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Article - 1 : The G7 summit in Evian-France's bid to restore unity

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The G7 Summit in Evian: France's Bid to Restore Unity Amidst Global Fragmentation

Dr Gaurav Dutta, Associate Fellow, VIF

June 26 , 2026 Views: 1528 Comments: 0

The Group of Seven (G7) summit 2026 was held from 15-17 June in Evian-les-Bains, France. The summit plays an important role in shaping responses to global challenges, complementing the economic coordination carried out by the G20. The summit brought together the nations of Italy, Canada, the U.S., the UK, the European Union (EU), Germany, France and Japan. The summit mainly focussed on 1) peace and security for Ukraine and Europe; (2) the situation in West Asia; (3) international partnerships and solidarity; (4) more balanced economic growth; and (5) the future of artificial intelligence (AI). The G7 leaders gathered for a high-stakes meeting. The meeting was timely, as the U.S. and Iran reached a deal with a 60-day window for negotiations. U.S. President Donald Trump praised the agreement, stating that "we got on very well with Iran," and that the country has a different set of leaders. The summit delivered a total of nine joint statements encompassing Ukraine, West Asia and the Indo-Pacific.

Ukraine and European Security

Context G7 summit is held in France, where a Western group tries to stay relevant in a world that is becoming multipolar.

Facts

- Members present at G7 summit: Italy, Canada, U.S., U.K., European Union, Germany, France & Japan.
- India invited for 15th time: PM proposed an International Mobilisation Partnership for connectivity & trade (IMPACT).
- Focus areas: peace and security for Ukraine and Europe; the situation in West Asia; international partnerships and solidarity; more balanced economic growth; and the future of AI.

Analytical Crux

The Evian summit was less about fresh deliverables and more about a Western club trying to prove it still matters as power shifts to a multipolar world. The G7 wants to write the rules for AI, critical minerals and the China problem, but it needs non-members like India, Kenya and even China to do so. It is a proof that Western institutions cannot manage today's problems alone. Technology and energy security have become the new currency of great-power competition, blurring the old line between economics and security. For India, the value lies in the "strategic autonomy" position. It positioned itself as a voice for developing nations and the Global South that seeks genuine partnerships rather than aid.

Verbatim Quotes

"The G7 is no longer just a club of rich nations but is playing an important role in shaping global norms, crises & managing newly emerging challenges from AI, critical minerals and supply chains."

– Dr. Gaurav Dutta

Article - 2 : India-New Zealand FTA, a modern trade partnership

India-New Zealand FTA, a modern trade partnership

Aditya Nadkarni
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For years, trade between India and New Zealand has been a relationship with untapped potential. The two economies have remained friendly partners, yet commercial engagement has never quite matched the opportunities available. Trade remains relatively modest. The bilateral merchandise trade stood at $1.3 billion (approximately) in FY 2024-25, of which India's exports to New Zealand accounted for only around $711 million, despite registering 32% year-on-year growth. The numbers are moving in the right direction, but remain small when compared to India's trade relationships with larger partners. The proposed India-New Zealand Free Trade Agreement (FTA) could change that equation as it attempts to create conditions for faster bilateral growth.

At first glance, the headlines are easy to focus on – zero-duty access for Indian exports, wider market access for services, and a proposed investment commitment of $20 billion over the next 15 years. These are important outcomes. The larger story, however, is that the agreement reflects the evolving nature of trade partnerships.

Modern trade beyond tariffs

Modern FTAs are no longer just about lowering customs duties. Businesses today are equally concerned about how quickly goods move through ports, how easily certifications are recognised, whether regulations are predictable, and how much compliance effort is required to access preferential treatment. In many industries, these factors influence competitiveness as much as tariffs.

For Indian exports, New Zealand has extended duty-free access across 100% of its tariff lines. However, for businesses, particularly in labour-intensive sectors such as textiles, apparel, leather, and handicrafts, this is not merely a removal of duties that had earlier reached to 10%, but a clear pricing advantage in a market otherwise dominated by established FTA partners. In a market where competing exporters already enjoy preferential access, even a single-digit tariff advantage can influence purchasing decisions.

