ₹16.5 a litre and aviation turbine fuel to ₹16 a litre, effective Saturday.

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Petrol, diesel prices hiked by ₹3 per litre

The Opposition parties, however, slammed the Centre for the timing of the price hike, just days after results were declared in four State elections.

The Union government has been highlighting the losses being borne by OMCs, of approximately ₹1,000 crore a day from petrol, diesel, and LPG combined, due to high global oil prices. Experts say the current hike will have a limited impact, with an estimated ₹10 per litre hike needed to cover even half of the under-recoveries faced by the OMCs. Last Sunday, Prime Minister Narendra Modi asked citizens to curb their consumption of petrol and diesel to reduce India's oil imports.

Sukhmal Jain, former Director for Marketing at the state-owned OMC Bharat Petroleum, told *The Hindu* that the hike was necessary, given the recent disruption to global energy markets. “The recent fuel price adjustment is a calibrated and necessary step to partially offset the sharp rise in crude oil prices, freight and operational costs being faced by India's OMCs,” Mr. Jain said.

The price hikes were marginally lower in Chennai and steeper in Kolkata and Mumbai. Petrol prices in Chennai rose ₹2.83 per litre to ₹103.67, while diesel prices increased ₹2.86 per litre to ₹95.25. The price of the premium variant, ‘XG’, is now ₹95.99 per litre in Delhi as compared to ₹92.99 earlier. The high-octane XP95 is now priced at ₹104.88 per litre, up from ₹101.89.

However, according to Sourav Mitra, Partner for Oil & Gas at Grant Thornton Bharat, OMCs may continue to face under-recoveries despite the hike. “Prior to the price hike, under-recoveries were at around ₹13-15 per litre of petrol and ₹17-18 per litre for diesel. Hence, it had been projected that an almost ₹10 per litre retail hike would be needed to cover 50% of under-recoveries,” he said.

(With inputs from PTI)

Fuel price rise to cover only ₹4,449 cr./month in OMC loss

Minister Puri said OMCs were losing ₹1,000 cr./day via petrol, diesel, LPG sales; India's petrol consumption rose 6.36% in April year-on year while that of diesel remained almost unchanged

Saptaparno Ghosh

NEW DELHI

The ₹3 per litre hike in the prices of petrol and diesel is expected to yield an additional monthly revenue of a little more than ₹4,400 crore for India's oil marketing companies (OMCs), a rough calculation on past sales figures shows.

Earlier this week, Union Petroleum Minister Hardeep Puri stated the OMCs were losing ₹1,000 crore per day from the combined sales of petrol, diesel and LPG as they try to hold retail fuel prices steady at a time when oil prices are surging on West Asia crisis.

India consumed about 497 crore litre of petrol and 986 crore litre of diesel in April as per provisional government data. Therefore, based on these figures, the



Upward flow: According to experts there remained scope for further increase in the prices of petrol and diesel. NAGARA GOPAL

₹3 per litre hike would earn the OMCs an addition of ₹1,491 crore from the sale of petrol and ₹2,958 crore from the sale of diesel – taking total revenue addition to ₹4,449 crore in a month. According to Sourav Mitra, Partner for Oil & Gas, Grant Thornton Bharat, there was a clear headroom for further hikes.

“From a forward-look-

ing perspective, there remains clear headroom for further calibrated price hikes, should the prices remain elevated and should the government decide to reduce OMCs’ burden further,” he stated. “However, any such adjustments are likely to be phased and policy-sensitive, carefully balancing inflationary risk with broad-

er macroeconomic considerations,” he added.

The Ministry of Petroleum and Natural Gas has also said on multiple occasions that there was no proposal under consideration to bail out OMCs during the current crisis, leaving fuel price hikes as the only option. India's consumption of petrol grew 6.36% compared with the same month last year, whilst that of diesel was nearly flat – rising 0.25% – during the same period.

Brent futures surge

Amid the escalating tensions, Brent Crude futures had scaled a four-year high of \$126.41 per barrel on April 30.

As of Friday evening, Brent Crude futures were trading about 2.35% higher than their previous close at \$108.2 per barrel.

OMC stocks dip despite fuel price spike

The Hindu Bureau

MUMBAI

Oil marketing company stocks such as HPCL, IOC and BPCL slipped by up to 3% as rupee depreciated and global oil prices increased on Friday.

Indian Oil slid more than 4% closing at ₹134.8 a share, declining for the second consecutive session.

Hindustan Petroleum

lost almost 3% and closed at ₹366.40 a share. Bharat Petroleum dipped 3.6% to ₹284.45 a share.

Rupee, profit booking

“A general decline in overall market, an increasing global crude price and the currency depreciation are the major reasons behind this, besides profit booking,” said Gagan Dixit senior vice president at Elara

Capital

The Union government increased the prices of petrol and diesel by ₹3 each and the investors were still bearish on the OMC stocks.

“This is because the [oil marketing] companies are losing ₹9-₹10 per litre, Mr. Dixit said.

Further, he added the short term may be “volatile” with a “bad first quarter” and increasing short

tenure debt.

Borrowing capacity

Large public sector firms would have a better borrowing capability and “at the end of the day, the government makes the amount that OMCs make as profit,” he added.

The prices of fuels are likely to be increased in a phased manner, according to Mr. Dixit.

People paying price for govt. mistakes: Opposition

Congress, Trinamool, Left parties slam fuel price hike, demand rollback; CPI(M) says increase will 'impose more burdens' on people already facing inflation, unemployment, and economic distress

The Hindu Bureau

NEW DELHI

The fuel price hike announced by the Union government on Friday, days after the Bharatiya Janata Party secured victories in West Bengal and Assam Assembly elections, has drawn sharp criticism from the Opposition.

Leader of the Opposition in the Lok Sabha and senior Congress leader Rahul Gandhi said the public was being forced to pay the price for the Narendra Modi government's mistakes.

Petrol and diesel prices were raised by ₹3 a litre each, marking the first increase in more than four years, as state-run fuel retailers passed on part of the impact of surging global crude prices following the Iran war.

In a post on X, Mr. Gandhi said, "Galti Modi sarkaar ki, keemat janta chukayegi [The public will pay the price for the Modi government's mistake]."



Galti Modi sarkaar ki, keemat janta chukayegi [The public will pay

the price for the Modi government's mistake]... The ₹3 shock has already arrived, the rest of the 'vasooli [recovery]' will be done in instalments

RAHUL GANDHI, Congress Leader



"The ₹3 shock has already arrived, the rest of the 'vasooli [recovery]' will be done in instalments," he said.

Senior Congress leader Jairam Ramesh underlined that when international oil prices were declining, the benefit was not passed on to Indian consumers.

"Now that international oil prices are climbing up because of the war in West Asia unleashed by the PM's good friends – the U.S. and Israel – and Assembly elections are over, the Modi govt. has increased petrol and diesel prices after having hiked commercial LPG prices earlier. This is bound to lead to further in-

flation, which is now projected to be close to 6% for this financial year. Growth estimates will be lowered considerably," he said.

