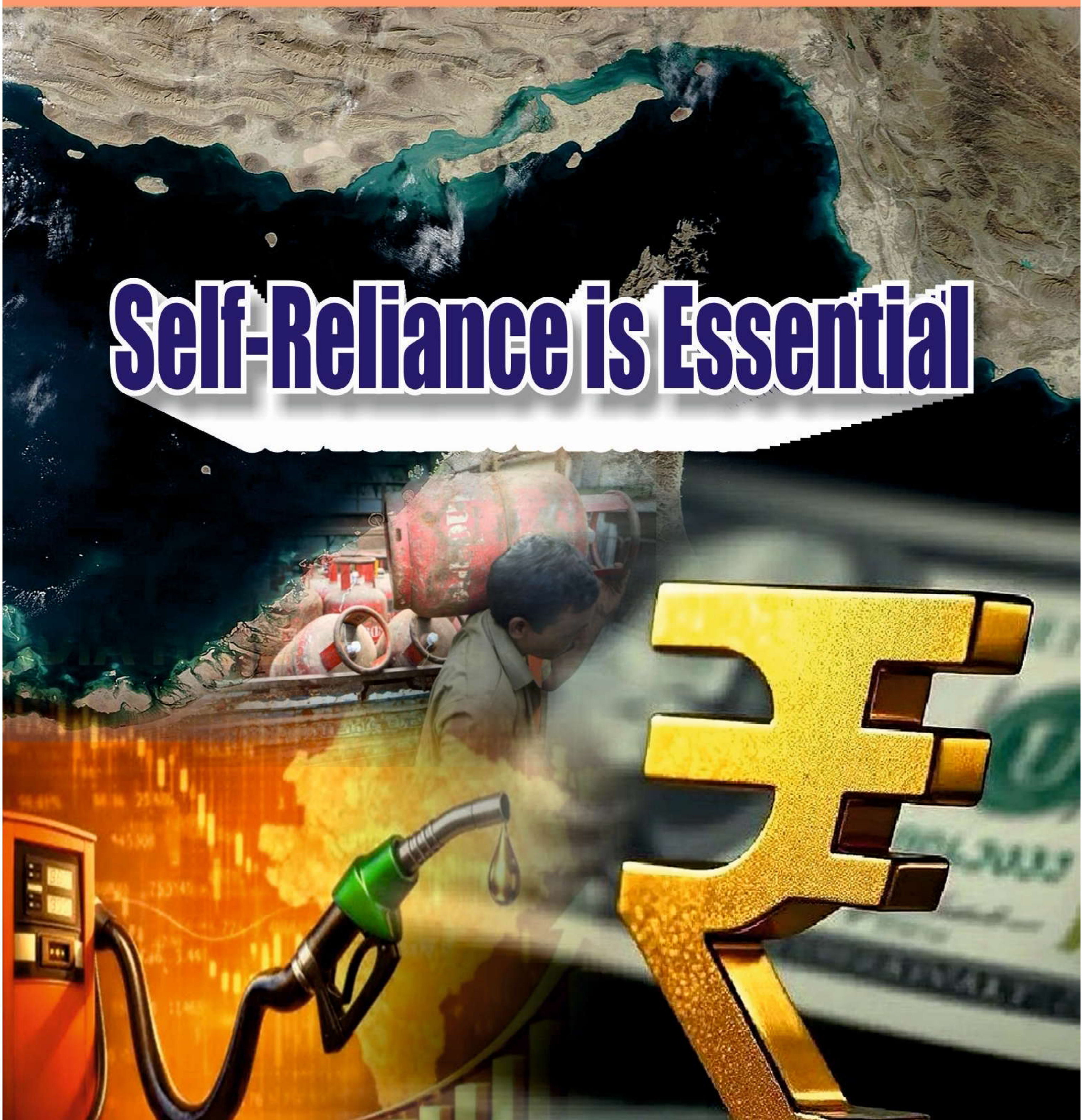
VIEW POINT | AGRICULTURE | ANALYSIS

Rs 15/-, Page-40

Swadeshi PATRIKA

May 2026

Self-Reliance is Essential



Swadeshi Programmes

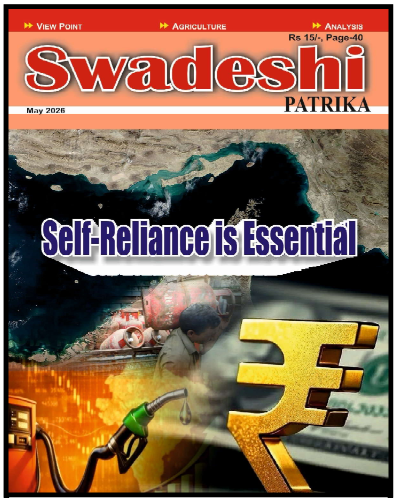
Pictorial Glimpses

Bhagat Phool Singh Women University, Khanpur Kalan

Bhubaneswar, Odisha

Soil Nutrition Program, Andhra Pradesh

Hyderabad, Andhra Pradesh



Vol-31, No. 5
Baishakh-Jyeshtha 2083 May-2026

EDITOR
Ajey Bharti

ASSOCIATE-EDITOR
Dr. Phool Chand

PRINTED AND PUBLISHED BY:
Dr. Ashwani Mahajan on behalf of **Swadeshi Jagaran Samiti,** 'Dharmakshetra', Sector-8, R.K. Puram, New Delhi-22,

COVER & PAGE DESIGNING
Sudama Dixit

EDITORIAL OFFICE
'Dharmakshetra' Sector-8, Babu Genu Marg. R.K. Puram, N. D.-22
E-MAIL : swadeshipatrika@rediffmail.com
WEBSITE : www.swadeshionline.in

CONTENTS

India's Energy Shield: Diplomacy, Reserves and a Multi-Fuel Future

Energy has become one of the most important concerns for both developed and developing countries, and for India, it is closely linked with economic growth and national development. As one of the world's fastest-growing economies, India's demand for energy continues to rise rapidly. However, domestic energy production has not been able to keep pace with this demand, leading to increasing dependence on energy imports. At the same time, environmental concerns and the need for cleaner energy sources have pushed India to rethink its energy strategy.

To address these challenges, India has increasingly relied on energy diplomacy the use of international relations and cooperation to secure energy supplies, strengthen energy security, and promote sustainable energy development. Alongside the Ministry of External Affairs, ministries responsible for petroleum, natural gas, and renewable energy work with other countries and organizations to build partnerships and expand cooperation. Traditionally, India focused on self-reliance and depended heavily on coal-based energy. Over time, growing demand and environmental concerns encouraged the country to diversify its energy mix through renewable sources such as solar, wind, and nuclear energy. India has also expanded energy investments abroad to secure stable supplies and reduce future risks.

A key part of this transition is the promotion of biofuels. Biofuels help reduce dependance on imported oil, lower greenhouse gas emissions, support waste and agricultural residue management, and create economic opportunities for farmers. However, concerns remain regarding the balance between food production and energy generation. Through international cooperation and innovation, India aims to achieve energy security while building a cleaner and more sustainable future.

— **Pallabi Biswas,** *Swadeshi Shodh Sansthan, Tripura*

EDITORIAL OFFICE

SWADESHI PATRIKA

***'Dharmakshetra'*, Sector-8, Rama Krishna Puram, New Delhi-22**

■Tel. : 26184595, *E-Mail*: swadeshipatrika@rediffmail.com

For subscription please send payment by A/c payee Cheque/Demand Draft/Money Order in favour of 'Swadeshi Patrika' at New Delhi, or Deposit the subscription amount in Bank of India A/C No. 602510110002740, IFSC: BKID 0006025 (Ramakrishnapuram)

Annual Subscription	**:**	**150/-**
Life Membership	**:**	**1500/-**

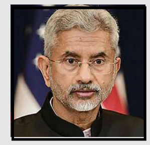
Kindly write your full name and address in capital letters.

If you do not receive any issue of Swadeshi Patrika, kindly e-mail us immediately.

Quote-Unquote

The successful launch of the world's first Oto SAR satellite and the largest privately-built satellite in India is a testament to our youth's passion for innovation and nation-building.

Narendra Modi, PM, Bharat



What we are witnessing is not a series of isolated events, but a convergence of challenges testing the resilience of multilateral system.

S. Jaishankar, External Affairs Minister, Bharat

If this (conflict in West Asia) is to continue for longer period of time, it is just a matter of time before the government will pass on some of the price increases.

Sanjay Malhotra, Governor, RBI

SJM firmly believes that this clarion call by the Prime Minister, will definitely have a significant impact on the mindset in the country, which will not only encourage people to reduce the consumption of petro-products, but also motivate our scientists, academia and industry to find new alternatives to the petroleum products for our day-to-day needs.

Ashwani Mahajan, National Co-Convener, SJM

EDITORIAL

Addressing The Menace of Bangladeshi Infiltration

Recently, the Election Commission of India (ECI) initiated a process known as the Special Intensive Revision (SIR). Under this initiative in several states ECI made efforts, to rectify deficiencies in the electoral rolls, prior to elections. These efforts address issues such as the wrongful inclusion of foreign nationals, the failure to remove the names of deceased voters, inclusion of a single voter's name in the rolls at multiple locations, and discrepancies arising from frequent migration, in electoral rolls. Naturally, in instances where the names of foreign nationals appear in the electoral rolls, the SIR process results in their automatic deletion, as they are unable to furnish proof of their citizenship. Ultimately-following the resolution of objections-a cumulative total of 52 million voters were removed from the rolls across 12 states and 3 Union Territories. Although, the SIR process faced vehement opposition from some opposition political parties, the Supreme Court ultimately upheld its constitutional validity, thereby dismissing the objections raised by the opposition. While the process of removing the names of a large number of foreign infiltrators from the voter lists has been accomplished through the SIR, the crucial task of expelling these foreign infiltrators from the country still remains. For a considerable period, the threat of illegal Bangladeshi infiltration has been steadily escalating across various parts of India. Nowhere in the world is illegal foreign infiltration permitted; yet, regrettably, in India, persistent attempts have been made to politicize this issue.

Recently, India's Home Minister, Amit Shah, constituted a high-level committee to address the issue of illegal infiltration and the resulting demographic shifts. The perceived backdrop to this move is the fact that the problem of Bangladeshi infiltration has assumed alarming proportions in West Bengal-a situation attributed to the state's shared border with Bangladesh and the patronage extended to Bangladeshi infiltrators by the government previously led by former Chief Minister Ms. Mamata Banerjee. Given that this committee was constituted shortly after the Bharatiya Janata Party (BJP) assumed power in West Bengal, it is now evident that the government is poised to adopt a tough stance against illegal Bangladeshi infiltration. It must be understood that the issue of foreign infiltration has multiple facets. This subject is not merely about demographic shifts; it possesses several far-reaching dimensions that require careful examination. The nation is currently grappling with the economic, social, political, and law-and-order implications stemming from the illegal infiltration of Bangladeshis. However, the impact is not uniform across the entire country; the consequences of this illegal infiltration are far more pronounced in border regions and densely populated urban centers-such as Assam, West Bengal, Delhi, and Mumbai. Regarding the economic repercussions of infiltration, the primary impact is a direct assault on the employment opportunities available to Indian citizens. India is already a nation characterized by a massive population and a large youth demographic. The country's own citizens-particularly the youth-are already facing difficulties in securing employment; in this context, when Bangladeshi infiltrators, in their quest for work, are willing to accept wages significantly lower than market rates, Indian laborers are effectively displaced from the workforce. Whether in the domestic sector or in industrial employment, Bangladeshi infiltrators are systematically edging Indian citizens out of their jobs. Furthermore, a significant volume of employment in India is generated within the unorganized sector-encompassing small shopkeepers, street vendors, hawkers, scrap dealers, construction workers, and laborers in markets and wholesale hubs. In all these spheres, Bangladeshi infiltrators are seizing control of employment opportunities; in many instances, they operate by forming organized syndicates. This trend is inflicting severe financial losses upon street vendors, small shopkeepers and local traders. Moreover, since Bangladeshi infiltrators predominantly work within the unorganized sector, the government derives no tax revenue from their economic activities. Additionally, after earning money in India, they illegally remit these funds back to Bangladesh, thereby causing financial detriment to the Indian economy. Furthermore, these infiltrators are exploiting the welfare schemes run by the Government of India for the country's impoverished citizens-which provide facilities such as free rations, electricity, water, and financial inclusion services (such as bank accounts)-based on fraudulent documents. This misuse is causing an annual loss of crores to the national exchequer. Moreover, the pressure on public services in areas prone to infiltration is steadily mounting. These infiltrators have even illegally procured documents such as Aadhaar cards and ration cards. Cases involving fake Aadhaar cards, ration cards, and voter ID cards are creating significant difficulties for governance, administration, and internal security. This makes it even more challenging to distinguish between citizens and non-citizens.

Demographic shifts resulting from infiltration lead to cultural or linguistic imbalances-a phenomenon particularly evident in border districts. Competition for resources, such as land, employment, and welfare schemes, often sparks conflicts between the local population and migrant communities. Furthermore, the risk of riots is significantly higher in areas affected by infiltration. Crimes such as human trafficking, organized crime, and the illegal encroachment of public land are also frequently associated with infiltration. Allegations are frequently leveled that certain political parties either encourage illegal infiltration or turn a blind eye to it for the sake of electoral gain. This exacerbates polarization within the political discourse and poses significant challenges for the administration. One also observes the unnecessary appeasement of minorities by certain political parties-specifically those that subscribe to the politics of cultivating 'vote banks' among particular religious groups. This leads to an erosion of sound political values. On numerous occasions, election results themselves get influenced by illegal infiltrators, thereby dealing a blow to the integrity of a healthy democratic system. It is evident that if the efforts currently being undertaken by the government to resolve the problem of infiltration come to fruition, they will go a long way in mitigating the crisis currently threatening the nation's socio-economic and political fabric.

Self Reliance Can Only Stabilise The Rupee

Given the popularity of the Prime Minister and people realizing the gravity of the problem, if we are able to reduce the outgo of foreign exchange by even 10 percent, by reducing these imports and restraining ourselves, we can save nearly 30 billion US dollars, and help saving the value of rupee.

Dr. Ashwani Mahajan

Although, Indian rupee has been depreciating since long, but recent decline in value of rupee in a very short span of two and a half months of ongoing war between US, Israel and Iran, is a cause of major concern for policy makers. Though, not directly referring to the fall in value of Indian rupee, but it's anybody's guess that when on May 10, 2026, the Prime Minister appealed to the nation to conserve petrol and diesel by minimizing unnecessary petrol diesel run vehicles' usage, curtailing foreign travel, working from home, and conducting meetings online; it was actually appeal to the citizens to protect Indian rupee via conserving foreign exchange. In this context, Prime Minister's appeal to the citizens for avoiding buying of gold, reduce consumption of cooking oil, avoid buying foreign brand goods and use Swadeshi products, reduce use of chemical fertilisers and move towards natural farming, are all aimed at reducing dependence on foreign countries and save valuable foreign exchange. It's important to note that during this period of Gulf war, India's foreign exchange reserves have depleted by 38 billion US dollars, and our reserves have declined from 728.5 billion on February 27th to US dollars to 690.7 billion US dollars by May 12, 2026.

