

Far and Wide

Every week we share selection of six news from six continents that we believe will impact our world in the near or distant future

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Donald Trump's Win Presents Mixed Economic Prospects for India Amid Global Shifts

Welcome to the latest edition of Far and Wide, where we embark on a journey to explore intriguing stories and global developments.

Donald Trump's re-election as US President brings both opportunities and risks for India, as his policies signal significant shifts in global economic prospects. India stands to benefit from shifts in global supply chains, especially as businesses will diversify production away from China due to US scrutiny and tariffs. Sectors such as IT, pharmaceuticals, and manufacturing could see increased demand, leveraging India's position as a preferred alternative.

However, certain challenges may persist such as Trump's "America First" agenda which marked by protectionist trade policies, tax reforms, and higher tariffs and can disrupt global trade. For India, this may translate into higher borrowing costs, inflationary pressures, and a weaker rupee. Emerging market currencies, including the rupee, are already under pressure due to a stronger US dollar boosted by anticipated higher interest rates and bond yields.

The US-China trade tensions might indirectly benefit India, as seen previously under the "China +1" strategy. Revocation of China's Most Favoured Nation (MFN) status could position India as a preferred partner. Additionally, Indian IT firms, less reliant on US work visas, might gain from increased outsourcing amid trade frictions.

On the downside, Trump's proposed tax cuts and focus on domestic manufacturing could impact India's export prospects while inflationary pressures could dampen consumer preferences. Monitoring sector-specific trends, especially in export-driven industries, will be critical to monitor trade developments.

Trump's return presents a nuanced landscape for India meaning significant opportunities in supply chain diversification and IT outsourcing and faced by challenges from protectionism, currency volatility, and inflation.

INSIDE

Stories in Focus



Policy

India-Australia Strengthen Strategic Ties and Launch Renewable Energy Partnership



Global Trade & Economy

France Eyes Pinaka Rockets Amid Rising Global Demand for India's Weaponry

India-China Talks Focus on Post-Disengagement Steps and Future Ties

Trump's win presents mixed economic prospects for India amid global shifts

India-CARICOM Summit to Focus on Strengthening Ties between India and Guyana

India-Nigeria Partnership Strengthened During PM Modi's Landmark Visit

Far and Wide

November 2024 | Issue #71



Europe

France Eyes Pinaka Rockets Amid Rising Global Demand for India's Weaponry

India's Pinaka rocket system which has been developed by DRDO, has attracted international attention as France joins the list of interested buyers. The rocket system is known for its efficiency and versatility, and was recently flight-tested to validate its range, accuracy, and salvo capabilities. The tests, conducted in three phases across different ranges, involved upgraded launchers and rockets from two production agencies, showcasing India's growing defence manufacturing capabilities under the 'Make in India' initiative. Pinaka first proved its mettle during the 1999 Kargil War, where it played a critical role in neutralizing Pakistani positions. Since then, it has become India's first major defence export, with Armenia purchasing it in 2023. At present, France is in an advanced stage of discussions to acquire the system as part of its artillery modernization efforts. Interestingly, this comes at a time when many European nations are exploring alternatives to Israel's PULS system.

Source : The Hindu, Swarajya Magazine

<https://www.thehindu.com/news/national/drdo-successfully-completes-flight-tests-of-75km-guided-pinaka-rocket-system/article68869058.ece>

<https://swarajyamag.com/news-brief/india-showcases-pinaka-system-capability-in-latest-test-as-france-and-armenia-look-to-buy-the-rockets>

The Pinaka system, named after Lord Shiva's divine bow, is a sophisticated and advanced multi-barrel rocket launcher featuring a range of 38 km and various warhead options. Its components include a launcher vehicle, replenishment systems, and a command post vehicle. France's potential purchase highlights strengthening Indo-French defence ties, marked by landmark deals like the Rafale jets and C-295 transport aircraft.