Trinamool Congress leader Derek O'Brien questioned whether the newly elected BJP government in West Bengal would reduce Value Added Tax on fuel.

"Will the Bengal Govt reduce VAT on petrol & diesel now that there's a Delhi-controlled government which doesn't have to worry about funds being blocked by Centre?" he said on X.

The Left parties have called for a rollback of the price hike. The CPI(M) Polit Bureau, in a statement,

said the increase would "impose more burdens" on people already facing inflation, unemployment, stagnant wages and economic distress.

It also questioned the oil marketing companies' claim that they were facing "under-recoveries" due to rising global crude prices. "The term 'under-recovery' itself is a misnomer. It does not signify real losses incurred by OMCs; rather, it refers to a hypothetical deficit between current revenues and the larger profits they would have earned if fuel prices had been allowed to increase further," the party said.

CPI general secretary D. Raja said the burden of the hike would be felt in every household's budget. "While people are being asked to tighten their belts through austerity measures, the Modi government continues to protect corporate profiteers and pass the entire burden of its failures onto the people," he said.

Some jobless youth in law like cockroaches, become media, activists and attack system: CJI

Express News Service

New Delhi, May 15

A VISIBLY upset Chief Justice of India Surya Kant Friday likened some unemployed youth in law to “cockroaches” and said “some become media... social media... RTI activists” and “start attacking” the “system”.

Annoyed with a lawyer who had filed a petition seeking directions to the Delhi High Court in the matter of designation of a Senior Advocate which he too wished to become, the CJI, who



CJI Surya Kant

was on a bench with Justice Joymalya Bagchi, said judges were aware of social media posts “against the system”.

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CJI

He said there were already enough “parasites” in society attacking the judiciary, and lawyers should not join hands with them.

Pulling up the lawyer who appeared in person, the CJI said, “There are already parasites of society who attack the system and you want to join hands with them? There are youngsters like cockroaches, they don’t get any employment, they don’t have any place in profession. Some of them become media, some of them become social media, some of them become RTI activists, some of them become other activists, and they start attacking everyone... And you people

file contempt petitions,” he said.

Voicing concern that a large number of law degrees in Delhi could be fake, the CJI said it would want the CBI to verify this because the Bar Council of India (BCI) was not taking any action.

The petitioner told the bench it was the third time that he was approaching the Supreme Court.

Senior Advocate Rajshekhar Rao, who appeared for the High Court, said interviews for the senior designation process were currently underway.

Making its displeasure clear, the CJI told the petitioner: “The whole world might be eligible for senior designation, but at least you are not. If the High Court makes you senior, we will set it aside, seeing your professional conduct.”

Justice Bagchi wondered if the petitioner had no other matter to pursue. “You have no other litigation? This is the standing of a person who expects to be conferred a senior gown?” he said.

Dismissing his plea, the bench, in its order, said he “indulges in filing frivolous petitions”.

The counsel apologised and urged the court to allow him to withdraw the plea, to which the bench agreed.

The CJI then said, “I am waiting for some matter... I want the CBI to verify their LLB degrees, most of Delhi... in Tis Hazari... BCI will never do... They need their votes... And thousands of them are fraudulent people wearing these black robes...”

After day-long standoff, hostage swap eases tensions in Manipur

Sukrita Baruah
Guwahati, May 15

TWENTY-EIGHT CIVILIANS, who had been abducted and held captive in different parts of Manipur's Senapati and Kangpokpi districts, were released early on Friday, an official said, while efforts are continuing to secure the release of those remaining.

Amid tensions between Manipur's Kuki and Naga communities, dozens of villagers from both sides had been abducted and held captive by groups on the other side on Wednesday. A stand-off over the release of these abducted villagers had lasted all of Thursday, and Manipur Home Minister Govindas Konthoujam had said that "at least 38 people from both communities" had been detained in this manner.

A senior police official said that on Thursday morning, each side released 14 people, amounting to a total of 28 freed captives.

"They were released by both sides in three to four different places. There are more people who are being held in this manner in different places. The total number is uncer-



Women who were allegedly held captive by Kuki groups break down after their release, in Manipur's Kangpokpi on Friday. PTI

tain, which makes it more difficult. The senior state functionaries are all working on the next phase of this matter now," said the official.

According to Kuki Inpi Manipur information secretary Janghaolun Haokip, 14 Kuki-Zo individuals continue to be missing, while Naga groups say that at least six people

from their side are also missing.

"The issue is not completely resolved. Yesterday, after talks with security forces, we handed over the hostages with us. It is for them to now decide what steps to take," said Haokip.

This release of the civilians comes after groups on both sides raised "ulti-

matums" on Thursday night, threatening an escalation in the situation and "consequences" if the hostages are not released by the other side.

On Wednesday morning, the tensions in Manipur reached new heights when three church leaders from the Thadou Baptist Association, Reverend Vumthang Sitlhou, Reverend Kaigoulen Lhouvum and Pastor Paogoulen Sitlhou, were killed in an attack on their vehicles while they were travelling from Churachandpur to Kangpokpi. As news of this attack in Kangpokpi district spread, it sent shockwaves across the state.

Later, on Wednesday evening, another ambush took place in Noney district, where a civilian named Wilson Thanga was killed.

It was shortly after information of the morning's attack in Kangpokpi surfaced and Kuki groups began alleging that armed Naga groups were responsible for it that around 18 residents of Konsakhul, a Liangmai Naga village in Kangpokpi district, were abducted and held on Wednesday morning itself. In turn, Naga groups similarly captured at least 23 people in Senapati district and more in parts of Kangpokpi.

Why the spike in crude oil price will test the economy

The West Asia crisis has sent crude prices spiralling and forced a fuel hike. High crude prices could upend household as well as govt budgets



GRAPHS, DATA, PERSPECTIVES
BY UDIT MISRA

WEEKLY ECONOMIC AND POLICY INSIGHTS USING DATA

THE GOVERNMENT has increased fuel prices across the country, relaying some of the effect of the higher crude oil prices in the wake of the US war in Iran.

How will this affect India's economy? As of now, there are too many variables to accurately predict the impact — how long the West Asia tensions continue, how high crude prices go and how much of the increase the government passes on to the average Indian consumer.

However, it would help to look back at India's recent history as a way to understand how higher crude oil prices affect different aspects of the Indian economy.

12 years of low crude prices

When Prime Minister Narendra Modi came to power in 2014, the economy had been suffering from the effects of high crude oil prices for three preceding years (2011-12, 2012-13 and 2013-14). In all those years, the crude oil price of the Indian basket — the price at which India procured oil — ranged from \$114 a barrel to \$106 a barrel (see table); one barrel is roughly 160 litres.

