

Gen Dhiraj Seth takes over as Army Chief, unveils 'VIJAY' roadmap

Amrita Nayak Dutta
New Delhi, July 1

ASSUMING CHARGE as the 31st Chief of Army Staff on Wednesday, General Dhiraj Seth underlined the need to take forward the modernisation of the Army with "renewed energy and firm resolve to respond effectively to the evolving security environment." He said the aim is to build a technology-enabled, future-ready Army "which is fully empowered and capable of operating across multiple domains."

Stating that the Army is a combat-ready and battle-hardened force, fully prepared and capable of meeting every challenge in the operational domain, he listed his focus areas in the acronym 'VIJAY', of which 'V' stands for Vigilance along borders and against emerging threats.

Gen Seth said that 'I' stands for Innovation and Transformation and that his focus will be on innovation in both doctrine and technological solutions. "Innovation will remain an integral part of our thinking, our systems and our capability development. At the same time, necessary transformations will be undertaken in keeping with the changing character of warfare."

'J' stands for Jointness and Integration, Gen Seth said, adding that to enhance the operational effectiveness of the Indian Army, "we will maintain complete synergy and coordination with the Indian Air Force and the Indian Navy".

"I fully recognise that national security is not limited to military strength alone. It requires military-civil fusion and a whole-of-nation approach. This integrated approach will also enable us to contribute meaningfully to nation building and to the goal of



Chief of Army Staff Gen Dhiraj Seth inspects the guard of honour in New Delhi on Wednesday. TASHI TOBGYAL

Viksit Bharat 2047."

He further said that 'A' stands for Atmanirbharta and, with indigenous capabilities and technologies developed within the country, there is a need to build a self-reliant Army. He said the overall aim will be: "To win our wars with indigenous solutions."

Lastly, he said 'Y' stands for Yodha First, adding that from the Agniveer to the senior-most veteran, each army personnel is a yodha (fighter). "These yodhas are the greatest strength of our Army. Enhancing the technological threshold and training standards of our soldiers will be among my foremost priorities. Our veterans and Veer Naris are an integral part of the Army family, and their welfare, empowerment and professional growth will remain extremely important to me," he said.

"I assure every citizen of the country that the Indian Army is, and will always remain, fully prepared to protect the sovereignty, territorial integrity and national interests of our nation," Gen Seth said in his address.

In leadership reshuffle, CISC and Vice-Chiefs take charge

Amrita Nayak Dutta
New Delhi, July 1

SENIOR INDIAN military leadership Wednesday saw a series of changes with top officers of the Army and Air Force taking over critical appointments in the Armed Forces.

General Dhiraj Seth took over as the 31st Chief of Army Staff. He is the third Army Chief from the 2nd Lancers, one of the oldest armoured regiments in the country, and the first Armoured Corps officer to be appointed as the Army Chief in the last 30 years after General Shankar Roy Chowdhury (1994-97).

Air Marshal Ashutosh Dixit, who has been serving as the Chief of Integrated Defence Staff (CISC), took over as the Vice-Chief of the Air Staff after the retirement of Air Marshal Nagesh Kapoor.

Commissioned into the

fighter stream of the IAF on December 6, 1986, Air Marshal Dixit has extensive flying experience on various aircraft such as the Mirage-2000, variants of MiGs, HPT-32, An-32, Avro, Kiran, Jaguar, IL-78, Hawk and Tejas.

He is an Experimental Test Pilot and a Qualified Flying Instructor and has been actively involved in numerous operations and exercises such as Op Safed Sagar, Op Rakshak, Cope India and Op Sindoor.

On Wednesday, Lt Gen Sandeep Jain, formerly the Southern Army Commander, also took charge as the Army's Vice-Chief; while Air Marshal Tejinder Singh became the new CISC.

Additionally, Lt Gen Mohit Malhotra and Lt Gen Rajesh Pushkar assumed command of the Army's Jaipur-based South Western Command and the Pune-based Southern Command.