On the other hand, India's approach is cautious. Sensitive sectors such as dairy have remained protected, reflecting a policy preference that has become increasingly visible in India's recent trade negotiations. The objective is clear: open and explore new opportunities without exposing vulnerable domestic industries to competitors.

Services could emerge as one of the most significant beneficiaries over the longer term. Indian businesses have strong capabilities in technology, consulting, engineering, health care, and education services. Greater market access along with clearer mobility provisions for professionals and students can make it easier for Indian firms to expand their presence in New Zealand. For a country where services account for an increasing share of economic output, these provisions deserve as much attention as tariff concessions.

It is a strategic trade pact with long-term economic potential

Compliance unlocks trade benefits

One more feature that businesses should watch closely is the Rules of Origin (RoO) framework. Preferential access under an FTA is never automatic. Companies must demonstrate that products meet prescribed origin requirements before claiming lower duties. The India-New Zealand agreement incorporates detailed product-specific rules, documentation requirements, and traceability measures to prevent misuse through transshipment.

From a policy standpoint, this strengthens the integrity of the agreement, while from a business standpoint; it raises the importance of supply chain visibility and compliance readiness.

The same principle applies to trade facilitation measures included in the pact. Faster customs clearances, digital certification systems, and simplified procedures often deliver tangible commercial benefits. Reduced delays can reduce inventory costs, improve cash flow, and create greater certainty across supply chains.

This agreement also aims to address non-tariff barriers, particularly in sectors where regulatory approvals often matter more than tariffs. Industries such as pharmaceuticals, food processing, chemicals, and agriculture could gain benefits if regulatory processes are streamlined and more predictable.

Preparing businesses for FTAs

Viewed more broadly, the agreement marks another step in India's transition towards a facilitation-led trade policy, where businesses enhance competitiveness not only through lower tariffs but also through reduced transaction costs, faster market access, and greater certainty across the trade ecosystem.

From a business perspective, the real opportunity lies not merely in availing lower duties but also in integrating operational, sourcing, and compliance functions with the framework of the agreement. Today, preferential access increasingly depends on demonstrable compliance, traceability, and process discipline. Given this, businesses should proactively review Harmonised System (HS) classifications, evaluate eligibility under the RoO framework, strengthen supply-chain documentation, identify sector-specific export opportunities, and reassess landed-cost models to maximise the commercial advantages offered under the agreement.

Context India- New Zealand Free Trade Agreement matters less for its modest trade numbers and more for what it shows about how trade deals work today.

Facts

- Bilateral merchandise – $ 13 billion in FY 2024-25.
- India's sector out of liberalisation – Dairy.
- The FTA proposed investment commitment of $ 20 billion over next 15 years.
- New Zealand offers duty free access on 100% of tariff lines for Indian goods.

Analytical Crux

The idea is that a 21st-century FTA is no longer a tariff deal. It turns on logistics, certification, predictability and compliance and the India-New Zealand pact is an example of this shift. Because the trade volumes are modest, the agreement matters more for what it signals than for what it immediately delivers. India's "open new doors, but protect the sensitive ones" and a move toward a facilitation-led trade policy. The competitiveness flows as much from rules-of-origin readiness, supply-chain traceability and faster customs as from the tariff line itself.

Verbatim Quotes

"Modern FTAs are no longer about lowering customs duties. It is a strategic trade pact with long-term economic potential. It is built around rules, compliance & logistics, not just tariff cuts."

– Aditya Nadkarni & Snehal Gadhave

Article - 3 : The cracks beneath the peddled story of India's growth

The cracks beneath the peddled story of India's growth

For over a decade, the Narendra Modi government has projected India as the world's fastest-growing major economy, an emerging manufacturing hub, a Vishwaguru, a global power, a preferred destination for global capital, and a Viksit Bharat on track for 2047. Yet, behind this carefully crafted narrative lies a more troubling reality. The economy faces multiple external shocks while carrying deep structural weaknesses that threaten its long-term prospects.

