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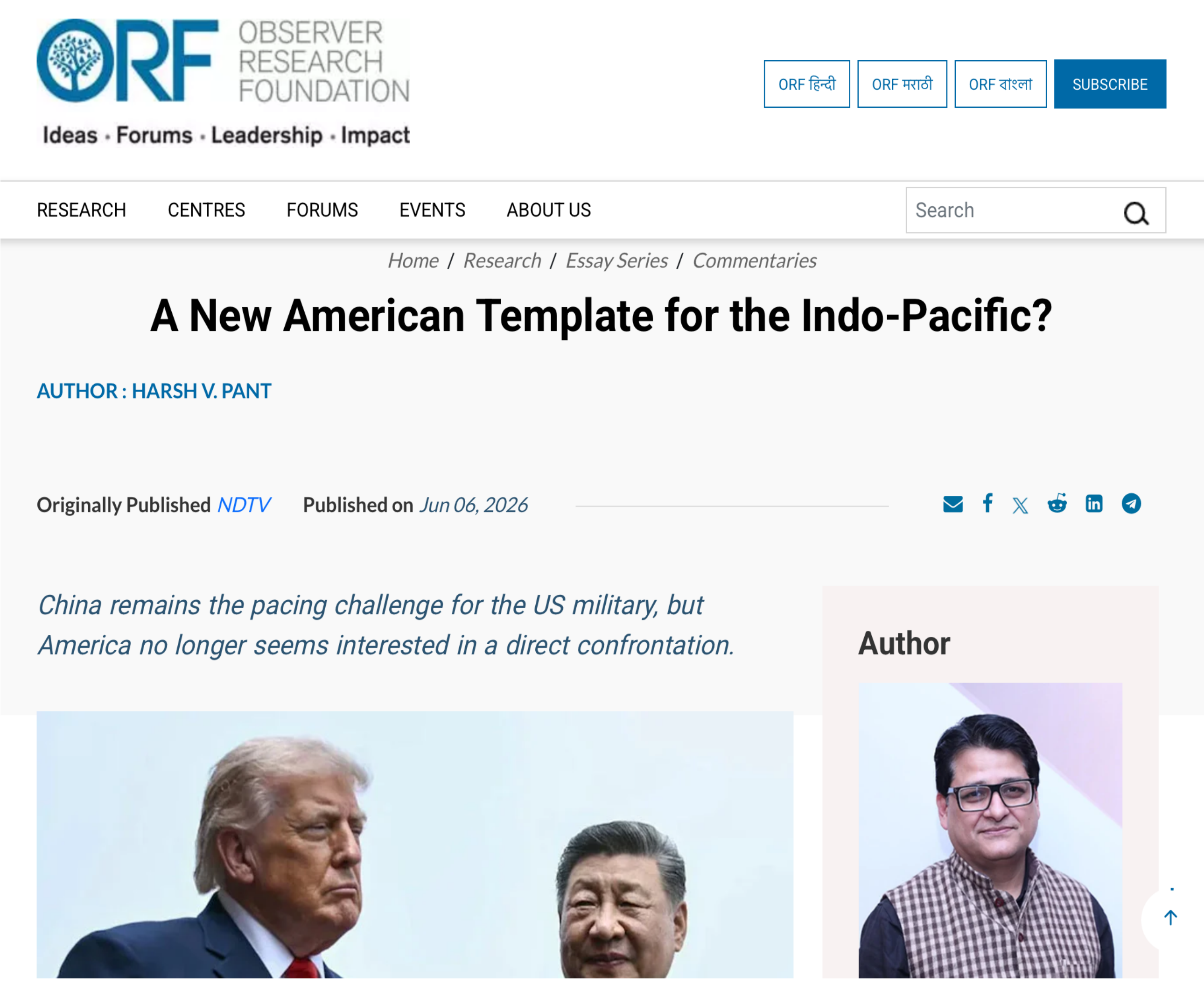
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A New American Template for the Indo-Pacific?

AUTHOR : HARSH V. PANT

Originally Published *NDTV* **Published on** *Jun 06, 2026*

China remains the pacing challenge for the US military, but America no longer seems interested in a direct confrontation.

Author

Context United States is shaping a tougher but careful Indo-Pacific strategy against China, while expecting India and other partners to share more security responsibility.

Facts

- Quad, AUKUS & bilateral partnerships - multiply American power.
- New transactional U.S. approach - 'we need partners, not protectorates.'
- India - US defence cooperation - Defence co-production, industrial collaboration and the TIGER TRIUMPH exercise.