Tokyo, Delhi to deepen strategic ties, Takaichi flags global uncertainty

Chips, rare earth, supply chains on table; large Japan business delegation too here

Divya A

New Delhi, July 1

UNDERLINING THAT she intends to deepen her country's strategic ties with India in this time of "growing uncertainty in the international situation", Japan's Prime Minister Sanae Takaichi reached New Delhi Wednesday evening on a three-day visit, her first to India after entering office last year.

Soon after Takaichi's arrival, Prime Minister Narendra Modi,

in a post on X, said, "We are delighted to host you on your first visit to India and I look forward to our wide-ranging discussions tomorrow that will further deepen the India-Japan Special Strategic and Global Partnership."

"Through our joint efforts, we will continue to advance peace, stability and prosperity in the Indo-Pacific and beyond," Modi said.

Received at Delhi airport by

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EXPLAINED

Special partnership

India and Japan upgraded their ties to a Special Strategic and Global Partnership in 2014. During PM Narendra Modi's visit to Japan last year, the two sides had charted a roadmap for the next decade, raising the Japanese investment target in India to 10 trillion yen, launching initiatives on economic security cooperation, digital partnership & AI.

Japan

Minister of State Jitendra Singh, Takaichi said, “In discussions with PM Modi, centering on urgent issues including economic security and energy security, we will aim to deepen the strategic cooperative relationship between Japan and India in light of the current international situation, promote mutually complementary cooperation, and further strengthen the Japan-India ‘Special Strategic Global Partnership’.”

With economic security as the overarching theme, Takaichi’s visit is expected to boost investment and innovation opportunities, and help build resilient supply chains in areas such as semiconductors and critical minerals.

According to the MEA, Takaichi will take part in the 16th India-Japan Annual Summit, a mechanism established in 2006 under which the PMs of the two countries meet annually.

Japan’s Ministry of Foreign Affairs said the visit will “strengthen relations with India, which is of utmost importance for the realisation of a Free and Open Indo-Pacific”. Delhi and Tokyo share a deep strategic convergence on a free and open Indo-Pacific, driven by mutual interests amid China’s growing assertions in the region.

At an informal press conference in Tokyo before leaving for Delhi, Takaichi said she intends to “advance concrete cooperation” with Modi.

“At a time when the international situation is becoming increasingly uncertain, cooperation with India, which shares fundamental values and strategic interests with Japan, is becoming more important than

ever,” she said, according to the Japanese PMO.

“Through this visit, I hope to advance concrete cooperation with Prime Minister Modi in three key areas: deepening the Japan-India strategic partnership in light of the current international situation; promoting cooperation in economic security; and strengthening collaboration between businesses of our two countries in investment and innovation,” she said.

Diplomatic sources said the focus during Takaichi’s visit will also be on boosting maritime security, defence technology cooperation, and developing an ‘Industrial Value Chain’ connecting the Bay of Bengal with North-East India.

India and Japan are also expected to make progress on energy security and in tackling supply chain disruptions in the wake of the West Asia crisis.

The summit follows Modi’s visit to Tokyo in August 2025 for the 15th edition, during which the two countries reaffirmed their commitment to deepen cooperation across strategic, economic, technological and security domains.

A large business delegation is accompanying Takaichi, and the two PMs will also attend business events with executives from both countries. According to government statistics, around 1,400 Japanese companies operate in India, with nearly half of them in manufacturing sector.

A Japan-India Economic Forum is also scheduled after delegation-level talks Thursday, with the participation of more than 150 individuals from Japan’s business community. “Working together with the private sector, I hope to broaden the scope of Japan-India cooperation and realize a strong economy,” Takaichi said.

Centre fixes wage; VB-G RAM G to offer minimum ₹300 a day

The Hindu Bureau

NEW DELHI

The Central government has fixed a floor wage of ₹300 per day under the Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB-G RAM G) Act, 2025, which came into effect on Tuesday replacing the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005.

The 21 States and Union Territories that paid less than ₹300 per day under the MGNREGA have had their wage rates increased to this level, while States already paying above ₹300 saw more minimal hikes.

