



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## ECONOMIC SECURITY AND RESILIENCE REVIEW

JUNE 2026

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**Delhi Policy Group**

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### ECONOMIC SECURITY AND RESILIENCE REVIEW

This monthly publication assesses the global, regional and national initiatives to address the issues of economic security and resilience and is authored by Dr. V.S. Seshadri, Senior Fellow for Economic Security. Your comments and feedback may be addressed to the author at [villurvirgo2010@gmail.com](mailto:villurvirgo2010@gmail.com). To subscribe, please click [here](#).

*The views expressed in this publication are those of the author and should not be attributed to the Delhi Policy Group as an Institution.*

### Cover Images:

1. Indian Prime Minister, Narendra Modi in a family photo with World leaders on the sidelines of the G7 Summit, in Evian, France on June 16, 2026. Source: [Prime Minister of India](#)
2. Indian Prime Minister, Narendra Modi meets the President of France, Emmanuel Macron during the Bharat Innovates event, in Nice, France on June 14, 2026. Source: [Prime Minister of India](#)
3. India's Union Minister Piyush Goyal and the United States Trade Representative Jamieson Greer held talks, in New Delhi, on June 23, 2026. Source: [X/@PiyushGoyal](#)

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# Economic Security and Resilience Review

by

V. S. Seshadri

## Introduction

There is a palpable sense of satisfaction that the government handled the economic impact from the West Asian conflict without serious disruptions due to a series of measures taken both in the form of supply and demand management steps as well as through timely economic policy adjustment measures. This issue of ESRR looks at a published article by the CEA Anantha Nageswaran which deals with them in some detail. RBI's just published half yearly report on financial stability has also noted how the US-Iran interim peace deal has now shifted the risk balance favourably.

Drawing lessons from the crisis, however, the government is reported to be proceeding with plans to significantly enhance the strategic petroleum reserve capacity from the present nine and half days consumption to forty days taking the strategic reserve from around 5.33 MMT to around 24 MMT. This is quite apart from the inventories held by refineries and oil marketing companies that normally cover demand over a 60-day period.

Notwithstanding visits by two teams from the office of USTR to India during the month, with one of them led by USTR Jamieson Greer himself, there is still lack of clarity about what are the outstanding issues that still need resolution in respect of the interim bilateral trade deal that has been under negotiation since March last year and for which a framework was also announced earlier this year. It is also unclear how the findings of the two ongoing Section 301 investigations in the US against various countries including India, one relating to taking action on alleged forced labour practices and another relating to alleged excess capacities, will impact on the final tariff determination for India in the US market. Commerce Minister Piyush Goyal said after these visits that India will not enter into a trade deal with the US until the latter finds appropriate tools and legal backing to give India a comparative advantage over competing economies.

This issue of ESRR also reviews in some detail PM's visit to France, his participation at the G-7 summit outreach meetings and some of the key bilateral meetings that he held with key global leaders including President Trump of the US. The outcome of the G-7 summit is also dealt with in some detail, particularly the joint declaration on critical minerals that goes significantly beyond earlier pronouncements by G-7 on this subject as well as a joint statement on global imbalances that was in turn substantially guided by the report of a high level

expert group of economists that was commissioned by this year's French G-7 Presidency.

There was an air of expectation that the EU Council meeting of leaders of member states which was to discuss a China strategy will come out with tougher measures on trade with China. With however opposition from some member states including Germany and Spain this appears to have been postponed with the EU Commission directed to hold further dialogues with key partners.

Visits to China by President Min Aung Hlaing of Myanmar and PM Tarique Rahman of Bangladesh during the month resulted in outcomes that appear to give China significant room to expand its BRI and other connectivity corridors apart from also participation in port related infrastructure and industrial zones. From an economic security viewpoint these need close monitoring considering their proximity to India's land borders.

