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National Security Implications of India's Deregulation Drive via The Jan Vishwas Bill

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India's regulatory reform agenda is ambitious, and the Jan Vishwas Bill's decriminalisation of hundreds of provisions in a series of Acts shows a shift in how the country strives towards economic governance. India's former cabinet secretary Rajiv Gauba led a comprehensive 12-month deregulation exercise and now, with this bill, the government will seek to disrupt and re-impose regulations that were buried in the bureaucracy. While the advantages of this agenda are significant, there are a host of difficult national security questions that will arise and will need to be considered carefully.

The economic rationale for India's bold agenda of deregulation drive is obvious. The Jan Vishwas Bill goes beyond a keyword to require the decriminalization of 183 major provisions across 16 Central Acts administrated by 19 Ministries, addressing an obvious structural gap in the country's business confidence (note: numbers still being finalized). The example of the Legal Metrology Act, aligned in law to weights, measures, and labels acts, demonstrates the issue, where what should be straightforward commercial standards have been dysfunctional, fostering corruption and bureaucratic entanglement at a national scale to exclude their independence for mid-sized enterprise.

This systematic move to eliminate criminal penalties for minor, technical and procedural defaults is more than simply an administrative reform; it is a sign of a shift in thinking about punishment being proportionate to blameworthiness. The amendment also means that the level of punishment is proportional to the degree of the offence so imprisonment will be replaced by fines or administrative sanctions. This rationalisation could release shackles on entrepreneurial activity that has been restrained by the mere notion of criminalisation for unintended compliance errors.

The potential economic upside is enormous. By burdening entrepreneurs less in the compliance space and eliminating the fear of imprisonment for technical violations, India is doing more to better position itself to compete in global markets. The review of situations as diverse as shipbuilding to electronics conducted by the deregulation committees suggests a clear will to eliminate barriers, whether real or assumed, for processing or conducting business in sectors that facilitate economic growth and technological progress; it goes without saying that these could also lead to innovation, international investment, and faster scaling of Indian enterprises.

It is critical to note that when balancing aggressive deregulation with the domestic national security imperative, there are real risks involved with deregulation.

For example, changing violations from criminal to administrative penalties is a significant change in calculus and deterrent to violation of regulations. While punishment for a minor infraction, such as imprisonment, may seem excessive and is rightly beyond the norm, the loss of the criminal sanction could send unintended signals that strongly suggest certain violations are no longer of serious concern.

Risk is particularly high in subject matter areas with potential dual-use consequences. Take the environmental regulatory scheme. Environmental regulations may have national security functions in addition to environmental purposes. In these areas, the violation of pollution control regulations can be significant because a pollution control measure that impacts military facilities, critical infrastructure facilities, or border areas where environmental damage can have serious implications in degrading a sovereign nation's security operations. Telecommunications and information technology regulations that fall within this category both have direct correlation and overlap in the cybersecurity and data safeguards context.

The decriminalization of the provisions within Acts such as the Information Technology Act and Aadhaar Act raises potential consequences in relation to enforcement for data security. In an era of significant threats to national security including data breaches and cyber-attacks, a lesser penalty (legally, not practically) for certain infractions of information technology law could undermine India's posture regarding cyber defense. The difficulty is distinguishing between true minor technical violations from minor technical violations that can provide pathway into more serious breaches of national security.

The transition to administrative adjudication, while more efficient, may not carry the same weight and investigatory powers as criminal law. In some sectors such as shipping, telecommunications and financial services, enforcement gaps could be exploited by hostile actors, notably where national security intersects commercial activity.

From a perspective of external security, deregulation presents opportunities and vulnerabilities. On the opportunity side, a regulatory environment that is more friendly towards business could provide India's rate of economic growth more broadly and its ability to invest in defence and security infrastructure. Prioritising shipbuilding and other sectors is directly supporting strategic interests by enhancing India's naval capability and maritime security.

On the other hand, reduced regulation, in some parts of the economy, could contain vulnerabilities that adversarial foreign actors would find attractive. The deregulating provisions of the Merchant Shipping Act could affect port security and maritime surveillance capability. Likewise, lax regulation in the telecommunications and electronics sector will also provide foreign actors with opportunities to introduce security vulnerabilities into India's digital infrastructure.

The most pressing issue is probably Chinese economic influence. Simplified regulations may allow entities (which are not transparently owned) to enter Indian markets with the complicity of the process for markets and, ultimately, lend themselves to espionage or utility type/style irreconcilabilities that could itself put at risk a definitive national security consideration. Moreover, with virtually every country now voicing supply chain security concerns, it also means those regulatory environments were performing authoritarian functions that a traditional market could never have filled.