Significant hike

Four major Hindi-belt States saw significant wage increases – ₹48 in Uttar Pradesh, ₹45 in Bihar, ₹39 in Madhya Pradesh, and ₹19 in Rajasthan – compared with the last MGNREGA rates set in 2025-26. Haryana (₹409), Goa (₹406) and Kerala (₹401) are the only States with wage rates above ₹400. Barring the U.T. of Dadra and Nagar Haveli and Daman and Diu, where wages remain unchanged from the MGNREGA levels, Telangana recorded the lowest increase of just ₹1, with wages rising 0.33% from ₹307 to ₹308.

Other southern States, which were already above the ₹300 level, saw minimal hikes, including And-

hra Pradesh (1.6%), Tamil Nadu (2.7%), and Karnataka (3.2%).

Excluding the special rate of ₹450 applicable to certain gram panchayats in Sikkim, Haryana continues to have the highest wage rate at ₹409, but recorded one of the lowest increases of just 2.25%.

Northern and north-eastern States which saw wage hikes above 15% to reach the ₹300 level include Arunachal Pradesh, Nagaland, Himachal Pradesh, Uttarakhand, Jharkhand, Assam, Tripura, Sikkim, and West Bengal.

Cong. criticism

Meanwhile, Congress general secretary and former Rural Development Minister Jairam Ramesh criticised the notification, saying the wages remain “unjustifiably low”.

He reiterated the Congress’s demand, made during the 2024 Lok Sabha campaign under its Shramik Nyay programme, for a national daily minimum wage of ₹400 for all workers in India, including MGNREGA workers.

“The Expert Committee headed by Dr. Anoop Satpathy, set up by the Modi government, had also recommended a national minimum wage floor of ₹375 per day in 2019,” he noted.

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DATA POINT

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Over 99% of births, deaths registered in 2024: report

Ramya Kannan

CHENNAI

India's latest civil registration data, CRS 2024, released on Wednesday, suggest that registration is improving across the country, and that sex ratio at birth is improving in some places, but progress remains uneven across the States and Union Territories.

India's sex ratio at birth is 917 females per 1,000 males, meaning that 917 girls are born for every 1,000 boys.

While there is no surprise in the strong performance of Kerala (970 females per 1000 males) when it comes to sex ratio at birth, other States and Union Territories such as Arunachal Pradesh (1,050), Andaman and Nicobar Islands (984), Meghalaya (974), and Mizoram (972), are also top performers.

The weakest figures are from Nagaland (865),

Lakshadweep (865), and Jharkhand (890).

A sex ratio at birth that is close to the biological norm, or slightly above it, is an indicator that birth rates are not heavily distorted by sex selective abortions/terminations. India, with its legacy issue of a son preference has struggled towards achieving a balance in sex ratio at birth historically. A masculine skew at birth has long dominated headlines in several parts of the country.

Haryana and Punjab have recorded the lowest child sex ratios at birth. In the 2011 Census, Haryana recorded 834 girls per 1,000 boys, followed closely by Punjab at 846. The battle to correct the skew has been long and hard fought from a policy level. The number of still births in 2024 was recorded as 81,117 with a heavy urban tilt, with 69% of still births happening in urban centres.

The civil registration system has continued to expand its coverage, and improving registration will offer a clearer picture of the country's demographic transition.

Expanded coverage

Registered births rose from 2.52 crore in 2023 to 2.54 crore in 2024, while registered deaths increased from 86.6 lakh to 89.4 lakh.

Thirteen States recorded above 90% of births and 15 States recorded above 90% of deaths. The CRS report shows that the level of birth registration reached 99.1% in 2024 and the level of death registration reached 99.4%, both extremely close to full coverage.

The rise in registrations does not necessarily mean that either fertility or mortality is rising sharply; it means the system has begun to capture births, deaths, still births and sex ratio at birth more comprehensively.

Steep freight costs continue to alarm MSME exporters

While the entities do not have the margin to bear the steep hike in freight costs, not many buyers are willing to share them either; those exporting perishables hit by the wait for containers

M. Soundariya Preetha
COIMBATORE

For exporters in the micro, small and medium enterprises (MSME) segment, the rise in freight costs due to the West Asia conflict continues to be a burden.

