

SPECTRUM

Tracking Strategic Shifts Worldwide and Their Impact on India

6th to 19th June 2026

1. G7 Summit reinforces focus on geopolitical stability and resilient supply chains

The 2026 G7 Summit in Évian, France, brought together leaders from major advanced economies to address the interconnected challenges of geopolitical instability, economic fragmentation, technological competition, and climate resilience. The summit reaffirmed support for Ukraine, emphasized the importance of securing critical mineral supply chains, and reiterated the commitment to a free and open Indo-Pacific. India participated as an outreach partner, underscoring its growing importance in global governance discussions. For India, the summit outcomes align closely with its strategic priorities. New initiatives on supply-chain resilience, critical technologies, and infrastructure financing create opportunities for India to attract investment, strengthen manufacturing capabilities, and position itself as an indispensable partner in an increasingly multipolar world.

2. The United States and Iran move towards a new nuclear understanding

After months of backchannel negotiations, Washington and Tehran announced a framework agreement aimed at limiting Iran's nuclear activities in exchange for phased sanctions relief. Although details remain under negotiation, the breakthrough has reduced fears of a major regional escalation in West Asia. Greater stability in the Gulf directly benefits India, which depends heavily on the region for energy imports and hosts a large diaspora there. Reduced geopolitical tensions could also revive regional connectivity initiatives, including the India–Middle East–Europe Economic Corridor (IMEC), while potentially reopening opportunities for deeper engagement with Iran through projects such as the Chabahar Port.

3. Ukraine expands long-range drone operations against Russia

The Russia–Ukraine war entered a new phase as Ukraine launched extensive drone strikes targeting Russian energy and military infrastructure deep inside Russian territory. The attacks highlighted the increasing importance of low-cost, high-impact unmanned systems in modern warfare. The evolving character of warfare offers significant lessons for India's defence establishment. The conflict underscores the need for accelerated investment in indigenous drone capabilities, electronic warfare systems, air defence networks, and the protection of critical infrastructure.

4. G7 nations tighten sanctions pressure on Russia

G7 leaders agreed to expand sanctions targeting Russian energy exports, shipping networks, and financial channels in an effort to constrain Moscow's war-fighting capacity. The new measures aim to close loopholes that have enabled Russia to continue exporting energy despite existing restrictions. India has benefited from discounted Russian crude imports since 2022, helping contain inflation and support energy security. However, tighter sanctions could increase compliance risks for Indian refiners, insurers, and shipping companies, compelling New Delhi to further diversify its energy sources.

5. The United States and China resume trade negotiations

Senior officials from Washington and Beijing resumed high-level economic talks focused on tariffs, export controls, critical minerals, and advanced technologies. While both sides seek to stabilize bilateral relations, deep disagreements remain over trade practices and technological competition. Any change in U.S.–China economic relations will significantly affect global supply chains. Continued strategic competition could encourage multinational companies to diversify production bases away from China, creating opportunities for India to expand its role in electronics manufacturing, semiconductors, and high-value supply chains.

6. China's dominance in critical minerals becomes a global concern

Concerns intensified over China's overwhelming control of rare earth processing and other critical mineral supply chains that underpin advanced technologies, renewable energy systems, and defence industries. Several countries announced new initiatives to reduce dependence on Chinese supply networks. Securing access to critical minerals has become a strategic imperative for India. The country is likely to deepen partnerships with resource-rich nations in Africa, Latin America, and Australia while accelerating domestic exploration and processing capabilities.

7. Indo-Pacific security remains at the centre of global diplomacy

The G7 summit and other diplomatic engagements over the past two weeks placed renewed emphasis on maritime security and freedom of navigation in the Indo-Pacific. Major powers reiterated opposition to unilateral attempts to alter the status quo in contested maritime regions. The growing global focus on the Indo-Pacific strengthens India's position as a key regional stakeholder. It reinforces New Delhi's efforts through the Quad, the SAGAR doctrine, and partnerships with countries such as Japan, Australia, France, and the United States.

8. The United States reviews its military posture in Europe

The U.S. administration initiated a review of its military presence in Europe while encouraging NATO allies to assume greater responsibility for continental defence. The move reflects Washington's broader strategic objective of reallocating resources towards the Indo-Pacific. A sustained American strategic shift towards Asia could deepen defence cooperation between India and the United States. Enhanced U.S. engagement in the Indo-Pacific may strengthen deterrence against regional security challenges and contribute to a more favourable balance of power.

9. Competition over artificial intelligence intensifies

The technological rivalry between the United States and China accelerated with new restrictions on advanced semiconductor exports, increased investment in AI infrastructure, and growing competition over global standards for artificial intelligence governance. India has an opportunity to emerge as a trusted actor in AI development and governance by leveraging its large digital ecosystem, skilled workforce, and growing innovation capacity. At the same time, New Delhi must balance technological partnerships with both Western countries and the Global South.

10. Maritime security concerns rise around the Strait of Hormuz

Despite signs of progress in U.S.–Iran diplomacy, concerns over maritime security in the Strait of Hormuz remained high amid ongoing regional tensions. The strategic waterway continues to be one of the world's most critical energy chokepoints. Any disruption in maritime traffic through the Strait of Hormuz would have immediate consequences for India's energy security and trade flows. This underscores the importance of strengthening India's naval capabilities and maritime partnerships in the Indian Ocean Region.

11. Global supply-chain diversification gathers momentum

Governments and multinational corporations accelerated efforts to build more resilient supply chains in response to geopolitical tensions, trade restrictions, and concerns over excessive dependence on single-country manufacturing hubs. India stands to gain significantly from this trend. Production-linked incentive schemes, infrastructure investments, and a growing domestic market position India as an attractive destination for companies seeking to diversify manufacturing operations.

12. The emergence of a more fragmented multipolar order becomes increasingly evident

Developments across Europe, West Asia, and the Indo-Pacific over the past two weeks highlighted the growing complexity of global politics. Great-power competition, regional conflicts, economic nationalism, and technological rivalry are reshaping the international system. India's strategy of multi-alignment, maintaining productive relationships with the United States, Russia, Europe, West Asian partners, and the Global South, becomes increasingly relevant. Navigating this fragmented order while preserving strategic autonomy will remain central to India's foreign policy in the years ahead.