Beyond that, with counter-terrorism levels of scrutiny in play- ask if it matters what other countries think. From one perspective, deregulation may improve India's country rating in future scores on the business climate and competitive field. From another view, there will most likely be apprehension, at least, among security motivated partners to India's willingness to maintain active and robust government oversight in certain industries such as electronics, technology and sensitive issues. Even the exit of Russian-China defence stock presentations would affect intelligence sharing agreements and defence technologies underpinned by regulators that provided guarantees.

Finding the balance will be about effectively applying deregulation while still capturing enough of the economic opportunities and removing regulations that are needed for real security. This means developing suitable frameworks to identify which regulations are merely tactical rules and those which, represent a security prudence, and to build processes around both collective and individual issues/risks.

Particularly critical infrastructure sectors such as, energy, telecommunications, transport, and defense manufacturing, might justify some form of graduated deregulation that may impose a 'social' consequence (criminal penalty) for violations of regulations that might have security implications, while disregarding the possibility of social penalty for possible technical breaches.

Ultimately, the success of India's deregulatory process relies on developing institutional capacity to effectively manage this transition process. This will require improving mechanisms for administrative adjudication, better intelligence capability to recognize new security threats, and coordination between economic and security agencies.

As the transition process begins for India, it is important to first understand that in a more complicated environment globally, economic dynamism and national security can coexist or work toward some harmonization rather than merely a matter of picking what one is going consider or prefer as an exploitable compliance or menace.

UN@80: Between Heaven, Hell and a Fractured World Order

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“The United Nations was not created to take mankind to heaven, but to save humanity from hell.” Dag Hammarskjöld’s timeless words echo with renewed urgency as the world marks the 80th anniversary of the United Nations this year. Conceived in 1945 amid the wreckage of World War II, the UN was meant to embody hope, cooperation, and a promise of never again. Yet eight decades on, the institution stands at a precarious crossroads, battered by rivalries among great powers, challenged by nationalism and isolationism, and tested by crises that seem to outpace its ability to respond. The latest diplomatic storm, Israel’s declaration of Secretary-General António Guterres as persona non grata, underscores just how fragile and contested the UN’s moral authority has become.

This dramatic step has cast a long shadow over United Nations Day, which the world observed on October 24. A day traditionally reserved for celebrating multilateralism and dialogue now doubles as a reminder of the growing distrust toward international institutions. Israel’s move against Guterres followed his comments on the humanitarian catastrophe in Gaza; remarks aimed at highlighting civilian suffering and the urgency of aid. To Israeli leaders, however, those words smacked of bias and a dismissal of their right to defend themselves. By shutting its doors to the UN’s top diplomat, Israel made a powerful statement that reverberates beyond its borders: even the Secretary-General, guardian of the UN Charter, is not immune from the pushback against global oversight.

Persona non grata is a phrase with sharp edges. Once wielded mainly against foreign ambassadors, it has evolved into a potent symbol of rejection and resistance in international politics. Countries have used it to send strong messages—Venezuelan diplomats expelled from Colombia; Russian officials ejected from European capitals.

Yet when a UN Secretary-General becomes the target, the symbolism reaches an extraordinary level. It is not just António Guterres being told he is unwelcome; it is the very notion of the UN as an impartial mediator being cast aside.

As the UN turns 80, this incident forces a reckoning with deeper questions. Is the UN still capable of serving as the global forum where even adversaries can talk? Or has it become another battleground where national grievances drown out the ideals of peace and cooperation? The answer depends in part on how the world's major powers view the organization. Here, the outlook is troubling.

"The real question is not simply whether the US or China will dominate the UN, but whether middle powers like India can help craft a multilateralism fit for an age of rivalry and rapid change." That observation captures the current global mood: the Security Council remains paralyzed by great power competition, while middle powers search for ways to keep the spirit of cooperation alive. Yet as the UN General Assembly convenes its 80th session, there is a sinking sense that the institution is losing ground, not just because of the Israel-Guterres clash but also because of the more sustained erosion driven by the United States itself.