Generally speaking, there are two views about the stability of the Rupee. One set of people believe that exchange-rate is nothing but a market determined variable; and one should not worry, even if currency depreciates, as imports and exports will adjust automatically to the exchange rate. They are of the view that depreciation of domestic currency may discourage imports, while exports are encouraged at the same time. About Indian rupee, sometimes they believe that it is overvalued and therefore if RBI intervenes to stem any decline in rupee, it would hurt the economy, as the same would encourage imports and discourage exports.

Second set of people believe in strong rupee. They feel that only a strong rupee can help controlling inflation, keep foreign exchange outgo, due to debt services (repayment of Principal and interest), dividends, royalty, salaries and other income transfers under check. Prime Minister Narendra Modi before taking over the rein of power, has been arguing that misdirected policies of the previous government have been responsible for decline in rupee and therefore a right set of policies can only help stop depreciation of rupee.

Though, value of rupee has always been a matter for discussion, we need to understand that howsoever strong a government is, it cannot artificially determine the exchange rate and help it appreciate. Exchange rate is determined by the forces of demand and supply of foreign currencies (say dollars), while demand for foreign exchange comes from imports of goods and services, debt servicing (repayment of principal and interest on the loans raised in the past), income transfers on account of dividends, royalty, technical fee, salaries and other income transfers, foreign exchange comes from exports of goods and services, net inflow of foreign direct investment (FDI), and foreign portfolio investment receipts from abroad etc. If the government wishes for a strong rupee, it cannot achieve the same artificially by administratively determining the exchange rate. No doubt sometimes RBI does engage in market interventions and try to curb short-term volatility in rupee by increasing supply of foreign exchange in the market, but this has only a limited impact in the long run if rupee depreciates due to chronic deficit in the balance of payment on current account (CAD). Any attempt by RBI, to keep the value of rupee intact, artificially, It has to inject more and more dollars from its kitty of foreign exchange reserves. Therefore, there is a danger that foreign exchange reserves may deplete if RBI continues to interfere in the foreign exchange market. Therefore, we need to correct the basic factors responsible for this deficit, in order to improve the value of rupee.

Considering the value of rupee India, in recent years, we note that value of rupee had remained relatively stable between April 1, 2024 and 31st March 2025, and depreciated by hardly 2.3 percent. during this period, but since April 1, 2025 till date the rupee has depreciated by 11.7 percent in little more than a year. Major depreciation during this period happened since the advent of war from February 27th, 2026, till May 13, 2026. Rupee has depreciated significantly, by 4.4 percent from 91.1 per US dollar to rupees 95.5 in a short span of two and a half months. This has caused major worry to people at large and policy makers in particular. We understand that the basic cause of fall in the value of rupee, is the rising prices of crude oil, which is ballooning balance of trade deficit, and Foreign Portfolio Investors selling spree in stick markets. Though, we expect that rupee will stabilise once war recedes, but the long-term solution to the problem of rupee can be found by correcting the balance of payment of the country. First component of the balance of payment comes from balance of merchandise trade. We see that over the years, there has been a significant tendency towards rising imports of merchandise and sluggish exports overtime. But during the year 2025-26, the imports witnessed a sudden spurt, while exports almost stagnated, resulting in balance of trade of merchandise increased by 50 billion US dollars, and jumped from US$ 283.5 billion in 2024-25 to 333.2 billion US$ in 2025-26. Though, this huge increase in deficit was partially offset by an increased surplus in invisibles' trade, by $25 billion from US$188.8 billion in 2024-25 to 213.9 billion US$ in 2025-26. If we try to scan the major items of merchandise imports by India, they include petroleum products, gold, edible oils, chemical fertilizers etc. Another major component of foreign exchange outflow is foreign travels by Indians. Continuous and fast rise in merchandise imports and stagnated merchandise exports, is an alarm bell for the economy in general and value of rupee in particular. Demand for foreign exchange due to foreign travel and Indian students going abroad for studies has also been increasing in the recent years.

It is estimated that in 2025-26 crude oil imports bill is expected to be nearly 135 billion US dollars; expected outgo of foreign exchange on gold imports, chemical fertilizers and edible oil bill is expected to be 72 billion US dollars, 14 to 18 billion US dollars and 19 billion US dollars respectively. Foreign exchange spending by Indian travelers going abroad and Indian students going for studying abroad is costing nearly 30-35 billion US dollars and 15-20 billion US dollars respectively.

We can very well understand that the Prime Minister's appeal to the citizens to reduce the consumption of petrol and diesel by using public transport and also using electric vehicles; shun buying of gold, postpone foreign visit by at least one year, reduce consumption of cooking oil and move towards natural farming avoiding chemical fertilizers, is a sane advise to help save our valuable foreign exchange and protect rupee from further depreciation.

Given the gravity of the problem of constantly declining rupee due to global conflicts, disturbed value chain and danger of depletion of our foreign exchange reserves, nation has to act fast, rising above the narrow political narratives, to safeguard the interest of the country. Given the popularity of the Prime Minister and people realizing the gravity of the problem, if we are able to reduce the outgo of foreign exchange by even 10 percent, by reducing these imports and restraining ourselves, we can save nearly 30 billion US dollars, and help saving the value of rupee. ❑❑

The Hormuz Crisis and Implications for India's Economic Security

The contemporary global order is passing through one of its most fragile geopolitical phases since the end of the Cold War. The convergence of the Iran–Israel confrontation, the renewed tensions involving the United States in West Asia, the strategic contest over the Strait of Hormuz, and the evolving architecture of the Abraham Accords has transformed energy security from a purely commercial issue into a matter of national survival and geopolitical influence. The crisis has exposed the vulnerabilities of import-dependent economies like India and has simultaneously accelerated the transition toward a new global strategic and financial order.

The Abraham Accords, initiated in 2020 under American diplomatic sponsorship, normalized relations between Israel and several Arab states including the United Arab Emirates, Bahrain, Morocco, and Sudan. While the accords were projected as a peace and economic integration initiative, they also created a new strategic alignment in West Asia directed largely toward containing Iran's regional influence. Over time, this emerging bloc reshaped the geopolitical balance of the Gulf region. Iran increasingly viewed the growing military, intelligence, and technological cooperation between Israel and Gulf monarchies as a direct strategic encirclement.

The situation became even more volatile after the escalation of Iran–Israel hostilities and the broader regional polarization involving American military deployments in the Gulf. The Strait of Hormuz — through which nearly one-fifth of global oil supplies and a substantial volume of LNG trade passes — once again emerged as the world's most sensitive maritime chokepoint.

India's rise as a major global power in the coming decades will depend significantly on how effectively it responds to this historic challenge.

Dr. Dhanpat Ram Agarwal

The importance of the Strait of Hormuz cannot be overstated. Nearly 20–25 percent of global crude oil trade and a significant proportion of liquefied

natural gas exports move through this narrow maritime corridor connecting the Persian Gulf to the Arabian Sea. Any military disruption, blockade, or insurance risk in this region immediately causes global oil prices to surge, shipping costs to rise sharply, and financial markets to become unstable. The present crisis demonstrated how quickly energy supply chains can become instruments of geopolitical warfare.

For India, the implications are profound. India is today one of the fastest-growing major economies in the world, but its energy architecture remains heavily dependent on imports. India imports nearly 85 percent of its crude oil requirement, while a large share of its LPG, LNG, fertilizer feedstock, and petrochemical inputs are linked directly or indirectly to Gulf energy supplies.

Any prolonged disruption in the Gulf region therefore creates a cascading economic effect on India:

- Rising crude oil prices increase India's import bill.
- The current account deficit widens.
- Pressure on the rupee intensifies.
- Inflation rises across transport, agriculture, and manufacturing sectors.
- Fertilizer costs increase, affecting food security.
- Fiscal pressures emerge due to fuel subsidies and welfare commitments.

The crisis also highlighted India's vulnerability in LPG and LNG supplies. In periods of supply uncertainty, domestic cooking gas prices rise sharply, transport costs increase, and industries dependent on gas-based energy face production disruptions. Small industries, ceramic units, transport operators, hotels, and restaurants become especially vulnerable.

"India imports nearly 85% of its crude oil requirement — making Gulf instability a direct economic concern for every Indian household."

The fertilizer sector presents another strategic concern. India's agriculture remains substantially dependent on imported phosphates, potash, and gas-linked fertilizer inputs from the Gulf and West Asia. A prolonged energy disruption can therefore evolve into an agricultural crisis, increasing food inflation and rural distress.

One of the most significant lessons from the Hormuz crisis is the importance of strategic petroleum reserves (SPR). China possesses energy reserves sufficient for several months, whereas India's strategic reserves remain relatively limited in comparison. The crisis demonstrated that energy reserves are no less important than military reserves in the modern geopolitical environment.

The weakening of the rupee during periods of oil shocks also reveals the structural linkage between energy security and monetary stability. Higher dollar payments for crude imports place pressure on foreign exchange reserves and increase imported inflation. In an era of rising geopolitical fragmentation, energy-importing nations face not only commodity risk but also currency risk.

Another important strategic dimension is India's balancing diplomacy. India today maintains close strategic relations with the United States and Israel in areas such as defense, technology, intelligence cooperation, and Indo-Pacific security. At the same time, India depends heavily on Gulf countries for energy imports and on Iran for regional connectivity projects such as the Chabahar Port and the International North-South Transport Corridor (INSTC).

This requires India to pursue a sophisticated policy of multi-alignment rather than traditional non-alignment. India must simultaneously maintain:

- Strategic cooperation with the United States.
- Defense and technological engagement with Israel.
- Energy partnerships with Saudi

Arabia and the UAE.

- Connectivity and regional access cooperation with Iran.
- Continued engagement with Russia for discounted energy supplies.

The Abraham Accords have also created a new diplomatic opportunity for India. India enjoys strong relations with Israel as well as with Arab Gulf states. The emergence of the India–Middle East–Europe Economic Corridor (IMEC), supported by the United States, UAE, Saudi Arabia, and Europe, could potentially become a transformative strategic trade architecture connecting India to Europe through West Asia. However, the success of such corridors depends entirely upon regional stability.

Simultaneously, China has attempted to deepen its own strategic footprint in West Asia through the Belt and Road Initiative, long-term energy contracts with Iran, and infrastructure investments across the Gulf. Thus, the Hormuz crisis is not merely a regional conflict — it is also part of the larger contest for control over future global trade routes, energy systems, and financial influence.

India must therefore draw long-term strategic lessons from the current geopolitical disorder.

Key Strategic Priorities for India

1. Expansion of Strategic Petroleum Reserves

India should increase its strategic petroleum storage capacity from a few weeks to at least 90 days of emergency reserves, similar to major advanced economies.

2. Diversification of Energy Sources

India must reduce excessive dependence on the Gulf by expanding energy partnerships with:

- Russia
- Central Asia
- Africa
- Latin America
- United States

3. Acceleration of Renewable and Nuclear Energy

The crisis underlines the importance of:

- Solar energy
- Green hydrogen
- Wind energy
- Small Modular Reactors (SMRs)
- Thorium-based nuclear technologies

Energy self-reliance must become central to the vision of Viksit Bharat 2047.

4. Strengthening Domestic Gas and Fertilizer Capacity

India should increase domestic production of gas, fertilizers, and petrochemicals while also developing alternative indigenous agricultural inputs.

5. Maritime and Naval Security

The Indian Navy's role in safeguarding sea lanes in the Arabian Sea and Indian Ocean has become strategically critical. Energy security is now inseparable from maritime security.

6. Strategic Connectivity Corridors

Projects like:

- Chabahar Port
- INSTC
- IMEC

Must be treated not merely as commercial projects but as instruments of geopolitical resilience.

7. Protection of Indian Diaspora in the Gulf

Millions of Indians work in Gulf countries and contribute significantly through remittances. India must strengthen emergency evacuation mechanisms and diaspora security frameworks.

The broader lesson from the Hormuz crisis is unmistakable: economic growth without energy security is inherently fragile. The 21st century global order will increasingly be shaped not only by military power but also by control over energy routes, supply chains, technology, and financial systems.

For India, energy security can no longer remain a secondary economic concern. It must become a central pillar of national security, foreign policy, industrial strategy, and long-term civilizational resilience.

The Abraham Accords, the Iran–Israel confrontation, and the Hormuz crisis collectively signal the emergence of a new geopolitical era in which strategic autonomy will depend upon energy self-reliance, diversified supply chains, technological advancement, and balanced diplomacy. India's rise as a major global power in the coming decades will depend significantly on how effectively it responds to this historic challenge. ❑❑

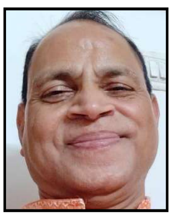
Sources

1. User's original Hindi article: "Iran-America War and India's Energy-Economic Security"
2. The Abraham Accords Declaration – U.S. Department of Stateüÿ
3. International Energy Agency (IEA) – Strait of Hormuz and Global Oil Tradeüÿ
4. U.S. Energy Information Administration – World Oil Transit Chokepointsüÿ
5. International Monetary Fund (IMF) – India Economic Outlooküÿ
6. Reserve Bank of India – Annual Report and External Sector Dataüÿ
7. Ministry of Petroleum and Natural Gas, Government of Indiaüÿ
8. International Energy Agency – India Energy Outlooküÿ
9. United Nations World Economic Situation and Prospects 2026üÿ
10. Congressional Research Service – Iran and the Strait of Hormuzüÿ
11. Al Jazeera Centre for Studies – Iran-US Confrontation Scenariosüÿ
12. CNBC – India-China Competition for Russian Oil Amid Hormuz Disruptionüÿ
13. Britannica – Strait of Hormuz Overviewüÿ

Oil Crisis and Rupee Devaluation

Bharat is counted among the world's strongest economies, and its currency is a barometer of global trade health and geopolitical stability. Recent disruptions in crude supply from the Middle East and West Asia pursuant Iran-US war for past two months and prior to this war, the tariffs imposed by the US President Donald Trump since he took an oath of the Presidential office, have deepened the rupee devaluation crisis. Since Bharat imports nearly 80% of its crude oil and pays in dollars, rising oil prices increase dollar demand, weakening the rupee.

The Bharatiya rupee has been trending downward against the US dollar, recently hitting record lows near 95.40, driven by a strong US dollar, rising global oil prices, significant capital outflows by Foreign Institutional Investors (FIIs), and a persistent trade deficit. The Federal Reserve's interest rate policy keeps dollar-denominated assets attractive, leading to capital flight from emerging markets like India.



OPEC-driven crude production and supply catalyse US Dollar domination despite its hold on merely 28 percent of global crude production and trade. For Bharat, import of crude for OPEC is a commercial expediency due to supply distances, diplomatic pressures and locational advantages.

Vinod Johri

Not only Bharatiya rupee, the major currencies have undergone devaluation in these crises and even the US Dollar has seen erosion, the consequences of which are clearly seen in the United States. The Reserve Bank of India and the Union Government are fully aware of this currency dynamics but taking extremely cautious approach so as not to disrupt the imports and international trade. Some schools of thoughts are not worried about it and take it as a normal course correction. However, such devaluation does impact growth of economy, inflationary pressures and outflow of foreign investments due to weak sentiments of the economy. While the US President Donald Trump does not consider it a crisis in his own country but his contentment is encouraged by the increasing US dollar domination globally.

The fundamental truth is that currency values are determined by the relative cost of money. Investors always hunt for the highest risk-adjusted return, which creates a direct link between the policy rates of the Reserve Bank of India (RBI) and the US Federal Reserve.