The cost for a 20 twenty-foot equivalent unit (TEU) container from Thoothukudi or Kochi to Colombo, which used to be \$400, is now \$600. There is no sign of the prices reducing yet, said V. Rangaswamy, president of the Coimbatore District Small Industries Association (CODISSIA).

“The containers that are stuck at the ports in the West Asian countries are absent in the market, leading to shortages. This is also pushing the costs up,” he said.

For MSMEs in the engineering sector, steel prices are up almost 30%, copper and brass prices have doubled, and packaging prices have shot up. “The MSMEs do not have the margin to



Shipment delay: Containers are stuck at ports in West Asian countries, leading to shortages. GETTY IMAGES/ISTOCK

bear the steep hike in freight costs. Further, those who export perishables are hit by the wait for containers,” Mr. Rangaswamy said.

Garment exporters in Tiruppur say that freight costs were up almost 200% for shipments to the U.S. and the European Union, and have started reducing now. In the case of exports to the West Asian countries, the cost for a 20 TEU container was \$300-\$350 and is now \$4,500, and for a 40 TEU container, it is \$5,900 from approximately \$700. Further, the ship-

ment period is two weeks longer, they said.

While a few buyers have come forward to share the costs, most of them do not. “The buyers are also under stress as inflation is up in their countries,” added Mr. Rangaswamy.

The cost from a south Indian Port to Jebel Ali prior to the conflict varied between \$300 and \$400 for a 20 TEU dry container and \$900 to \$1,050 for a 40 TEU. Now, it has gone up to \$5,700 for a 20 TEU and \$7,500 for a 40 TEU container. Recently, there was a vessel from Kochi to Jebel

Ali with seven days transit time and the rate indicated was \$5,120 for a 20 TEU and \$9,310 for a 40 TEU, said P. Subramaniam, former president of the Custom Broker and Shipping Agents Association, Coimbatore.

According to Pankaj Chadha, chairman of EEPIC India, freight costs have seen a “dramatic increase” and is a big problem to exporters. The wait for containers for shipments to America and South American countries is almost two weeks, he said. Though exporters raised the issue with the Union government, there has been no relief. “Freight costs can’t be regulated and buyers are not willing to share the costs. So, we have no other option but to bear the cost. This is similar to the pandemic time when freight costs went up,” he said.

For MSME exporters, the uncertainties and cost escalations have hit operations and is leading to losses, industry representatives said.

Commercial LPG prices reduced by ₹183 per refill

The first price cut this year follows a hike of ₹1,345 in four tranches; no respite for domestic users; ATF prices reduced by ₹5 per litre; Nayara Energy cuts petrol price by ₹5 and diesel by ₹3 per litre

Saptaparno Ghosh

NEW DELHI

In an indication of an improvement in the supply of liquefied petroleum gas (LPG) with the four-month West Asia conflict at a probable end, public sector oil marketing companies (OMCs) on Wednesday cut the prices of commercial LPG cylinders by ₹183.5 and those of the 5-kg free-trade LPG (FTL) cylinders by ₹13.

This was the first reduction in commercial LPG price in 2026 after the rates were hiked by ₹1,345 a refill in four tranches since March 7 and comes a week after the government lifted supply restrictions on commercial LPG.

However, there was no immediate relief for households as the price of domestic LPG, which was increased in two tranches by almost ₹90, remains unchanged.

The OMCs also cut the price of aviation turbine fuel for domestic carriers by ₹5 a litre.

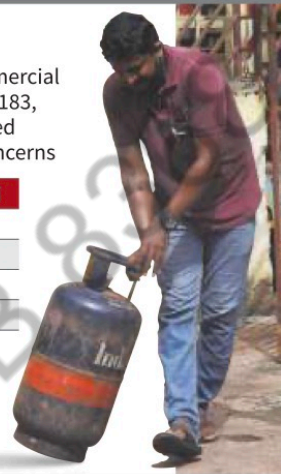
Separately, the privately

Price revision

Oil marketing companies cut commercial LPG cylinder refill prices by up to ₹183, while domestic LPG prices remained unchanged amid easing supply concerns

Month	Delhi	Chennai
March 7, 2026	₹1,883	₹2,043.5
April 1, 2026	₹2,078.5	₹2,246.5
June 1, 2026	₹3,113.5	₹3,283
July 1, 2026	₹2,930	₹3,106

The cut follows four tranches of hikes since March 7 that had raised commercial LPG prices by a cumulative ₹1,345 per 19-kg cylinder refill



owned OMC Nayara Energy, which operates more than 7,000 pumps across the country, reduced the price of petrol and diesel by ₹5 and ₹3 per litre, respectively. It had hiked fuel prices by the same amount at the peak of the conflict on March 26.