Soon after Modi took charge, however, the international situation changed and global crude oil prices fell sharply. Within a couple of years, they were at a third of the price the previous government paid. What's more, since 2014, the Union government never saw crude touching \$100 again.

That has now changed. The first two months of the current financial year — April and May — recorded the Indian basket of crude oil at \$115 and \$106 a barrel, respectively. If prices remain anywhere close to the \$100-per-barrel level for the full year, that would imply an increase of around 40% over the previous year's cost.

Such a sharp increase would upend household budgets (if the government entirely relays the price increase) and the government's budget (in the form of higher borrowings if it decides to bear the brunt itself). When governments borrow more to pay for the fuel bill instead of passing costs

• Domino effect: How crude prices affect the economy

Crude prices, which fell after 2014, could now remain in the \$100 range. Higher crude prices worsen trade deficit, stoke inflation, depress growth, hurt the exchange rate and increase government debt.

Year	Crude Oil India Basket (\$ per barrel)	Price of petrol in Delhi (Rs/litre)	Wholesale inflation	Real GDP growth rate	Trade balance* (as % of GDP)	% change in rupee-dollar exchange rate**	Fiscal deficit (as % of GDP)
2011-12	113.5	64.4	8.95	5.24	-10.07	-12.72	5.91
2012-13	108.1	68.1	6.9	5.46	-10.41	-5.94	4.93
2013-14	105.5	70.3	5.2	6.39	-7.21	-9.5	4.48
2014-15	84.1	66.6	1.26	7.41	-6.74	-3.98	4.1
2015-16	46.2	61.9	-3.65	8	-5.62	-5.64	3.87
2016-17	47.8	65.9	1.73	8.26	-4.73	2.3	3.48
2017-18	56.8	68.8	2.92	6.8	-6.11	-0.31	3.46
2018-19	69.6	75.4	4.28	6.45	-6.81	-5.97	3.44
2019-20	60.6	72.7	1.68	3.87	-5.68	-8.25	4.64
2020-21	44.6	80.9	1.29	-5.78	-3.81	2.57	9.16
2021-22	78.8	98.1	13	9.69	-6.04	-3.05	6.71
2022-23	93.4	97.9	9.41	7.61	-7.91	-7.8	6.46
2023-24	82.5	96.7	-0.73	9.19	-6.63	-1.38	5.49
2024-25	78.6	94.8	2.27	6.49	-7.22	-2.58	4.76
2025-26	71.7	94.8	0.71	7.41	-8.25	-9.58	4.36

Source: CMIE. * minus sign refers to trade deficit; ** minus sign implies rupee depreciation; Note: Full charts on indianexpress.com

to consumers, they are only deferring the inevitable. Consumers will eventually have to pay for higher prices either today (in the form of higher prices at the pump) or tomorrow (in the form of higher taxes to repay the government's increased debt).

Here's a look at how crude prices were relayed and how they affected different macroeconomic variables over the past 15 years.

Retail prices of fuel

While crude oil prices crashed all the way up to and including the Covid year (2020-21), retail prices of most fuels actually went up. This is true even for the Covid year when crude prices fell by 30% but petrol price increased (see table). Since then, however, the trend changed in the wake of the increased demand owing to the global economic recovery and supply constraints caused by the Ukraine war.

Inflation

The table shows the impact of higher crude oil prices on wholesale inflation. Fuel

Passing the costs

When govts borrow more to pay for the fuel bill instead of passing costs to consumers, they are deferring the inevitable.

Consumers will eventually have to pay the prices, either in the form of higher pump prices or through higher taxes to repay the debt.

prices have a bigger weight in the way wholesale inflation is calculated. Unsurprisingly then, wholesale inflation has stayed very modest in most years — in some years even being in the negative zone (implying that wholesale prices fell).

Retail inflation has been much higher, not just in comparison to wholesale inflation but also from the RBI's target rate of 4%. This is particularly true of the four-year period starting from the Covid year of 2020.

Economic growth rates

Broadly speaking, higher crude oil prices are detrimental to India's real GDP growth (that is, not including the inflation effect) while lower prices help India's economy grow faster. In 2015-16 and 2016-17, for instance, when crude oil prices were in the mid-\$40s-per-barrel range, India grew at 8% and above. In the last years of UPA-2, oil prices were well above \$100 and the growth rate struggled between 5% and 6%.

To be sure, this data is based on the old GDP series since the new one still doesn't

provide historical data. The old GDP series is that it was found to be overstating India's GDP — both nominal and real. As such the growth rates are likely to lower when the back series is released.

Trade balance, exchange rate

The trade balance refers to the net effect of the export and import of goods between India and the rest of the world. Since India has a high dependence on crude oil imports — which has only increased over the past 12 years — higher crude oil prices tend to worsen India's trade balance.

A higher trade deficit has to either be plugged by surpluses on other aspects of India's Balance of Payment (trade in services, foreign investments into India etc.) or by depreciation in the rupee or else by drawing down forex reserves (read dollars).

As can be seen from the table, India's trade deficit starts going up every time crude oil prices rise. This also correlates with a sharp depreciation in the exchange rate. There were only two years out of the past 15 when rupee appreciated against the dollar — 2016-17 and 2020-21 — and in both years, crude oil prices were below \$50.

The sharp depreciation of rupee in the past year is a result of the fact that India's weakness in the trade balance has not been offset by surpluses on other accounts and this has put pressure on the exchange rate.

Government finances

Typically, higher crude oil prices tend to worsen the fiscal deficit — the amount of money the government borrows to bridge the gap between expenses and earnings.

The government seems to have registered higher fiscal deficits despite having much lower oil prices. While it is true that part of the problem has to do with the Covid-era expenses, it is also true that in all those years, oil prices were half or even one-third of where they were before the NDA government took charge in 2014. Even in the years before Covid and when oil prices were acutely low, the NDA government never once achieved its Fiscal Responsibility and Budget Management Act targets of a fiscal deficit of 3% of GDP.

The important thing is this: Given the past record, fiscal management will likely take a hit if oil prices stay elevated at \$100.

FULL REPORT ON
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Trade, supply chains and economic statecraft

The past decade has collapsed the old boundary between economics and geopolitics, creating a world in which supply chains, trade routes, energy corridors and technology ecosystems have become the real battlegrounds of power. What once belonged to corporate strategy decks is now the daily fare of national security briefings. Tariffs behave like sanctions, semiconductor alliances resemble defence pacts, and the flow of critical minerals can tilt influence as decisively as troop deployments once did. In this new order, states compete not only with armies or ideologies but with regulatory regimes, infrastructure networks and the capacity to anchor global production. The fusion of markets and statecraft is no longer a trend; it is the organising principle of 21st century geopolitics.