The warning signs are unmistakable. But instead of addressing them, the ruling establishment appears more focused on manufactured controversies, communal polarisation and divisive politics. As television studios debate temples, mosques, medieval rulers and invented enemies, the economy's foundations continue to weaken.

Imported energy, growing risks

The most immediate challenge is India's growing vulnerability to external shocks. The country imports nearly 90% of its crude oil and about half of its natural gas requirements. Every rise in global energy prices is quickly transmitted to the domestic economy. The recent rise in fuel prices underscores a stark reality: despite the rhetoric of renewable energy, self-reliance and global leadership, India remains heavily dependent on imported energy.

The consequences are severe. Rising oil and liquefied natural gas prices widen the trade deficit, weaken the rupee and raise production costs across the economy. In FY2025-26, the Reserve Bank of India sold over $53 billion in the foreign exchange market to support the rupee – its largest intervention in more than a decade. Foreign exchange reserves have fallen from over $720 billion to around $681 billion. An economy with strong fundamentals should not have to spend such vast sums merely to slow its currency's decline. The issue is politically significant as well. Narendra Modi, as Gujarat Chief Minister, often linked the rupee's value to national pride. Today, despite that rhetoric, the rupee has fallen to a historic low of about ₹95 against the U.S. dollar.

Compounding the problem is the uncertainty surrounding fertilizers and agriculture. Again, India's apparent strength in manufacturing fertilizers masks a dangerous vulnerability. Domestic urea production depends heavily on imported LNG. Almost all the fertilizers India produce are linked to heavy imports such as LNG and potash. Any disruption in global gas supplies, any sharp increase in LNG prices or supply chain disruption immediately threatens fertilizer availability and affordability.

The challenge is compounded by the monsoon outlook. A weak monsoon affects far more than agriculture. Lower crop yields reduce rural incomes, weaken consumption, fuel food inflation. They also increase the need for government spending on relief, procurement and subsidies, which is unlikely under the Bharatiya Janata Party's rule. These risks reinforce one another. Rising fuel costs, expensive fertilizers and a weak monsoon together create a vicious cycle that suppresses demand when the economy needs stronger domestic consumption.

Weakening rural safety nets

A responsible government would respond by strengthening employment guarantees and social protection. Instead, the Modi government abolished the Planning Commission and has steadily weakened MGNREGA, one of the country's most effective rural safety nets. As a result, millions of rural households now face greater economic uncertainty with fewer protections than they had a decade ago.

Beyond these immediate pressures lies a deeper structural concern. India's external sector remains heavily dependent on services exports and remittances. The record $135 billion in remittances received in FY2024-25 has been a key factor in financing the current account deficit.

Even this strength carries a warning. Increasingly, India's remittances come not from migrant workers in West Asia but from highly skilled professionals in the United States, the United Kingdom and other advanced economies. The rise of right-wing politics and anti-immigration sentiment – championed by leaders such as U.S. President Donald Trump and echoed across much of the West – poses a growing threat to this model. At the same time, artificial intelligence (AI) is transforming software, data processing and other professional services in which Indian workers have traditionally excelled.

The danger is not that remittances will disappear overnight, but that one of the pillars supporting India's external balance could gradually weaken. If remittance growth slows while energy imports remain high, pressure on the current account and the rupee will intensify.

International investors are already turning cautious. Foreign portfolio investors have withdrawn over ₹2.2 lakh crore from Indian equities this year, while India has slipped from sixth to seventh in global market-capitalisation rankings. Domestic retail investors have limited the damage, but the message is clear: global investors are becoming less convinced by India's growth story.

Even more worrying is India's position in the technological transformation currently reshaping the global economy. Mr. Modi's hollow guarantees have not only weakened what was built earlier but also his diversionary politics has prevented a discussion on what the future would be like and what India's role in it would be.