During his first term from 2017 to 2021, Donald Trump treated the UN with open hostility, dismissing it as a bloated and ineffective forum. At the time, many dismissed his stance as an aberration. Today, in his second term, he appears more powerful and less constrained, determined to reduce the UN's salience in global affairs. His "America First" movement has always been sceptical of multilateralism, portraying the UN as part of a globalist elite squandering American resources. One of the central themes of this populist wave has been opposition to "endless wars" and denunciation of liberals and Democrats as the "war party." Trump, styling himself as a "peace president," boasts of "ending seven wars" in the first eight months of his second term. "In his speech today, Trump is expected to pat himself on the back as a peacemaker, boasting of 'ending seven wars' in the first eight months of his second term." These claims are designed to thrill his domestic base, but they also carry an implicit jab at the UN Security Council—the body formally charged with maintaining international peace and security.

In Trump's telling, he is doing a better job than the UN itself. For Indian audiences weary of that refrain, it is worth recalling that he is speaking not just to the world but to his nationalist core at home. What is striking, however, is how such rhetoric chips away at the very legitimacy of the UN. If the United States, the organization's most powerful member and its financial backbone, treats it with disdain, the entire multilateral structure trembles. China, meanwhile, sees the UN as a stage for expanding its influence, using peacekeeping contributions, Belt and Road initiatives, and leadership in UN agencies to project soft power. Russia, cornered by sanctions and international isolation, wields its veto in the Security Council like a blunt weapon to shield its interests. Between Washington's hostility, Beijing's ambition, and Moscow's obstruction, the UN often looks less like a guardian of global order and more like a hostage to geopolitical rivalries.

And yet, the UN is not irrelevant. Humanitarian aid in war zones, refugee protection, climate change negotiations, and public health campaigns all depend heavily on the UN system. During the pandemic, despite shortcomings, the World Health Organization coordinated a global response. UN agencies remain lifelines for millions in conflict-torn regions. What is at stake, therefore, is not whether the UN does valuable work but whether it retains the legitimacy and cooperation needed to continue doing so.

The crisis triggered by Israel's rejection of Guterres illustrates the danger of a world where dialogue is replaced by silencing dissent. If countries increasingly declare UN envoys unwelcome simply for voicing humanitarian concerns, diplomacy risks becoming an echo chamber of self-affirmation rather than a forum for compromise. The rise of nationalism and isolationism amplifies this danger.

Governments are more inclined to reject external scrutiny, even when it comes from impartial institutions. The persona non grata designation thus symbolizes more than a diplomatic spat; it embodies a trend that threatens the very essence of multilateralism.

Yet crises can also serve as catalysts. The UN at 80 faces not just a test of survival but a chance for renewal. The demand for reform is not new. Calls for a more representative Security Council, greater accountability in peacekeeping, and stronger mechanisms for conflict prevention have echoed for decades. What has been missing is the political will among member states to push these reforms forward. Now, as the institution finds itself challenged from all sides, the urgency is greater than ever. For middle powers like India, this moment offers both a challenge and an opportunity. India has long sought a permanent seat on the Security Council, arguing that its population size, democratic credentials, and economic clout warrant a larger role. But beyond the question of membership, India and other rising states can help shape a multilateralism that adapts to today's fractured world—one that is not merely the playground of Washington and Beijing but a true forum for collective problem-solving.

Ultimately, Hammarskjöld's words remain the compass. The UN was never designed to deliver paradise on earth. It was created to prevent humanity from plunging into hellish wars and destruction. That mission remains as vital today as it was in 1945. In Gaza, in Ukraine, in countless forgotten conflicts across Africa and Asia, the need for dialogue, humanitarian assistance, and international oversight has never been greater. As the United Nations turns 80, it faces an uncertain future. Its authority is questioned, its leaders are challenged, and its structures creak under the weight of great power rivalry. But it also carries a legacy of survival and adaptation. It endured the Cold War, bypassed deadlocks, and expanded into new realms of global governance. Whether it can rise to today's challenges will depend on whether nations, large and small, rediscover the value of cooperation in an age of division.

In the shadow of crises and rivalries, UN Day is not just a commemoration but a call to action. The task is not to bring heaven to earth but to ensure humanity does not collapse into chaos. At 80, the UN's future will be defined not by the hostility it faces but by the will of its members to make multilateralism matter once again.

Linking trade and geopolitics will hurt US more than India

By Dr. Seshadri Chari

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The India-US trade deal is no longer in the domain of bilateral economic engagement alone. US President Donald Trump has pushed it into the realm of geopolitics. In his characteristic communication through social media, Trump has slapped a 25 per cent tariff on India and also suggested that India will be penalised for "buying vast majority of military equipment" from Russia and for being "Russia's largest buyer of energy along with China at a time when everyone wants Russia to stop the killing in Ukraine".