Trade as strategic leverage

This shift has also exposed the fragility of the older globalisation consensus – the belief that trade naturally fosters cooperation and shared prosperity. Increasingly, economic ties are being repurposed as instruments of strategic leverage. Tariffs, export controls, supply-chain restrictions and energy dependencies have become tools through which states attempt to shape the behaviour of others. The scramble over critical minerals, the weaponisation of interdependence (with China's curbs on the export of rare earths allowing it to flex its muscles against the United States and India), and the resurgence of tariff politics (used by U.S. President Donald Trump to punitive effect) all underscore how easily commerce can be turned into coercion. In such an environment, economic diplomacy is inseparable from national security, and countries must navigate a world where prosperity and power are intertwined.

For India, this shift has encouraged a more pragmatic approach to foreign policy, one that places greater emphasis on economic resilience and diversification. This fusion of economics and geopolitics has created a rare moment in which India's structural strengths align with the world's strategic needs. As companies and governments rethink their exposure to concentrated supply chains, India's scale, stability and reform trajectory have moved it from the periphery of globalisation to the centre of boardroom strategies and diplomatic calculations. A country once viewed in the West as a promising but difficult market is now seen as an indispensable node in a diversified global economy – large enough to matter, stable enough to trust, and open enough to absorb investment at scale.

Three shifts underpin this new positioning. First, India's domestic reforms – digitisation, infrastructure expansion, and targeted deregulation – have lowered transaction costs and improved predictability, making it easier for global firms to build long-term capacity.



Shashi Tharoor

Fourth-term Member of Parliament (Congress party, Lok Sabha) for Thiruvananthapuram, the Chairman of the Parliamentary Standing Committee on External Affairs and the Sahitya Akademi Award-winning author of 29 books, including 'Pax Indica' (2012) and 'The New World Disorder' (2020)

The new global order offers India unprecedented strategic and economic opportunities, making a case for balanced 'policy promiscuity'

Second, the geopolitical recalibration around China has created a structural demand for alternative production ecosystems, and India is one of the few economies with the labour force, political stability and market depth to meet that demand.

Third, India's own strategic imagination has expanded: it now sees trade agreements, technology partnerships and supply-chain diplomacy not as peripheral to national strategy but as central instruments of statecraft.

The new order and India

In this environment, India's relationships with major powers are increasingly shaped by economic security rather than traditional geopolitics alone. Semiconductor collaborations, critical-mineral partnerships, defence-industrial co-production and digital-public-infrastructure exports are all examples of how India is weaving economic resilience into its foreign policy. These are not merely commercial arrangements; they are strategic bets on a world where influence flows through production networks as much as through military alliances. It is a world where Pax Silica complements Pax Americana, but unlike the latter, does not require a military partnership.

At the same time, India must navigate the risks of this new order. Interdependence can empower, but it can also expose. Over-reliance on any single partner – whether for technology, minerals, or markets – creates vulnerabilities that can be exploited. The challenge is to build a diversified portfolio of economic relationships that enhances India's autonomy rather than constraining it. Promiscuity is not a virtue in inter-personal relationships, but in the trade world of the third decade of the 21st century, it may be the only viable "default mode" for India's conduct. Of course, like the other kind, trade promiscuity also requires precautions. Even as it pursues multiple partners, India must strike a careful balance: deepening integration without surrendering strategic space, attracting investment without becoming dependent on it, and embracing globalisation without repeating the mistakes of earlier eras. This global shift also places new demands on India's internal economic strategy. To anchor global supply chains, India must continue improving logistics, regulatory clarity and workforce skills. To lead in emerging technologies, it must invest in research, intellectual property and trusted digital infrastructure. To secure critical minerals, it must build resilient partnerships abroad and sustainable extraction policies at home. And to maintain credibility as a democratic alternative in a world of authoritarian efficiency, it must ensure that economic growth is matched by institutional strength and social cohesion.

The stakes are high because the opportunity is historic. For the first time since liberalisation, the global economy is not merely inviting India to

participate – it is actively seeking India's presence. The question is whether India can convert this moment of geopolitical demand into long-term economic capability.

As the global trading system fragments into overlapping coalitions and custom-tailored economic arrangements, India's task is not to retreat behind new walls but to remain confidently open on its own terms. The goal is neither complete individualism nor naive globalism, but a calibrated integration that avoids excessive dependence on any single partner. Serial dating works best when each partner is aware of your other relationships, knows multiple options exist but is not threatened by any of them. This is why energy security, technology partnerships and resilient supply chains have become central to India's external engagement: they are the arenas in which the next phase of global competition will be decided.

Economic diplomacy is no longer an adjunct to foreign policy; it is one of its organising principles. Countries that can align their economic strategy with their diplomatic posture will shape the emerging order rather than be shaped by it.

This moment also coincides with a profound transition in the architecture of global trade. The multilateralism that defined the late 20th century – rooted in universal rules and broad consensus – has lost momentum under the weight of geopolitical rivalry and domestic political pressures. In its place, nations are turning to flexible bilateral and regional arrangements that allow them to tailor partnerships to strategic priorities. For India, this shift is not a setback but an opening. It creates space for a more agile, interest-driven diplomacy that can leverage India's scale, stability, and reform trajectory to build coalitions across geographies and sectors.

India at global crossroads

The convergence of these trends places India at a pivotal juncture. The world is searching for diversified production bases, trusted digital ecosystems and stable democratic partners. India can meet that demand – but only if it continues to invest in competitiveness at home and credibility abroad. The choices made now will determine whether India becomes a central anchor of the new global economy or remains merely one of its many participants. The opportunity is historic, but it is not automatic. It requires clarity of purpose, institutional steadiness and the confidence to engage the world without fear or favour.

In a world where prosperity and power now move through supply chains rather than shipping lanes, India's future will be shaped not by choosing between globalisation and self-reliance, but by mastering the art of engaging the world on terms that protect its autonomy while amplifying its ambition.

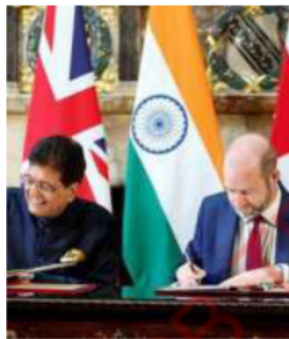
India-U.K. trade deal hits late-stage 'sticking points'

T.C.A. Sharad Raghavan
NEW DELHI

The implementation of the India-U.K. trade deal has hit a late-stage hiccup due to a new regulation on steel imports the U.K. has said it will implement from July 1, which was not part of the trade negotiations.

The India-U.K. Comprehensive Economic and Trade Agreement (CETA) was expected to come into force in May 2026, but now the two sides are trying to work out a "creative solution" to ensure the deal is implemented "at an early date", Commerce Secretary Rajesh Agrawal told reporters on Friday.

The U.K., as part of its overall Steel Strategy, ear-



The FTA between India and the U.K being signed.

lier this month announced that from July 1, it will significantly cut the volume of steel to be imported into the country tariff-free.

"Overall quota volumes will be cut by approximately 60% compared with the current safeguard arrangements," the U.K. govern-

ment said. "Once the reduced quotas are exhausted, imports will be subject to a 50% tariff, an increase from the current 25% above-quota tariff."