When the rupee comes under pressure against the US dollar or when the former hits a record low against the latter, investors, businesses, and the public start panicking. Because, it is a direct burden on the consumption. Massive crude oil import bills create a persistent demand for the dollar over local currency. Global risk-off sentiment prompts foreign investors to liquidate Indian assets for safer dollars.

Bharat's dependence on imports is evident from its crude oil buying trend. Around 80% of India's crude oil demand is met by the global markets. Oil is priced internationally in US dollars. As a consequence, any spike in energy prices implies a greater volume of dollars needs to be purchased. So, oil-led depreciation is a major factor of the pressure on the rupee. Another important factor is the trade deficit. India's consistent merchandise trade deficit, where imports outpace exports, can be settled only if Bharatiya importers sell rupees to buy dollars. This constant bid for the US dollar keeps the local currency perpetually undervalued.

Foreign portfolio investment (FPI) is liquid money pumped into stocks and bonds. This transient capital is extremely sensitive to global risk appetite and macroeconomic stability. Capital flight happens during periods of global uncertainty or due to the potential for better returns elsewhere. Under such circumstances, foreign institutional investors mostly turn net sellers in the Indian markets. They liquidate their holdings in Bharatiya stocks and bonds; they sell rupees and buy dollars, causing the local currency to weaken. The risk-off sentiment often drives the rupee's devaluation. During global recessionary fears or conflict, almost as instinct investors flee to safe havens in the US financial system. Over years, the US dollar has earned the reputation of the world's primary safe asset. When FPIs sell Bharatiya holdings, they convert their rupee proceeds into dollars to repatriate funds. This flight bolsters the dollar demand and thus the Dollar Index (DXY) while devaluing emerging market currencies like the rupee, regardless of Bharat's internal economic strength. The premium for holding Bharatiya debt has to be attractive enough to compensate for the perceived risk of an emerging market. If it's not large, global funds (held by FPIs) will fly back to the US from Bharat. This situation creates perpetual pressure on the rupee.

> ***Bharat's dependence on imports is evident from its crude oil buying trend. Around 80% of India's crude oil demand is met by the global markets. Oil is priced internationally in US dollars. As a consequence, any spike in energy prices implies a greater volume of dollars needs to be purchased.***

A falling rupee is a bummer for travellers and also acts as a silent cost-driver for Indian industry through imported inflation. All essential raw materials become dearer. Companies in the Fast-Moving Consumer Goods (FMCG) sector reel from rising costs for inputs like palm oil and packaging materials, which are traded in dollars. A sliding rupee forces these companies to either absorb margin hits or pass the costs to consumers through price increases. The domestic automotive production is steadily increasing, but that is not helping Bharat wean off imported components. Many sectors still purchase components like semiconductors and specialised steel from other countries. A depreciating rupee hikes the landed cost of these parts. As a ripple effect, ex-showroom prices of vehicles and consumer electronics also edge up.

Unlike volatile FPI, foreign direct investment (FDI) acts as a stabiliser. Long-term FDI is like a structural counter-weight. Robust FDI inflows push up the dollar supply in the local market. This helps mitigate the dent caused by short-term capital outflows.

Currency depreciation is a challenge, but one cannot deny the clear commercial and investment opportunities that it creates for others. Export-oriented sectors have little cause to worry about. Businesses in information technology (IT) and pharmaceuticals earn majorly in dollars but incur most of their costs in rupees. A weaker rupee implies higher margins for these companies, when converting their

The RBI does not target a specific rate or band. Instead, allowing the rupee to depreciate gradually to reflect economic fundamentals, such as higher inflation differentials relative to the US. The RBI intervenes in the foreign exchange market to curb "undue volatility," selling dollars from its substantial reserves to absorb excess demand.

foreign earnings back into local currency. International diversification pays off most of the time. Investors holding foreign equities or global mutual funds benefit twice during a rupee slide — once from the growth of the asset itself and again from the favourable exchange rate upon conversion. NRI remittances are influenced by falling rupee. For the Bharatiya diaspora, a falling rupee is a rising purchasing power of their foreign income within Bharat. This leads to a surge in inward remittances to take advantage of the higher conversion yield. As foreign travel and education become more expensive in rupee terms, domestic tourism and local educational institutions see a boost in demand, benefiting businesses within these sectors.

As of early 2026, the Bharat Government and the Reserve Bank of India (RBI) maintain a market-determined exchange rate policy, focusing on managing volatility rather than defending a specific, fixed price level for the Indian Rupee (INR) against the US Dollar (USD). Amidst a record depreciation of the rupee—touching lows near Rs. 95 in March 2026—the government's approach is to allow gradual adjustment while curbing excessive speculation.

The RBI does not target a specific rate or band. Instead, allowing the rupee to depreciate gradually to reflect economic fundamentals, such as higher inflation differentials relative to the US. The RBI intervenes in the foreign exchange market to curb "undue volatility," selling dollars from its substantial reserves to absorb excess demand. In early 2026, the RBI was active in both spot and forward markets. Bharat maintains high forex reserves (around US$ 698 billion as of Sep 2025, with continued active management in 2026 to act as a shield, ensuring orderly market functioning and meeting external obligations. The government views the depreciation as partly driven by trade deficits and US tariffs on Indian exports. The approach includes attempting to boost export competitiveness via a weaker currency, while supporting industries that rely on imports. To deter speculative attacks, the RBI has been using a more varied approach, changing the timing, method, and size of its interventions. Finance Minister Nirmala Sitharaman stated that the rupee's decline was not specific to India but was a common trend among Emerging Market (EM) currencies, emphasizing that the situation is managed and monitored.

Contrary to popular notion, the RBI does not target a specific exchange rate level. Its role is to ensure the rupee's movement is not erratic or disorderly. It is important to keep the economy in a safe space so that Bharat can meet its external obligations even during periods of high dollar demand.

The depreciation of the rupee is a core characteristic of an energy-dependent, emerging economy. Seasoned investors always monitor the US Fed policy. Shifts in US interest rates remain the single largest driver of global dollar strength and global energy prices. Brent crude levels are a primary indicator of the pressure on Bharat's trade balance. Last, but as crucial as the previous two, are institutional inflows. The inclusion of Bharatiya debt in global indices has acted like a structural cushion. It supports steady capital inflows, helping to partly offset trade-led depreciation pressures.

Whatever be the factors behind rupee devaluation, it is imperative to contain this trend and not allow it further in tune with the global pressures, mainly crude oil supply crisis. OPEC-driven crude production and supply catalyse US Dollar domination despite its hold on merely 28 percent of global crude production and trade. For Bharat, import of crude for OPEC is a commercial expediency due to supply distances, diplomatic pressures and locational advantages. Reduced domestic demand of petrol, diesel, LPG and optimum capacity utilisation of renewable sources, electric vehicles, nuclear, solar and wind energy for domestic consumption, compulsory usage of EVs in the Government sector and mandatory installations of solar energy installations in community and Government and corporate residential complexes and offices will certainly reduce import burden of crude oil imports. ❑❑

(The author is former Additional Commissioner of Income Tax, Delhi)

Prime Minister's 7 Point Appeal

The Bigger Problem Is Gold

When Prime Minister Narendra Modi addressed a rally in Secunderabad on May 10, his message struck an unusually cautionary note. He urged Indians to defer gold purchases for a year, reduce foreign travel, and conserve fuel — seven specific appeals that sounded less like routine political rhetoric and more like a warning about gathering economic strain.

The backdrop was impossible to ignore. Since the US and Israel launched Operation Epic Fury against Iran on February 27, tensions in West Asia have sharply escalated, with the Strait of Hormuz — the artery for nearly a fifth of the world's seaborne oil trade — effectively under blockade.

In just over two months, India's foreign exchange reserves have reportedly fallen by nearly $38 billion from their early March peak of around $709 billion. The rupee has slid to a record low of 95.63 against the dollar, while gold imports — already touching a staggering $72 billion in 2025-2026 — continue to exert intense pressure on the country's forex position.

At the centre of this debate is Dr **Ashwani Mahajan** — economist, Delhi University, national co-convenor of the Swadeshi Jagran Manch and long-time advocate of economic self-reliance.

In a press statement issued on May 10, the Swadeshi Jagran Manch backed Modi's appeal to cut fuel use, foreign travel and imports, calling it a push towards Swadeshi and self-reliance. The SJM said reducing dependence on imported oil and promoting renewable energy, EVs and domestic clean-tech manufacturing would strengthen India's economy and foreign exchange reserves.

On cue, **Modi has reduced his convoy size and promoted the use of electric vehicles**, demonstrating a commitment to austerity and sustainable practices following his public appeal to reduce fuel consumption.

In this interview with **Prasanna D Zore/Rediff**, conducted late on the night of May 12, Dr Mahajan speaks about the Gulf war, the surge in gold

imports, foreign portfolio outflows, and why he believes foreign direct investment may be worsening — rather than easing — India's foreign exchange pressures.

'There is a clear warning in what the prime minister said' Prime Minister Narendra Modi's appeal to cut foreign travel, fuel consumption, and gold purchases sounded unusually cautionary.

Is the government indirectly signalling that the economy is entering a period of serious stress? Do you foresee a real economic shock if the war in the Gulf continues?

These measures are pre-emptive. During wars we have seen massive hikes in oil prices, withdrawal by foreign portfolio investors, disruption of global value chains — all of which start feeding into the domestic economy through rising prices, pressure on industrial production, and a squeeze on the metal markets.

In normal times — business as usual — we were able to absorb the outflow of foreign exchange. Gold imports, modest shocks in oil prices, money being sent abroad as remittances, Indians travelling overseas — all of that was manageable.

But now, with the war situation, , and oil above $100 for over 45 days, a lot has changed.

Almost every major country is taking precautionary steps. Most have seen petrol and diesel prices rise. The government has so far chosen to absorb that pressure — through the oil marketing companies, through reduced taxes — and not pass it on to consumers.

The very fact that the government has been able to absorb it and not pass it on shows our economy is resilient. But there is a clear warning in what the prime minister said. That warning was there.

What does the data tell us about how much pressure is already building?

In just under 70 days — from February 27 to May 11 — India's foreign exchange reserves have come down by $38 billion. That is not a small number. And during this period, a great deal of money has also been taken away by foreign portfolio investors. The result is pressure on the rupee.

Now, there is a narrative that foreign portfolio investors are 'leaving India'. That is not quite the right framing. Let me explain it differently — and I do not think anyone has put it to you quite this way.

According to my estimates, and those of colleagues in the economics community, foreign portfolio investors had, over the years, been earning returns of around 42% from Indian markets.

The sufferers were ordinary Indian people — F&O traders, small retail investors.

What has changed recently is that regulators have cracked down on the kind of market manipulation — pushing prices up or down (*by these FPIs and FIIs who use high frequency trading algos to make huge profits at the expense of India's traders in futures & options segments or derivatives*) — that allowed FPIs to generate those outsized profits.

Now, whenever they exit, the gap is filled by Indian domestic investors (*SIP investors in MFs*). The upheavals are smaller. But because their (*of FIIs and FPIs*) profits have come down sharply, they no longer find the Indian market as attractive.

They are selling and going out — not because India is weak, but because the easy money is gone.

'Sometimes, by making an appeal, the government also sends a signal — enough is enough'

Could importing more Russian oil cushion India from the oil shock? India has reportedly declined Russian LNG because of US sanctions...

India is not under any curb when it comes to buying Russian oil (*or gas*). We have been doing that. But it is not that simple — Russia is now also charging higher prices. And oil, frankly, is only the tip of the iceberg.

The bigger problem is gold. Every year we import approximately $70 billion worth of gold — closer to $72 billion in 2025-2026, an all-time record. There is no parallel for this anywhere in the world. And this love for gold will not disappear overnight.

The bigger problem is gold. Every year we import approximately $70 billion worth of gold — closer to $72 billion in 2025-2026, an all-time record. There is no parallel for this anywhere in the world. And this love for gold will not disappear overnight.

But the prime minister's appeal is not merely a request to citizens. It is a warning signal to those who have been purchasing gold in bulk — not for ornaments, but as a speculative instrument.

If you look at World Gold Council data, only a minuscule portion of the gold imported into India actually goes into making jewellery. The vast majority is bought in the form of bars and biscuits — which have nothing to do with the ornaments industry.

So the narrative being created, that the jewellery trade and the small craftsmen will suffer if gold imports are curbed, is misleading. That business is a very small part of the total gold purchased.

So when the prime minister says stop buying gold, what is he really communicating?

Sometimes, by making an appeal, the government also sends a signal — enough is enough. That is what I feel is happening here. And never before has any prime minister made such a strong appeal on this matter. This is historically unprecedentede.

The Prime Minister also spoke about cutting back on foreign travel. Is the Liberalised Remittance Scheme — which allows Indians to send up to $250,000 abroad per financial year — also a leakage point that should be addressed?

There have been some restrictions introduced in the last two years. Earlier, the limit was $1 million. There has been tightening. You may want to verify the exact current ceiling — I would do the same.

But beyond LRS, there is something more sig-

In 2025-26, India's trade deficit increased by $50 billion compared to the previous year. Yes, our services surplus also increased by $25 billion — but that still leaves a net deficit of $25 billion. Add to this the outflow from foreign corporate (direct) investment and from FPIs, and the pressure compounds.

nificant happening. Indians are travelling more, spending more abroad. Earlier, we introduced tax collected at source for those buying foreign travel tickets, partly to track people using undisclosed income for overseas trips. That measure has started to yield results.

The broader picture is this: In 2025-26, India's trade deficit increased by $50 billion compared to the previous year. Yes, our services surplus also increased by $25 billion — but that still leaves a net deficit of $25 billion. Add to this the outflow from foreign corporate (*direct*) investment and from FPIs, and the pressure compounds.

The rupee feels it. And it is not Modi's rupee — it is India's rupee (*which is under threat from these outflows*). When it weakens, every Indian pays.

'He knows that when a leader makes a statement of this kind publicly, he must be seen to follow through'

Would you agree that people would respond more lovingly to PM Modi's 7-point appeal if they saw the leadership doing it first — walking the talk. Is it not fair to ask that of the prime minister?

PM does not spend a single penny from the public exchequer on his personal needs. Look at the data on how much he spends on travel and other things compared to his predecessors. Whatever gifts he receives — he immediately auctions them and puts the proceeds into the government kitty. So he has already been leading by example. And I say this not because I belong to the RSS — it is simply what the data shows.

But would it not help if the prime minister voluntarily put into the public domain the expenses incurred during his foreign tours?

There have been several RTI applications filed seeking disclosure of amounts spent on foreign visits — and most of those RTIs have been rejected.

Foreign tours are important for national interest, for diplomacy, for security — all of that is understood. But given that he is now asking citizens to sacrifice, should he not show the numbers first?

I do not think any RTI has been rejected on those grounds. If some have been rejected, it would be because the questions touched on matters related to the security of the country. That is a legitimate exemption.

But should the prime minister not voluntarily disclose — without waiting for RTI applications — that I visited six or seven countries, this is what it cost, this is how much of foreign exchange the country saved during these visits and these are the sacrifices I have personally made? And now I am asking you to do the same.

Would that not set a far more powerful example?

I do not think the prime minister needs to do that. Many details of his foreign tours are already in the public domain — the itineraries, the outcomes, the broad nature of expenditure.