In another post, Trump states that "We have just concluded a Deal with the country of Pakistan, whereby Pakistan and the US will work together on their massive oil reserve". Clearly, bringing in India's relations with Russia, China and Pakistan into bilateral trade deal negotiations by Trump gives India an opportunity to recalibrate trade talks parameters.

Such intemperate statements and announcements are a setback to significant work done since 13 February 2025, when Prime Minister Modi visited President Trump and the two agreed to launch negotiations for a Bilateral Trade Agreement between the United States and India.

Objectives of India-US Trade Agreement

In February 2025, after the Trump-Modi meeting, the White House issued a statement confirming the agreement between the 'leaders of sovereign and vibrant democracies that value freedom, the rule of law, human rights, and pluralism'. It reaffirmed the strength of the India-US Comprehensive Global Strategic Partnership, anchored in mutual trust, shared interests, goodwill and robust engagement of their citizens. Besides launching a new initiative, the "US-India COMPACT (Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology) for the 21st Century", they also decided to work out plans to negotiate the first tranche of a mutually beneficial, multi-sector Bilateral Trade Agreement (BTA) by fall of 2025 to set a bold new goal for bilateral trade—"Mission 500"—aiming to more than double total bilateral trade to $500 billion by 2030.

Subsequently, during the meeting between US Vice President JD Vance and Prime Minister Narendra Modi in April 2025 in New Delhi, Terms of Reference for negotiations of the Bilateral Trade Agreement (BTA) were finalised. The US expected the trade deal to include increased market access, a reduction in tariff and non-tariff barriers, and a robust set of additional commitments to ensure long-term benefits.

The United States has long flagged issues relating to significant trade barriers with India. The US' total goods trade with India was an estimated $129.2 billion in 2024, and as a result, the United States ran a $45.7 billion goods trade deficit with India in 2024, a 5.1 per cent ($2.2 billion) increase over 2023. During the February meeting between Trump and Modi, India announced tariff reductions and its willingness to further reduce tariffs on US products as part of the BTA.

India's average applied tariff is 17 per cent, among the highest of the world's largest economies, while the US average applied tariff is 3.3 per cent. India's average applied tariff rate on agricultural products is 39 per cent, while the US average applied tariff on agricultural products is just 5 per cent. In addition to tariffs, technical barriers to trade, regulatory barriers, and restrictions on access to the market in the services, industrial, and agricultural sectors also reduce US exports to India. Mexico, Canada, China, Germany, Japan, South Korea, Taiwan, Vietnam, UK & India, in that order, are the largest trading partners of the US.

US Free Trade Agreement (FTA) partner countries provide greater market access through reduced or eliminated tariffs, intellectual property protection, and elimination of non-tariff barriers among other provisions. Accessing FTA markets can give a product or service a competitive advantage over products from other non-FTA countries. The US has 14 FTAs with 20 countries, which comprise about 40 per cent of US goods' exports. These are Australia, Bahrain, Chile, CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras & Nicaragua), Colombia, Israel, Jordan, South Korea, Morocco, Oman, Panama, Peru, Singapore and USMCA (United States-Canada-Mexico).

The recent US-EU FTA was preceded by Trump's threat of a 30 per cent tariff, which later escalated to 50 per cent. Now, the US-EU trade deal has settled for a 15 per cent tariff. But that is only the tip of the iceberg. Europe has agreed to spend around $1.3 trillion with America over the next three years. Europe will buy $750 billion worth of energy products from the US and invest $600 billion in the US market. In the bargain, EU gets total exemption on tariffs on aircraft and their components, semiconductor equipment, critical chemicals and some agricultural products. Interestingly, individual EU member countries will have to ratify this deal in their respective parliaments. The energy buying and investment promises will have to be done by individual members and the private enterprises in these countries.

Trump should understand that a similar approach with India is next to impossible. India has signed 13 Regional Trade Agreements (RTAs)/Free Trade Agreements (FTAs) with various countries/regions, namely, Japan, South Korea, countries of the ASEAN region and countries of the South Asian Association for Regional Cooperation (SAARC), Mauritius, United Arab Emirates, and Australia. India's merchandise exports to all these countries/regions have registered a growth in the last ten years.

India's Free Trade Agreement approach is generally based on four verticals—FTA with developed economies, trade agreements with countries rich in rare earth minerals, FTA with developing or emerging economies, and trade deals with immediate neighbours. Besides, there are trade agreements with regional groups such as ASEAN and BIMSTEC.

The US-India negotiating teams will have to work on several issues pertaining to the elimination of tariffs, anti-dumping duty mechanisms and safeguards, and determine and define Rules of Origin framework.