That is, the quota for duty-free steel imports would be cut by 60% and tariff on above-quota imports would be doubled to 50%.

"We are very near to operationalising the India-UK FTA," Mr. Agrawal said.

"There are a few sticking points. The U.K. has come with a steel measure recently which was not factored in while negotiating the FTA. We are working together to find a creative solution around this trade measure also so that we can operationalise the CETA at an early date."

Rupee crosses psychological barrier of ₹96 per USD

The Hindu Bureau
MUMBAI

The rupee crossed the psychological barrier of ₹96 a dollar reaching an intraday low of ₹96.14 against the greenback before closing at ₹95.8.

"Market has been keenly watching Trump-Xi summit but yesterday's talks have not given any positive factor on the U.S.-Iran peace efforts though both agreed on one aspect that Strait of Hormuz should be opened," said Anil Bhansali, head of treasury, Finrex Treasury Advisors LLP. He however added barring RBI's dollar sales, there are no major reason for rupee to appreciate from here.

Araghchi: Chabahar a golden gateway, hope India still develops it

'Iran has every reason not to trust US; India friends with all in Persian Gulf'

Shubhajit Roy

New Delhi, May 15

UNDERLINING THAT India can play a "constructive role" in the region, visiting Iranian Foreign Minister Seyed Abbas Araghchi Friday described his country's Chabahar port as a "golden gateway" and a "symbol of cooperation", expressing the hope that India will continue to develop the strategic port.

Araghchi, who has been leading negotiations with the US and representing the Iranian regime in world capitals, made these remarks at the Iranian embassy in New Delhi after attending a meeting of the BRICS Foreign Ministers. That

»CONTINUED ON PAGE 2



Iran's Foreign Minister Seyed Abbas Araghchi in New Delhi, Friday. PTI

POLITICS **PAGE 6**
CONSENSUS EVADES BRICS AS IRAN, UAE SPAR OVER WAR

Araghchi

meeting ended without a consensus on the language over the war in West Asia.

Araghchi, who met External Affairs Minister S Jaishankar for a bilateral meeting, said, "Chabahar is a symbol of cooperation between Iran and India. India played an important role in the development of that port.

It has now somehow slowed down because of the US sanctions, but I am confident that this port will be like a Golden Gate for India to access Central Asia, and then Europe through this transit route. And also for Europeans, Central Asians, and others to access the Indian Ocean. It is a very strategic port, important for both us and India, and many other countries. So I hope that Indians will continue their work in the Chabahar port, so that it will be fully developed at the service of the interests of India and other countries around.

"I think India, with its good reputation, can play a role in this region to help peace and to promote peace and security. India is a friend to all countries in the Persian Gulf... So we appreciate any positive and constructive role... We will welcome any constructive role by India."

On possible energy supply to

India, he said India has been a "customer of Iranian oil" and was stopped by India due to unilateral US sanctions. "We are interested in continuing the oil business. We want to sell oil to India..." he said.

On the lack of consensus at the BRICS Foreign Ministers' meeting, Araghchi lashed out at the UAE, saying that it provided space to US and Israel to attack Iran. "They have to live in the neighbourhood, and Israel and the US can't protect them. Instead of being a source of security, the US and Israel's presence has become a source of insecurity for them," he said.

On the Strait of Hormuz, he said it was the territorial waters of Iran and Oman and that Iran is ready to help all vessels pass through the Strait of Hormuz, but the situation is "very complicated" now. "We continue to coordinate with India on movement of vessels through Hormuz," he said.

On negotiations with the US, he said these are "suffering from trust", and that the Islamabad talks are in a "difficult situation" because of the maximalist stance of the US. "Iran has every reason not to trust the US while Americans have every reason to trust us," he said.

According to Araghchi, mediation by Pakistan has not failed yet, but is in a "difficult situation."

SAYS XI SHARES 'SIMILAR' VIEWS ON IRAN, BUT HE IS NOT SEEKING CHINESE HELP

Trump leaves Beijing with few wins but warm words for Xi

Xi issues warning on Taiwan in closed-door talks

Reuters
Beijing, May 15

US PRESIDENT Donald Trump left China on Friday with no major breakthroughs on trade or tangible help from Beijing to end the Iran war, despite two days spent heaping praise on his host, Xi Jinping.

Trump's visit to America's main strategic and economic rival, the first by a US president since his last trip in 2017, had aimed for results to lift his sagging approval ratings before midterm elections in November.

Xi will visit the US in the fall at Trump's invitation, China's Foreign Minister Wang Yi said.

The summit was filled with pageantry, from goose-stepping soldiers to tours of a secret garden. But behind closed doors, Xi issued a stark warning to Trump that any mishandling of China's top concern, Taiwan, could spiral into conflict.

During a huddle with reporters on the way back to the US, Trump said Xi told him he opposed Taiwan's independence. "I heard him out. I didn't make a comment ... I made no



US President Donald Trump speaks to reporters aboard the Air Force One on Friday. AP

commitment either way," said Trump. He added that he will decide on a pending arms sale to Taiwan shortly, after speaking to "the person that right now is ... running Taiwan."

It was unclear if Trump was referring to Taiwan's president, Lai Ching-te.

A direct conversation between a sitting US president and Taiwan's leader would be unprecedented in the period since Washington shifted diplomatic recognition to Beijing from Taipei in 1979, and would

likely anger China, which sees the democratically governed island as its own territory.

These were the first free-wheeling remarks after two days in Beijing during which Trump stayed unusually restrained, with his off-the-cuff comments mainly focused on feting Xi's warmth and stature.

"It's been an incredible visit. I think a lot of good has come of it," Trump told Xi at the Zhongnanhai complex, a former imperial garden.

While Trump searched for

proposed an alternative - now they have - if the US side agrees, that is progress," said Da Wei, director of the Center for International Security and Strategy at Tsinghua University in Beijing.

A brief US summary of Thursday's talks highlighted what the White House called the leaders' shared desire to reopen the Strait of Hormuz off Iran, and Xi's interest in American oil purchases to pare its dependence on West Asia.

On Friday, China's foreign ministry issued a blunt statement outlining its frustration with the war. "This conflict, which should never have happened, has no reason to continue," the ministry said, adding that China supported efforts to reach a peace deal in a war that had disrupted energy supplies and the global economy.

At Zhongnanhai, Trump said the leaders had discussed Iran and felt "very similar", though Xi did not comment.

On the flight back home, Trump added that he wasn't "asking for any favors" on Iran.

Still, US Treasury Secretary Scott Bessent had urged Beijing to use its leverage with Tehran to make a deal. But analysts doubt Xi will be willing to push hard or end support for its military, given Iran's value to Beijing as a strategic counterweight to the United States.

