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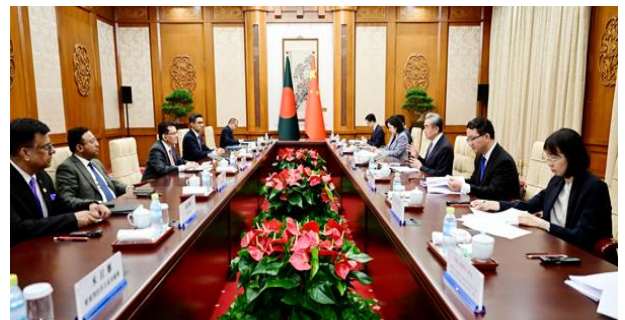
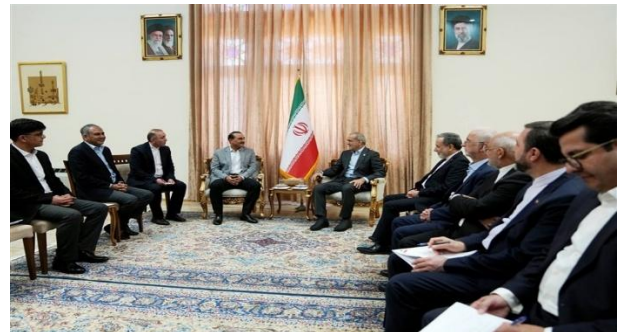


## INDIA STRATEGIC REVIEW

MAY 2026

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# India Strategic Review

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## INDIA STRATEGIC REVIEW

The ISR features an assessment of key developments, trends, and policies pertaining to India's immediate and continental neighbourhood, and is authored by Lt. Gen. Deependra Singh Hooda (Retd.), Distinguished Fellow for Military Strategy, assisted by Mr. Shreyas Deshmukh, Research Associate. Your comments and feedback may be addressed to Shreyas Deshmukh at [shreyas@dpg.org.in](mailto:shreyas@dpg.org.in). To subscribe, please [click here](#).

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### Cover Images:

1. Pakistan Army Chief Field Marshal Asim Munir meets Iran's President Masoud Pezeshkian in Tehran, May 23, 2026. Source: [Tasnim News Agency](#)
2. On May 6, 2026, China's Foreign Minister Wang Yi held talks in Beijing with Bangladeshi Foreign Minister Khalilur Rahman. Source: [MOFA PRC](#)
3. India's External Affairs Minister Dr. S. Jaishankar held meeting with Maldives' Foreign Minister Iruthisham Adam in New Delhi on May 13, 2026. Source: [X/@DrSJaishankar](#)

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## India Strategic Review

by

*Lt. Gen. Deependra Singh Hooda (Retd.)*

### PAKISTAN

#### *Pakistan's Mediation in the US-Iran War*

Pakistan's mediation role in the US-Iran war continued to occupy Islamabad's diplomatic attention through May. On May 17, Pakistan's Interior Minister Mohsin Naqvi visited Tehran and met Iranian President Masoud Pezeshkian, Interior Minister Eskandar Momeni, and Parliament Speaker Mohammad Bagher Ghalibaf. Ghalibaf has been Iran's chief negotiator in the peace talks with the United States. The visit came at a moment when the negotiations appeared close to collapse, with President Trump publicly warning Iran that "time is of the essence." Iran's Foreign Ministry, however, maintained that the process was continuing through Pakistan.<sup>1</sup>

Pakistan's Chief of Defence Forces, Field Marshal Asim Munir, travelled to Tehran on May 22 as part of ongoing mediation efforts. After the visit, both Iran and the US stated that differences between the two sides had narrowed.<sup>2</sup> On May 28, US Vice President JD Vance said that the US and Iran were "very close" to a memorandum of understanding that would extend the ceasefire by 60 days, reopen the Strait of Hormuz, and begin talks on limiting Iran's nuclear programme.<sup>3</sup>

However, the talks have hit a hurdle. On May 25, the US military conducted "self-defence strikes" targeting Iranian missile launch sites and boats around the Strait, which the US Central Command described as action to protect US troops. Further US strikes were carried out on May 30 and 31 after Tehran shot down an American drone.<sup>4</sup> Israel also continues its attacks in Lebanon. On June 1, Iran said there would be no further peace talks with the US until Israeli operations in Lebanon and Gaza cease.<sup>5</sup>

Islamabad helped preserve a diplomatic channel through May and brought both sides close to a draft framework. However, it now appears that the ceasefire is under pressure and could break down.