Where details are withheld, it is typically for security reasons. And whatever he does at home — his official residence, his domestic expenditures — all of that is already publicly available. Gone are the days when prime ministers made personal visits at public expense. He is already setting that example.

But what about the large convoys — the motorcades that accompany him, which also consume enormous amounts of fuel? And there were reports of IAF aircraft being used during the Somnath temple ceremony. Given that he has just made an appeal to the nation to save fuel, does that not send a contradictory signal?

I understand the question. And honestly, you know, sometimes we also ask the government to correct certain things. But let me tell you what I genuinely believe: if he has said that we should reduce fuel consumption, you will — in the coming days — see a visible difference in government functioning as well.

He knows that when a leader makes a statement of this kind publicly, he must be seen to follow through. The prime minister is aware of this. And he has the credibility and the popular trust to carry it through. That trust has been earned over years — it is not just a political figure's popularity. It is a global standing. He will walk the talk. ***(to be continued...)***

The Story Behind Amazon's Carbon Credit Deal with The Good Rice Alliance in India

Amazon has signed a 30 million dollar worth agreement to buy carbon credits from Indian rice farmers through the Good Rice Alliance. At this scale, it is the first of its kind in India and one of the largest agricultural carbon deals globally. This deal comprises more than 13,000 farmers across India and cover 35,000 hectares of farmland which could generate more than 685,000 carbon credits. It involves the use of techniques like alternate wetting and drying to cut methane. As rice farming is a major methane source which is also responsible for 8 to 10 percent of global methane emissions. Also, as compared to CO2, methane is 27 times more powerful in warming the planet. So, methane reduction will have real climate impact.

But now the question arises that why companies like Amazon are doing the carbon deals. Basically, the big tech companies are investing heavily in carbon credits today to offset emissions and reach net-zero goals. In fact, buying carbon credits has become a trend now. For instance, in the United States, Microsoft signed a massive deal to buy millions of soil carbon credits from farming projects. While in Latin America, Meta invested in large forestry carbon projects as part of its net-zero strategy. The primary reason of buying carbon credits is that the carbon deals are cheaper than fully decarbonizing operations and it also boosts the ESG (Environmental, Social, Governance) credibility of companies. But it is to be noted that carbon credits are not the silver bullet. The best case could be that farmers earn more and emissions genuinely fall from this deal whereas the worst case could be that companies neutralize emissions on paper while pollution continues. Thus, the real question is that are companies using carbon credits as a bridge to sustainability or a shortcut around it? Because that answer will decide whether deals like this become climate solutions or just better accounting.

Only time will tell whether such carbon deals will truly reduce emissions or simply allow companies to continue polluting while appearing environmentally responsible on paper.

Annu Kumari

Understanding the Amazon's Rice Carbon Credit Deal from the Lens of Greenwashing

The Amazon rice carbon credit deal promises extra income for farmers. With this deal, farmers will get financial support and methane emissions may go down which in turn will help Amazon to achieve its net-zero climate goals. Now the question arises whether the project is truly about climate action or part of a corporate greenwashing.

Amazon announced its plan to buy carbon credits from Indian rice farmers through the Good Rice Alliance (TGRA). The Good Rice Alliance (TGRA) is backed by Bayer, Shell and GenZero. Bayer presents itself as a leader in sustainability and regenerative agriculture for years but the company has faced strong criticism for its role in pesticide-heavy industrial farming. In 2023, Bayer argued that glyphosate should be seen as an important part of regenerative agriculture because it helps support no-till farming methods. Glyphosate is one of the world's most controversial herbicides hence the Bayer stance on glyphosate received backlash from regenerative farming groups in Spain and environmental organizations across

Europe. Critics accused Bayer of trying to redefine regenerative agriculture in a way that allows chemical-heavy farming to continue under a greener image.

The International Agency for Research on Cancer classified glyphosate as "probably carcinogenic to humans." The glyphosate remains controversial as some regulators disagree about the level of risk it contains. The loss of biodiversity, soil degradation, water pollution and possible health risks are also associated with glyphosate. In September 2024, Corporate Europe Observatory published a report in which it accused Bayer of extensive lobbying against environmental regulations. The report claimed that Bayer lobbied against pesticide reduction targets, pushed for the reapproval of glyphosate despite health concerns, opposed bans on the export of toxic chemicals and tried to influence GMO regulations in ways that supported the company's business interests. Moreover, in April 2024, a group of civil society organizations from Argentina, Brazil, Paraguay, Bolivia and Germany filed an OECD complaint against Bayer. The organizations accused the company of contributing to deforestation, water pollution, biodiversity loss, land conflicts and health problems connected to pesticide usage in South America's industrial soy farming system. The complaint also argued that Bayer failed to address the environmental and human rights risks connected to its products and farming practices.

While in the United States Bayer faced accusations of greenwashing. During Pollinator Week in Minnesota in 2024, the company sponsored a "Feed a Bee" campaign that promoted pollinator protection. Environmental groups protested because Bayer is one of the world's leading producers of neonicotinoid pesticides, which are strongly linked to bee decline and pollinator collapse. Activists argued that Bayer was presenting itself as bee-friendly while continuing to profit from chemicals associated with harming pollinators. In 2026, German Environmental Aid launched legal action against Bayer over alleged greenwashing claims. Environmental groups increasingly argue that Bayer uses sustainability language and regenerative agriculture branding to improve its public image while continuing practices linked to environmental harm.

GenZero's involvement in the Good Rice Alliance (TGRA) raises more questions because it is backed by Temasek Holdings. Temasek later faced greenwashing concerns after reports claimed that a Temasek-backed energy company tried to avoid higher interest payments linked to sustainability bonds by arguing that it had not missed its emissions targets. The controversy raised a larger concern about climate finance. So, it can be said that sustainability metrics and ESG systems can sometimes become more about financial strategy and corporate image than about real environmental change.

The carbon credit scandal of Shell is one of the major concerns. As the Shell company marketed more than twenty shipments of liquefied natural gas (LNG) as carbon neutral between 2022 and 2024. Through millions of carbon credits linked to methane reduction projects in Chinese rice fields, the Shell company balanced the emissions from the fossil fuel shipments. But then the Climate Home News and Dialogue Earth found major problems with these methane reduction projects of Shell company in Chinese rice fields. It was found that the farmers in the project areas said that they had never heard of the carbon programs and local authorities also denied involvement. Besides, in some cases, although developer claimed that infrastructure was there but there was no infrastructure as developers claimed existed. Therefore, the trust in Shell company damaged due to this carbon credit scandal as well as it tarnished the trust in carbon credit system. Also, it needs to be noted that the Good Rice Alliance (TGRA) also focuses on methane reduction credits from rice farming which raises real question whether a similar carbon credit system can really be trusted in India after serious failures were already exposed in China.

Thus, it can be stated that the main concern regarding the carbon deal of Amazon with the Good Rice Alliance is about trust and accountability. The Good Rice Alliance is backed by companies like Bayer and Shell which have repeatedly faced accusations of greenwashing, weak environmental oversight, lobbying against environmental regulations and questionable sustainability practices. Irony of the situation is that Amazon is one of the world's largest corporate emitters but it is buying carbon credits from the Good Rice Alliance which is backed by corporations that already face credibility problems owing to environmental practices. In a nutshell, only time will tell whether such carbon deals will truly reduce emissions or simply allow companies to continue polluting while appearing environmentally responsible on paper. ❑❑

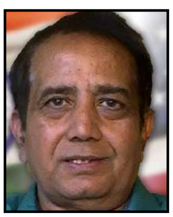
Annu Kumari: *Assistant Professor, Sri Aurobindo College (Evening), University of Delhi*

US Keeps India on IP Watch List, Presses for Dilution of Patent Rules

India has again been placed on the Priority Watch List in the 2026 Special 301 Report released on April 30 by the Office of the United States Trade Representative, reflecting continued US pressure over pharmaceutical-related intellectual property protection and enforcement in India.

The Special 301 process is not legally binding; it is an administrative review used by the US as a pressure tool. It does not impose immediate penalties but can lead to negotiations, investigations, and sometimes trade action if issues escalate.

For India, the report has no direct legal impact but signals continued US push on IP issues. The USTR plans to engage more closely with Priority Watch List countries, and such listings often shape future trade demands and negotiations.



India should avoid diluting key patent law provisions such as Section 3(d) and compulsory licensing under external pressure, and must also ensure that its IPR framework is not weakened through commitments in future free trade agreements.

Ajay Srivastava

The new report reviews 25 countries based on their IP regimes. Vietnam has been named a Priority Foreign Country, which can trigger a Section 301 investigation within 30 days, while countries like India face closer bilateral engagement. The other countries on the list alongside India are Chile, China, Indonesia, Russia and Venezuela. India was also on the Priority Watch List in 2025 and 2024, showing this is an ongoing status, not a one-time action. In fact, it has remained on the USTR's Priority Watch List since 1990s, reflecting long-standing differences with the US over intellectual property policy, especially in pharmaceuticals.

Key Issues

The report raises several concerns about India's IP framework, especially in pharmaceuticals. A key issue is Section 3(d) of the patent law, which denies patents to new forms of known drugs unless they show improved therapeutic effect. This is meant to stop "evergreening"—minor changes made to extend patents without real benefit. India's position is that this rule is fully WTO-compliant and has been upheld in cases like Novartis v. Union of India, targeting misuse rather than genuine innovation.

The US also questions India's compulsory licensing rules, saying they create uncertainty. Compulsory licensing allows the government to permit a third party to produce a patented product without the consent of the patent holder under specific public interest conditions. India's position is that its use has been extremely limited—only once in Bayer Corporation v. Natco Pharma Ltd.—which reflects restraint rather than misuse.

Another concern is the lack of data exclusivity for pharmaceuticals, as it allows generic manufacturers to rely on originator data. Data exclusivity protects clinical trial data for a fixed period even if the product is not under patent. India currently provides no statutory exclusivity, whereas the US typically seeks at least 5 years (and up to 12 years for biologics). India's position is that TRIPS does not mandate such exclusivity, and introducing it would delay generics and significantly raise drug costs.

The report further highlights enforcement gaps like piracy, counterfeiting and slow courts. India's position is that these are operational challenges rather than systemic weaknesses, and that enforcement capacity has improved.

Other concerns include the absence of a separate trade secrets law, drug price controls, and delays in patent processing. India's position is that trade secrets are protected through contracts and common law, price controls are necessary for affordability, and patent systems are being streamlined. Overall, while the US cites weak IP protection, India's position is that it is fully WTO-compliant and that the real difference lies in its refusal to adopt stricter, TRIPS-plus standards.

India-Specific Issues in 2026 Report

USTR Report observations	*India's Possible Rebuttal*
India remains on Priority Watch List due to inadequate IP protection	India is fully TRIPS-compliant. The issue is refusal to adopt TRIPS-plus standards, not weak protection.
Section 3(d) restricts patentability	Section 3(d) prevents evergreening, not innovation. Upheld in Novartis v. Union of India. Retain anti-evergreening safeguards
Compulsory licensing creates uncertainty	Used only once in Bayer Corporation v. Natco Pharma Ltd.—shows restraint, not misuse.
No data exclusivity for pharma	TRIPS does not mandate exclusivity. Introducing it would delay generics and raise costs.
Weak enforcement (piracy, counterfeiting)	Challenges are procedural, not systemic. Enforcement capacity has improved.
No dedicated trade secrets law	Protected via contract and common law; absence of statute is not absence of protection.
Price controls distort market access	Regulation by National Pharmaceutical Pricing Authority ensures affordability in a low-income market.
Delays in IP processes	India has reduced timelines and expanded examination capacity; reforms ongoing.

Case studies: Novartis and Bayer

Two landmark cases illustrate the functioning of India's system.

In Novartis v. Union of India, the Supreme Court rejected a patent for a modified cancer drug that failed to show enhanced therapeutic efficacy. The ruling enabled generic competition, reducing prices from about Rs. 120,000 per month to roughly Rs. 8,000 and setting a global precedent against incremental patent extensions.

In Bayer Corporation v. Natco Pharma Ltd., India granted its first compulsory licence for a life-saving cancer drug. The price dropped from around Rs. 280,000 to Rs. 8,800 per month, while the patent holder received a royalty. The decision demonstrated that compulsory licensing can be used as a targeted tool to address affordability and access.

Logic vs Expectations

The report effectively criticises India's development-focused pharmaceutical IP system, while the US pushes for stronger, TRIPS-plus protections such as longer exclusivity and broader patents. The difference reflects two competing views on how IP should work in developing economies. India's framework, under the Patents Act, 1970, is designed around public health—preventing evergreening and ensuring affordable medicines—while staying fully WTO-compliant.

India supplies nearly 20% of the world's generic medicines, and generics typically reduce drug prices by 80–90%. Provisions like Section 3(d) and compulsory licensing are therefore essential, and evidence shows India has balanced innovation with access. India should continue to defend these principles to protect affordable healthcare and policy sovereignty.

US pressure on India's pharma IP regime dates back to the 1990s, driven by strong industry lobbying for stricter protections. This continues even though India exported $9.7 billion worth of medicines to the US in 2025, mostly low-cost generics that help reduce healthcare costs. Accepting US demands would weaken India's generics industry—often called the "pharmacy of the world"—and harm patients globally, including in the US.

India should avoid diluting key patent law provisions such as Section 3(d) and compulsory licensing under external pressure, and must also ensure that its IPR framework is not weakened through commitments in future free trade agreements. ❑❑

https://basispointinsight.com/Story/Topic/us-keeps-india-on-ip-watch-list--presses-for-dilution-of-patent-rules_fe3daeb05488.html

Ajay Srivastava, founder of Global Trade Research Initiative, is an ex-Indian Trade Service officer with expertise in WTO and FTA negotiations.

The Significance of the Appeal to Return Home

Recently, Sridhar Vembu—a staunch advocate for self-reliance in technology (particularly in IT and Artificial Intelligence), promoter and former CEO of the globally renowned software company 'Zoho'—has sparked a new debate. He did so by writing an open letter to Indians residing in the United States, appealing to them to return home and contribute to the task of building India's future. The central premise of his appeal is that India's standing in the world depends upon its technological advancement. For a long time, India has been exporting its talent to the rest of the world—a phenomenon commonly referred to as the "brain drain." During that period, India lagged behind in the creation of world-class technology. Today, though, India possesses the capability to forge ahead in the development of world-class technology, yet, the primary prerequisite for achieving this expeditiously is that those Indians currently settled abroad—who had originally left the country due to a lack of opportunities—must return home.

Prominent figures have, on numerous occasions in the past, appealed to Indians to return home; however, none of these appeals sparked a debate as intense as the one triggered by Sridhar Vembu's recent call. The reason for this lies in the fact that U.S. President Donald Trump has been making various disparaging remarks regarding people of Indian origin. For quite some time now, he has consistently asserted that employment opportunities for Americans are diminishing due to the presence of foreigners. He has repeatedly argued that companies utilize the provisions of the H-1B visa to import cheap labor from abroad, thereby displacing American workers. Consequently, he has tightened H-1B visa regulations and initiated rigorous scrutiny of foreign workers. It is noteworthy that the vast majority of Indians working in the United States—primarily in the software and technology sectors—do so through the H-1B visa program, a mechanism through which both American and Indian companies provide employment to Indian nationals.