In a multipolar world, the US has to first recognise the ground realities. With more than 14 FTAs and new ones in the pipeline, especially with the EU, India has to diversify its market access to more countries. This will also mandate India to be more competitive as far as price and quality are concerned. Trump's failure to recognise FTA countries as equal partners and his my way or the highway attitude will not help the present economic situation, especially with a country of India's size and stature.

Trump should also realise that the US manufacturing sector has performed very poorly over the last three or four decades. It will take another ten years for the US to meet its own past records. It has to ideally outperform China, South Korea, Vietnam, Taiwan and Japan. As far as automobiles are concerned, it has to beat China, India, Japan, Germany, and South Korea.

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'Strategic Quadrangle' and India's Multi-alignment Policy

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The Trump administration announced two sets of tariffs of 25% each on India in July 2025; just a few weeks before Prime Minister Modi's scheduled visit to China to attend the 25th Shanghai Co-operation Organisation Summit in Tianjin (31 August and 1 September 2025) – his first visit to China in nearly seven years. Following this, not only the Indian media, but also the American and British media began to argue that Trump's tariffs are pushing India closer to Russia and China.

In fact, the process of normalisation of India-China relations had begun before the announcement of Trump's tariffs. External Affairs Minister S. Jaishankar visited Beijing on 14 July, after a gap of five years. This was followed by resumption of issuing visas to tourists for Mansarovar Yatra direct flights between the two countries. Official Indian communique after the 34th meeting of the Working Mechanism for Consultation & Coordination on India-China Border Affairs (WMCC) – held on 23 July 2025 in New Delhi – expressed "satisfaction with the general prevalence of peace and tranquility in the border areas, leading to gradual normalization of bilateral relations." Additionally, it is reported that India's import of crude oil from Russia increased in the month of August.

The analyses of these events and, to an extent, official statements, may convey the impression that India is leaning towards China as a response to Trump's "tariff diplomacy". However, this does not seem to be the case. Three things are noteworthy in this respect. One, commitment to SCO does not necessarily mean friendship with China. Normalisation of relations between India and China has begun, but de-escalation on the Line of Actual Control (LAC) is still far away. Border tensions will continue to shape India's relations with China. Secondly, Prime Minister Modi combined the China visit with a visit to Japan. During the visit, both countries agreed to elevate their economic and security co-operation in a substantial way. Japan, a close friend of India, is a member of the US-promoted group Quad (and also a victim of Trump's new tariffs). A visit to Tokyo before attending the SCO Summit, thus, underlines New Delhi's commitment to the Indo-Pacific and the Quad, besides the SCO. Third, during his confirmation hearing in the Senate, US Ambassador-designate to India Sergio Gor expressed optimism over the India-US trade deal; while Secretary of State Rubio emphasised the pivotal role of India in shaping the global future. An article by Republican Congressman Michael Baumgartner in a national daily also expects positive developments on trade front; another indication that back channels of negotiations are not completely shut.

For India, there is no 'either/or' choice between the US and China; the choice is more complex. A quick gaze through the changing relations among the US, USSR, China and India during the Cold War bipolar order and the contemporary multipolar order can explain the point.

Bipolarity and 'Strategic Quadrangle'

The US decision to normalise relations with China in the late 1960's was the first time the quadrangular relations became a factor in India's foreign policy. By this time, US, USSR and China had emerged as major players in South Asian regional politics. Emergence of the Washington-Beijing-Islamabad axis led India to make 'adjustment' with its policy of Non-alignment and develop closer ties with the USSR through the Indo-Soviet Friendship Treaty of 1971; thus, creating the counter-axis of New Delhi-Moscow.

Policy choice for India in the bipolar world order was more straight forward. Soviet Union was the balancer to American and Chinese influence in the region in general and Pakistan in particular. These equations formed in the 1970's survived throughout the Cold War period.

Rise of Multipolarity and 'Strategic Quadrangle'

End of the Cold War and disintegration of the USSR shattered the old quadrangular equation. New Russian foreign policy emerged in the late 1990's with an emphasis on Russia's Eurasian location and identity, as well as an aim to form a multipolar world order. Moscow's three decades long rivalry with Beijing ended in 1999. Around this time, Moscow suggested the idea of Russia-India-China (RIC) triangle. India, however, was reluctant to go ahead with the idea, due to its rivalry with China, and pending border issue.