Taiwan says it will deepen ties with US following Trump-Xi summit

Reuters
Taipei, May 15

TAIWAN WILL deepen ties with the United States following talks between President Donald Trump and Chinese leader Xi Jinping in Beijing, its foreign minister said on Friday, adding that it was China that was increasing regional "risks". Trump said earlier on Friday on his way home from Beijing that he had discussed US arms sales to Taiwan with President Xi and said he would soon make a decision on the matter, highlighting a flashpoint in US-China relations.

The US is Taiwan's most important international backer, while China, which claims the democratically governed island as its own, has demanded that such arms sales stop.

In a post on his Facebook page which did not directly reference Trump's remarks, Taiwanese Foreign Minister Lin Chia-lung said many Taiwanese had been "concerned" by the US president's meeting with Xi.

"I want to report to everyone that my diplomatic team and I have continued to closely monitor the situation, and have maintained good communication with the US," Lin said. "Taiwan occupies a key geostrategic position and is a responsible and trustworthy partner of international community..." he added.

Xi asked me if the U.S. will defend Taiwan, says Trump

Ananth Krishnan

BEIJING

U.S. President Donald Trump said Chinese President Xi Jinping had asked him on Friday if Washington would defend Taiwan in the event of a conflict.

“That question was asked to me today by President Xi. I said, “I don’t talk about that,” Mr. Trump told reporters after departing China, speaking aboard Air Force One on the way back to the U.S.

Mr. Xi in Thursday’s talks said the Taiwan issue was the most important question and biggest risk to China-U.S. relations. Both leaders have said they want to inject stability into the relationship.

The U.S., which in 1979 recognised the People’s Republic of China as the sole legal government of China and ceased formal diplomatic relations with



Donald Trump shakes hands with Xi Jinping while leaving after a visit to the Zhongnanhai Garden in Beijing on Friday. AP

Taiwan, has followed a policy of “strategic ambiguity” on whether it would involve itself in a conflict, and has said it was opposed to unilateral changes in the status quo.

Mr. Trump was asked whether he would move ahead with expected arms sales to Taiwan, in keeping with past U.S. practice. “I’ll make a determination over the next fairly short period,” he said. “President Xi and I talked a lot about

Taiwan... He’s against very much what they’re doing. We talked about Taiwan and Iran a lot. I think we have a very good understanding on both. On Taiwan, he does not want to see a fight for independence. I heard him out, I did not make a comment on it. I have a lot of respect for him.”

“The last thing we need right now,” Mr. Trump added, “is a war that’s 9,500 miles away”.



BRICS members agree on creation of 'independent, viable' state of Palestine

Kallol Bhattacharjee

NEW DELHI

The BRICS Foreign Ministers' meeting that concluded here on Friday reaffirmed the grouping's call for the creation of an "independent and viable state of Palestine" within the pre-1967 borders, with East Jerusalem as its capital.

While consensus emerged on the Statehood for Palestine, several other issues saw the members disagreeing among themselves, which prevented the emergence of a Joint Statement, leading instead to the release of a 'Chair's Statement and Outcome Document'.

Sources said there were several significant disagreements between delegations of the United Arab Emirates and Iran, whose Foreign Minister Seyed Abbas Araghchi addressed a press conference here on Friday, asserting Tehran's position on multiple issues like the bitterness with the UAE and the control over the Strait of Hormuz, which he described as a maritime region that falls within the "territorial waters of Iran and Oman".

"They reaffirmed their support for the State of Palestine's full membership in the UN in the context of the unwavering commitment to the two-state solution in accordance with international law, including relevant UN Security Council and General Assembly resolutions and the Arab Peace initiative, that includes the establishment of a sovereign, indepen-



Union Minister S. Jaishankar meets Iranian Foreign Minister Seyed Abbas Araghchi in New Delhi on Friday. ANI

dent and viable State of Palestine within the internationally recognized 1967 borders, which included Gaza Strip and the West Bank, with East Jerusalem as its capital, to achieve the vision of two States living side by side in peace and security," the Chair's Statement said.

While the segment on Palestinian statehood did not draw any objection from members, there were indications about the UAE's objection from Mr. Araghchi, who, in response to a question on a reported objection from a BRICS member state on the paragraph on Gaza Strip, said, "Everybody knows which country blocked anything against Israel. This country provided in-depth help to the U.S. and Israel with their military bases. As far as we are concerned, they are a direct party to this aggression and should be held responsible."

The paragraph on the Gaza Strip described the territory as an "inseparable part of the Occupied Palestinian Territory" while calling for "unifying

the West Bank and Gaza Strip under the Palestinian Authority".

Sources also indicated that the paragraph in the document that highlights the importance of Bab Al-Mandab Strait and the Red Sea, where the Iran-backed Houthi militias have increased obstructive activities, also drew resistance from Iran. A source, who was present inside the main conference hall in Bharat Mandapam on both days, said the exchanges between Iran and the UAE were extensive and candid and "both sides believed that they were right in dealing with the war in the way that they did."

In his press conference, Mr. Araghchi highlighted the maritime situation in the Gulf region, saying the "situation in the Strait of Hormuz is complicated" and blamed the United States for the blockade. The Chair's Statement and Outcome Document placed it on record that "There were differing views among some members as regards the situation in West Asia'/Middle East region."

India, UAE sign pacts on energy, defence as Modi visits West Asian nation

Suhasini Haidar

NEW DELHI

India and the UAE concluded a framework defence cooperation agreement and signed agreements on building India's strategic petroleum reserves and LNG supplies as Prime Minister Narendra Modi made a brief stopover in Abu Dhabi on Friday and met UAE President Mohammad Bin Zayed Al Nahyan (MbZ).

Mr. Modi travelled to the UAE as the first stop in his week-long, five-nation trip to the Netherlands, Sweden, Norway and Italy.

Expressing support for the UAE, that has received the brunt of attacks by Iran in retaliation for attacks by the U.S. and Israel, Mr. Modi said the targeting of the UAE was "unacceptable."

"We condemn the attacks on the UAE," Mr. Modi said in his opening remarks. "The way the UAE has been targeted is not acceptable," he added, praising the UAE's "restraint" in responding to the attacks. Mr. Modi offered India's



Prime Minister Narendra Modi with UAE President Sheikh Mohamed bin Zayed Al Nahyan at a ceremonial reception in Abu Dhabi. PTI

support for all peace efforts in the region.

In a video address, Foreign Secretary Vikram Misri said the Strategic Defence Cooperation Framework that was concluded during the visit had been proposed during a visit by MbZ to Delhi in January.

"Under this [agreement] the two sides will strengthen their collaboration in defence manufacturing, defence technology, defence equipment, industrial collaboration and cooperation and in coordination across various areas," Mr. Misri said.

A External Affairs Ministry release expanded on

the areas of cooperation, including training, military exercises, special operations and interoperability, indicating the armed forces would engage with each other closely, including in "maritime security, cyber-defence and information exchanges".