China has brought into force its new regulations to implement the country's Mineral Resources law. The regulations address everything from mining rights, mineral exploration and extraction to stockpiling, environmental restoration, regulatory oversight and legal liability. Importantly they provide the China government with legal backing to impose countermeasures if foreign governments restrict China's access to external supply chains.

Both Japan and the Republic of Korea made separate announcements about their respective investment plans extending to several years by both the private and sectors in identified priority areas. Semiconductors, AI and data centres appeared to receive particular focus even as in Japan's case the list extended to 17 priority areas.

Finally, this issue also captures the key points made in the External Affairs Minister Dr. S. Jaishankar's keynote address at the Jeju Forum for Peace and Prosperity on June 25, 2026 which had as its main theme 'Reinventing cooperation in a fragmented world'.

### **Government on measures taken to deal with economic fallout of Gulf conflict**

In a published article<sup>1</sup>, the Chief Economic Adviser, Anantha Nageswaran, has dwelt on the series of measures taken by the government since the outbreak of the West Asia conflict that helped it to keep the economy stable and moving to tide over the economic impact from the crisis. They included the following:

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<sup>1</sup> [https://www.business-standard.com/opinion/columns/steady-stable-as-she-goes-india-and-the-economic-fallout-of-gulf-conflict-126062800744\\_1.html](https://www.business-standard.com/opinion/columns/steady-stable-as-she-goes-india-and-the-economic-fallout-of-gulf-conflict-126062800744_1.html)

- Ensured every household got the gas for cooking at the retail price near Rs 900. Commercial and bulk users were asked to give way to protect the homes;
- Government decided to largely absorb the price shocks on also other fuels than pass it on to consumers;
- Domestic refiners lifting cooking gas output by 50% within a week even as India quickly widened its sources, deepening purchases from US and Russia and adding new suppliers. India also tried to keep its cargoes moving even as Hormuz traffic came to a trickle;
- Converting some homes from cylinders to piped gas and as more long term measures pushing on ethanol blending and coal gasification;
- Drawing money into the bond market by removing withholding and capital gains taxes on FII purchases of government debt;
- Introduction of a new non-resident dollar deposit scheme.
- Developments such as fall in China's fuel purchases, steady releases from US petroleum reserves and more recently China's resumption on fertiliser exports also helped moderate crude and fertiliser prices.

CEA Nageswaran also noted that in a sign of upward revisions to come Goldman Sachs recently upgraded its growth forecast for India to 6.8% for calendar year 2026 and 6.5% for 2027 which were 0.3% above previous forecasts.

The RBI half yearly financial stability report<sup>2</sup> has also noted that the balance of risks has shifted favourably with the interim US-Iran peace deal and supported also by recent policy measures by the Government and the Reserve Bank aimed at strengthening capital inflows. There was however a caution that exchange rate volatility could rise if crude oil prices increase due to delayed normalisation of supply chain disruption and additional demand to replenish inventory.

It may also be mentioned here that with effect from July 1 the government has now removed all restrictions and caps on the sale of diesel and petrol. Moreover, with effect from June 25 itself the government had also restored the supply of industrial and commercial LPG to levels supplied before the West Asia conflict.

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<sup>2</sup> [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=63050](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=63050)

## Proposed enhancement of India's strategic oil reserves

The government is now reported to be also working on a project to significantly expand the country's strategic petroleum reserve to as much as 40 days of consumption<sup>3</sup> as against the present reserve capacity of only nine and a half days. While the current capacity of 5.33 MMT is distributed between Mangaluru, Padur and Vishakhapatnam the proposal is to expand that to around 24 MMT in all by also including additional reserve facilities at Bikaner (Rajasthan), Bina (MP) and Chandikhol (Odisha).

These strategic reserves are however distinct from inventories maintained by refineries and fuel retailers that typically exceed 60 days of consumption demand.