#### *One Year of Operation Sindoor*

May 10 marked the first anniversary of what Pakistan officially calls 'Marka-e-Haq' (Battle of Truth), its name for the four-day conflict that India terms Operation Sindoor. In a major ceremony at the Pakistan Monument in Islamabad, attended by President Asif Ali Zardari, Prime Minister Shehbaz Sharif, Field Marshal Asim Munir, and the

Air Force and Navy Chiefs. The government formally declared May 10 as 'Youm-e-Marka-e-Haq', to be observed every year as a day of national remembrance for what Islamabad characterises as a decisive military victory against Indian aggression.<sup>6</sup>

The Pakistani state's institutionalisation of the Marka-e-Haq narrative is an attempt to foreclose any acknowledgement of the military setbacks it had suffered during the conflict in May 2025. This would make any future de-escalation diplomacy more difficult for Pakistani leaders to undertake without domestic political cost.

India also celebrated the first anniversary of Operation Sindoor, India's precision strike operation against terror infrastructure in Pakistan and Pakistan-occupied Jammu and Kashmir on May 7, 2025. Speaking at the weekly press briefing, MEA spokesperson Randhir Jaiswal described the anniversary as a reminder that India had "every right to defend itself against terrorism." He reiterated India's position on the Indus Waters Treaty (IWT), stating, "IWT stands in abeyance in response to Pakistan's sponsorship of cross-border terrorism. Pakistan must credibly and irrevocably abjure its support for cross-border terrorism."<sup>7</sup>

Indian and Pakistani positions remain publicly entrenched. Islamabad has made no credible or verifiable move against the existing terror infrastructure, and New Delhi has made clear that no forward movement in relations is possible until it does. The anniversary month thus closed with the two countries in a state of managed hostility, with the structural antagonism intact.

### *Deteriorating Internal Security*

Pakistan, which occupies the top rank in the Global Terrorism Index (GTI) 2026, continues to reel under terrorist attacks. After a relative decline in violence in April, the month of May saw a sharp increase in terror attacks.

On May 9, Tehrik-i-Taliban Pakistan (TTP) terrorists rammed an explosives-laden vehicle into the Fateh Khel police post in Bannu District, Khyber Pakhtunkhwa, followed by an assault using heavy weapons and quadcopter drones. Fifteen police personnel were killed, and three were injured in what was described as one of the most lethal attacks on security forces in recent months.<sup>8</sup> Pakistan's Foreign Office summoned the Afghan Chargé d'Affaires and delivered a strong demarche, citing evidence that the attack had been masterminded by terrorists residing in Afghanistan.

On May 14, TTP terrorists attacked the Mena camp in Inayat Kalay, Bajaur, using a bomb attack followed by heavy firing and an attempted entry through one of the gates. Nine TTP terrorists and four soldiers were killed in the clash.<sup>9</sup> On May 18, an IED blast in Rustam Bazaar, Wana, South Waziristan, killed three people, including Malik Tariq Wazir, a prominent tribal elder and chief of the Ahmadzai Wazir tribe.

On May 23, a major clash erupted between police, a peace committee and terrorists in the Barakzai Akhund Khel area of Bannu. At least 25 terrorists, two civilians and two policemen were killed.<sup>10</sup> The incident underlines the expanding role of local peace committees in the counter-TTP fight, but also their growing exposure to militant retaliation.

The deadliest attack of the month took place on May 24 in Quetta, when an explosives-laden vehicle targeted a shuttle train carrying security personnel and their families to connect with the Jaffar Express. At least 23 people were killed, and around 70 were injured. The Baloch Liberation Army (BLA) claimed responsibility, stating it had targeted a train carrying security personnel.<sup>11</sup>

While Field Marshal Munir has built a record of international engagement, the Army under his command has not been able to contain the TTP-BLA threat, which has now reached its most lethal intensity in over a decade. The Pakistan Army's strategic calculus of military operations against Afghanistan, pressuring the Taliban to act against the TTP, has not produced results. The GTI 2026 ranking is a measure of this failure.