Boosting India's Strategic Petroleum Reserves was another outcome of the visit, said officials, as the Abu Dhabi National Oil Company signed two MoUs for crude oil storage in India of up to 30 million barrels with the Indian Strategic Petroleum Reserves Ltd., and for potential crude oil storage facilities in UAE.

U.S. 'seeks to indict Cuba's ex-President Raul Castro' amid escalating fuel crisis

Agence France-Presse

WASHINGTON

The United States is seeking to indict Raul Castro, the 94-year-old brother of late Cuban leader Fidel Castro, as Washington ramps up pressure on the communist-run island, U.S. media reported on Thursday.

An indictment of Mr. Castro would be a stunning twist in the deepening crisis in U.S.-Cuba relations, with the island enduring constant power outages



Raul Castro

prompted by U.S. President Donald Trump's fuel blockade.

Mr. Trump has repeatedly signalled that he

wants to topple the communist government in Cuba.

Raul Castro, who succeeded his brother as President of Cuba, oversaw a historic 2015 rapprochement with the United States under Barack Obama that Mr. Trump later reversed.

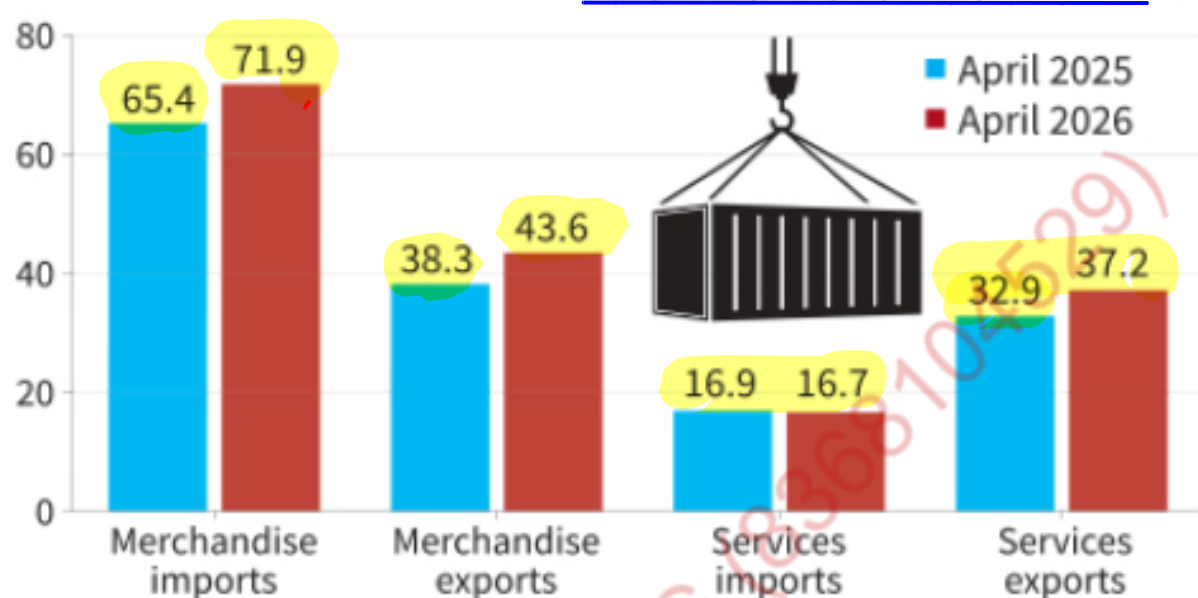
CBS News reported that the possible indictment would focus on the 1996 downing of two civilian planes manned by anti-Castro pilots, citing U.S. officials familiar with it.

Meanwhile, CIA Director John Ratcliffe met with Cuban officials including Raul Castro's grandson during a high-level visit to the island on Thursday, Cuban and U.S. officials said.

Mr. Ratcliffe met with Raul Guillermo Rodriguez Castro, Interior Minister Lazaro Alvarez Casas and the head of Cuban intelligence services, and discussed intelligence cooperation, economic stability and security issues. A CIA official confirmed the meetings.

India's goods exports climb to \$43.6 billion

Buoyant trade India's overall trade grew in April 2026 despite disruptions (In \$ billion)



Source: Ministry of Commerce and Industry

T.C.A. Sharad Raghavan

NEW DELHI

Despite significant headwinds to trade due to the West Asia crisis, the value of India's merchandise exports grew nearly 14% in April 2026 to \$43.6 billion, official data released on Friday showed.

This performance was due in part to the overall rise in prices as well as to the efforts by Indian exporters to diversify their markets, Commerce Secretary Rajesh Agrawal said on Friday. The overall trade defi-

cit, counting merchandise and services, fell 30% in April 2026 to \$7.8 billion.

"The positive growth in value can have some contribution from prices because prices of many things are going up," Mr. Agrawal said at a press briefing. "It is also to the credit of our industry, which has been able to maintain the supply chains and look at new markets and diversify their exports."

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India's goods exports climb to \$43.6 billion

He added that growth in exports in April has come from multiple countries where such high growth rates have not been seen in the past, such as Tanzania.

Merchandise exports to Tanzania grew 158% in April 2026 to \$1.2 billion, while exports to several other historically smaller export destinations countries such as Sri Lanka (215%), Singapore (179%), Bangladesh (64%), and Vietnam (53%), also saw relatively strong growth. The West Asia crisis did have an impact on India's exports to the region, however. "Exports to West Asia dived in March and declined in April as well, but now the decline is only 28%," Mr. Agrawal noted. "Our export to West Asia has been \$4.16 billion as compared to \$5.78 billion in April 2025." "On imports from West Asia, we see there has been a fall in merchandise imports, which has reduced from \$15.3 billion in April last year to \$10.5 billion, down 31.6%, for reasons that are well known," he added.

How tax relief on bond investments will help FPIs

George Mathew

Mumbai, May 15

The government is reportedly considering slashing the “withholding tax” rate from 20% to the earlier 5% as it looks to revive overseas inflows.

Withholding tax, akin to a tax deducted at source (TDS), is paid by foreign investors on the interest they earn on their holding of Indian bonds.

A high withholding tax is seen as a major deterrent for foreign capital inflows at a time when India is grappling with rising external pressures, including a sharp surge in crude oil prices.

The government has already proposed several measures to curb outflows and manage the external account.

Market participants believe that lowering the withholding tax could improve post-tax returns for foreign investors, make Indian debt and other financial assets more attractive, and help stabilise forex reserves amid heightened global uncertainty.

What is a withholding tax?

Withholding tax, or WHT, is a tax collected at the source of income. Instead of waiting for an investor or foreign company to pay taxes at the end of the financial year, the government requires the payer to deduct a portion of the income before it is remitted to the recipient.

The deducted amount is then directly deposited with the government.

When was withholding tax rate hiked?

India had in 2012 introduced a concessional 5% withholding tax rate on interest earned by foreign investors from investments in government securities and certain rupee-denominated bonds under Section 194LD of the Income Tax Act.