## India - US trade deal: More visits but still no word about final outcome

There were two visits to India during the month from the Office of USTR to hold further discussions on the pending India - US bilateral trade agreement (BTA). One delegation was at the level of Brendan Lynch, Assistant USTR who is also the chief negotiator from the US side for this trade agreement, from June 1-4, 2026. The second team was led by USTR Jamieson Greer himself from June 22-24.

While there is no clarity on how far the negotiations have reached, even after these two visits, a Press Release<sup>4</sup> by India's Commerce Ministry has briefly stated that the USTR Greer and India's Commerce and Industry Minister Piyush Goyal held multiple rounds of discussions when they conducted a comprehensive review of core elements including enhanced market access, digital trade, supply chain resilience, reduction of non-tariff barriers and expanded cooperation in strategic sectors. Both sides also focussed on pathways to conclude an interim agreement which would mark a significant milestone towards a comprehensive BTA.

Meanwhile, India's Commerce and Industry minister Piyush Goyal said on June 25 at an event in London that India will not enter into a trade deal with the US until the latter finds appropriate tools and legal backing to give India a comparative advantage over competing economies

What is also complicating matters is that in parallel with these negotiations, the results of the ongoing 301 investigations by the US administration against 60 countries allegedly failing to take action against imports of forced labour goods also was published<sup>5</sup> on June 2. The USTR findings propose taking following action

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<sup>3</sup> [https://www.business-standard.com/economy/news/40-day-oil-buffer-plan-enters-action-phase-with-five-new-spr-projects-126062901316\\_1.html](https://www.business-standard.com/economy/news/40-day-oil-buffer-plan-enters-action-phase-with-five-new-spr-projects-126062901316_1.html)

<sup>4</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2277411&reg=48&lang=2>

<sup>5</sup> <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/june/ustr-makes-findings-and-proposes-action-60-section-301-investigations-relating-failures-take-action>

on them: For economies that impose a forced labor import prohibition – Canada, Ecuador, the European Union, Indonesia, Mexico, and Pakistan; for economies that have undertaken commitments in their respective Agreements on Reciprocal Trade regarding forced labor import prohibitions – Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, and Taiwan; and for economies that have imposed a partial regime with the effect of preventing the importation of certain forced labor goods – the United Kingdom; what is proposed are additional duties of 10% for all products of these economies. For all other economies including India that have allegedly failed to impose and effectively enforce a forced labor import prohibition the additional tariff rate proposed is 12.5%. Products which fall under US 232 actions as well as certain essential goods and raw materials will however be exempt from these duties.

Also proposed is a textile mechanism that would allow for a certain volume of apparel and textile imports to enter the United States at a reduced Section 301 tariff rate. Under such a textile mechanism, the volume of reduced-duty imports from certain trading partners would be equivalent to the quantity of exports of textiles (e.g., U.S. produced man-made and cotton fibre textile inputs) from the United States to that trading partner. A certain volume of apparel and textile imports would also be allowed to enter the US at the reduced Section 301 rate based on the volume of US cotton and cotton products a trading partner imports from the US during a certain period of time.

It needs mentioning here that the USTR has still to come out with its findings on the 301 investigations against 16 economies including India in respect of supposed overcapacity grounds. It is not clear to what extent the implications of these investigations and their outcomes on the India trade deal may have been discussed during the two visits to India from the USTR side.

### **PM Modi's visit to France**

PM Narendra Modi undertook an official visit to France and held bilateral discussions with President Emmanuel Macron in Nice on June 14, 2026. A key focus of the discussions, as per MEA briefing, was on strengthening and diversifying bilateral ties in the fields of economic growth, technology, and innovation. Amongst the outcomes from the visit were setting up of a high-level mechanism to double bilateral trade within 5 years, the establishment of a dialogue on economic security, the adoption of an innovation roadmap 2030, the signing of as many as 19 agreements between institutions in the innovation ecosystem of both countries and the creation of an India-France joint working group focusing on Artificial Intelligence.