Reduced prices

After Wednesday's revision, the price of a 19-kg LPG cylinder in Delhi, which serves as a benchmark for prices in the country, was down by ₹183.5 to ₹2,930; in Mum-

bai it was ₹2,885.5 (down ₹182), in Kolkata ₹3081.5 (down ₹174), and in Chennai ₹3,106 (down ₹177).

The *Chhotu* FTL cylinder refills, primarily catering to migrant workers, are now available at ₹808.5 in Delhi.

Usually, non-domestic or commercial LPG accounts for about 13% of overall LPG sales by public sector OMCs.

According to the latest provisional data of the Petroleum Planning and Analysis Cell for June 2026, the overall consumption of

LPG, domestic and commercial combined, declined 16.7% from the comparable period last year. This coincides with the commercial LPG supply restrictions in place, as well as the higher interim booking timelines for LPG.

Close monitoring

Speaking to *The Hindu*, Prashant Vashisht, senior vice-president and co-group head of corporate sector ratings at ICRA, said the opening of the Strait of Hormuz should help ease supplies of LPG provided there are no more flare-ups. He added that price pressures could alleviate further with the Gulf re-emerging as a procurement avenue.

"[Before the conflict], we were heavily reliant on the Gulf for our LPG requirements. Amid the conflict, increased supplies came from the U.S. and Australia, which are a bit far, and meant longer transit," he said.

RELIEF AND DEMAND

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GST revenues up 14% in June amid dependence on imports

T.C.A. Sharad Raghavan

NEW DELHI

The government's Goods and Services Tax (GST) revenue grew 13.9% to ₹1.95 lakh crore in June 2026 compared with the corresponding period in 2025, the highest year-on-year growth rate in 13 months. However, the bulk of this growth came from imports, with the tax collected from domestic transactions growing far slower.

The data shows that GST revenue from domestic transactions grew 6.5% to about ₹1.35 lakh crore in June 2026. This made up 69% of the total GST revenue earned that month, down from the 74% share it held in June last year.

Revenue from imports, on the other hand, grew nearly 35% in June 2026 to ₹6 lakh crore.

This marks the 16th consecutive month in which GST revenues from imports have grown in double digits, and the 10th straight month in which their growth has exceeded the growth in revenues from domestic transactions.

Tax experts are divided on the cause for this sharp rise in revenues from imports, but they agree that it

Consistent progress

The 13.9% growth in June 2026 is the highest y-o-y rise in 13 months. The graph shows GST revenue in the last 1-year period



is something the government must keep an eye on.

Further, as GST marked nine years of implementation on Wednesday, tax experts point to several aspects – such as input tax credits, dispute resolution, multiple registrations, and the inverted duty structure – as issues that still need to be addressed. However, they do acknowledge that the system has been steadily improving over the years.

According to Saurabh Agarwal, tax partner at EY India, a possible reason could be that India is importing what it should be manufacturing.

“The rising share of collections from imports war-

rants closer structural analysis,” Mr. Agarwal said. He pointed out that one way to mitigate this reliance is to redeploy unutilised outlays from the production linked incentive schemes to strategically attract and scale high-value manufacturing within India.

Mahesh Jaising, partner and indirect tax leader at Deloitte India, largely echoed these views, saying that the growth in import revenues suggests an increase in the import of raw materials and intermediate goods, which reflects sustained manufacturing activity.

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U.S. administration stands against World Bank's climate finance targets

Jacob Koshy

NEW DELHI

Following disapproval from the U.S. administration, the World Bank Group (WBG) has indicated that it would do away with its funding target for climate-centric projects.