Analytical Crux

America's aim in the Indo-Pacific has not changed, it wants to keep check on China and preserve its influence. It has changed its method where allies and partners are expected to bring military capacity and take more responsibility. India becomes important because it can support the regional balance without becoming a formal US ally. The tension is between burden-sharing & trust because if alliances become too transactional, they may lose the credibility.

Verbatim Quotes

"Integrated deterrence is increasingly dependent on the capabilities and contributions of regional partners. Security partnerships are expected to be reciprocal rather than open-ended commitments."

– Harsh V. Pant

Article - 2 : Amid global shocks, activate growth drivers within domestic control

Amid global shocks, activate growth drivers within domestic control

DHARMAKIRTI JOSHI

THE GROWTH-inflation mix is set to worsen for India this fiscal year, largely due to the West Asia conflict and expectations of a sub-par monsoon — factors not in our control. The longer the conflict persists, the greater the risk to growth and upside to inflation.

To be sure, GDP growth was unscathed in 2025-2026, according to the latest estimates of the National Statistical Office (NSO), despite the tariff turbulence of 2025 and the conflict, which began towards the end of February this year.

The NSO now sees GDP growth for the year at 7.7 per cent, slightly higher than the second advance estimate of 7.6 per cent released in February. The print is above the potential growth rate of 7 per cent noted in the recent Economic Survey and much stronger than projected by policymakers and analysts at the beginning of the year.

The revision is not unusual, considering the February estimate was based on incomplete information for the fourth quarter. High-frequency indicators such as auto sales and retail credit growth indicate domestic demand held up during the quarter. But what really makes the performance stand out is a combination of sustained high growth — measured through rebased GDP — and benign inflation, at a lower-than-expected 2.1 per cent.

Several factors helped sustain growth despite adverse external conditions. The impact of high tariffs imposed by the US was lower than initially feared as exporters front-loaded shipments. Services exports remained robust, while exemptions for fast-growing sectors such as electronics helped limit the damage. Low crude oil prices and a normal monsoon — the "good luck" factor for India — supported growth and kept inflation under control.

Policy interventions contributed, too. Rate cuts by the RBI's Monetary Policy Committee supported financial conditions and demand. Fiscal measures, including rationalisation of GST rates, income tax relief and an increase in direct benefit transfers at the state level, provided additional support. These measures helped strengthen household purchasing power and business sentiment. Private consumption and investments emerged as the primary drivers last year, growing at 7.7 per cent and 8.2 per cent respectively.

Cut to this fiscal year.

The ride is becoming more laboured. Growth expectations are being lowered as downside risks to the economy begin to materialise.

Crisil expects GDP growth to slow to 6.6 per cent from 7.7 per cent last year. The RBI, in its June monetary policy, also pared its growth outlook to 6.6 per cent, while keeping rates and stance unchanged. A slew of measures announced by authorities was aimed at encouraging foreign capital inflows, which, along with a depreciating rupee, have been a wrinkle in an otherwise healthy macroeconomic story.

Though the government is likely to maintain its investment momentum, a pick-up in private corporate investment will be delayed due to a highly uncertain environment.

Inflation, on the other hand, will move up to 5.1 per cent, with risks tilted to the upside. Despite the slowdown in real GDP, the nominal GDP growth is set to be higher due to higher inflation based on both the Wholesale Price Index (WPI) and Consumer Price Index (CPI).

The main reason for the worsening growth-inflation mix is the West Asia conflict that has brought a major energy shock and a wider trade disruption. It has led to a sharp rise in freight and insurance costs, intensified uncertainty and, coming on top of the unresolved tariff shock of 2025, rendered the external environment more challenging.

The expected slowdown in major export destinations, including the US, Europe and West Asia, will likely reduce opportunities for India's goods exports. Also, the two favourable "good luck" factors that supported growth and kept inflation benign last year have turned adverse.

Crude oil is expected to average \$90-95 per barrel this fiscal, compared with \$70 last fiscal. India's high dependence on imported energy increases its vulnerability to both price increases and supply disruptions. Higher costs reduce availability of energy at affordable prices and weigh on growth, particularly in manufacturing, construction and services such as travel, transport and restaurants.

The forecast of El Niño reducing rainfall to 90 per cent of the long-period average could become another headwind to both growth and inflation. Although the development of the Indian Ocean Dipole can provide some offset, it is a bit early to predict how this will play out. The risks from monsoons remain tilted to the downside.