Both PM Modi and President Macron also jointly inaugurated Bharat Innovates 2026 in Nice that featured expositions by over 120 Indian Deep Tech start-ups. Both the leaders thereafter addressed a gathering that comprised not only representatives of these startups, but also other innovators and top technology institutions and close to 500 investors, venture capitalists and business leaders from France, India and other countries. Sectors represented by the Indian start ups included AI, semiconductors, advanced computing, MedTech, AgriTech, defense, space and renewable energy. A Bharat Innovates pavilion also featured in the technology exposition VivaTech, which held its tenth edition in Paris, in which the AI country of focus this year was India. PM Modi addressed the VivaTech event on June 18 at Paris.

### **PM Modi's participation at the G-7 summit outreach**

At the invitation of the President Emmanuel of France PM Modi also participated in the outreach sessions of the G-7 summit on June 16-17, 2026 at Evian. Other leaders invited for these outreach sessions were from Brazil, Egypt, Kenya, Republic of Korea and South Africa. At three of the outreach sessions PM made interventions, each of which had elements relating to economic security.

During the session on 'Ensuring a safe, rapid and efficient rollout of AI' PM recalled how the AI impact summit held in India earlier this year in which India had emphasised the importance of developing a human centric AI and presented a MANAV vision. Emphasising the safety of children in the rollout of AI he underlined that the digital space becomes a platform for learning and growth for children, not a tool for manipulation. He pointed out that the cyberspace need to be looked at as a global good and access to these technologies must be broad and inclusive. Furthermore democratic nations should have access to such AI models so that they can protect their critical information infrastructure and effectively address growing cyber threats.

He also offered four specific suggestions for an integrated approach to AI that balanced safety, speed and efficiency. These included a) promoting safe-by-design AI systems from the very beginning; b) develop common standards, testing frameworks, and regulatory sandboxes for AI deployment - innovation and governance advance together; c) strengthen global cooperation to combat deepfakes, misinformation, and cyber fraud; and d) AI should reach all countries of the Global South and AI should not widen existing divides.

On the session relating to balanced, shared and sustainable growth, PM Modi referred to how disruptions to fuel, fertiliser, and food supply chains caused by the crisis in West Asia will continue to have a significant impact on the Global

South for some time. He called on international financial institutions to develop support mechanisms that help developing countries absorb such shocks and sustain their economic resilience. Drawing from the India - Middle East - Europe Economic Corridor (IMEC) vision he said by drawing together the capital of the G7, the talent of India, and the ownership of countries across the Global South, we may consider establishing the International Mobilisation Partnership for Accelerating Connectivity and Trade (IMPACT). Its objective should be to create corridors that connect trade, technology, energy, and opportunity. Another suggestion he made was to establish a Global Skills Partnership where some of the developed ageing societies and countries of the Global South including India which possess immense potential in terms of young talent, enterprise and skills can work together on skill mapping and promoting trusted skill mobility.

PM Modi also drew attention of the summit to how India has concluded trade agreements with most of the countries represented at the meeting. He underscored that India's belief was not in fragmentation, but integration, not in protection but partnership, and not in uncertainty, but shared prosperity.

At the session on forging new partnerships and rebuilding international solidarity, PM Modi underlined how important the element of trust was in forging partnerships - the trust that technology and supply chains will be used for global good, not as weapons. The trust that development opportunities will not be limited to a few countries only. Trust that global institutions will fulfil the aspirations of all countries. He further underlined that partnerships should be based on dignity and mutual respect, not dependency. That will create a strong foundation for the sustainable development for future generations.

While welcoming the progress being made towards peace in West Asia he also pointed out the disruptions it has caused to maritime trade and how many Indians have also lost their lives. He emphasised the importance of ensuring the safety of the seafarers who connect nations through global maritime trade.

PM Modi also met some key western leaders on the margins of the G-7 summit including President Trump of the US, PM Starmer of the UK and PM Carney of Canada among others. Brief summary of the outcomes below.