The 21st century will be defined by AI, semiconductors, advanced manufacturing, robotics and frontier science. Yet, India remains largely absent from these strategic sectors. Although the country has a vibrant startup ecosystem, much of it is concentrated in digital intermediation rather than technological innovation. Food delivery, ride-hailing and quick-commerce platforms may create high valuations, but they do not build technological sovereignty. Many of India's celebrated startups still depend on organising abundant low-cost labour through digital platforms rather than developing globally competitive technologies.

The contrast with global leaders here is striking. Taiwan dominates advanced semiconductor manufacturing through TSMC. South Korea commands critical positions through Samsung. The U.S. and China lead in AI, advanced chips and foundational technologies. India possesses immense engineering talent but remains heavily dependent on imported semiconductors, imported technology and imported capital equipment. Despite years of slogans about innovation and self-reliance, the country remains a marginal player in the industries that will define the future.

Scant transformation

This is perhaps the most serious indictment of the Modi decade. The promised manufacturing revolution has not materialised. The demographic dividend remains unutilised. Millions of young people continue to confront precarious employment, stagnant wages and shrinking opportunities.

Every failure has been passed on to ordinary people with a dose of hyper-nationalism. Wealth and opportunity continue to concentrate in fewer hands. The burden is socialised; the benefits are privatised.

Electoral victories should not be mistaken for economic success. A government can win elections while pursuing policies that weaken the long-term foundations of economic development.

The tragedy of contemporary India is that while the economy sends increasingly urgent distress signals, public attention is repeatedly diverted towards communal polarisation and manufactured controversies. Citizens are encouraged to fear one another rather than question policies that affect their livelihoods.

India possesses the resources, talent and productive capacity to chart a different path. But doing so requires confronting the policies that have brought the country to this point. It requires defending public investment, strengthening social protection, rebuilding employment generation, investing in science and technology, reducing external dependence and restoring economic priorities to the centre of public life.

Above all, it requires a resolute and united struggle against policies that enrich a few corporates while burdening millions with poverty. The choice before the country is stark: continue down the present path of division and economic fragility, or build a broad democratic movement with left-of-centre economics, capable of defending livelihoods, jobs and the future itself. The time to wake up is now, before it is too late.

D. Raja

General Secretary, Communist Party of India (CPI)

Behind the government's carefully crafted narrative, India's economic vulnerabilities continue to deepen

Context

India's "fastest-growing economy" hides serious structural weaknesses like heavy import dependence, a manufacturing revolution and fragile external cushions.

Facts

- India imports : 90% of its crude oil and half of its natural gas requirements.
- Foreign exchange reserves : fell from $720 billion to $681 billion.
- Foreign portfolio investors withdrew - ₹ 2.2 lakh crore from Indian equities in 2025-26.

Analytical Crux

India's growth story faces deep structural fragility. Domestic urea production depends on LNG and potash imports. The high import dependence is challenge for demographic dividend. India's external cushions i.e. remittances and services exports are fragile, exposed to Western anti-immigration politics & AI. India slipped from 6th to 7th in global market-capitalisation rankings. Food delivery, ride-hailing & quick-commerce platforms may create high valuations, but they do not build technological sovereignty. There is a need for technological dominance like Taiwan dominates advanced semiconductors through TSMC and South Korea through Samsung.

UPSC LINK

PSIR PAPER II, 2025: 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.

PSIR PAPER II, 2025: For India, a multipolar world order would also mean a multipolar Asia. Comment.

GS PAPER III, 2025: 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?

GS PAPER III, 2025: India aims to become a semiconductor manufacturing hub. What are the challenges faced by the semiconductor industry in India? Mention the salient features of the India Semiconductor Mission

GS PAPER II, 2024: 'The West is fostering India as an alternative to reduce dependence on China's supply chain and as a strategic ally to counter China's political and economic dominance.' Explain this statement with examples

PSIR PAPER II, 2023: What diplomatic steps has India taken to articulate the interests of the Global South in International Politics?