> The expected slowdown in major export destinations, could reduce opportunities for goods exports. Also, the two 'good luck' factors that supported growth and kept inflation benign last year have turned adverse

Crisil's Financial Conditions Index shows the conflict significantly tightened India's financial conditions in March and April through capital outflows, sharp depreciation of the rupee and rising bond yields. Tighter financial conditions can affect borrowing costs, investment decisions and overall confidence.

The upside risks to inflation have started materialising, with the pressure currently more visible in wholesale inflation than retail inflation. WPI inflation, which is directly affected by global commodity shocks, came in at 8.3 per cent in April, while CPI inflation remained benign at 3.5 per cent.

We expect CPI inflation to rise to 5.1 per cent as manufacturers pass on higher input costs to consumers. The government has also begun passing through higher crude prices to petrol and diesel, which will have both direct and indirect effects on inflation. A weaker rupee further raises the risk of imported inflation.

Food inflation may also come under pressure due to disrupted agricultural production from heatwaves and expected below-normal rainfall. The household survey of inflation expectations released alongside the June monetary policy report suggests rising inflationary expectations.

On the positive side, Crisil Ratings notes that strong balance sheets, with the median debt-to-equity ratio currently at a low of 0.45, provide a cushion to a majority of medium and large corporates.

However, the policy space to support growth through easy monetary policy has evaporated because of rising inflation risks. Fiscal policy will need to balance several priorities: Supporting MSMEs, managing a higher fertiliser subsidy bill and accelerating efforts to improve energy security and affordability.

With the rising frequency of global shocks and geopolitical reset towards protectionism, this is the moment to activate medium-term growth drivers that are within domestic control. Removing the bottlenecks in the economy, fast-tracking ease of doing business and pushing ahead with remaining reforms will be crucial to revive private capex and realise the export potential of recently signed foreign trade agreements.

The writer is chief economist, Crisil

Context India's growth-inflation balance may worsen due to external shocks like the West Asia conflict, crude prices, protectionism and weak monsoon expectations.

Facts

- GDP growth was 7.7% in 2025-26 but is expected to 6.6%.
- Crude oil rise to \$90-95 per barrel from \$70 last fiscal.
- Inflation expected to rise - 5.1%.

Analytical Crux

The India's economy is strong but not shock-proof. War, crude oil, tariffs and weak monsoon are outside India's direct control, but they affect growth, inflation, exports & private investment. Since inflation is rising, easy monetary policy cannot be the solution. Thus, India cannot control global shocks, but it can control the speed and quality of domestic reforms. It includes ease of doing business, energy security, MSME support, private capex and other domestic reforms.

Verbatim Quotes

"With the rising frequency of global shocks and geopolitical reset towards protectionism, this is the moment to activate medium-term growth drivers that are within domestic control." – Dharmakirti Joshi

Article - 3 : From borderland to India's strategic resource frontier

From borderland to India's strategic resource frontier

Sangmuan Hangsing

Researcher and alumnus of the Kautilya School of Public Policy

Within days of one another, official platforms of the Ministry of Mines cast several northeastern States in a similar frame – as repositories of strategic minerals and untapped potential. Manipur was described as a "quiet mineral frontier", Arunachal Pradesh as a "resource-rich frontier", while Meghalaya and Mizoram were portrayed through comparable narratives that emphasised the hidden wealth beneath their hills. Governments routinely publicise natural resources and development opportunities, and such descriptions would ordinarily attract little attention.

Taken together, however, they point to a broader shift in the language through which the northeast is increasingly being framed in the national conversation and strategic picture.

The critical mineral push

The timing is significant because critical minerals have moved from geological discussions into strategic ones. Lithium, cobalt, graphite, nickel and rare earth elements increasingly shape industrial competition, technological manufacturing and energy transitions. Batteries, semiconductors, renewable technologies and defence systems depend upon them, and countries have begun repositioning themselves around access to these resources. India itself continues to depend on imports for several critical minerals and has consequently expanded exploration efforts. According to a Ministry of Mines reply in Parliament, the Geological Survey of India undertook 43 critical mineral exploration projects across northeastern States during the 2022-23, 2023-24 and 2024-25 field seasons, covering minerals such as graphite, vanadium, lithium, rare earth elements, nickel and cobalt. Exploration activity has expanded across Arunachal Pradesh, Meghalaya, Assam, Nagaland and Manipur. In Manipur, projects involving nickel, cobalt and chromium exploration have recently been initiated.

Geological surveys have pointed toward mineral potential across the region for years. What appears to be changing is the language through which that significance is increasingly being understood. The northeast has long held strategic significance that extends beyond geology, but the framework through which that significance is understood now appears to be widening.