It appears that while this transformation may not occur overnight, sooner or later, people of Indian origin—including Green Card holders, US passport holders, and Indian passport-holding NRIs—may find themselves drawn back toward India.
Swadeshi Samvad

Interestingly, President Trump has previously been an admirer of the Indian people and the leadership. In the past, he has consistently stated that India is a great friend and a strategic partner. At events such as 'Howdy Modi,' he heaped lavish praise upon Indian-Americans, describing them as incredible, noting their immense contribution to the American economy. However, he recently used derogatory language regarding the Indian people and India on his social media platform, 'Truth Social'—remarks that India's Ministry of External Affairs characterized as uninformed, inappropriate and in poor taste. This statement by President Trump, his post, shared on his Truth Social platform, was part of a broader, highly controversial commentary on U.S. birthright citizenship by radio host Michael Savage. Nevertheless, following this incident, the U.S. administration clarified that President

Trump regards India as a great nation and considers its leadership to be a close friend. Prior to this, President Trump had also caused diplomatic friction by imposing heavy tariffs on nearly all of USA's trading partners—including India—though the U.S. Supreme Court has since ruled to overturn the majority of those tariffs.

In the current context, Sridhar Vembu's appeal to Indians to return home and contribute to their country's technological advancement, holds particular significance for two key contexts. First, the shifting geopolitical landscape—specifically the statements and actions of the U.S. administration, and President Trump in particular—has cast a shadow of uncertainty over the future of Indians residing in the United States. Second, India is not only poised for technological advancement but is also witnessing a steady expansion of its potential in this domain. There was a time when India lagged significantly behind in terms of technology; during that era, graduates from our premier educational institutions—such as the IITs, medical colleges, and engineering schools—along with management experts, scientists, and professionals, were unable to secure work opportunities, commensurate with their talents due to the prevailing adverse conditions within India. Consequently, our brightest young minds turned their gaze toward foreign shores. These young individuals subsequently played a pivotal role in the nation-building and development of those host countries. It is noteworthy that people of Indian origin constitute only 1.5 percent of the U.S. population; of these, two-thirds are immigrants, while one-third are native-born. However, a remarkable fact is that—owing to their diligence, education, and capabilities—they earn several times more than the average American and contribute 6 percent to the U.S. national revenue. The U.S. government derives $300 billion in revenue from people of Indian origin. Compared to various other demographic groups, the Indian-origin community represents the highest-earning segment of the population. Indians maintain a strong presence in America's most lucrative sectors, such as technology, healthcare, and finance. They possess exceptionally high levels of education and professional expertise; furthermore, they play a pivotal role in the realms of entrepreneurship and business ownership. Indeed, the Chief Executive Officers (CEOs) of numerous major corporations are of Indian origin. The amount of money people of Indian origin contribute in taxes far exceeds the benefits they receive in return through social security and other government welfare programs.

However, some people in India have not received Sridhar's appeal very positively, and they are criticizing Sridhar Vembu. At the same time, however, many others are supporting him. It is evident that for people of Indian origin who have been living in US, for one or more generations, packing up their belongings and returning to India is no easy task—even if they love India and believe in her growth story. There are many who believe that the environment, infrastructure, standard of living, and opportunities for employment and business are far superior in the US compared to India. Some have even moved to the US specifically for the purpose of their children's education. Consequently, Sridhar Vembu's appeal may have only a very limited impact on their decision to remain in the US, but this appeal will definitely shake up their minds.

Nevertheless, there are also many who left India in pursuit of better education and, subsequently, a good job; yet, they are now facing adverse treatment from the US administration—particularly regarding visa-related uncertainties & rejections, and other restrictions. There are many who see opportunities in India—driven by its thriving start-up ecosystem and business prospects, as well as the country's progress in innovation, technological advancement, and rapidly improving infrastructure. There are also many who harbor a sense of patriotism toward their motherland; they have begun to contemplate a return—and, indeed, some are already making their way back to India. Furthermore, there are many who are already maintaining strong ties with India—contributing to technological development, investing in businesses and start-ups, and preserving their close connections with the country.

It appears that while this transformation may not occur overnight, sooner or later, people of Indian origin—including Green Card holders, US passport holders, and Indian passport-holding NRIs—may find themselves drawn back toward India. The reasons behind this could include a sense of patriotism, better opportunities for development, robust infrastructure, and ease of living. However, we must understand that this is a highly opportune moment for 'brain gain' opposed to 'brain drain' scenarios of the past. ❑❑

From RCEP exit to embracing Five Eyes economies, how India reimagined geo-trade

As India seals its trade pact with New Zealand, after concluding similar deals with Australia and the United Kingdom earlier, and is advancing talks with the United States and Canada, a Five Eyes-aligned trade architecture is coming into being to replace the plurilateralism that New Delhi rejected in the Regional Comprehensive Economic Partnership (RCEP).

The free trade agreement (FTA) was signed on April 27 in New Delhi by Union commerce minister Piyush Goyal and New Zealand's trade and investment minister Todd McClay. It marked the culmination of negotiations that had started in 2010, got stalled, restarted and hardened over the years, and were revived again in 2025. What began as a conventional market access negotiation had, over the years, turned into a test of non-negotiables, especially dairy, agriculture and labour mobility. The final agreement reflects those fault lines as much as it resolves them, yet this is seen as a new chapter in bilateral ties. "This is a comprehensive and forward-looking agreement that will open new avenues for businesses and professionals," Goyal said at the signing. But beyond the April 27 ceremony lies a deeper shift, for this is a signal of how India intends to engage with the global trading system. That shift is visible in both data and direction. India's annual trade with Australia has crossed $31 billion while with the United Kingdom it is about $20 billion, with an ambition to scale it up to $100 billion by 2030. Trade with New Zealand, currently around $1.3 billion, is expected to expand sharply post-FTA. The United States remains India's largest trading partner at over $190 billion whereas trade with Canada is in the $8-10 billion range.

Staying out of RCEP means missing out on certain supply-chain efficiencies and intra-Asia integration gains. Indian firms may face higher barriers in markets where competitors benefit from preferential access.

Anilesh S. Mahajan

At one level, this looks like India inching towards a Five Eyes-aligned trade corridor. But this will be no easy substitute to large plurilateral frameworks. These are advanced, high-standard economies where average tariffs are already low, often below 3-4 per cent. The real negotiations shift to non-tariff barriers, regulatory standards, digital trade and labour rules. Market access here is harder to secure and more conditional.

The scale is also different. The RCEP spans 15 economies, nearly 30 per cent of global GDP and trade, and over 2.3 billion people. India's bilateral route, by contrast, involves negotiating multiple agreements, each with its own rulebook. It is a more complex and resource-intensive pathway.

Yet India's strategy is not a simple pivot away from Asia. Even as it deepens ties with the Five Eyes economies, it has expanded engagement with RCEP countries, minus China. The deal with Australia is operational. The pact with New Zealand is now concluded. India is also renegotiating its FTAs with Japan, South Korea and ASEAN (Association of Southeast Asian Nations) while exploring more targeted bilateral arrangements within Southeast Asia. The intent is recalibration.

It is only in this broader context that India's decision to walk away from RCEP in 2019 begins to look less like an exit and more like a pivot. For years, the argument from India's pro-trade lobby was straightforward. Join RCEP and India would integrate into a frictionless Asian production network. Tariffs would fall, supply chains would deepen, and Indian firms would gain access to a seamless manufacturing ecosystem spanning ASEAN and East Asia.

That argument was economically coherent. It was also anchored in a phase of globalisation that is now under strain. The pro-RCEP lobby was right about one thing. Frictionless movement of goods enhances efficiency. A unified rulebook reduces transaction costs and enables deeper supply-chain integration. But that logic assumes a stable geopolitical environment and, critically, a neutral centre of gravity within the trading system.

In the case of RCEP, that assumption was always contestable. The architecture of the bloc effectively positioned China at its core. China accounts for close to 30 per cent of Asia's manufacturing output and is the largest trading partner for most RCEP members. A tariff-light, rules-aligned framework would have further entrenched its role as the principal hub in regional supply chains.

For India, this raised a structural concern. Integration into RCEP would not have meant joining a neutral network, but entering a system where value chains, intermediate goods and final demand were heavily anchored in China. The likely outcome was deeper dependence, not diversification. Lower tariffs could have accelerated imports, widening an already significant $50-60 billion trade deficit with China and constraining domestic manufacturing.

There was also a second-order effect. RCEP's rules of origin,

designed to enable seamless trade, would have allowed Chinese components to move through third countries and enter India with preferential access. This would have blurred supply-chain boundaries and amplified China's indirect access to the Indian market. In effect, the efficiency gains promised by RCEP would have come with a consolidation of Chinese economic dominance in the region.

It is this trade-off that India ultimately chose to avoid. The world since then has changed. The Covid pandemic exposed the fragility of hyper-optimised supply chains. The US-China trade conflict sharpened economic rivalries. The Russia-Ukraine war disrupted commodity flows and logistics networks. Global value chains have not disappeared, but they are being reconfigured. Efficiency is no longer the sole organising principle. Resilience, redundancy and trust now shape decision-making.

In this environment, economic interdependence itself is being recalibrated. Countries are seeking to diversify supply chains, reduce exposure to single markets and align trade relationships with broader strategic interests. The shift is towards managed globalisation. India's approach reflects this transition. Instead of joining the world's largest supply chain, it is building multiple, selectively integrated corridors, prioritising control and negotiating reciprocity on its own terms.

The India-New Zealand FTA captures this shift in microcosm. India has secured zero tariff access on 100 per cent of its exports while offering phased tariff reductions on about 95 per cent of New Zealand's exports, excluding dairy and other sensitive sectors. It has also secured 5,000 annual work visas, 1,000 working holiday visas and anchored a $20 billion investment commitment over 15 years.

While being a template of calibrated openness, it has trade-offs. Staying out of RCEP means missing out on certain supply-chain efficiencies and intra-Asia integration gains. Indian firms may face higher barriers in markets where competitors benefit from preferential access. But India appears to have made a conscious choice. It is willing to trade some efficiency for greater strategic autonomy. It is betting that the future of global trade will be less about seamless integration and more about calibrated partnerships. RCEP represented the high point of hyper-globalisation. India's new trade strategy represents what comes after. ❑❑

https://www.msn.com/en-in/money/topstories/from-rcep-exit-to-embracing-five-eyes-economies-how-india-reimagined-geo-trade/ar-AA22b8wu?ocid=finance-verthp-feeds

Approval of GMO Wheat in USA Increases Concerns Regarding the High Risks of Genetically Modified Crops

New reports from Friends of the Earth and Sustainable Pulse have drawn attention to the increasing concerns relating to higher risks of GM crops following the approval of GMO wheat in the USA. While hundreds of scientists and research papers have confirmed the many-sided high risks of GM crops for farming, health and environment, there has been some relief that at least some of the major food crops most widely consumed by human beings have been free so far from GM technology. In countries like India and neighbour countries of South Asia where wheat and rice are the most favoured and staple food crops, it is of particular concern to keep these crops away from GM technology. Hence U.S. government's recent approval of HB4 genetically modified (GMO) wheat is causing particular concern in South Asia as well as in most other countries. This concern is not just due to the overall high risks of GM crops, it is also due to the more specific warnings that GM wheat in particular can pose serious risks to public health, environment and farmers' livelihoods, while offering no proven benefit. As the USA is known to be increasingly aggressive in promoting not only its farm exports, but in addition also GM technology as a part of its promotion of packages that suit US agro-business interests, there is increasing worry regarding future perils.

With the approval of HB4 consumers of USA and ultimately of several other countries face the prospects of herbicide-tolerant wheat entering the food system. Of course this is only the approval stage and it is not currently being grown commercially in the U.S. However the process of its potential spread has started.

Virtually every paper supporting GM crops is by scientists who have a declared conflict of interest or whose credibility and integrity can be doubted.

Bharat Dogra

Friends of the Earth is calling on companies and consumers to reject HB4 GMO.

According to the documents of Friends of the Earth and Sustainable Pulse HB4 wheat is engineered to tolerate the toxic herbicide glufosinate ammonium. Glufosinate is banned in the European Union because it poses risks to human health. It is also linked to negative impacts on soil and ecosystem health. "GMO wheat poses high risks with no clear benefits. It threatens farmers, consumers, and ecosystems," said Dana Perls, senior program manager at Friends of the Earth. "Companies and consumers should reject genetically engineered wheat and support proven, sustainable solutions. Organic farming and traditional breeding protect climate, biodiversity, and food security — without toxic trade-offs."

These documents say that HB4 wheat would extend the failed, toxic system of some other GM crops to a global staple food — deepening chemical dependence, increasing costs for farmers, and compounding environmental damage.

These reports say that "even limited commercialization of HB4 could trigger trade disruptions or contamination of non-GMO wheat supplies… Even farmers who don't plant HB4 could suffer, as genetic contamination and supply-chain mixing could jeopardize all U.S. wheat exports. Meanwhile, GMO seeds undermine farmers' economic sovereignty by locking them into restrictive contracts with powerful seed and chemical corporations."

These reports say that "research links glufosinate to premature birth, miscarriage, stillbirth, skeletal birth defects, and autism-like behaviors in offspring." According to EPA assessments, glufosinate is much more toxic than the herbicide glyphosate in terms of long-term exposure. Because glufosinate can be sprayed directly on HB4 wheat, the approval of HB4 could increase residues of the toxic herbicide in food such as breads, pastas, and cereals. Pregnant people and children are the most vulnerable populations. In addition, these documents say, glufosinate is harmful to soil organisms, pollinators, and aquatic life, threatening biodiversity and long-term farm resilience. The chemical also increases the risk of soil and water pollution.

These reports say that despite being promoted as a climate solution, HB4 wheat lacks independent evidence demonstrating superior performance under drought conditions. Analyses of available data suggest it may actually yield *less* than conventional wheat, even in dry years.

As GMO wheat is in its early stage, these concerns should be widely noted and carefully examined at this early stage in all concerned countries so that costly mistakes can be avoided. As is well-known, the technology is such that once costly mistakes have been made, it is almost impossible to undo all the damage. Hence the greatest caution should be exercised in this matter. In fact in the interests of environment and health, in the interests of protecting the livelihoods of farmers as well as sovereignty of small farmer systems, it is important to resist and oppose such harmful technologies with firmness and unity.

I have travelled to many villages in India and spoken to hundreds of farmers (including wheat farmers) who are engaged in evolving climate resilient farming and ecologically protective farming without using any hazardous technologies and in fact steadily reducing their dependence on hazardous chemicals. They are moving towards natural farming, and at the same time they are able to maintain and sometimes even improve yields, while definitely producing healthier food for their families as well as for others. Women farmers are in the frontlines of such efforts. When such safe alternatives are available, there is absolutely no need to opt for high risk, high hazards technologies like GM crops, whether for wheat or for any other crop.

Before concluding, let us hear what India's top scientist on this subject, the late Prof Pushpa M. Bhargava, who was also the founder of the Centre for Cellular and Molecular Biology and was also selected to advice the Supreme Court of India on this subject, stated about GM Crops after considering all the available evidence, "There are over 500 research publications by scientists of indisputable integrity who have no conflict of interest, that establish harmful effects of GM crops on human, animal and plant health and on environment and biodiversity…On the other hand, virtually every paper supporting GM crops is by scientists who have a declared conflict of interest or whose credibility and integrity can be doubted." ❑❑

The writer is Honorary Convener, Campaign to Save Earth Now. His recent books include India's Quest for Sustainable Farming and Healthy Food, 14 questions on GM Crops, Protecting Earth for Children and Man over Machine—The Path of Gandhi.