"We will complete our shift from inputs to outcomes to maximise development impact. We will retire the 45% climate co-benefits target and the 35% target in the Climate Change Action Plan [CCAP]. We have done significant work in answering client demand and needs,"

the World Bank said in its June 29 statement on its CCAP. Launched in 2020 and over a five-year period ending 2026, the CCAP mandated the WBG to allocate 35% of its total financing for projects that reduced emissions or helped communities adapt to climate change. The goal was increased to 45% in 2023.

Threat to projects

The latest announcement by the World Bank may impact projects in developing countries. In India, the World Bank's climate-focused projects include electrified freight rail and



Policy shift: World Bank's climate-focused projects in India include those aimed at cutting transport emissions. SUSHIL KUMAR VERMA

inland waterways to cut transport emissions; forest restoration and biodiversity conservation in Madhya Pradesh and Meghalaya; climate-resilient agriculture for smallholders; re-

habilitation of ageing large dams; community-led groundwater management under Atal Bhujal Yojana; mangrove restoration along both coasts; flood forecasting and embank-

ment strengthening in Bihar's Kosi basin; solar parks and rooftop solar systems; green hydrogen for hard-to-abate industries; battery storage paired with renewables in Chhattisgarh; Kerala's post-2018-flood resilience overhaul; and the "One Health" livestock disease programme guarding against zoonotic spillover.

The Hindu has reached out to the World Bank spokesperson, asking whether the development would impact India-based projects. The spokesperson has not responded so far.

The World Bank has said

it would continue to support countries in their national plans and meeting their Nationally Determined Contributions (NDCs). While the CCAP would continue, an independent evaluation group would appraise it.

"We will continue to track and report on our two scorecard indicators on (i) net greenhouse gas emissions and (ii) beneficiaries with enhanced resilience to climate risks...We will continue to report to the Board on progress."

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Russia approved 'secret China military training'

Reuters

July 1

CHINA'S COVERT military training of Russian forces last year was personally approved by President Vladimir Putin's defence minister and directly involved at least four Russian and Chinese generals, according to two European officials and documents seen by Reuters.

The officials said the involvement of such high-ranking individuals in training linked to the Ukraine war signalled the im-

portance for Russia and China of such cooperation, which has caused alarm in Europe even as Beijing has denied it took place.

A classified Russian document seen by Reuters directly referred to an internal decree issued by Defence Minister Andrei Belousov in August, 2025.

It said that, in accordance with a decision by Belousov, a delegation from Russia's armed forces travelled to China to participate in training exercises at People's Liberation Army (PLA) facilities.

The same report detailed one of the training courses - a three-week session focused on radiological, chemical and biological protection at a military facility in Beijing in November.

The report and a second one described and displayed images of Russian soldiers being lectured by a Chinese instructor, looking at a model nuclear reactor, and being taught about "chemical reconnaissance", "radiation reconnaissance" and protecting ventilation systems from contamination.

The inclusion of radiological, biological and chemical warfare training underlined the strategic nature of the exchanges, one of the European officials said, noting that the topic was particularly sensitive for militaries in general.

The defence ministries of Russia and China did not respond to requests for comment for this article.

China's foreign ministry said in a statement that its stance on the Ukraine crisis had remained consistent.

U.S., Iran enter technical talks to secure peace deal, restart shipping

Jared Kushner, Steve Witkoff meet Qatar's Prime Minister to prepare the negotiations but do not attend the Doha sessions; talks are based on MoU signed last month; Trump says talks are making progress and that denuclearisation is moving along

Reuters

DOHA/DUBAI

The U.S. and Iran held technical talks in Doha on Wednesday as they seek to agree on the flow of shipping through the Strait of Hormuz and secure a lasting ceasefire, a source with direct knowledge of the talks and an Iranian official said.

U.S. President Donald Trump's son-in-law Jared Kushner and envoy Steve Witkoff met the Prime Minister of Qatar – a mediator in the talks alongside Pakistan – to lay groundwork for the negotiations, but would not be attending



Differing priorities: The talks in Doha are structured as sessions between chief negotiators and specialists, says the source. AFP

the discussions themselves, the source with direct knowledge of the talks said.