### *Meeting with President Trump*

PM Modi commended President Trump for his efforts that had resulted in an understanding to end the ongoing conflict in West Asia and restore peace and stability across the broader region. He also underlined the importance of maintaining freedom of navigation and unimpeded commerce in the Strait of Hormuz and the need to ensure the safety of seafarers.

As for economic and related issues the two leaders reviewed the substantial progress achieved under the India-U.S. COMPACT (Catalysing Opportunities for Military Partnership, Accelerated Commerce and Technology) since their meeting in Washington D.C. in February 2025. They welcomed key developments across the defence, strategic technologies, energy, and bilateral trade sectors.

On the pending bilateral trade agreement itself they noted with particular satisfaction the significant progress made in negotiations towards an interim Bilateral Trade Agreement and instructed their officials to work towards a balanced, mutually beneficial, and commercially meaningful agreement at the earliest.

### *Meeting with UK PM Starmer*

The highlight of this meeting was the announcement by the two PMs that the India-UK Comprehensive Economic Partnership Agreement and the Double Contribution Convention will come into force with effect from July 15 this year.

News reports also indicated<sup>6</sup> that the two sides have come to an agreement on a pending issue resulting from the announcement of steel safeguard measures by the UK earlier this year under which it was to lower tariff free steel import quotas by 60% to safeguard the domestic industry from dumping and to impose 50% duty on imports outside the quota. The two sides have reportedly now agreed to keep 85% of India's exports to the UK out of these steel safeguards. India's interests have been protected through a mix of country-specific quota, residual quota and access under Authorised Use Scheme

### *Meeting with Canada PM Carney*

At the bilateral meeting the two PMs gave instructions to their teams to conclude the negotiations on a Comprehensive Economic Partnership Agreement by the end of the year. The two leaders reportedly also reviewed progress in bilateral commercial arrangements relating to LNG, LPG and metallurgical coal.

### *Meeting with EU Commission President Von der Layen and European Council President Antonio Costa*

At this meeting both sides once again reaffirmed their desire and instructed the respective teams to do whatever was necessary to make the signing of the already concluded India-EU bilateral FTA to happen before the end of the year. After the meeting EU Commission President Von der Layen posted that 'We will sign the Free Trade Agreement by the end of the year. And accelerate work on an

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<sup>6</sup> [https://www.business-standard.com/economy/news/india-uk-trade-pact-autos-whisky-textiles-steel-key-takeaways-126061801315\\_1.html](https://www.business-standard.com/economy/news/india-uk-trade-pact-autos-whisky-textiles-steel-key-takeaways-126061801315_1.html)

investment agreement. We will also step up security and defence cooperation. And join forces for better connectivity by advancing IMEC’.

## **G-7 Summit outcome**

The summit of G-7 leaders that took place in Evian under the French Presidency from June 15-16, 2026 saw issuance of nine joint statements/declarations even as there was no release of any joint communique. Partner countries from which leaders were invited to participate included India, Kenya, South Africa, Republic of Korea, Brazil and Egypt.

Two of these statements had a strong bearing on economic security and resilience related issues.

### *Joint declaration on critical minerals*

One was a joint declaration<sup>7</sup> on securing supply chains for critical minerals which expressed grave concerns regarding the use of non-market policies and practices and economic coercion, including arbitrary export restrictions and retaliatory measures on critical minerals and their related dual-use items, all of which undermined economic security and resilience. They further noted that the G-7 countries will work together with partners to reduce critical dependencies and ensure that attempts or threats to weaponise economic dependencies fail.

While the G-7 summit in Kananaskis in Canada last year had also issued an Action Plan on this topic that was more focussed on general principles and certain broad themes like information sharing and sustainability. The declaration this year, that was also supported by Australia, was far more specific in terms of targets, financing mechanisms, recycling push and stockpiling approaches. It is also focussed on harmonisation of standards and traceability and action against forced labour in this sector. The declaration further establishes an emergency response platform for coordinating with International Energy Agency to flag risks. They also established protocols to deal with economic coercion.

