



# CUTS International *Global Affairs*

News Wrap #100, December 2025– First Fortnightly

## End of a Quarter of a Century: Moving from P-5 to C-5? And Pivoting to Indo-Pacific?

Dear Readers,

As we approach the end of 2025, the global order continues to reshape itself in ways that demand our careful attention and thoughtful engagement. This fortnight has witnessed significant diplomatic manoeuvres that underscore the evolving nature of international relations and the emergence of what we might call strategic fluidity in world affairs.

As we prepare to welcome 2026, we invite your reflections on what you hope to see in global affairs in the coming year. The transition from the first quarter of the 21st century has indeed been marked by unpredictability, but also by innovation in how nations engage with one another.

Perhaps the most intriguing question as we enter 2026 is whether we are witnessing the birth of a new power concert for this century. Just as the P5 (the five permanent members of the UN Security Council) shaped much of the 20th century's global architecture, reports suggest the Trump administration has proposed a "Core Five" or C5 comprising the United States, China, Russia, India, and Japan as a forum that could redefine how major powers interact in the 21st century. While the White House has denied the existence of such a proposal in their recently published National Security Strategy, the very discussion of a C5 reveals shifting assumptions about global governance.

Unlike the G7, which is based on shared democratic values and economic development, the C5 concept would determine membership by population size and economic potential rather than political system. This represents a fundamental departure from the post-World War II order. Will we move toward this kind of great-power pragmatism?

This exemplifies what we at CUTS have been exploring through our "[Quadro](#)" concept—the possibility of major powers finding ways to cooperate despite their differences. India's ability to maintain robust partnerships with both Russia and the West demonstrates that the world need not bifurcate into rigid blocs. In case you missed the discussion, [here](#) it is.

Two state visits in Asia this month carry particular weight for the year ahead. French President Emmanuel Macron's arrival in China and Russian President Vladimir Putin's visit to India represent more than routine diplomatic engagements. They signal a recalibration of relationships that could well set the tone for 2026. Macron's mission to convince Beijing to reconsider its stance on the Ukraine conflict, talking of Xi Jinping's phone call with President

Trump, suggests we are witnessing a transition from confrontation to what some analysts describe as "bargaining" in the Sino-Western relationship.

Yet volatility persists. The Thai military's airstrikes on Cambodia, ending a brief ceasefire, remind us that regional conflicts can escalate unexpectedly. The U.S. seizure of a tanker off Venezuela and Australia's pioneering ban on social media for those under 16 illustrate how diverse the challenges facing global governance have become spanning territorial disputes, economic sanctions, and the digital rights of children.

On a separate note, the discussions at our recent CUTS fireside chat on "Leveraging a Volatile Global Order" with Dr Shashi Tharoor, MP explored how India can navigate the complexities on its journey toward becoming a developed nation by 2047. The link is [here](#).

As we prepare to welcome 2026, we invite your reflections on what you hope to see in global affairs in the coming year. The transition from the first quarter of the 21st century has indeed been marked by unpredictability, but also by innovation in how nations engage with one another.

These questions are not merely academic. They affect trade flows, investment decisions, technology transfer, and ultimately, the welfare of billions of people. At CUTS, we remain committed to analysing these trends and contributing to informed policy dialogue that can help steer the world toward greater stability, prosperity, and peace.

We look forward to your thoughts and wish you peaceful and reflective holidays as this eventful year draws to a close.

**With warm regards and happy holidays!**

Purushendra Singh  
Editor

**P.S.:** We would love to hear your thoughts. Please share your perspectives on trends that may shape global affairs in 2026. **Write to us at** [asw@cuts.org](mailto:asw@cuts.org)

### Message for our Readers

This is the 100th 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 that may have been overlooked to keep the news wrap short and easy to read.

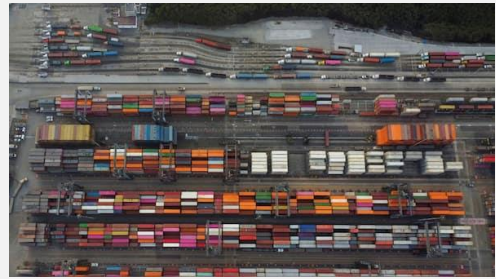
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Readers are encouraged to send their views and suggestions to: [cutsglobal@cuts.org](mailto:cutsglobal@cuts.org)



## Mexico Raises Tariffs on Indian Goods: Impact Ahead

Mexico's sweeping tariff increases, taking effect on January 01, 2026, will affect thousands of products from non-Free Trade Agreement (FTA) partners, including India. With duties rising to as high as 50 per cent, major Indian sectors such as automobiles, engineering goods, chemicals, metals, and machinery face sharp cost pressures in one of Latin America's key markets.