India's efforts, since the turn of the century, to improve its relationship with the US yielded the India-US Nuclear Deal in 2005. Co-operation with the US was eventually raised to the level of Strategic Partnership. In the same period, relations with Russia were revived and renewed, with import of Russian arms gradually becoming the cornerstone of the relationship once again. Russia was the first country with whom India entered into a Strategic Partnership. On the other hand, throughout the first fifteen years of the twenty-first century, India-China trade increased steadily. This brought about a stability in bilateral relations, despite continuation of the border problem. During this period, along with China and Russia, India too emerged as a rising power in the global order. Thus, rising multipolarity and India's multi-alignment policy evolved parallel to each other, leading to new quadrangular equations. India's multi-alignment policy was a response to the complexity of multipolar world order.

Further, multi-alignment also emerges from New Delhi's idea of multipolarity, which envisages two-tiered multipolarity – at the global as well as at the regional level. It involves challenging the US dominance at the global level. Hence, good relations with Russia and China, and membership of BRICS and SCO, are important. But on the other hand, the idea also involves challenging the dominance of China, primarily at the regional level, i.e. the broader Indian Ocean Region; as well as meeting the potential rise of China as a global superpower. Hence, good relations with the US, and participation in the Quad dialogue, are equally important. Thus, India is the only country which is the member of both, the Quad and the BRICS/SCO. Rise of multipolar world order and New Delhi's perception of its role in the emerging order have shaped the new quadrangular equations, which subsequently have shaped India's multi-alignment policy. Alienating either US or China/Russia is not in the interest of India.

India has a Viable Voyage Plan to Acquire Self-Reliance in Shipping

By Anil Devli & R.V. Anuradha

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At the 'Samudra ke Samriddhi' programme in Ahmedabad on 20 September, Prime Minister Narendra Modi highlighted the staggering financial loss India incurs due to reliance on foreign shipping. India pays foreign shipping companies $75 billion annually, nearly equivalent to its annual defence budget. This is mainly because foreign ships carry almost 95% of India's export-import trade. "Be it chips or ships, they must be Made in India," Modi said.

Four significant steps to revitalize India's shipbuilding and maritime ecosystem have been initiated as part of a package approved by the Union cabinet:

One, the Shipbuilding Financial Assistance Scheme has been extended till 31 March 2036. This, coupled with infrastructure status for shipyards, will facilitate credit for setting up shipyards.

Two, a Maritime Development Fund (MDF) has been approved with a corpus of ₹25,000 crore to provide long-term financing for ship acquisition.

Three, the cabinet has approved the allocation of ₹4,001 crore for an innovative scheme, the Shipbreaking Credit Note, which was announced in the budget. This scheme incentivizes ship scrapping by issuing a credit note of 40% of the scrap value that can be reimbursed to buy new 'Made in India' ships.

Four, the Shipbuilding Development Scheme (SbDS), with a budgetary outlay of ₹19,989 crore, aims to expand domestic shipbuilding capacity to 4.5 million gross tonnages (GT) annually, support mega shipbuilding clusters and infrastructure expansion, establish an India Ship Technology Centre under the Indian Maritime University and provide risk coverage, including insurance support for shipbuilding projects.

In a related development, the finance ministry has included in the Harmonized Master List (HML) of infrastructure two categories of shipping vessels: **(a)** Indian-owned and Indian flag ships of 10,000GT capacity or more **(b)** commercial vessels of 1,500GT or more, which are built in India and under Indian ownership and bear the flag. The RBI (Project Finance) Directions, 2025, that will come into effect from 1 October, clarify that sectors in HML can avail: **(a)** flexible lending terms, **(b)** enhanced limits for loans from banks and financial institutions **(c)** flexibility in refinancing and restructuring of existing loans and **(d)** flexibility on provisioning of non-performing assets.

For these benefits to materialize, the next steps should include reaching out to Indian infrastructure finance companies such as NaBFiD, PFC, REC and the Sagarmala Development Finance Corp to open access to their infrastructure funds for Indian shipping companies looking to augment Indian flag tonnage through the acquisition of ships and by building them in Indian yards.

These steps address the supply side. Of equal importance is demand and the government can facilitate this as well. For tugboats and specialized vessel segments, a series of measures, including standard tug designs for use by major ports and mandates for procurement of Indian-made tugs under the Green Tug Transition Programme (GTTP), have created long-term visibility on the use of Indian built tugs. In the context of cargo vessels, the assurance and availability of long-term charters will spur the purchase of ships under the Indian flag as well as ship-building in India.

