



CUTS International *Global Affairs*

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January 2026: Managing Flux in a Divided World

January 2026 highlights a global order that is no longer just multipolar but increasingly fragmented and transactional. Developments across trade, security, climate, and technology reveal a system marked by competing priorities and shrinking policy space for developing economies. For middle powers, the challenge lies in navigating this volatility with strategic clarity engaging globally without compromising long-term autonomy.

January's global summiy further exposed the challenges of cooperation in a contested world. The 56th World Economic Forum in Davos convened under stark warning signs: fractures in transatlantic ties, heated debates over Arctic geopolitics and Greenland's future, and rising anxiety about protectionism and AI's societal impact.

Highlight of the meeting was a candid speech by the Canadian Prime Minister Mark Carney, who challenged the US hegemony and said that if we are not on the table, we will be on the menu. The speech went viral while the US powers cringed.

Looking ahead, India's hosting of the AI Impact Summit in February, first ever by a global southern country aimed at steering global AI governance toward equitable outcomes, and its BRICS 2026 Presidency, anchored in resilience, innovation and sustainability, offer platforms to advance inclusive solutions and reform multilaterally. These engagements will be critical in shaping a global order where cooperation isn't eclipsed by competition, and emerging economies have a meaningful voice in setting the agenda for trade, technology and shared prosperity.

The conclusion of the India–European Union Free Trade Agreement, after nearly two decades of negotiations, reflects both opportunities and constraints. While it signals renewed confidence in rule-based trade, some difficult issues like carbon measures have been put under a long term phased immersion. For India, leveraging market access must go hand-in-hand with shaping fairer green trade norms which hopefully do not evolve into protectionist barriers.

P.S.: Can the newly announced comprehensive US–India trade deal become a defining pillar of the bilateral relationship in 2026 and onwards?

Message for our Readers

This is the 102nd edition of the monthly 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



EU-India trade deal leaves bloc's carbon border tariff intact

A landmark trade deal struck by India and the European Union will not trigger any changes to the bloc's carbon border tariff, EU officials said, despite India's concerns over the scheme. India has sharply criticised the world-first policy since the EU announced it in 2021, warning that the levy could hamper steel trade. The scheme this month began imposing fees on EU imports of steel, cement and other high-carbon goods.



- [Indo-EU trade deal: Exports of \\$11 bn can shift from the US to the EU, says report](#) | News9
- [Why haven't Trump's tariffs had a bigger impact?](#) | MSN
- [Alphabet hits \\$4 trillion valuation as AI refocus lifts sentiment](#) | Reuters
- [Ford held talks with China's Xiaomi over EV partnership](#) | Financial Times



How the collapse of Chinese air cover during US strikes on Venezuela validates India's defence doctrine

The US military's rapid air superiority over the Venezuelan capital Caracas on January 3 during the operation to capture and fly out the country's president, Nicolas Maduro, and his wife has dealt the world a stark reality check on the limitations of Chinese air defence systems. For India, which had checkmated Pakistan's China-supplied air defence systems to devastatingly hit military assets during Operation Sindoar, the development offers fresh learnings



- [End of NATO coming? Denmark PM's stern warning to Trump against Greenland invasion](#) | Hindustan Times
- [Trump says the US seized Venezuelan President Nicolás Maduro in an overnight Caracas strike](#) | THE KBS Chronicle
- [The Russian & Indian Militaries Secured Logistical Access to One Another's Facilities](#) | The Andrew Korybko's Newsletter
- [U.S. Approves \\$9B 'Hit to Kill' Patriot PAC-3 Missiles for Saudi Arabia; Comes After Nod For F-35 Stealth Jets](#) | CNN The Eurasian Times



Energy and Climate

Climate change fuelled southern Africa's catastrophic floods

Extreme flooding in Southern Africa has submerged towns and killed at least 200 people as scientists say climate change will make supercharged rainfall more likely in the years to come. Also, healthcare fraud undermines Kenya's already fragile system. And it's a first in the history of Beninese cycling: at just 18 years old, Georgette Vignonfodo is heading off the roads of Benin to take her journey up a gear with training in Switzerland.



- [Hong Kong scientists launch AI model to better predict extreme weather](#) | The Straits Times

- U.S. dominance in EU LNG imports raises concerns in Brussels | The New Voice of Ukraine
- China sees the most high-temperature days on record in 2025 | The Print
- The offshore wind pact between Europe and the US is a hedge to US gas dependence | Marine News Magazine



Best of Both Sides | Joining the Gaza Board of Peace will give India a say

Donald Trump's invitation to Prime Minister Narendra Modi on January 16 to join the Board of Peace for Gaza is a continuation of the US President's 20-point roadmap for Gaza, which Modi had earlier welcomed as a comprehensive plan to end the conflict and as a viable pathway to long-term peace, security and development for Palestinians, Israelis and West Asia.



- Russia's Planned Revival of RIC Is Unlikely for Three Reasons | The Andrew Korybko's Newsletter
- Indians leaving India, none returning: Economist Sanjaya Baru at Hyderabad Literary Festival 2026 | The News Minute
- Robert Kiyosaki explains how BRICS members are forcing the US dollar to follow the pattern of a failed reserve currency | Live Mint
- Japan, South Korea agree to boost exchanges between defence personnel | Japan Today



NITI Aayog releases Export Preparedness Index 2024, presenting state and UT export readiness

NITI Aayog released the Export Preparedness Index (EPI) 2024, a comprehensive assessment of export readiness across India's states and union territories. Briefing the media after the release of the Index in New Delhi, NITI Aayog CEO BVR Subrahmanyam emphasised that the preparedness of states and districts is increasingly shaping India's export trajectory.



- [U.S. law will widen constraints on outbound investments](#) | TORYS
- [Trump blocks chips deal, cites security, China-related concerns](#) | Reuters
- [Indian Diesel Exports to West Africa Jump as EU Bans Russian Crude-Derived Fuel, Shipping Data Shows](#) | Empire Magazine Africa
- [Trump says 'framework of a future deal' discussed on Greenland as he backs off tariffs threat](#) | BBC



Is India likely to ban social media for teens, as Australia has?

There's buzz that India is likely to follow Australia's footsteps and introduce curbs on social media for teenagers. This comes as the Economic Survey noted that digital addiction among the youth has become a huge concern, as it impacts not only academic but also work performance



- [Civilisational pride should remind us that our greatest achievements were born of openness, not insularity](#) | The Indian Express

CUTS EVENT

The World in Flux: Charting India's Course Through Global Transformation