- [Ford to take \\$19.5bn hit as US carmaker overhauls EV strategy](#) | Financial Times
  - [India's Modi Holds Third Call with Trump Since US Tariff Increase](#) | Modern Diplomacy
  - [Top Indian arms makers held rare meetings in Russia on potential joint ventures](#) | The Business Standard
  - [Foxconn to invest \\$510 million in Kaohsiung headquarters in Taiwan](#) | The Economic Times
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## Strategic Issues



## Germany Steps Up Ukraine Defence Support

Germany will deepen its commitment to Ukraine's defence through joint ventures, further market integration, and possible federal investment guarantees under a 10-point plan unveiled during President Volodymyr Zelenskiy's visit to Berlin.



- [Philippines denounces China's 'dangerous' and 'inhumane' actions against Filipino fishermen](#) | The Strait Times
- [West African bloc rejects Guinea-Bissau's military transition plan](#) | CNBC Africa



- [Trump says Thailand and Cambodia 'agreed to CEASE all shooting,' but the sound of gunfire disagrees | Fortune](#)
  - [Russian bombers join Chinese air patrol near Japan as Tokyo-Beijing tensions simmer | CNN](#)
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### **Saudi Arabia Emerges as Carbon Trading Hub**

Saudi Arabia is positioning itself as a major carbon-trading hub for the Global South, building partnerships with Japan and Singapore to strengthen its voluntary carbon market. The Kingdom aims to link emerging-market carbon projects with global buyers, support climate finance, and advance its broader economic diversification and green-economy strategy.

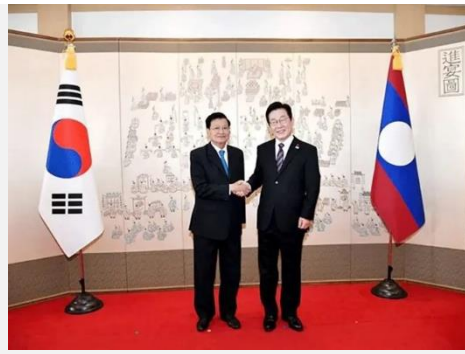


- [Caribbean Nations Team up to cut Power Costs, Revive Geothermal Push | OECS](#)
  - [Vietnam urges factories to cut output as Hanoi chokes on smog | The Star](#)
  - [\\$500 Million ADB Loan to Help Advance the Philippines' Blue Economy Development | ADB](#)
  - [Spain's Solarig to invest over \\$400 million in biomethane plants in Poland | Reuters](#)
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### **Laos-Korea Ties Upgraded to Comprehensive Partnership**

Laos and the Republic of Korea have upgraded their ties to a Comprehensive Partnership during President Thongloun Sisoulith's first official visit to Seoul in 12 years, marking a milestone in 30 years of bilateral relations.



- [Trump's new national security strategy: China a threat, India a critical partner, Europe in 'decline' | The Print](#)
  - [Iran's foreign minister to visit Russia and Belarus, foreign ministry says | Arab News](#)
  - [Turkmenistan hints at reforms ahead of rare meeting | Taipei Times](#)
  - [Indonesia urged to tread carefully as Russia courts Prabowo with energy and defence offers | SCMP](#)
- 



### China Pushes for Deeper Gulf Ties, FTA

China's Foreign Minister Wang Yi urged Gulf Cooperation Council (GCC) states to conclude a long-pending FTA, using visits to Jordan, Saudi Arabia, and the UAE to push for deeper economic, energy, and security cooperation. The GCC welcomes stronger ties but has expressed concerns over competition with China as its own industries expand.



- [International Standards Proliferate, Reshaping Global Economy: Too Many Developing Countries Are Left Behind, Report Finds | World Bank Group](#)
- [Are Vietnam and Thailand helping China dodge US tariffs? | Nikkie Asia](#)
- [Trump Threatens Mexico with Tariffs Over Water | Foreign Policy](#)
- [Modi and Putin agree to boost trade to \\$100bn, reshape defence ties | Nikkie Asia](#)



### Looted Treasures Return Home: What Next?

The article reports that several Benin Bronzes, historic artworks looted by British forces in 1897, have been formally returned to Nigeria. Their repatriation marks a major step in global efforts to restore African cultural heritage and address colonial-era injustices, strengthening Nigeria's ownership and preservation of its artistic legacy.



[Trump's \\$12 Billion Farm Bailout and the Myth of the 'Over-Subsidised' Indian Farmer](#) | The KBS Chronicle