Specifically, and without naming China, the G-7 pledged to reduce dependence on any single supplier outside the G-7 and its partners for rare earths and permanent magnets to below 60% by 2030 and aiming for 50% as soon as possible thereafter. They also committed to establishing harmonised inter-operable mechanisms - will start with 2 pilot minerals - lithium and nickel - and aim to avoid undermining competitiveness or imposing excessive cost burdens. These will be expanded to 5 new critical minerals each year with a focus on rare earths.

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<sup>7</sup> <https://www.elysee.fr/en/G7evian/2026/06/17/g7-leaders-declaration-on-securing-supply-chains-for-critical-minerals>

The declaration also established Critical Minerals Resilience and Production Alliance of the G-7 for long term coordination of their efforts. In this regard they also noted that efforts so far had mobilised Euro 64 bn of investment , including equity participation and off take agreements, from G-7 and partner countries across 195 announced projects to finance the entire supply chain.

### *Joint Statement on imbalances*

The other joint statement<sup>8</sup> was a call for a more balanced, durable and resilient growth. The leaders reaffirmed their shared concerns regarding non-market policies and practices (NMPPs) and their adverse impacts, including persistent market distortions, global structural excess capacity and resulting imbalances, harmful spillovers in global, regional and domestic markets and growing economic dependencies. It called for countries with large and persistent external surpluses to strengthen domestic sources of growth. Depending on national circumstances, such growth policies could include lifting constraints on private demand growth; improving social safety nets; avoiding distortive policies with negative spillovers to other countries; removing barriers to higher productivity; and increasing investment. It also called on countries with large and persistent external deficits should undertake policies that include supporting domestic savings and fiscal consolidation. These actions, it felt, would help to achieve balanced and durable global growth. They further called on IMF and OECD to monitor and report on the contributions of domestic policy trajectories in major economies to global imbalances, in line with their respective expertise.

It needs also mentioning that as a backdrop to this G-7 summit discussion the French Presidency had commissioned a study report on global imbalances that was undertaken by four leading international economists - Chong-En Bai, Gita Gopinath, Helene Ray and Axel Weber. Their report had noted that predatory competition, industrial overcapacity, under investment, excessive debt and deregulation, the retreat of international solidarity and weak private investment in developing countries as among the underlying issues. The report inter alia said that excessive current account deficits and surpluses reflected increasingly imbalanced growth dynamics in China, the EU and the US. China has chronically low consumption, the EU suffers from persistently weak levels of productive investment and the US has enduring fiscal deficits that are too large relative to economic conditions. These structural divergences underpinned persistent external imbalances and contributed to global tensions.

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<sup>8</sup> <https://www.elysee.fr/en/G7evian/2026/06/17/leaders-statement-for-a-more-balanced-durable-resilient-growth>

## EU summit considers tougher trade measures against China but delays concrete action

The summit of EU leaders which was held in Brussels on June 18 debated<sup>9</sup> new and tougher measures to curb the growing trade deficit with China (that amounted to Euro 1 billion a day). But in the absence of unity among EU members some of whom who advocated restraint, such as Germany, Luxembourg and Spain, the summit appears to have limited itself to asking the EU Commission to dialogue in this regard with its main partners and ensure that it has all the instruments it needed to defend its interests. No concrete immediate actions emerged. Meanwhile it is reported that the EU Commission is due to conduct a broad review of trade defences in the third quarter and has mooted potential new measures to tackle overcapacity and over reliance on single suppliers - notably China. For sensitive sectors, EU companies may be required to find three possible sources.<sup>10</sup>

## Two of India's neighbours make high level visits to China

The President of Myanmar, Min Aung Hlaing, and the Prime Minister of Bangladesh, Tarique Rahman, made their visits to China during the month, each of which involved outcomes of some significance from India's economic security viewpoint.