The talks are based on a 14-point interim accord

signed last month that was meant to halt the war that began with U.S.-Israeli strikes on Iran in February and reopen the Strait of Hormuz, whilst setting up

60 days of negotiations for a permanent peace deal.

However, the U.S. and Iran have sparred publicly over the meaning of the interim pact, leading to tit-for-tat strikes over the past week. Iran is determined to win international recognition of its control over the strait and its ability to levy fees on ships entering or leaving the Gulf even if it has to do so by force, two senior Iranian sources said on Wednesday.

The talks in Doha are structured as sessions between chief negotiators and specialists, the source with knowledge of the talks said.

Iran has stated publicly

that its priorities include agreeing on management of the strait and the release of \$6 billion in Iranian frozen assets, and the Iranian official said the current round of discussions would focus on those two issues.

The stated priority of the U.S. is to ensure the free flow of traffic through the strait, the source said.

Meanwhile, U.S. President Donald Trump hailed the progress of indirect talks between the U.S. and Iran.

"As far as things are going, the denuclearisation of Iran is moving along well," Mr. Trump told reporters on Wednesday.

As US reshapes its Asia strategy, India must rewire its regional leadership

THE UNITED STATES is reshaping its Asia strategy as it accepts that China can no longer be contained at an acceptable economic or military cost. This shift is reducing India's strategic importance in Washington's calculations while expanding US engagement across South Asia. As both the US and China compete for influence in India's neighbourhood, New Delhi must act to preserve its strategic autonomy and rewire regional leadership.

The shift in American approach is driven by declining influence and a series of strategic setbacks. In Europe, the Ukraine war has imposed high financial and military costs on Washington, which now wants European nations to shoulder more of NATO's burden. In the Middle East, the Iran war proved costly for the US. Iran was not subdued, while attacks on US bases in Gulf countries weakened confidence in America's security guarantees and made close ties with Washington appear riskier for regional stability. Old US partners such as Saudi Arabia and the UAE are expanding ties with China.

In the Indo-Pacific, despite housing thousands of troops and maintaining military alliances with Japan, South Korea, Australia, and many ASEAN countries, and being part of frameworks such as the Quad and the Australia-UK-US Security Partnership, the US faces a different reality. China has become the largest trading partner for most economies in the region, and Asian manufacturing supply chains remain deeply tied to Chinese industry. This economic dependence has made many governments reluctant to fully align with US strategic objectives against Beijing. Malaysia's

withdrawal from the trade deal with the US is an example.

As Washington recognises these limits, its China strategy is changing. Instead of trying to contain Beijing, it increasingly appears to be treating China as a de facto equal — a G2 partner. In the Asia-Pacific, the US is seeking to preserve its influence without openly confronting China. It has become noticeably quieter on issues such as the Quad and Taiwan to avoid provoking Beijing.

Washington's view of India is also undergoing a shift. For nearly two decades, India was central to Washington's Indo-Pacific strategy and the Quad was a democratic counterweight to China. However, Washington now sees India not as a key strategic partner but more as a large market for American goods and technology and a subordinate partner. The February 7 US-India joint statement calls for India to align its economic and security interests more closely with those of America. Strategic cooperation is increasingly giving way to greater US strategic influence over India.

The US now appears to be following China's playbook by expanding its engagement across South Asia. China has spent more than a decade building its "string of pearls" through ports, infrastructure financing and connectivity projects in countries around India. Its regional presence now includes the China-Pakistan Economic Corridor, Gwadar Port, Hambantota Port, Colombo Port City, Belt and Road projects in Nepal, major investments in Bangladesh and infrastructure projects across the Maldives.

Rather than treating South



AJAY
SRIVASTAVA

Asia as India's natural sphere of influence, Washington is deepening defence, maritime, digital and infrastructure cooperation with Bangladesh, Sri Lanka, Nepal and the Maldives. The appointment of Sergio Gor as both US Ambassador to India and Special Envoy for South and Central Asia reinforces the impression that Washington increasingly views South Asia as an integrated strategic space rather than through an India-centric lens.