North America



Donal Trump's win Presents Mixed Economic Prospects for India amid Global Shifts

Donald Trump's return as the President of USA raises significant challenges and opportunities for India's economy. His protectionist stance which includes potential tariff hikes and immigration curbs may hamper India's ambitions to boost exports to the US and expand its global services footprint. Sectors reliant on H1B visas, particularly IT, may face headwinds as the US domestic chooses to prioritize on employment and higher wages, pressuring businesses and discouraging foreign investment. However, Trump's "America First" policies may inadvertently favour India in the shifting global supply chain dynamics. The western "China plus one" strategy could encourage multinational corporations to relocate operations to South and Southeast Asia, presenting India with opportunities to increase domestic manufacturing capabilities and attract investments. India's push for self-reliance (Atmanirbhar Bharat), which aligns with the potential decline in global free trade, although exceptions like semiconductor manufacturing remain critical. Simultaneously, Trump's inclination to stabilize global oil prices and expand the US oil industry may ease India's energy import costs.

On defence, India's exports to Israel and oil imports from Russia are unlikely to face major disruptions. The evolving geopolitical landscape under Trump, particularly in Ukraine and Palestine, might not directly affect India but could reshape global alliances. India must prepare strategic policy adaptations to navigate these uncertain waters while ensuring growth and development in its domestic arena.



Source: Tribune India

<https://www.tribuneindia.com/news/comment/trump-2-0-policies-can-benefit-indian-economy/>

Far and Wide

November 2024 | Issue #71



shutterstock.com - 2384047621

Source: Financial Express, CARICOM

<https://www.financialexpress.com/india-news/india-guyana-ties-and-the-india-caricom-summit-a-new-era-of-strategic-cooperation/3668427/>

<https://caricom.org/caricom-india-forging-closer-cooperation/#:~:text=Fourteen%20CARICOM%20countries%20will%20meet,convened%20a%20CARICOM%20Member%20State>



South America

India-CARICOM Summit to Focus on Strengthening Ties between India and Guyana

The 2nd CARICOM-India Summit which is being organized in Georgetown, Guyana, on November 20, 2024, highlights a new era of collaboration and cooperation between the Caribbean Community (CARICOM) and India. Through their addresses, Prime Minister Narendra Modi, CARICOM Chairperson Dickon Mitchell, and Guyanese President Dr. Mohamed Irfaan Ali, will focus on energy, infrastructure, health, and technology to build sustainable, resilient societies. Discussions will address critical areas such as renewable energy, infrastructure investments, agricultural innovation, and climate resilience to increase food security. The focus of the governments will be to strengthen partnerships in healthcare services aiming to expand affordable pharmaceutical access, while exchange of technological knowledge is set to drive digital transformation. India's expertise in education and capacity building will support workforce development in the Caribbean.

Prime Minister Modi's visit to Guyana, marking the first by an Indian leader since 1968 reflects the deepening ties between the two nations. India's recent contributions, including Dornier-228 aircraft for Guyana's defence, highlights strategic cooperation in defence capabilities. The summit aims to leverage India's growing economic influence and resources to address shared challenges like climate change, energy needs, and healthcare. This partnership is aimed to increase regional security, create jobs, and improve living standards. The event symbolizes a strengthened commitment to mutual growth and reinforces a supportive relationship between India and the Caribbean nations.

Asia



India-China Talks Focus on Post-Disengagement Steps and Future Ties

External Affairs Minister S. Jaishankar and Chinese Foreign Minister Wang Yi met in Rio de Janeiro during the G20 Summit, marking the first high-level engagement after the recent military disengagement at Demchok and Depsang in eastern Ladakh. Both leaders acknowledged progress in resolving border tensions and discussed steps to increase bilateral ties. The dialogue follows the October 21 agreement and subsequent military disengagement, ending a four-year standoff. Patrolling in the controversial areas has resumed after nearly five years, signaling efforts of the two nations to normalize the situation. Jaishankar emphasized on the importance of bilateral relations and their role in global stability, reiterating that peace along the Line of Actual Control (LAC) is essential for normalizing ties.