However, the concessional regime expired in July 2023. Following its expiry, the withholding tax applicable to many for-

• TAX REVERSAL

INDIA INTRODUCED a concessional 5% withholding tax rate on interest earned by foreign investors from government bonds investments in 2012

THE CONCESSIONAL regime expired in July 2023. Following that, the withholding tax reverted to around 20%, making India one of the relatively higher-tax jurisdictions for global investors.

THE US imposes a 30% tax, Germany 26.4%, France 25% and China 10%. Hong Kong and Singapore don't have a withholding tax.

foreign investors effectively reverted to around 20%, making India one of the relatively higher-tax jurisdictions for global bond investors.

Analysts say the higher tax burden reduced the attractiveness of Indian debt instruments at a time when the country was also seeking greater foreign capital inflows and inclusion in global bond indices. India's withholding tax regime has also evolved significantly over the decades in other areas. In 1976, withholding tax on royalties paid to non-residents was fixed at 40%, while fees for technical services (FTS) attracted a 20% levy.

Between 1986 and 2005, the government sharply cut the withholding tax rate on both royalties and technical services to 10% in an effort to lower technology acquisition costs for Indian companies and encourage foreign collaboration.

How will slashing withholding tax affect FPIs?

The withholding tax reduces foreign portfolio investors' (FPIs) effective yields and overall investment returns because it is deducted at the source before interest, dividends or other investment income is remitted to them. This compresses investors' post-tax returns, weakens

the power of long-term compounding and limits the amount of capital available for immediate reinvestment.

For large global investors operating across multiple jurisdictions, such deductions can also create short-term liquidity constraints by locking up funds until tax credits or refunds are processed.

In addition, FPIs often face significant administrative and compliance burdens in claiming relief under Double Taxation Avoidance Agreements (DTAAs). Higher withholding taxes may therefore reduce the attractiveness of a market by increasing transaction costs, lowering risk-adjusted returns and creating regulatory friction for overseas investors.

Do other countries impose such a tax?

Most countries impose some form of withholding tax on foreign investors, especially on passive income such as dividends, interest and royalties. However, the rates, scope and exemptions vary widely depending on the country, the type of investor and whether a DTAA exists with the investor's home country. The US imposes a 30% tax, Germany 26.4%, France 25% and China 10%. Hong Kong and Singapore don't have a withholding tax.

How much do FPIs invest in debt?

FPIs hold a relatively small share of India's government debt market, though their exposure has risen sharply after India's inclusion in global bond indices such as the JPMorgan Government Bond Index-Emerging Market. The Reserve Bank of India has kept the FPI investment cap in government securities at 6% of outstanding stock. At the end of March 2025, FPI investment in dated securities jumped by 43.2% to 43.9 billion from its level of 30.6 billion at end-March 2024.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

April gold imports surge 82%, goods trade deficit widens to \$28 billion

Siddharth Upasani
New Delhi, May 15

Two days after the government raised the import duty on gold, silver, and platinum to cool the pressure on the rupee amid the ongoing war in West Asia, data from the commerce ministry on Friday showed that gold imports jumped 82% year-on-year to \$5.63 billion in April, with the overall merchandise trade deficit rising to a three-month high of \$28.38 billion.

Silver imports more than doubled to \$411 million in April compared to the same month last year.

The vegetable oil import bill, meanwhile, surged 40% to \$1.72 billion. The impact of the war in terms of supplies and prices was also visible in the import of petroleum, crude, and products, which were down 10% year-on-year at \$18.63 billion – but 53% higher compared to March.

While merchandise exports increased by 13.8% to \$43.56 billion — outbound shipments of petroleum products soared 35% to \$9.59 billion — imports rose by 10% to \$71.94 billion.

With the rupee under intense pressure since the war in West Asia began in late February — it has tumbled 5.2% against the US dollar since then — the government has been taking austerity measures to ease the strain on the use of foreign currency and reduce fuel consumption.

In addition to a hike in the import duty on precious metals, oil marketing companies on Friday increased the

pump price of petrol and diesel for the first time in four years.

Meanwhile, Commerce Secretary Rajesh Agrawal told reporters on Friday that the government has not planned any further “policy measures to discourage any imports in the country”.

“But there has been a clarification call by the Honourable Prime Minister to discourage non-essential consumption. So, if there is a citizen move to consume less of non-essential consumption, it will translate... But as far as policy is concerned, we are not putting a curb on imports as such right now,” Agrawal said.

Over the weekend and again on Monday, Prime Minister Narendra Modi urged the public to change their consumption behaviour by reviving Covid-era measures such as work-from-home and virtual meetings, avoiding non-essential foreign travel and gold purchases for a year, and prioritising local goods, among others. These actions would help save the country’s foreign exchange reserves as most of these activities and purchases require import. In 2025-26, India imported a record \$71.98 billion of gold, up 24% from the previous year. More than 9% of India’s import bill last year was due to gold, with another 1.6% being on account of silver. Commenting on the impact of the gold and silver import duty hike, Agrawal said there would “definitely be some impact”, although it may be lower in the case of silver.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

Drones, UAS no longer just eyes in sky, but like claws, says IAF chief

Press Trust of India

New Delhi, May 15

IAF CHIEF Air Chief Marshal A P Singh on Friday said drones and other unmanned aerial systems are no more just eyes in the sky, rather they are now akin to "claws in the sky", being an extension of air power.

In his address at a defence seminar themed on unmanned aerial systems (UAS) and counter-UAS, he asserted that in any modern aerial threat, complete domain awareness is the key, and there should be "total coordination" among the three services which will be operating in the same air space.

"We have seen what happens... if you don't have domain awareness, you don't know where your people are and where others are. We've seen what happened to F-15s in Kuwait. The fratricide part. So we cannot afford to have things like that," the IAF chief said, referring to the incident on March 1 in which three US F-15E Strike Eagles went down over Kuwait due to an apparent friendly fire, according to the US CENTCOM.

The seminar is being co-hosted by think-tank Centre for

Aerospace Power and Strategic Studies (CAPSS) and Indian Military Review (IMR) publication, at the IAF's Subroto Park in the Capital. The drones, UAS and counter-UAS are very relevant today; it is a reality and not something for the future, the IAF chief said.

"So, there is no denying that the battlefield has shifted. We are shifting totally from those very concentrated air power to a sort of decentralised and autonomous way," he added.

The air chief marshal underlined that the UAS is an "extension of air power".

"So all the rules of air power will apply when you use the UAS, just remember that. And, they are no more eyes in the sky. They are like claws in the sky now. This, we've seen it in the recent conflicts that have taken place. And we also realised that during Operation Sindoor, and this part cannot be forgotten," he asserted. "And, when it comes to counter-UAS, it is like a cat and mouse game. You develop technology in one field; the counter technology has to develop along with it. Because that is how the game can be played, otherwise, one side will have total advantage," the IAF chief said.