Shift in language

For decades, the northeast has figured in national strategy largely through the language of borders and security. Discussions have centred on insurgencies, territorial management, connectivity initiatives and geopolitics considerations involving neighbouring countries, while infrastructure and development were often justified as instruments of strategic access and territorial security.

The language of resources is increasingly entering a strategic space once dominated by concerns over borders and security. Critical minerals are now discussed alongside trade corridors and geopolitical access, with territorial and resource security converging. Places once viewed mainly as sensitive border regions are increasingly seen as strategic assets.

The repeated use of the word frontier is revealing, because frontiers rarely function as neutral descriptions. They do not merely describe geography; they often reflect how States imagine it. Historically, frontiers have been viewed as spaces awaiting integration, development or extraction because they appear as landscapes of future possibility.

The difficulty is that frontiers are rarely empty spaces waiting to be discovered. The hills and valleys of the northeast already contain dense social and political worlds structured around customary land systems, local institutions and long-standing relationships with territory. Questions of land often extend beyond economics, as they are also tied to authority, identity and memory. Resource extraction thus enters landscapes that already possess institutions and histories of their own.

These questions become particularly significant in regions where political uncertainties continue to shape everyday life. In Manipur, years of violence and displacement have intensified debates over land and territorial arrangements. Similar concerns about ownership, ecological vulnerability and local participation have surfaced across the northeast at different times. Projects involving land often acquire meanings that extend beyond development, as communities interpret them through the lens of trust, representation and political inclusion.

Resources and inclusion

India's search for critical resources is understandable within a global environment increasingly shaped by supply-chain uncertainty and strategic competition. The northeast itself also requires infrastructure, employment and economic opportunities that have remained uneven for decades. Questions surrounding resource development rarely fit neatly into positions of support or opposition.

How quickly these transitions unfold and who shapes them may matter as much as the resources themselves. For a very long time, national priorities and local realities in the northeast often moved at different speeds. Connectivity projects sometimes arrived without corresponding economic ecosystems, while strategic considerations frequently overshadowed questions surrounding participation and representation. Resource development risks reproducing similar tensions if extraction begins moving faster than institutions capable of managing its social consequences.

What is being debated extends beyond the minerals beneath the hills. The northeast has spent years being viewed first as a border to be secured and then as a corridor to be connected. If it now begins entering national imagination as a landscape of strategic resources, the question is whether this new frontier will finally include the people who already inhabit it, or merely assign another purpose to the land beneath their feet.

Critical mineral ambitions must account for the people, land and history of northeast India

Context India's Northeast is reimagined from a border-security region into a strategic resource frontier because of critical minerals.

Facts

- GSI undertook 43 critical mineral exploration projects in the Northeast.
- Minerals covered - graphite, vanadium, lithium, rare earth elements, nickle & cobalt.
- Importance of Critical minerals - batteries, semi-conductors, renewable technology & defence systems.

Analytical Crux

The Northeast is shifting in national imagination from borderland to resource frontier. Critical minerals make the region important for energy transition, defence & technology, but extraction cannot ignore land, identity & customary institutions. Resource extraction thus enters landscapes that already possess institutions and histories of their own. However, resource development must not run faster than institutions that can handle its social effects.

Verbatim Quotes

"The language of resources is increasingly entering a strategic space once dominated by concerns over borders and security. Resource extraction thus enters landscapes that already possess institutions and histories of their own".

– Sangmian Hangsian

UPSC LINK

1. **2025 PSIR Paper II**: "India maintains strong ties with countries that will assure a free and open Indo-Pacific and guarantee greater connectivity with rest of the world. Analyze."

2. **2025 GS Paper III**: "What are the challenges before the Indian economy when the world is moving away from free trade and multilateralism to protectionism and bilateralism? How can these challenges be met?"

3. **2025 GS Paper III**: "Mineral resources are fundamental to the country's economy and these are exploited by mining. Why is mining considered an environmental hazard? Explain the remedial measures required to reduce the environmental hazard due to mining."

4. **2025 GS Paper III**: "What are the major challenges to internal security and peace process in the North-Eastern States? Map the various peace accords and agreements initiated by the government in the past decade."

5. **2024 PSIR Paper II**: "Discuss the rationale behind replacing the 'Asia-Pacific' strategy with the new term 'Indo-Pacific' strategy."

6. **2024 PSIR Paper II**: "Discuss the implications of the scrapping of the Free Movement Regime with Myanmar by the Indian Government on the complex ethno-political dynamics of the north-eastern region."

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