### *President Min Aung Hlaing's visit*

The nine-point joint statement issued after President Min Aung Hlaing's visit to China (June 15-19) and meetings with President Xi Jinping and PM Li Qiang *inter alia* attached importance and readiness to sign the 'Belt and Road' cooperation plan in a timely manner. More specifically, the joint statement noted that the two sides agreed to promote the implementation of the China Myanmar Economic Corridor (CMEC) and steadily promote cooperation on major corridor projects such as the Kyaukphyu Deep Sea Port and the Mandalay-Muse railway. Both sides are also to leverage the China-Myanmar oil and gas pipelines, steadily advance power grid interconnection, and explore economically and environmentally sustainable energy partnerships. Furthermore, the two sides have also agreed to continue deepening practical cooperation in fields such as mining, the digital economy, and AI.

On cyber fraud, carried out mainly by groups operating on Myanmar's borderlands, the two sides are to strengthen bilateral and multilateral law

<sup>9</sup> <https://www.reuters.com/world/china/eu-leaders-strive-unity-china-trade-imbalance-2026-06-18/>

<sup>10</sup> Blenkinsop, Philip. "EU weighs rules to cut reliance on China through broader supply chains". Reuters, June 5, 2026. <https://www.reuters.com/world/china/eu-weighs-rules-cut-reliance-china-through-broader-supply-chains-2026-06-05/>

enforcement cooperation to combat cross-border criminal activities, such as online gambling and telecom fraud, cross-border gambling, human trafficking, illegal border crossing, drug manufacturing and trafficking, counterfeiting, smuggling and financial fraud. The two sides are also to increase protection for the safety of each other's nationals and institutions within their respective countries and strengthen security cooperation for the construction of the "Belt and Road". The Myanmar side gave assurances that it will protect the security of Chinese projects in Myanmar.

The two sides also signed 18 MOUs including on human resource development, agriculture, trade promotion and technology sharing even as the specific focus and content in each of them were not made public. It was not clear if the two sides also decided to revive the controversial Myitsone dam development project that has been stalled since 2011.

### *PM Tarique Rahman's visit*

PM Rahman visited Beijing from June 22-26, 2026, during when he had meetings with President Xi Jinping and PM Li Qiang with a total of 13 MOUs signed between the two sides in areas covering river management, investment and infrastructure, human resource development and trade and agriculture, among others.

The joint statement referred to the two sides agreeing to strengthen cooperation in maritime affairs. In more concrete terms, the two sides have agreed to jointly advance the Mongla Port Facilities Modernisation and Expansion Project and the development of the Chinese Economic and Industrial Zone in Chattogram. On Teesta, the Chinese side is to provide support to the Teesta River Comprehensive Management and Restoration Project (TRCMRP), and support experts from both countries in expediting the feasibility study of the project. It may be mentioned here that it was India that had earlier been given operational rights to a terminal at the Mongla port and also the Teesta water management project.

Bangladesh also received zero tariff treatment for 100% of tariff lines in China. A protocol allowing the export of Bangladeshi jackfruit was also signed. Bangladesh has agreed to foster a favourable environment for Chinese enterprises to invest in the country. Trade between the two countries is however heavily lopsided in China's favour (Bangladesh exports around USD 1 billion to China as against imports of over USD 20 bn annually) and PM Rahman requested China to diversify Bangladesh's exports and narrow the trade gap.

On connectivity the joint statement talks of the two countries agreeing to explore newer options for regional connectivity, including direct connectivity between China and Bangladesh.

## China announces a new set of regulations on implementation of Mineral Resources law

China released a new set of regulations on the implementation of the country's Mineral Resources Law from June 15, 2026. These regulations<sup>11</sup> are designed to ensure the effective implementation of the revised Mineral Resources Law and facilitate the proper development and utilisation of mineral resources. They cover the entire lifecycle of strategic minerals, tightening oversight of resources that are viewed as critical to national security and industrial competitiveness. They also address everything from mining rights, mineral exploration and extraction to stockpiling, environmental restoration, regulatory oversight and legal liability. Importantly they provide the China government with legal backing to impose countermeasures if foreign governments restrict China's access to external supply chains.