Market Access Challenges for India in its FTA with EU

The EU-India FTA offers India significant market access but also poses major challenges. The EU has secured substantial concessions and embedded extensive non-tariff measures in the deal. Unless Indian businesses prepare to meet these regulatory standards, projected export gains may not materialise.

Biswajit Dhar

Within a week in early 2026, the government of India performed a veritable miracle by agreeing to bilateral free trade agreements (FTAs) with the two largest economies, the United States and the European Union (EU). The two decisions have fundamentally altered India's trade policy, the implications of which can only be understood when their granular details are revealed after they are officially endorsed by the governments.

However, as of now, the two FTAs are headed in different directions. The EU-India FTA is following the official procedures that are laid down for the 27-member bloc. The draft chapters of the FTA have been published in keeping with the transparency policy of the European Commission (EC).[1] The European Commission has clarified that these "texts are published for information purposes only and may undergo further modifications, including as a result of the process of legal revision".

The text of the agreement is awaiting approval of the Council of Europe before the two governments officially endorse it.[2] Then, the European Parliament will ratify the agreement, setting the stage for its implementation. This effectively means that the details of the FTA will not be known until early 2027.

The US-India FTA is considerable thinner on details, with only a US-India Joint Statement available in the public domain.[3] The Joint Statement reflects President Donald Trump's decision to lower the 50% "reciprocal tariff" imposed on US imports from India in September 2025 to 18% and eliminate tariffs on select products. But the statement did not explicitly clarify if India can continue to provide adequate tariff protection to sensitive agricultural commodities essential for its food and livelihoods security.[4]

This FTA is currently mired in legal uncertainties following the US supreme court ruling against President Trump's strategy of imposing unilateral reciprocal tariffs on trade partners, which were then used as a leverage to conclude trade deals. In its majority ruling, the supreme court argued that President Trump had used the International Emergency Economic Powers Act (IEEPA) to impose reciprocal tariffs even though this statute does not allow him to do so, and more critically, the US Constitution allows only the US Congress to impose tariffs and other taxes.[5] The ruling of the supreme court put a question mark over the ability of the Trump administration to conclude trade deals without being authorised by the US Congress.[6]

With the US-India FTA back on the drawing board, this article analyses the likely implications of the EU-India FTA from the point of view of the additional market access India could expect. It is important to note that the EU-India FTA has a very different structure from the bilateral trade agreements India had negotiated before its decision to launch FTA negotiations with the EU in 2007.

While the earlier FTAs included tariff-cutting exercises and the opening of markets for services, India agreed to include in the negotiating mandate a plethora of regulatory standards, or non-tariff measures (NTMs),[7] typical of FTAs to which advanced countries are parties. In the EU-India FTA, NTMs include food safety standards and other product and process standards, measures for the protection of the environment, and labour standards, and they are included in six of the 20 chapters of the agreement.[8]

The incidence of NTMs has consistently increased since the establishment of the World Trade Organization (WTO), coinciding with a steady reduction in tariffs.[9] Recent estimates show that NTMs affect nearly 90% of global trade by volume and are six times more significant than they were three decades ago.[10] NTMs have thus more than compensated for the reduction in tariffs. Despite their growing importance, the reality of NTMs has not been properly factored in by India's trade policy makers in their assessments of FTA outcomes. Tariff reductions continue to guide their assessments of bilateral trade agreements.

This will be clear from the discussion in the following section, which provides a brief overview of the outcomes presented in government narratives. The next section deals with three specific forms of NTMs: food safety and product and process standards, standards for the protection of the environment, and labour standards. The likely impact of these NTMs on India's future market access prospects is discussed in the final section.

I. Government Assessments

At the conclusion of the EU-India FTA negotiations, the most protracted ever for a bilateral trade deal, both governments are optimistic about the expected benefits. The Government of India described the deal as "a comprehensive partnership with strategic dimensions" and "one of the most consequential FTAs". It pointed out that India secured preferential access in 97% of tariff lines, accounting for more than 99% of its exports by trade value to the EU,[11] and "high-value commitments in services complemented by a comprehensive mobility framework enabling seamless movement of skilled Indian professionals".[12]

India's hopes of increasing its merchandise exports to one of its largest trade partners, hinges on the EU's decision to eliminate its tariffs on 99% of its exports terms of trade value.[13] Of India's current exports to the EU, 90.7% by value (or 70.4% of tariff lines at the 6-digit level) would attract no import duties once the FTA comes into effect. This would benefit several labour-intensive industries, including textiles, leather and footwear, sports goods, and gems and jewellery, as well as tea, coffee, spices, and certain marine products.

Duty-free access after three to five years would be available to 20.3% of tariff lines, accounting for 2.9% of India's exports to the EU, benefiting certain marine products, processed food items, and arms and ammunition. Import duties on a further 6.1% of tariff lines covering 6% of India's exports would be reduced, with the beneficiaries including certain poultry products, preserved vegetables, and bakery products.

In addition, tariff rate quotas (TRQs) would be put in place for cars, steel, and certain shrimp and prawn products. The Indian government expects agricultural and processed food exports to receive "a transformative boost" from EU tariff cuts, as lower tariffs would make these products more competitive in the EU.

Increasing service sector exports, especially through the temporary movement of professionals, has been one of India's primary interests in bilateral trade deals. According to the Government of India, the EU has offered enhanced access to Indian businesses across 144 services subsectors, including information technology and IT-enabled services (IT/ITeS), professional services, education, and other business services.

The EU has also agreed to provide "seamless movement of skilled Indian professionals"—one of India's key demands. Indian professionals would accordingly have better possibilities to provide services to EU clients in 17 sub-sectors in IT, research and development (R&D), and higher education, and in knowledge-driven trade.

The EU-India FTA is the first bilateral trade agreement negotiated by India that not only recognises Indian traditional medicine (ITM) services as health and wellness-related services but also facilitates trade in such services. The EU has allowed providers of these services to operate in its territory under the professional title obtained in India, provided that the supply of traditional medicine services is not considered a "regulated profession".

In jurisdictions where such services are considered a "regulated profession", traditional knowledge practitioners are required to possess specific professional qualifications, including a medical degree.[14] This is an example of a regulatory standard that could influence India's access to the EU's services markets.

The EU's two-decade-long wait for a bilateral trade deal with India appears fully justified, as it has secured substantial concessions to increase its presence in the world's sixth largest economy. India has agreed to reduce or eliminate tariffs on almost 97.5% of its imports from the EU, covering 92% of tariff lines.[15] The EU estimates that the reduction of import tariffs could double its merchandise exports to India by 2032.[16]

India would eliminate tariffs on almost 50% of the products it imports from the EU immediately after the FTA comes into effect, with import duties on another 40% of its imports to be eliminated within five to ten years. India would regulate imports of apples, pears, peaches, and kiwi fruit using tariff rate quotas.

Among India's significant offers is reduction of tariffs on automobiles from 110% to 10%, though imports from the EU would be regulated through an annual quota of 250,000 cars.[17] This is a major gain for the EU as India's refusal to reduce its automobile tariffs on automobiles was one of the main reasons for the stalemate in the negotiations. India has also agreed to reduce and/or import duties on pharmaceuticals, processed agricultural products and wines, though several products would see phased reduction/elimination of tariffs.

The two governments have not disclosed much about the nature of their commitments in the services sector. However, two annexes on financial services and telecommunications suggest that there would be significant policy coordination between the EU and India in these sectors.

India has been conservative in opening its financial services sector in all previous FTAs, but the EU appears to have extracted several concessions, including India's de facto acceptance of the WTO's Understanding on Commitments in Financial Services—which is not part of India's commitments under the General Agreement on Trade in Services (GATS).

India's implementation of this "Understanding" would result in an important change in its foreign direct investment (FDI) policy. While India does not currently allow 100% foreign ownership in several financial services, the "Understanding" requires that foreign financial service suppliers be given "the right to establish or expand within its territory, including through the acquisition of existing enterprises, a commercial presence". In other words, India must allow the establishment of fully foreign-owned entities.

Furthermore, the EU has reported that India has "agreed to incorporate and implement most of the rules agreed under the WTO Domestic Regulation Joint Initiative", of which India has been a strident critic.[18]

Though the Government of India is optimistic about its gains from this FTA, the realisation of expected benefits may not be as straightforward as it appears, given that the EU is an extensive user of regulatory standards, or NTMs. The EU has acquired the reputation of a "regulatory superpower", shaping global markets through its regulatory standards. Though "EU regulations are meant to protect consumers, uphold human dignity and promote an ethical form of capitalism", they also act as effective NTMs.

The EU has been adding to its inventory of regulatory standards as the single market has expanded and consolidated over the three decades of its existence. From its early days, the bloc was described as "Fortress Europe", having adopted the "strategy of establishing one set of approved standards for certain products".

Many of these key regulations are embedded in its FTA with India. A few aspects of the EU's complex regulatory structure are discussed briefly below, to allow a better understanding of the challenges that Indian businesses could face once the EU-India FTA is implemented.

(To be conitued....)

References

1 European Commission. 2026. EU-India: Text of the agreements.

2 The Council of Europe plays a crucial role in the shaping of trade deals of the 27-member bloc as it decides the negotiating mandate based on which the European Commission conducts the negotiations. At the conclusion of the negotiations, the Commission presents the outcome to the Council for the signature and conclusion of the agreement.

3 PIB. 2026. United States-India Joint Statement. 7 February.

4 Dhar, Biswajit. 2026. "Ambiguities in the U.S.-India Trade Deal". The Hindu. 23 February.

5 Chief Justice John Roberts leading the majority decision quoted the US Constitution, which emphasises, "The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises." The Court, thus, opined that the framers of the Constitution "recognised the unique importance of this taxing power"—a power which "very clear[ly]" includes the power to impose tariffs, and that they "did not vest any part of the taxing power in the Executive Branch". See, Learning Resources, Inc. v. Trump No. 24–1287, 784 F. Supp. 3d 209.

6 Since 1974, the US Congress has enacted Trade Promotion Authority (TPA) legislation that underlines the negotiating objectives and priorities for trade agreements of the US. The TPA reaffirms the Congress's overall constitutional role in the development and oversight of US trade policy, which seems to have been reinforced by the ruling of the supreme court. For details on the TPA, see USTR. n.d. Trade Promotion Authority.

7 A distinction should be made between these NTMs and non-tariff barriers (NTBs) like quantitative restrictions that are used explicitly for restricting imports. However, if product/process standards, for instance, become too stringent and do not have a scientific basis, NTMs can have similar import restricting effects as NTBs.

8 Intellectual property (IP) standards are the seventh regulatory standards included in the FTA. Like the other forms of regulatory standards, IP standards can also be included as a form of NTMs, as ratcheting up of these standards can adversely affect Indian industries, especially the generic pharmaceutical industry. This industry has benefited from the country's Patents Act that includes provisions that are explicitly included. See Biswajit Dhar and Reji K. Joseph. 2019. "The Challenges, Opportunities and Performance of the Indian Pharmaceutical Industry Post-TRIPS", in Kung-Chung Liu and Uday S. Racherla (eds), Innovation, Economic Development, and Intellectual Property in India and China, ARCIALA Series on Intellectual Assets and Law in Asia.

9 Data provided by the World Integrated Trade Solution (WITS) shows that global average tariffs declined from about 14% in 1994, a year before the WTO was established, to just above 5% in 2023.

10 Gill, Indermit. 2026. "The Biggest Drag on Global Trade isn't Tariffs, but Standards". The Economist. 22 January.

11 PIB. 2026. Factsheet: India and European Union Trade Agreement "Mother of All Deals" Unlocking Opportunities Empowering India@2047.

12 PIB. 2026. India–EU Free Trade Agreement Concluded: A Strategic Breakthrough in India's Global Trade Engagement.

13 This assessment is based on the Government of India's press release immediately following the conclusion of the deal. See, PIB. 2026 above.

14 India's position regarding inclusion of labour standards in trade agreements remained unchanged since it was explicitly stated by the then Commerce Minister, Murasoli Maran at the Doha Ministerial Conference in 2001.

15 These restrictions include, to strike work, to openly criticise government policies, to freely accept financial contribution, and to freely join foreign organisations. See, Lok Sabha. 2014. Ratification of ILO Conventions. Unstarred Question No:4513.

16 European Commission. 2026. EU and India conclude negotiations for largest trade deal in their history.

17 This discussion is based on the European Commission's assessment of the trade deal. See, European Commission. 2026. EU–India Free Trade Agreement Concluded: Major Global Trade Milestone.

18 European Commission. 2005. Directive 2005/36/EC of the European Parliament and of the Council on the recognition of professional qualifications.

Out of Syllabus: An Invincible Iran

The author argues that the United States-dominated world order is in meltdown. Its foremost client state, Israel, that forced it into war with Iran, has abandoned the battlefield and is fighting civilians in Lebanon. As America prepares for a ground invasion of Iran, Israel has confirmed that its soldiers will not join the fray.

Sandhya Jain

The United States-dominated world order is in meltdown. Its foremost client state, Israel, that forced it into war with Iran, has abandoned the battlefield and is fighting civilians in Lebanon. As America prepares for a ground invasion of Iran, Israel has confirmed that its soldiers will not join the fray.

While a new world order has yet to crystallise, allies and others are asserting themselves. Iran will be the hegemon in the Gulf, as the US-Israel lose ground. Qatar saw the merits of neutrality (March 19, 2026), but has been pulled back into the war. Iraq (liberated from NATO-US occupation) has joined Iran's side. The Yemeni Houthi rebels have joined Iran. The Gulf states, though still aligned with the US, view the military bases on their territory as a liability.

The United Arab Emirates urged a diplomatic agreement after Iran attacked Abu Dhabi's economic zone on March 28, 2026. Egypt announced that it will not go against Iran. In Bahrain and Syria, citizens are revolting against the monarchy and the ISIS regime respectively.

The end of the war will see changes: Palestine including the West Bank and Gaza will be free. The Caribbean island nation of Cuba will benefit. Russia has enhanced its economic heft thanks to the oil crisis (oil revenue doubled to $24 billion in March 2026). China retains its status due to its manufacturing prowess in almost every economic sector, its cutting-edge technologies, and control over rare earth minerals that are critical to all modern technology.

Europe and Japan have no geostrategic leverage in the current conflict. Türkeyi is supporting Iran, as are Brazil and Indonesia. South Africa took Israel to the International Criminal Court for crimes in Gaza; it has been disinvited from the G20 in Florida, US. India will benefit from the retreat of US power from South and West Asia, which will happen during its chairmanship of BRICS.

> ***Before the war, Iran produced around 1.1 million barrels of oil/day. Currently, it produces 3.6 mn barrels/day, and sells it at $120 per barrel, with receipts in Yuan. Petrochemical sales have also increased.***

Oil Economics

The world sees the conflict as a ruse to grab Iran's oil and gas. President Trump stated: "My favourite thing is to TAKE THE OIL from Iran…" (March 30, 2026). The US seized control of Iraqi oil after invading the country in 2003 (USD 145 billion per annum went to the US Federal Reserve Bank). The US controlled Kuwaiti oil after the 1991 war in Iraq, and Libyan oil after Gaddafi. The same is happening in Venezuela.