Both the nations plan to revive key dialogue mechanisms, including Special Representatives talks led by India's NSA Ajit Doval and Wang Yi which aligns with the consensus reached by Prime Minister Narendra Modi and Chinese President Xi Jinping in Kazan last month. Despite some progress, troop deployment along the LAC remains significant, with de-escalation as the next focus. Army Chief Gen. Upendra Dwivedi highlighted rebuilding mutual trust with China as pivotal step.



Source: Economic Times, CNBC TV 18

<https://economictimes.indiatimes.com/news/defence/india-china-discuss-next-steps-in-ties-following-disengagement-process-in-eastern-ladakh/articleshow/115448884.cms?from=mdr>

<https://www.cnbcv18.com/india/india-china-discuss-next-steps-in-ties-following-disengagement-process-in-eastern-ladakh-19511626.htm>

Far and Wide

November 2024 | Issue #71



Australia

India-Australia Strengthen Strategic Ties and Launch Renewable Energy Partnership

India and Australia officially launched the Renewable Energy Partnership (REP) during the 2nd India-Australia Annual Summit, held on the sidelines of the G20 Summit in Rio de Janeiro. Prime Ministers Narendra Modi and his Australian counterpart Anthony Albanese discussed the Comprehensive Strategic Partnership between the two nations across key sectors, including trade, security, education, and renewable energy. The REP, first proposed at the 1st India-Australia Summit, aims to accelerate collaboration and cooperation on solar PV, green hydrogen, energy storage, and renewables workforce training. The initiative will increase a two-way investment in renewable energy projects, marking efforts to meet net-zero targets thus highlighting shared goals for climate resilience. Both the leaders expressed an earnest intent to renew the Joint Declaration on Defence and Security Cooperation in 2025, aiming for greater strategic convergence.

Source : PM News Australia, India Today

<https://www.pm.gov.au/media/2nd-india-australia-annual-summit>

<https://www.indiatoday.in/india/story/india-australia-renewable-energy-partnership-g20-summit-sidelines-rio-de-janeiro-brazil-2636197-2024-11-20>

The partnership envisions a long-term collaboration to bolster regional peace and stability. Ahead of the anniversary of their Comprehensive Strategic Partnership in 2025, they also acknowledged progress in bilateral ties and reaffirmed their commitment to deepening cooperation across various areas, including mobility, skills, and cultural links.

Africa



India-Nigeria Partnership Strengthened During PM Modi's Landmark Visit

Prime Minister Narendra Modi's visit to Nigeria marked the first by an Indian leader in 17 years, highlighting India's commitment to its strategic partnership with Africa's largest democracy. In Abuja, Modi engaged in extensive talks with Nigerian President Bola Ahmed Tinubu, focusing on collaboration in defence, trade, agriculture, energy, and health. Both leaders reaffirmed their resolve to combat terrorism, piracy, and radicalization while championing the aspirations of the Global South. Modi highlighted India's expertise in agriculture, transportation, renewable energy, and digital transformation, offering to bolster Nigeria's developmental goals. Tinubu lauded India's impactful development cooperation, which has helped to upgrade local skills and capacities. During delegation-level discussions, agreements were signed on cultural exchanges, customs cooperation, and survey collaboration. Modi also announced 20 tonnes of humanitarian aid to support flood relief efforts in Nigeria.

In a gesture of mutual respect, Modi was conferred Nigeria's highest national honour, the Grand Commander of the Order of the Niger. Expressing gratitude, Modi dedicated the award to the people of India and the enduring India-Nigeria friendship. Addressing the Indian diaspora, he talked about the shared values of democracy, diversity, and demographic vitality between the nations, emphasizing their collaborative journey forward as partners.



Source: Economic Times, Business Standard

<https://economictimes.indiatimes.com/news/india/first-indian-pm-visit-to-west-africa-in-17-years-seeks-to-boost-security-investment-ties/articleshow/115349048.cms?from=mdr>

https://www.business-standard.com/external-affairs-defence-security/news/india-accords-high-priority-to-strategic-partnership-with-nigeria-pm-modi-124111700588_1.html