



CHAKRA
DIALOGUES FOUNDATION
— RASHTRAHIT SARVOPARI —

SPECTRUM

**Tracking Strategic Shifts Worldwide
and Their Impact on India**

1st to 15th September 2026





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1. BRICS Summit in New Delhi - The 18th BRICS Summit was held in New Delhi on 12–13 September, bringing together leaders of major emerging economies amid wars in Ukraine and West Asia. Discussions focused on reforming global institutions, trade, development finance, technology, and greater use of local currencies. The 2026 New Delhi Declaration reaffirmed BRICS' commitment to a more representative and reformed multilateral order, while calling for stronger cooperation on trade, finance, AI, energy and development and condemning terrorism, including the Pahalgam attack.

Implications for India: The summit reinforced India's role as a convening power in the Global South and provided diplomatic space to advance issues such as UN reform, counter-terrorism and alternative payment mechanisms. At the same time, India will need to balance its leadership ambitions within BRICS with China's growing influence and the divergent strategic interests of the expanded grouping.

2. Modi-Xi Meeting - Prime Minister Narendra Modi and Chinese President Xi Jinping met on 12 September in New Delhi on the sidelines of the BRICS Summit, signalling efforts to stabilise bilateral relations. Both sides discussed border peace, economic ties, connectivity and people-to-people exchanges.

Implications for India: Improved relations could create space for greater economic engagement and diplomatic stabilisation, but the unresolved boundary question and trade imbalance remain major constraints.

3. Escalation between US and Iran - Military confrontation between the United States and Iran intensified on 2 September, increasing risks around the Persian Gulf and the Strait of Hormuz. The escalation has also generated renewed volatility in global energy and shipping markets.

Implications for India: Any prolonged disruption around Hormuz could sharply increase India's oil-import costs, inflation and shipping risks while affecting the large Indian community in the Gulf.

4. Iran's Nuclear Programme - The IAEA Board of Governors referred Iran's nuclear non-compliance to the UN Security Council on 1 September, reopening a major international dispute over Tehran's nuclear activities. The move comes amid already heightened US-Iran tensions.

Implications for India: India will have to carefully balance its relations with Iran, the US, Israel and the Gulf while protecting strategic interests such as Chabahar and regional connectivity.



5. Modi-Putin Meeting - Prime Minister Modi and Russian President Vladimir Putin held talks on 11 September in New Delhi covering defence, energy, trade and the Ukraine conflict. Both sides reiterated their intention to expand bilateral trade significantly over the coming years.

Implications for India: Russia remains important for India's energy and defence requirements, but increasing Western pressure on Russian oil and trade makes maintaining India's relationship with Moscow more complex.

6. US Pressure on Russian Oil Purchasers - Washington intensified efforts last week to impose additional economic costs on countries continuing to purchase Russian oil, with proposals for substantially higher tariffs and sanctions. India has been specifically mentioned in discussions surrounding these measures.

Implications for India: Further sanctions could raise the cost of India's Russian-oil strategy and complicate its effort to secure affordable energy while maintaining strategic autonomy.

7. Ukraine War Continues - Diplomatic contacts between Russia and the United States continued, but fighting and attacks on energy infrastructure persisted in Ukraine. No comprehensive settlement has yet emerged from the diplomatic efforts.

Implications for India: A prolonged war continues to affect global energy, fertiliser and commodity markets while requiring India to maintain working relationships with both Moscow and Western capitals.

8. Oil Prices Surge - The widening Middle East conflict pushed international crude prices above \$100 a barrel during the first half of September. India's crude basket also rose sharply, increasing pressure on the country's import bill.

Implications for India: Higher oil prices could widen India's current-account deficit, increase inflationary pressures and put pressure on the rupee, making energy diversification and strategic reserves more important.

9. China's Critical-Mineral Dominance - China continues to dominate global processing of several critical minerals, including lithium, graphite and cobalt, which are essential for batteries, electronics and clean-energy technologies. Western efforts to reduce this dependence are gathering momentum.

Implications for India: India needs to accelerate partnerships with Australia, Africa, Japan, the US and Europe to secure critical minerals and reduce vulnerabilities in its defence, electronics and EV supply chains.

10. G20 Debate on China's Export Surplus - G20 discussions 1 September highlighted concerns over persistent trade imbalances and China's export-oriented economic model. Several major economies are increasingly seeking measures to address industrial overcapacity and non-market practices.

Implications for India: Diversification away from China could create opportunities for Indian manufacturing and exports, but a surge of Chinese goods into third markets could also intensify competitive pressure on Indian industry.



11. India–EU Trade Agreement - The India–EU trade agreement on 11 September moved further through the European approval process, potentially opening a substantially larger market for Indian goods and services. The agreement represents an important step in India's trade diversification.

Implications for India: Greater access to European markets could strengthen India's export base and reduce excessive dependence on the US and China, while also increasing competition for Indian producers.

12. India–China Economic Re-engagement - Alongside the political thaw, India and China on 12 September have begun discussing the gradual restoration of business links, travel and other economic interactions. However, several restrictions introduced after 2020 remain important barriers.

Implications for India: Selective economic normalisation could benefit Indian consumers and businesses while allowing New Delhi to retain safeguards around sensitive technologies, investment and strategic supply chains.

13. Nepal Floods and Hydropower Disruption - Severe flooding in Nepal damaged hydropower infrastructure and disrupted electricity exports, forcing Kathmandu on 14 September to rely more heavily on power imports from India. India subsequently approved additional electricity exports to Nepal.

Implications for India: The episode reinforces India's importance to Nepal's energy security and creates opportunities for deeper regional power integration, while highlighting climate risks to Himalayan infrastructure.

14. Proposed Changes to H-1B Rules - The US administration proposed changes that could reduce the grace period available to certain temporary visa holders after losing employment. The proposal could particularly affect highly skilled foreign workers, including many Indians in the technology sector.

Implications for India: Changes could create uncertainty for Indian professionals and IT companies in the US while strengthening incentives for India to develop domestic high-skilled employment and technology ecosystems.

15. Red Sea and Bab el-Mandeb Risks - Continuing instability involving the Houthis in Yemen is creating renewed concern over maritime security around the Red Sea and Bab el-Mandeb. The risks come alongside instability around the Strait of Hormuz.

Implications for India: Simultaneous pressure on two major maritime chokepoints could affect India's energy supplies, exports and shipping costs, reinforcing the strategic importance of the Indian Navy and India's maritime-security partnerships.



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