Before the war, Iran produced around 1.1 million barrels of oil/day. Currently, it produces 3.6 mn barrels/day, and sells it at $120 per barrel, with receipts in Yuan. Petrochemical sales have also increased. Trita Parsi, Executive Vice President, Quincy Institute, observed that the war has given Iran sanctions relief, so it has no reason to end the war unless sanctions are completely removed.

Palmachim

Iran claimed to have destroyed Palmachim, Israel's secret space and military facility, its launch site for spy satellites, missile tests, and advanced space programs (March 30, 2026). It has wreaked havoc on the US bases in Kuwait, Bahrain, UAE, and Saudi Arabia. The US had to evacuate 10,000 citizens from Israel (Mar 16, 2026). Its retreat enabled Turkiye to reclaim the Incirlik airbase.

Iranian attacks on Israel include the PM's office, Mossad and Aman headquarters, and IDF defence facilities; the country's two oil refineries and largest petrochemical complex; Ben Gurion International Airport; and the Sorek water treatment facility. Panicked citizens are fleeing to Egypt or Jordan by land, or by chartered plane to Cyprus. Israel's attack on Iran's Natanz nuclear facility was countered with strikes on its own Dimona nuclear power plant and research centre. It hit the second US F-35 fighter jet on March 26, 2026. The first, invisible on radar, was tracked vide its heat signature on March 19, 2026.

In an astute move, Tehran permitted nations buying oil in yuan to pass through the Hormuz, and some tankers from Pakistan, China, India, Turkey, Russia, Saudi Arabia, Brazil, UAE and Japan moved through the Strait. The de-dollarisation of the world economy moved a step forward.

Stunned by Iran's capabilities, President Trump announced a "pause" against Iran's energy infrastructure until April 6, 2026. Tel Aviv promptly bombed all three of Iran's largest steel plants simultaneously, and also struck Iran's Khondab heavy-water reactor facility and uranium production and uranium-conversion sites. On March 29, 2026, the University of Science and Technology in Tehran was gutted. Tehran, which has already destroyed part of Israel's Technion Institute in Israel, warned that American universities in West Asia would henceforth be legitimate targets.

Washington's claims to be negotiating with Iran via Pakistan were denied by Tehran and Tel Aviv. Fleur Hassan-Nahoum, Special Envoy, Foreign Ministry of Israel, said, "I don't know what the Pakistanis think they're doing… They are themselves a huge problem in the world of jihadi terrorism…" (ANI)

Pope Leo XIV

Since the end of the Second World War, no Pope has actively campaigned against an American war. However, US-born Pope Leo XIV called the Iran war 'atrocious' during Palm Sunday Mass, exhorted Christian soldiers to promote peace, ordered Catholic politicians supporting the war to go to confession, called for a permanent ban on aerial bombing, and demanded a ceasefire.

Fractures in Israel and America

Former Israeli Prime Minister Naftali Bennett came on live TV recently and blamed Netanyahu for the October 7, 2025. He pointed out that Netanyahu funded Hamas and Hezbollah for years. American activist Charlie Kirk was assassinated after he suspected the Netanyahu regime's connivance to allow October 7, 2025, as a pretext to ethnically cleanse Gaza.

Netanyahu's coveted war has not gone well. The IDF chief Eyal Zamir has publicly warned that Israel has collapsed psychologically, with civilians fleeing the country and soldiers abandoning the army: "The army is collapsing; no soldiers remain." There are growing anti-war protests in Israel.

In the US, troops in the 31st Marine Expeditionary Unit and on warships headed to the Middle East are filing emergency Conscientious Objector claims to stop their deployment. The Center on Conscience and War (CCW) recorded a 1,000 percent increase in new conscientious objectors since the war began on February 28, 2026 (CNN). Many said the strike on the Minab girls' school triggered their decision. Mike Prysner, Executive Director, CCW, told Democracy Now! that the soldiers are not afraid of dying, but 'They're scared of killing in a war they don't believe in.'

New 'Promised' Lands

The Balfour Declaration and its plan to create the State of Israel in Palestine has failed as Israeli Settlers flee in droves and seek new land in Africa. So far, 1.4 million have settled in the Western Cape province of South Africa and are demanding its independence. Many saw the writing on the wall began settling in Mauritius, Morocco, Kenya, Rwanda, Liberia, Namibia, Zambia, Lesotho, Eswatini, Zimbabwe, Uganda, Ghana and Botswana, not to forget Argentina.

Cyprus's second largest political party, the Progressive Party of Working People (AKEL), has protested against the growing numbers of Israelis on the island, who are buying property near critical infrastructure and could demand 'Israel 2.0'. Israelis are allegedly using counterfeit passports to acquire land in the Greek sections of Cyprus.

In Greece, local activists successfully blocked hundreds of Israelis from disembarking after Israel claimed it would take over all the Greek islands to settle an alleged debt of 400 billion dollars from the Second World War. It demanded that Christian Greeks vacate the islands so that Jews can move in.

Lebanon

Soon after Prime Minister Netanyahu disappeared from the scene (Mar 9, 2026), Israel began to focus on South Lebanon. It flattened villages with massive bombs, even white phosphorus (banned by the UN). Israel is bombing hospitals in Iran and Lebanon, as it did in Gaza (128 in Lebanon, 25 in Iran).

Israel's defense minister, Israel Katz, admitted ordering "an acceleration in the destruction of Lebanese homes in contact-line villages… in accordance with the model of Beit Hanun and Rafah in Gaza" (Mar 22, 2026). Katz said Israel will occupy southern Lebanon up to the Litani River for the long-term.

In response, Hezbollah destroyed over 100 advanced Merkava tanks in just 15 days. Israeli media has reported that at least 10 helicopters were deployed to evacuate dead and wounded soldiers in southern Lebanon. President Assad is said to have transferred most of Syria's best weapons to Hezbollah before his regime fell. Hezbollah is now fighting inside Israel in the Galilee region, capturing several outposts in Kiryat Shmona and Metula.

Undaunted by its reverses, the Knesset on March 30, 2026, passed a bill to award the death penalty to Palestinians convicted of killing Israelis in acts of "terror"; this will not apply to Jewish Israelis convicted of killing Palestinians. Hundreds of prisoners are expected to be executed in the next few weeks. Netanyahu reportedly voted for the bill, but there were no clear visuals in the videos.

Mystery

Prime Minister Netanyahu has not indisputably been seen in public since March 9, 2026. Unconfirmed reports claim that the Wings of Zion, the Israeli Prime Minister's official plane, has been parked at a specialised US Army hospital in Landstuhl, Germany, near the Ramstein Air Base for several days. ❑❑

https://sandhyajainarchive.org/2026/04/01/out-of-syllabus-an-invincible-iran/

References

1. US Forces at Saudi Air Base Suffer Iranian Attack, Air & Space Forces Magazine, March 27, 2026. *https://www.airandspaceforces.com/us-forces-saudi-arabia-iran-attack/*
2. Iran-US War News Update: Donald Trump Announces 'Five-Day Pause' on Strikes Against Iranian Power Plants After 'Productive' Talks on Truth Social, March 23, 2026. *https://sundayguardianlive.com/world/iran-us-war-news-update-donald-trump-announces-five-day-pause-on-strikes-against-iranian-power-plants-after-productive-talks-on-truth-social-178580/*
3. US F-35 aircraft makes emergency landing after a combat mission over Iran, Al Jazeera, March 19, 2026. *https://www.aljazeera.com/news/2026/3/19/us-f-35-aircraft-makes-emergency-landing-after-a-combat-mission-over-iran*
4. US Troops Told To 'Get Ready' For Iran As Conscientious Objection Requests Surge '1,000%' And Fears Grow Among Ranks, International Business Times, March 25, 2026. *https://www.ibtimes.co.uk/us-troops-conscientious-objector-middle-east-1788228?utm_source=perplexity*
5. Zamir said to warn cabinet that IDF will 'collapse in on itself' amid manpower shortage, The Times of Israel, March 27, 2026. *https://www.timesofisrael.com/zamir-said-to-warn-cabinet-that-idf-will-collapse-in-on-itself-amid-manpower-shortage/*
6. Israel's parliament passes death penalty bill targeting Palestinians, Al Jazeera, March 30, 2026. *https://www.aljazeera.com/news/2026/3/30/israel-passes-discriminatory-death-penalty-bill-targeting-palestinians*

India's edible oil problem

From street food stalls to luxury restaurants, from packaged foods to home kitchens, edible oil has become essential for Indian consumers. But why are we discussing this today? The answers lie in the series of events over the last three years that exposed how fragile India's edible oil sector truly is.

In February 2022, Russia launched a full-scale invasion of Ukraine. Within weeks, the import of sunflower oil from these two countries was entirely disrupted, making it unaffordable. Barely two months later, in April 2022, Indonesia, one of the largest exporters of palm oil, suddenly imposed an export ban to protect its own supplies. Since India relies on Indonesia for palm oil imports, the decision immediately drove up prices. Now, fresh geopolitical tensions in the Middle East and concerns around the Strait of Hormuz, through which one-third of global seaborne crude oil trade passes, have also raised concerns about shipping disruptions and freight charges. Both these events exposed the harsh reality that India's Kitchens are deeply vulnerable to global conflicts, export bans, shipping disruptions, and geopolitical instability.

Today, India imports nearly 60% of its edible oil requirement. India is among the world's largest edible oil economies, after countries such as the USA, China, and Brazil. The import bill is estimated to cost the country approximately USD 18.3 billion (around Rs. 1.61 lakh crore) in 2024–25.

Palm oil, which is used in processed foods, snacks, and bakery products, is largely imported from Indonesia and Malaysia. Soybean oil is largely imported from Argentina and Brazil, while Sunflower oil is supplied from Russia and Ukraine.

At the same time, edible oil consumption in India has exploded over the last two decades. The rising oil consumption is now linked not just to imports but also to obesity, diabetes, cardiovascular disease and fatty liver across the urban and smaller cities. In this article, we will discuss how what appears to be a simple

According to government data, self-sufficiency increased from nearly 36.8% in 2015 to around 44% by 2024, driven by higher domestic oilseed production and policy support.

Dhruv Mishra

kitchen ingredient has now become connected not just to public health, foreign dependence and economic security.

India's total consumption vs. production

Today, India is one of the world's largest consumers and importers of edible oil. More than 25-26 million tonnes of edible oil are consumed by Indians each year, but India produces only around 11-12 million tonnes.

Nearly 60% of India's consumption requirements are met by foreign countries. As a result, India spent nearly Rs. 1.61 lakh crore (USD 18.3 billion) to import 16 million tonnes of edible oils in 2024-25. This is not a new pattern; in previous years, such as 2023-24, it spent around Rs. 1.32 lakh crore on 15.96 million tonnes of edible oils. It was a nearly 22% jump in value due to higher global prices.

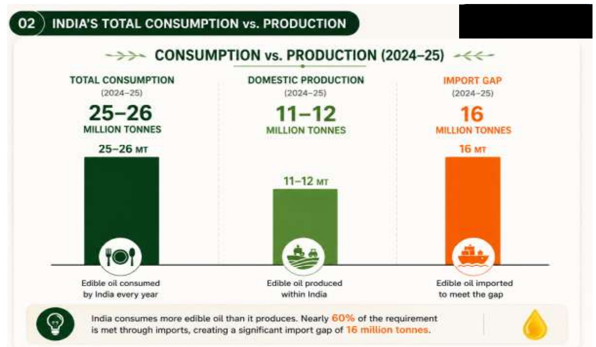
Growing demand vs slow domestic production

Due to rising population, increasing urbanisation, fast-food consumption, and a growing restaurant culture, edible oil consumption has risen. However, the domestic production has failed to keep pace. Despite a heavy reliance on imports, India's self-sufficiency in edible oil has gradually improved over the last decade.

Improvement in self-sufficiency

According to government data, self-sufficiency increased from nearly 36.8% in 2015 to around 44% by 2024, driven by higher domestic oilseed production and policy support.

Due to rising population, increasing urbanisation, fast-food consumption, and a growing restaurant culture, edible oil consumption in India has increased rapidly. However, domestic production has failed to keep pace with this growing demand.



Why is India dependent on imported edible oils

Despite being an agriculture-driven economy with vast cultivable land, India continues to struggle to achieve self-sufficiency in edible oil. A major reason behind this imbalance is the use of traditional crops. In India, farmers prefer to grow wheat and rice because they provide greater security through the MSP procurement, irrigation facilities, and subsidies. Meanwhile, oilseed crops are often riskier due to unstable prices, pest attacks and dependence on erratic rainfall.

Oilseed crops such as soybean, sunflower, mustard and groundnut did not receive the same level of support. Unlike rice and wheat farmers, oilseed farmers also face volatile market prices and weaker procurement systems, which discourage large-scale cultivation.

Another major issue is the low productivity. In many parts of India, oilseed crops are grown on marginal lands with poor soil quality and limited irrigation, resulting in lower yields than those of global producers. Countries such as Indonesia and Malaysia developed highly efficient palm oil industries over time, while India lagged in achieving large-scale self-sufficiency in edible oils.

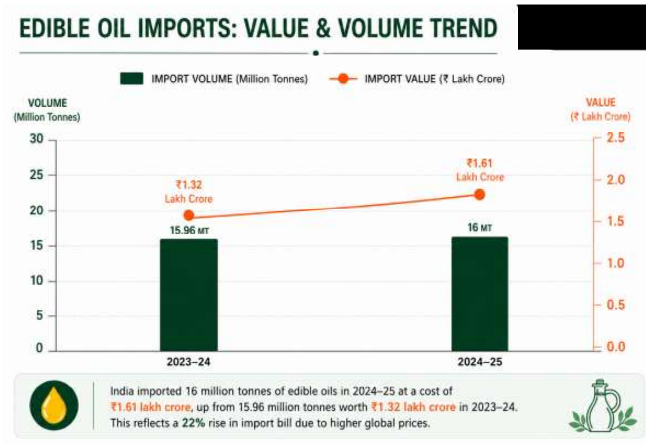
Rising consumption and lifestyle changes

Another reason for the imbalance is the high consumption of fried, packaged, snack, bakery, restaurant, and fast food. As cities grow and food delivery apps become normal, edible oil consumption also increases. If we talk about data, in 2001, the average Indian consumed 8.2kg of edible oil per person annually, but it had increased to 23.5kg per person in 2023-24. Oil consumption increased by around 15kg per person over a few years. The growing gap between India's edible oil consumption and domestic production has transformed cooking oil from a simple kitchen commodity into a major economic and strategic concern.

As the population grew, this widening gap between rising demand and slow production growth forced India to rely heavily on imports from countries such as Indonesia, Malaysia, Argentina, Brazil, Russia, and Ukraine.

Which oils India imports

India depends on different countries for different edible oils used in household cooking, packaged foods, restaurants, and the processed food industry. Palm oil is the most widely consumed edible oil in India and is primarily imported from Indonesia and Malaysia. Due to its low cost and long shelf life, palm oil is extensively used in processed foods, chips, biscuits, and bakery products. It accounts for



over one-third of India's edible oil consumption basket, making it the country's most consumed edible oil.

India also imports large quantities of soybean oil, mainly from Argentina and Brazil, while sunflower oil is largely sourced from Russia and Ukraine. The Russia–Ukraine war exposed India's vulnerability to global supply disruptions, as edible oil prices surged amid disruptions to sunflower oil exports. Although India produces oils such as mustard and groundnut domestically, domestic production remains insufficient to meet the country's rapidly growing edible oil demand. As a result, India remains heavily dependent on imported edible oils.