The greening of ship manufacturing is another area in need of policy support. To be future ready, shipbuilding must adhere to international sustainability and environmental norms. The International Maritime Organization has proposed a net-zero framework for shipping to reach net-zero greenhouse gas emissions by around 2050. The EU has already started mandating that ships entering its waters must comply with emission reduction norms. Given the old age profile of Indian flag ships, the cost of compliance for any net-zero framework will be very high and could hurt our export competitiveness.

Financial support will be needed to ensure that they are able to comply and stay resilient in the face of a fast-changing regulatory scenario globally.

Similarly, building ships to meet high environmental standards calls for higher investments. A portion of the MDF could hence be dedicated to the financing of clean ship manufacturing as well as the transition of existing fleets. The Harit Nauka-Green Transition Guidelines for Inland Vessels provided a structured plan for a shift of vessels used for inland passenger transport towards cleaner fuels, while the GTTP incentivized a transition to battery-operated tugs at all Indian ports. Similar programmes exist for investment in cargo vessels.

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Analysing Trump's Peace Plan for Gaza

By Vappala Balachandran

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Prima facie, US President Donald Trump's 20-point proposal for Gaza peace might resemble President Ronald Reagan's two-track peace plan for Lebanon in September 1982. Moved by "American public outrage and a phone call from King Fahd," Reagan telephoned Israeli Prime Minister Menachem Begin and curtly told him to stop heavy bombing on PLO positions which was destroying much Lebanon's infrastructure. Simultaneously he also enlisted Syrian help to stabilise the region.

However, there are vast differences. While Reagan plan stated that its goal was to "reconcile Israel's legitimate security concerns with the legitimate rights of the Palestinians", Trump plan excludes Hamas, the elected government in Gaza (2006) from "any role in the governance of Gaza, directly, indirectly, or in any form". True, Trump plan speaks of "a credible pathway to Palestinian self-determination and statehood, which we recognise as the aspiration of the Palestinian people". There is, however, no mention whether US would accept a two-state solution.

Similarly, while Reagan plan permitted PLO leader Yasser Arafat and 14,000 PLO fighters to depart to Tunisia with their weapons between August 21 and September 1, 1982, no such permission will be given to Hamas. After the release of Israeli hostages, Hamas will have to decommission their weapons and seek amnesty.

There is a mention in Point 6 that those Hamas members "who wish to leave Gaza will be provided safe passage to receiving countries". It is not clear whether they could keep their weapons. It is quite apparent that no Arab country would welcome armed Hamas cadres on their soil.

Like in 1982, most Arab countries have backed the Trump plan. The only difference is that while their support in 2025 is overt, the help provided to US by Syria in 1982 in stabilising Lebanon was covert, according to the secret papers of the late Abdul Halim Khaddam, then Syrian Foreign Minister. His files would shed light on a US-Syria agreement on the formal entry of Syrian forces into Beirut and its presence there till 2005 to stabilise Lebanon following Arafat's exit.

Under the Trump Plan, which also echoes the February 2024 Biden plan, the United States would work with Arab and international partners to develop a temporary International Stabilisation Force (ISF) to be deployed in Gaza. The ISF would train and support "vetted Palestinian police forces" in Gaza and consult with Jordan and Egypt "who have extensive experience in this field".

Next, Gaza will be governed under the two-tier "temporary transitional governance" of a technocratic, "apolitical Palestinian committee", responsible for delivering day-to-day running of public services and municipalities for Gaza. This committee will be selected from "qualified Palestinians" and international experts. Its oversight and supervision would be by a new international transitional body called the "Board of Peace," which will be chaired by President Donald J. Trump, with other members and heads of state to be announced, including former British Prime Minister Tony Blair.

This body is supposed to establish the framework and funding for the redevelopment of Gaza until such time as the Palestinian Authority can complete its "reform programme", as outlined in various proposals. Mention here is made of "President Trump's peace plan in 2020" and "the Saudi French proposal", which it is hoped "can securely and effectively take back control of Gaza". This body would set up "modern and efficient governance with best international standards that would serve the people of Gaza which would be conducive to attracting investment".

The most striking part of the new plan is not involving United Nations' (UN) except for distribution of aid: "Entry of distribution and aid in the Gaza Strip will proceed without interference from the two parties through the United Nations and its agencies, and the Red Crescent, in addition to other international institutions not associated in any manner with either party". Is this to please Israel?

There are many imponderables here: First. would the transitional authority dismiss the entire Hamas led bureaucracy in Gaza? A similar "De- Baathification" of Iraq's army and dismissal of existing administrative structure in 2003 by US Presidential Envoy L. Paul Bremer in Iraq had created chaos in that country and helped to create ungoverned territories in the region leading to the global menace caused by the dreaded Islamic State (IS).