This competition will give Bangladesh, Nepal, Sri Lanka and the Maldives greater leverage to play India, China and the US against one another to extract economic and political concessions.

Both Washington and Beijing also have an interest in keeping Pakistan strategically relevant as a counterweight to India. Pakistan has positioned itself as a swing state by maintaining close ties with the US, China, Saudi Arabia, Qatar, Turkey and Iran. As the world's only nuclear-armed Muslim country, it holds growing strategic value in West Asia. Its ability to engage both Sunni states (Saudi Arabia, Qatar, the United Arab Emirates, Kuwait and Turkey) and Shia states (primarily Iran) further strengthens its regional influence. As the US and China view Pakistan as an important partner, India's strategic environment becomes more challenging.

While India's trade surplus with South Asia has grown from about US\$6.7 billion to nearly US\$20 billion over the past two decades, its political and strategic challenges remain. SAARC is largely dysfunctional, and relations with Bangladesh, Nepal and the Maldives con-

tinue to fluctuate. Pakistan is a failed state thriving on external steroids. Intensifying US-China competition is likely to deepen these challenges.

India cannot stop great-power rivalry in South Asia, but must avoid becoming an object of external power-politics. The playbook is simple. India must strengthen its economic base by prioritising manufacturing, artificial intelligence, semiconductors, critical minerals, defence production, and other advanced industries, while reducing its dependence on imported industrial inputs from China.

It should preserve strategic autonomy by keeping relations with both Washington and Beijing transactional and judging each issue on its merits. India must build connectivity projects, more responsive development partnerships and consistent political engagement with most neighbours.

Finally, India must avoid actions that create confusion about its longstanding positions. For example, India has consistently rejected third-party mediation with Pakistan, as it did by dismissing US President Donald Trump's claim of mediation during Operation Sindoor. It should therefore avoid forums that invite outside powers into South Asian affairs. India's high-level participation in the June 25–26 South Asia Dialogue in Colombo, alongside representatives from Pakistan, the US, the UK, Sri Lanka and the Maldives, blurred that position.

At a time when both Washington and Beijing are expanding their influence in South Asia, India should avoid actions that could be seen as accepting a larger role for external powers in its neighbourhood.

The writer is founder, GTRI

At least \$2bn: Trump reaped a windfall in his first year back in White House

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ALL TOLD, the president pulled in at least \$2.2 billion, a figure that includes other parts of his vast holdings, such as his real estate assets. That compares with a minimum of \$622 million his enterprises pulled in for all of 2024, before he returned to the presidency.

One of his biggest hauls in 2025 came when an investment firm tied to the United Arab Emirates bought nearly half of the Trump family's main crypto company, World Liberty Financial, a transaction that blurred the line between foreign policy and private enterprise.

Trump also collected hundreds of millions of dollars from sales of his \$TRUMP memecoin and World Liberty's sale of its own digital tokens.

The results, detailed in Trump's mandatory financial disclosure report for 2025 and released Tuesday, pulled back the curtain on the president's business operations. His crypto ventures, the report shows, are now some of his most lucrative enterprises, a remarkable turn-about for a man who once



slammed crypto as a haven for drug dealers and scammers.

The president's finances, which had been something of a mystery, highlight a conflict in his crypto business: Trump is a major crypto industry operator

and its top policymaker.

It is hardly the only issue to arise from having a businessperson serve as president. The president's family business, Trump Organization, has also capitalized on Trump's popu-

I don't get involved... we have funds that run my money. You know why I'm profiting? Because the stock market's going up, everybody's profiting"
DONALD TRUMP,
U.S. PRESIDENT

larity in certain parts of the world, licensing the Trump name to properties in countries that are crucial to US foreign policy interests, including Saudi Arabia and Qatar.

Those two deals alone generated more than \$14 million for Trump last year, the filing shows.

The White House did not immediately respond to a request for comment, though in the past, Trump has noted that he is exempt from federal conflict of interest laws. Anna Kelly, a White House spokesperson, said in a recent statement that Trump "only acts in the best interests of the American public," and that "there are no conflicts of interest." **NYT**