The 1998 mustard oil scandal

One of the biggest turning points in India's edible oil history was the 1998 mustard oil scandal. There was a time when mustard oil was widely used as a traditional cooking oil in North India. It was found to be adulterated with argemone oil, a toxic substance linked to epidemic dropsy. It is a serious disease causing swelling, breathing problems and heart complications. More than 60 people were killed, and around 3000 fell sick, creating widespread panic across the country. The incident severely damaged public trust in loose and locally sold mustard oil. As a result of the scandal, stricter government regulations and food safety checks were introduced. With time, branded refined oils and cheaper imported palm oils gained greater acceptance among consumers, restaurants, and food manufacturers. Many experts believe that this incident indirectly accelerated India's shift towards refined and imported edible oils, permanently changing the country's consumption patterns.

The Vanaspati story

Long before refined oil became common in Indian kitchens, Vanaspati was one of the country's most widely used cooking fats. It was introduced as a cheaper substitute for desi ghee, vanaspati quickly became popular in sweets, bakery products, restaurants and street food. It was low-cost, had a long shelf life, and was easily available. One of the most recognised brands was Dalda, which eventually became almost synonymous with vanaspati in India. With time, hydrogenated fats became deeply embedded in Indian food culture, especially in commercial cooking and processed foods. However, Vanaspati contains high levels of trans fats, which are strongly linked to heart disease and obesity. As processed food industries expanded, cheap imported palm oil gradually began replacing vanaspati in many products because it was easier to import, cheaper for large-scale commercial use, and suitable for repeated frying. The shift led to an increase in dependence on imported palm oil and highly processed edible oils, thereby changing the country's cooking and consumption patterns.

Economics of cheap palm oil: How palm oil became dominant

Today, India's edible oil market is largely dominated by palm oil, which holds the single largest share at over 37% of total edible oil consumption. For decades, palm oil was among the cheapest edible oils available globally, a cost advantage built on the exceptional yield efficiency of oil palm trees, which produce nearly 3.3 tonnes of oil per hectare compared to just 0.4 tonnes for soybean and 0.7 tonnes for sunflower. However, by 2024, this price advantage had narrowed significantly, with palm oil prices rising 10% while soybean oil prices fell 9%, marking a rare shift in which palm oil was no longer the cheapest option in global markets. Despite this, its low cost, long shelf life, and high heat stability continue to make it highly attractive to food companies, snack manufacturers, bakeries, restaurants, and street food vendors. It is widely used in biscuits, chips, instant foods, frozen foods, and bakery items because it remains cost-competitive and helps lower production costs at scale. Due to its affordability over several decades, palm oil gradually became deeply embedded in India's processed food industry and commercial cooking sector.

(to be continued...)

Dhruv Mishra is a researcher and writer specializing in Indian politics and policy analysis.

https://www.opindia.com/2026/05/india-edible-oil-problem-creating-a-health-crisis-burdening-economy-import-dependent-supply-chain-disruptions/

SJM backs PM Modi's call for austerity measures amid energy crisis

The Swadeshi Jagran Manch (SJM) supported Prime Minister Narendra Modi's appeal for austerity measures to address the emerging energy crisis. The support came after the PM urged citizens to conserve petrol and diesel by reducing unnecessary vehicle usage, limiting foreign travel, working from home and holding meetings online.

National Co-Convenor of Swadeshi Jagran Manch Dr. Ashwani Mahajan said, "The Prime Minister also appealed to the citizens to avoid buying of gold, reduce consumption of cooking oil, avoid buying foreign brand goods and use Swadeshi, reduce use of chemical fertilizers and move towards natural farming, are all aimed at reducing dependence on imports and save valuable foreign exchange".

He said the organisation welcomed and endorsed the Prime Minister's appeal, especially regarding reducing petrol and diesel consumption. "This will reduce the country's dependence on foreign nations. Furthermore, it will not only save valuable foreign exchange but also enable the country to effectively overcome shortages of these commodities caused by supply disruptions."

Mahajan said that since the conflict involving the USA-Israel alliance in the Iran war began, affecting nearly 20 countries in the region, the organisation had been urging people to reduce dependence on imported oil and gas to lessen the impact of supply disruptions and rising prices.

"Swadeshi Jagran Manch firmly believes that this clarion call by the Prime Minister, will definitely have a significant impact on the mindset in the country, which will not only encourage people to reduce the consumption of petro-products, but also motivate our scientists, academia and industry to find new alternatives to the petroleum products for our day-to-day needs", he said.

"Apart from this we need to become self-reliant in clean tech manufacturing, which includes electric vehicles, including motor and batteries; solar energy equipment including solar cells; wind energy equipment; green hydrogen; nuclear energy etc. Once, we become self-reliant in clean energy and clean tech manufacturing, we shall not only be able to reduce our dependence on oil producing and exporting countries for imported crude oil, but also China and other countries for solar and wind equipment, electric vehicle components and others", he said.

Mahajan further said that the organisation appreciated the government's efforts to promote domestic clean-tech manufacturing, renewable energy, electric vehicles, green hydrogen and nuclear energy.

He added that the long-term solution is needed to make India self-reliant in energy, particularly in renewable and green energy sectors.

"We also note with pride about encouraging innovations in India in nuclear power recently. Swadeshi Jagran Manch, firmly believes that the clarion call made by the Prime Minister is nothing but a call for Swadeshi. We take this opportunity to call upon the patriotic people of Bharat, scientific community, academies, youths, start-ups and entrepreneurs to taking this opportunity from the cruising and join this cause of reducing foreign dependence and nation building and build a strong, resilient and Atmanirbhar Bharat", he added.

https://www.newindianexpress.com/india/2026/May/12/swadeshi-jagran-manch-backs-pm-modis-call-for-austerity-measures-amid-energy-crisis

It's time to reduce foreign dependence; 'Swadeshi' is the only solution: Bariyar

The Swadeshi Jagran Manch has described the Prime Minister's appeal to citizens to reduce petrol and diesel consumption, reduce dependence on foreign goods, and adopt indigenous products as a historic step in the national interest. All India Swadeshi Mela chief Sachindra Kumar Bariyar said that the Prime Minister's message is nothing more than a broader call for "Swadeshi," aimed at making India economically and energy-reliant. He said that the Manch has long been urging people to reduce their dependence on imported oil and gas. Given the growing tensions be-

tween the US, Israel, and Iran, and global instability, it has become even more essential for India to become self-reliant in energy security.

Reducing petroleum product consumption will not only save foreign exchange but also enable the country to stand firm during times of global supply crises. Bariyar said that the Prime Minister's appeal will have a profound impact on society. It will increase awareness among ordinary citizens and inspire scientists, academics, and industry to develop alternatives to petroleum-based products. He said that the long-term solution lies in self-reliance in clean and green energy. India must promote domestic manufacturing in sectors such as electric vehicles, batteries, solar equipment, wind power, green hydrogen, and nuclear energy. He commended the government's promotion of clean technology and renewable energy, stating that if India becomes self-reliant in these sectors, technological dependence on other countries, including China, will also decrease. Finally, he called upon the country's youth, scientists, start-ups, and entrepreneurs to join the nation-building and "Atmanirbhar Bharat" campaign.

Bhoo Suposhana programme

A Swadeshi Awareness Programme was organized by Swadeshi Jagaran Manch, Vizianagaram. The programme was successfully conducted at Lakshmi Nursing College in Vizianagaram district.

State Co-Convener Dr. Hanumantu Seshagiri participated in the programme and addressed the gathering on the importance of Swadeshi and self-reliance. Vizianagaram District Convener PVV Satish, District Co-Convener Srinivas, Sanghatana Pramukh Dr. Veeraswamy, and Social Media Convener Tarra Tirupati also participated in the event. Kanyakumari Garu, Sattibabu Garu, RSS member Manjunath Garu, and Dr. Ramalakshmana Garu also attended and contributed to the success of the programme.

The Bhoo Suposhana programme was organized by Swadeshi Jagaran Manch in Jammupeta of Gurla Mandal, Vizianagaram district. The programme was conducted to create awareness among farmers about soil health protection and the importance of natural farming. Akhil Bharati Sampark Pramukh Annada Sankar Panigrahi attended the programme as the chief guest. He highlighted the harmful effects of excessive use of chemical fertilizers and pesticides on soil fertility and human health. Farmers were encouraged to adopt nature-based and cow-based agricultural practices. State Co-Convener Dr. Hanumantu Seshagiri, district leaders, and local representatives also participated in the programme. Village elders, alliance leaders, and farmers attended the event enthusiastically.

On 30th April 2026 Evening, a "Bhoo Suposhana" programme was organized by Swadeshi Jagaran Manch in Ibrahimbad village of Srikakulam district Andhra Pradesh, The programme aimed to create awareness among farmers about soil health protection and the importance of natural farming. Akhil Bharati Sampark Pramukh Annada Sankar Panigrahi attended the event as the chief guest. He stated that excessive use of chemical fertilizers and pesticides is reducing soil fertility. He also expressed concern over the increase in serious diseases like cancer due to chemical-based farming practices. Farmers were advised to adopt nature-based and cow-based agricultural methods. State Co-Convener Dr. Hanumantu Seshagiri, district leaders, and Etcherla BJP Mandal President Sanapala Rama Rao participated in the programme. Village elders, alliance leaders, and nearly 400 farmers attended and took part in Bhoomi Puja and Go Puja rituals.

'To worship Bharatdurga, every countrymen must become 'Bharat' first'

Swayamsevak Sangh (RSS) Chief Dr Mohan Bhagwat, said that every citizen of this country has to become 'Bharat' first to worship 'Bharatdurga' and it is not an easy task. "To become a 'Bharat', first we have to keep Westernisation aside and have to unite," said Dr Bhagwat during the foundation stone-laying

ceremony of 'Bharatdurga Shakti Sthal' at National Cancer Institute (NCI) in Jamtha on Friday. The ceremony was conducted by Dr Aabaji Thatte Seva and Anusandhan Sanstha. Dr Bhagwat was the chief guest of the event. "We should take small steps to become Bharat and for this we have to worship Bharatdurga daily without fail. It will be difficult for us because Westernisation is dominating our mind and life," said Dr Bhagwat.

"To become a 'Vishwaguru' we must have faith on us and we have to be determined to achieve it. Culture of Bharat is the only way to lead the world and become Vishwaguru," said Dr Bhagwat. RSS chief further informed that it was Moropant Pingle who dreamed to establish establishing Bharatdurga Mandir in Nagpur and to fulfill that dream, I asked Shailesh Joglekar to initiate the project at their NCI premises, said Dr Bhagwat during the event. Shri Juni Akhada Pithadhishwar Acharya Mahamandaleshwar Swami Avdheshanand Giri was the guest of honour of the event.

Chief Minister Devendra Fadnavis; Union Minister for Road Transport and Highways Nitin Gadkari; Swami Govinddev Giri Maharaj; Swami Mitranand Maharaj of Chinmay Mission; Dhirendra Krishna Shastri of Bageshwar Dham; Sadhvi Ritambhara; and Revenue Minister Chandrashekhar Bawankule; were present as guests during the event. Swami Avdheshanand Giri Maharaj, in his speech said, "Many invaders tried to conquer Bharat from centuries, but still no one got success to destroy Bharat and its culture. Today we are standing proudly but many civilisations vanished abruptly." He further said that this mandir of Bharatdurga is the 52nd Shaktipeeth of India and soon it will become a famous spot for Hindu's. Chief Minister Devndra Fadnavis said, "This Bharatdurga Mandir will become a inspiration for the new generation and guide them to think and work for the country."

Union Minister Nitin Gadkari said,

"It is the first Bharatdurga temple in the country and it will become a inspiration to the new India." Gadkari further added that 'Bharat Nirman' is the main objective behind construction of this temple and every Indian should contribute for Bharat's better future. Sadhvi Ritambhara, in her speech, appealed Hindus' to unite and this upcoming temple is going to be a milestone for Hindu unity. She also urged Hindus of this country to fight modern challenges which are trying to overpower our culture and religion. "Indian culture worship 'Shakti'. Even modern science has also accepted the power of Shakri (Energy). Nothing will work without Shakti and this temple is a milestone which will worship place for Shakti," said Swami Govinddev Giri Maharaj during the event. Dhirendra Krishna Shastri, in his speech said, "In Indian culture, we always keep mother and sisters ahead us.

Our culture talks about the respect of mother. This temple is an epitome of that respect which explain the power of Bharatmata" Swami Mitranand Maharaj talked about Indian culture and the importance of country in the life of every Indian. The design of the Bharatdurga idol and the temple were released in the beginning. The idol was designed by local artist Subhash Bhokre and he was honoured at the hands of the guests. The idol will be made up of marble and it will be carved in Jaipur. J J Associates of Navi Mumbai is the architect of the project. Neeta Thakre, Mayor; Adv Sunil Manohar, President, Dr Aabaji Thatte Seva and Anusndhan Sanstha; and Sailesh Joglekar, Secretary also shared the dais. Bhaiyyaji Joshi, Akhil Bharatiya Karyakarini Sadasya, RSS; Shantakka, Pramukh Sanchalika, Rashtriya Sevika Samiti; Sunil Deshpande, Akhil Bharatiya Sahasampark Pramukh,

RSS; Deepak Tamshettiwar, Vidarbha Prant Sanghachalak; Rajesh Loya, Mahanagar Sanghachalak; Padma Shri Satyanarayan Nuwal, Dr Anand Pathak, Medical Director, NCI; Arun Lakhani, Businessman; B Prabhakaran, MD, Lloyds Metals and Energy Ltd; Sameer Meghe, MLA; Pankaj Bhoyar, Minister of State; Maya Iwnate, Rajya Sabha MP; Adv Ashish Jaiswal, Minister of State; Ajay Sancheti; Anand Aurangabadkar; Dr Ashish Deshmukh; Mohan Mate, MLA; Pravin Darekar and other dignitaries also were present in the programme. ❑❑

https://www.thehitavada.com/Encyc/2026/4/25/to-worship-bharatdurga-every-countrymen-must-become-bharat-first.html

Swadeshi Activities

Swadeshi Programmes

Pictorial Glimpses

Prant Sammelan (Odisha-East)

Zila Vichar Varga, Shajapur


Patna, Bihar


Vichar Varga, Rohini (Delhi)

Swadeshi Patrika Posted on 7-8 May 2026
at LPC Delhi, Delhi PSO, Delhi RMS, Delhi-06

Regd. RNI No. 65799/97, DL-SW/01/4073/2024-26
Publishing Date: 2-3 Every Month

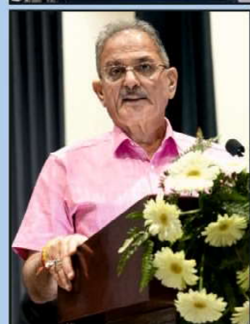
Swadeshi Activities

International Conference on

"Vision 2047 - Prosperous and Great Bharat 2.0"

(IIT Roorkee)

Pictorial Glimpses



Swadeshi Samvad

Swai Madhopur, Rajasthan

Printed and published by Dr. Ashwani Mahajan on behalf of Swadeshi Jagran Samiti and printed at Competent Binders, Naveen Shahdara Delhi-32,
published at Dharmakshetra, Sector-8, R.K. Puram, New Delhi-110022, editor Ajey Bharti