## Japan and South Korea make huge domestic investment plans

Both Japan and South Korea, within a few days of each other, announced massive domestic investment plans building further in the advanced technology sectors where they already wield considerable strength.

### *PM Sanae Takaichi's investment roadmap*

PM Sanae Takaichi's government released an investment roadmap<sup>12</sup> with an outlay of Yen 370 trillion (USD 2.3 trillion) on June 25 to build a 'strong and prosperous' archipelago. Extending up to 2040, the plan combines public and private investments covering 17 sectors that includes more than USD 600 bn for AI and semiconductors. She said the government will fully support companies that possessed world leading technologies in sectors such as shipbuilding, solar cells, quantum computers and next generation nuclear reactors. Analysts see the plan as seeking to channel investment into sectors that can strengthen economic security – from supply-chain resilience to critical technologies – while boosting the country's long-term growth potential through support for emerging industries.

### *President Lee Jay Myung rolls out mega chip and investment projects*

President Lee Jay Meung of Republic of Korea announced<sup>13</sup> on June 29 a USD 576 bn investment plan for a great leap forward in the triple areas of semiconductors, physical AI and data centres. President Lee said 'we must secure the core elements

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<sup>11</sup> <https://rareearthexchanges.com/news/beijing-tightens-its-grip-on-strategic-minerals-with-sweeping-new-mining-rules/>

<sup>12</sup> <https://www.ft.com/content/2acfbdf5-d86b-46be-89d4-6d0cc5756ed3?syn-25a6b1a6=1>

<sup>13</sup> <https://www.tbsnews.net/worldbiz/asia/south-korea-unveils-massive-ai-and-chip-investment-drive-1474941>

of AI faster than any other country'. He was also joined by the leaders of Samsung Electronics and SK Hynix which are two of the world's largest chip makers. Saying that existing sites had already limits he proposed new investments in the south western region of the country which will now host major chip production clusters drawing on abundant underused power.

### **EAM's address at the Jeju Forum for Peace and Prosperity**

The External Affairs Minister Dr. S. Jaishankar gave a keynote address at the Jeju Forum for Peace and Prosperity on June 25, 2026 which had as its main theme 'Reinventing cooperation in a fragmented world'. He noted that fragmentation was here to stay which in fact may not altogether be bad considering that it may also mean less dominance, more space and greater democratisation. But where it gave rise to some downsides - such as less efficiency, less stability and less security - they needed to be dealt with through deeper cooperation.

Analysing then the centripetal and centrifugal forces at play currently globally EAM said that the the world is today witnessing greater weaponisation, higher risk-taking and a politics suited to the social media era. He then suggested the following five steps to reinvent cooperation in the fragmenting scenario which also made a powerful case for India and Republic of Korea to cooperate more closely:

- a) By de-risking the international economy and diversifying production and supply chains. Resilience and redundancy are key. This will limit hostage taking in the economic domain.
- b) Forging new understandings and closer relationships among influential nations. This will help stabilise the global order and address issues and problems through agenda-specific cooperation.
- c) Enhance awareness of the costs of narrow thinking and confrontation. International law and regimes, UNCLOS being a good example, must be collectively protected and promoted.
- d) Encourage the power of aspirations. The Global South should be provided greater capacity and opportunities. This would also create new factors of global growth.
- e) Provide global goods through common and shared endeavours. We cannot rely on a few to uphold rules and norms. The world must take more control over its own future. This, amongst others, must be expressed in reformed multilateralism.

EAM Jaishankar also held a meeting with the South Korean Foreign Minister Cho Hyun when they took stock of the progress across key sectors in bilateral relations including trade and investment, financial cooperation, shipbuilding, defence and security, emerging technologies and start ups, basing on the outcomes the two sides decided during President Lee Jay Myung's state visit to India in April 2026.

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