

News Wrap #90, July 2025- First Fortnightly

India-China Détente: A Counterpoint to Global Discord

As the world grapples with fractious geopolitics, External Affairs Minister S. Jaishankar's visit to Beijing on 15th July 2025, for the SCO Foreign Ministers meeting, marks a pivotal moment in India-China relations, a cautious *pas de deux* after years of frost. This, his first trip to China in five years, signals a thawing of ties strained since the 2020 Galwan Valley clash. The "Dragon-Elephant Tango," as Chinese Vice President Han Zheng evocatively termed it, reflects a shared recognition that cooperation, not rivalry, serves the Global South's titans. Yet, this détente unfolds against a backdrop of U.S.-China tensions and Washington's attempts to wean India away from Beijing, casting a shadow over this delicate rapprochement.

Jaishankar's meetings with Chinese leaders, including President Xi Jinping and Foreign Minister Wang Yi, underscore a mutual desire to rebuild trust. Phrases like "continued thawing" and "back on track" permeate Indian discourse, echoing a pragmatic optimism. The Kazan summit last October laid the groundwork, with troop disengagements at Depsang and Demchok marking tangible progress. Yet, the border remains a sensitive fault line, with 50,000–60,000 troops still stationed along the Line of Actual Control in India. Strategic trust demands more than handshakes; it requires robust mechanisms, border protocols, direct flights, and people-to-people exchanges to cement ties.

Uncle Sam looms large: the USA's Indo-Pacific strategy pitting India as a counterweight to China. Washington's recent protectionist rhetoric and tariff threats under Trump 2.0 risk alienating India, pushing it towards Beijing's orbit. Even the possibility of a bilateral trade agreement appears bleak, for there are too many red lines. On the other hand, within the SCO and BRICS, India and China can forge a multipolar vision, countering Western hegemony. This visit isn't mere diplomacy; it's a bold statement that Asia's giants can chart their own course, sidestepping external meddling. The road ahead is fraught, but the window for dialogue is open - India and China must seize it to redefine global power dynamics. In this effort, China must reduce its trade surplus with India by lowering its trade barriers and thus show faith in better relations. India too is serious about inviting Chinese investment in non-sensitive sectors. Closer economic relations help move the needle on the political compass.

Pradeep S. Mehta Editor

P.S.: With the rising unilateral protectionism and coercive power plays, India and China can strengthen their global standing by fostering sustained dialogue to dispel misunderstandings and shield against external pressures. This strategic alignment positions them to lead in reshaping the world order.

Message for our Readers

This is the 90th edition of the fortnightly news wrap from the Centre, which carries select published news or comments on a relevant issue. There are equally important issues which may have been missed out to keep the news wrap short and swiftly readable.

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Trump threatens India-Russia Energy Trade

US President Donald Trump has endorsed a Bill that proposes a 500 percent tariff on countries importing oil from Russia, a development that can destabilise India's trade with its largest crude oil supplier.

The U.S. Bill, if passed, would severely impact India's crude oil trade with Russia.



- India eyes deeper Taiwan business ties amid supply chain shift | Nikkei Asia
- China's export growth tops expectations in June; rare earth shipments surge 60% to record high | CNBC
- Musk's Starlink gets key license to launch satellite internet services in India | The Hill
- India, Brazil vow to double trade to \$20bn in 5 years | Hindustan Times

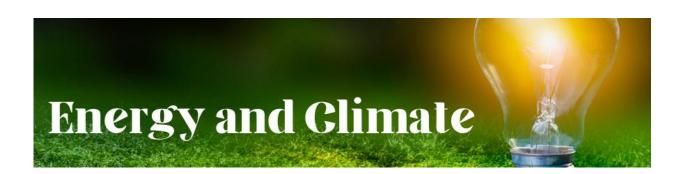


Iran Suspends Cooperation with the UN Nuclear Watchdog

Iran's president has ordered the country to suspend its cooperation with the International Atomic Energy Agency after American and Israeli airstrikes targeted its most important nuclear facilities, likely further limiting inspectors' ability to monitor Tehran's uranium enrichment programme which had been reached near weapons-grade levels.



- India has the right to defend against terror, says EAM Jaishankar | The Economic Times
- Pak, China mull new regional bloc as Saarc stalls | MSN
- Australia navigates uncertainty of U.S. agreements in the Trump era | Washington Post
- Resolving border friction key for mutual trust, India foreign minister tells China | The Print



UK Sunshine Record Brings Concern

Spring 2025 in the UK was the warmest and sunniest on record, raising alarms about climate change. Driven by a persistent high-pressure system, the season saw soaring temperatures, droughts, and wildfires, with rainfall levels 40–50 percent below average. Marine heatwaves pushed sea temperatures up to 4°C above normal, disrupting ecosystems. While the



weather may have felt pleasant for many, experts warn that this unusual spring signals a troubling shift in climate patterns – one that demands urgent attention.

- The Texas Floods Were Made Worse by Climate Denialism | Bloomberg
- India achieves 50% clean power capacity 5 years ahead of target | News on Air
- Masdar and Iberdrola Strike €5.2B Deal for UK's Largest Offshore Wind Project | Carbon Credits
- Turkey tussles with Australia to host 2026 UN climate talks | France 24



Quad Moves to Weaken China's Rare-earth Grip

Amid shared concerns about China's control of critical minerals, the Quad announced a key critical minerals initiative to diversify and secure supply chains. The move aims to reduce reliance on China, which could lead to economic coercion, price manipulations and disruptions.



Trust will pick a successor, says Dalai Lama; China says its approval must | Times of India

- India is ready for global digital leadership | The Economic Times
- 35 million diasporas are India's pride, says PM Modi in Trinidad and Tobago | The Hindu
- Why Turkey holds the key to the Middle East's geopolitical future | Nikkei Asia



Multilateral Loans Must be Used as Intended

Sitharaman's comment was part of her statement at the 4th International Conference on Financing for Development in Seville, Spain. It comes shortly after India urged both the International Monetary Fund (IMF) and the Asian Development Bank (ADB) to review their funding to Pakistan, amid allegations that such loans were being diverted to increased military spending rather than developmental purposes.



- France's Macron calls tariffs imposed by powerful countries a form of 'blackmail' | Reuters
- In expanding trade war, Trump digs U.S. into a geopolitical hole | Washington
- Japan and the European Union (EU) will jointly build a large-scale satellite network | Maeil
 Business
- Australian miners warn on iron ore oversupply, steel glut | Financial Review



Musk's Tesla Debuts in India

Tesla has officially entered India's EV market with a Model Y launch at its Mumbai showroom. Welcomed warmly by Anand Mahindra, Elon Musk's move highlights India's growing EV potential. Despite high import duties and the absence of local manufacturing, Tesla's presence signals a jolt of global excitement to the nation's automotive landscape.



- Crypto is top money laundering threat, warns new EU watchdog | Financial Times
- China extends visa-free entry to over 70 countries | The Korean Herald

EVENT

South Asia in a Perpetual Conundrum: Navigating Challenges in a Shifting Landscape