Second, the framers of Trump plan do not seem to recognise layers and layers of political manipulation, intrigues and miscalculations in that region. Lying hidden among secret Khaddam archives are Arafat's plans to continue to fight in Lebanon for another six months but was let down by Soviet Union (KGB). The reason? Arafat's refusal of a Soviet request to undermine Ayatollah Ruhollah Khomeini's regime to spread Soviet/ Communist influence in Iran. As a result, Soviet Ambassador Alexander Soldatov in Beirut bluntly told Arafat that he should leave Beirut.

Third, after Arafat's departure to Tunisia, Israel's Defence Minister Ariel Sharon, who had orchestrated and led the 1982 invasion, vainly boasted it as "a crushing defeat, a blow from which it will be hard (for them) to recover."

Fourth, after 1982, Syria and Iran would strengthen their alliance, which led to the birth of Hezbollah and its teamwork with Hamas, once encouraged by Israel itself, leading later to the repeated Gaza wars. Trump's plan does not seem to recognise Iran's role in that region and how it can be countered.

India has been marginal player in all these developments. Its failure to take a strong stand on the indiscriminate Israeli bombing on civilians leading to 67,160 deaths including at least 19,424 children has been a point of regret among the traditional allies, including Navi Pillai, former UN High Commissioner of Human Rights, who wondered how India could sell weapons to Israel. The signing of an investment treaty with Israeli Minister of Finance Bezalel Smotrich on 8 September was another reason.

True, the White House has acknowledged India's support to the Trump Plan as "a viable pathway to long term and sustainable peace, security and development for the Palestinian and Israeli people, as also for the larger West Asian region".

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India is Proud of:

Lance Naik Gynendra Kumar Rai, Vir Chakra

PICTURE OF RESILIENCE: Honorary Capt Gyanendra Rai with his wife, Laxmi Devi, in Kargil after the war

Lance Naik Gyanendra Kumar Rai, 1/11 Gorkha Rifles—the "Bravest of the Brave" battalion that gave India legends like Capt Manoj Pandey (PVC) and Lt Puneet Datt (AC)— was no stranger to danger. In fact, he had served as Capt Pandey's (PVC recipient) radio operator during the fierce link-cutting action at Point 5203 in June 1999.

But nothing could compare to Khalubar Ridge, 3 July 1999. Ordered to cripple the enemy's nerve centre, 24-year-old L/Nk Rai crawled alone to within 40 metres of Pakistani bunkers held by Pakistan Army's 5 Northern Light Infantry. Armed with 350 rounds, two grenades, and his khukri, he slashed through their field cables cutting off communication, and then stormed in.

INSAS firing. Grenades thundering. 8 enemy soldiers fell. Then a burst of MMG ripped through his neck and spine; shrapnel smashed his arm. Captured and tortured, L/Nk Rai was tied, kicked downhill, and marked for a POW march into PoK. Bleeding, he begged for a bullet—death over dishonour. But a Pakistani Major halted the execution.

Fate intervened—a sudden Bofors barrage shattered the silence, and a blinding whiteout snowstorm cloaked the mountains. Bleeding and half-paralysed, L/Nk Rai rolled 40 metres down a snow chute. Then, through pitch-dark, freezing terrain, he clawed and crawled for 5 relentless hours—hungry, wounded, alone—until he finally staggered back into Indian lines at 17,000 feet. A stunned soldier whispered, “Dead men don’t return,” as L/Nk Rai collapsed, blood in his mouth. He was immediately evacuated for urgent medical care.

He became one of the rare few to escape alive from Pakistani hands—within Indian Territory. And his solo assault had bought vital time. Khalubar fell the very next night.

Some warriors don’t just survive battle—they outrun death itself. Because the bond of regiment and duty can make a man bleed, fight, escape, and rise again—until victory is carved into the ridgeline.

Lance Naik Rai retired in 2017 as an Honorary Captain, after frontline service in Sri Lanka (IPKF), Manipur, Kargil, and Kupwara. His left arm remains a silent relic of war, forever disabled. Today, he lives with 80% disability, a Vir Chakra on his chest, and a Khukri that still gleams with memory and pride.

The son of a British Indian Army veteran who fought the Japanese in WWII, Hony Capt Rai now lives in Bagdogra, Siliguri with his wife, Laxmi Devi, and children, Divya and Dipen.

Under unimaginable hostile conditions brave one’s rise to occasion and they shine and show the grit, determination and courage unseen in normal times. Well! Lance Naik Rai is one such example.

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