### *Prime Minister Shehbaz Sharif's Visit to China*

Prime Minister Shehbaz Sharif undertook a four-day official visit to China from May 23 to 26, at the invitation of Premier Li Qiang, coinciding with the 75th anniversary of Pakistan-China diplomatic relations. The visit began in Hangzhou, where Prime Minister Sharif chaired the Pakistan-China B2B Investment Conference with representatives of approximately 500 Pakistani and Chinese companies.

On May 25, President Xi Jinping met Prime Minister Sharif, hailing China's "unbreakable" friendship with Pakistan and expressing appreciation for Islamabad's role in facilitating the US-Iran ceasefire and the Islamabad Talks. Sharif held separate delegation-level talks with Premier Li Qiang, at which both leaders agreed to accelerate CPEC 2.0, transform Gwadar Port into a regional connectivity hub, and welcome third-party participation in CPEC.<sup>12</sup>

China expressed readiness to establish a "China-Pakistan Security Partnership" and to further strengthen military-to-military cooperation. Pakistan separately gave assurances of targeted measures to protect Chinese citizens and projects. This has been a persistent Beijing concern after repeated attacks on Chinese nationals working in Pakistan.

The joint statement reiterated support for resolving the Jammu and Kashmir dispute peacefully in accordance with UN resolutions and bilateral agreements. This drew an

immediate Indian response. In a statement, the Indian Ministry of External Affairs (MEA) rejected the unwarranted references to Jammu and Kashmir. India also reiterated its longstanding objection to CPEC projects, stating that it "resolutely opposes and rejects any moves by other countries to reinforce or legitimise Pakistan's illegal and forcible occupation of these territories."<sup>13</sup>

## AFGHANISTAN

### *Humanitarian Crisis and Human Rights*

United Nations OCHA's 'Conflict Displacement and Returnee Influx Contingency Plan 2026' describes a situation in which two potentially compounding escalation scenarios threaten to overwhelm an already under-resourced humanitarian response in Afghanistan. The first scenario is the risk of a mass returnee influx from Iran as a result of military escalation in the Middle East. The second is renewed or heightened Afghanistan-Pakistan hostilities that could trigger additional internal displacement or a potential returnee influx from Pakistan if pushbacks resume.<sup>14</sup>

In the first scenario, up to 10,000 returnees per day could be expected from Iran, totalling approximately 900,000 over a three-month period. In the second scenario, if fighting intensifies between Pakistan and Afghanistan, it could lead to approximately 4,72,000 internally displaced people, which includes displaced people due to the border fighting since the beginning of the conflict in February. There could also be a resumption of pushbacks of Afghans from Pakistan, particularly among the estimated 1.7 million undocumented Afghans whom Pakistani authorities have previously threatened to expel.

On May 19, the United Nations and humanitarian organisations launched a US\$529 million response plan to support an estimated 2.7 million Afghan returnees expected to arrive from Iran and Pakistan between April and December 2026. The new 2026 'Response Plan for Afghan Returnees' focuses on emergency border assistance and long-term reintegration support for Afghans returning to communities across Afghanistan.<sup>15</sup> However, considering the massive funding deficits that plague the broader humanitarian framework in Afghanistan, there are serious doubts on whether the plan will find adequate funding.

The prolonged closure of key border points with Pakistan and growing uncertainty around commodity movements through Iran are driving up logistics costs and reducing the availability and affordability of essential goods. After Pakistan closed the border with Afghanistan in February, Kabul rerouted shipments through Iran's port of Bandar Abbas. However, the Iran war has seen the closure of the Strait of Hormuz,

and the humanitarian supplies have been adversely affected. The United Nations' World Food Program has seen transportation costs skyrocket. Supplies are now being routed through Central Asia, leading to a tripling of transportation costs.<sup>16</sup>

Even as the humanitarian crisis deepens, the Taliban's domestic rule remains marked by ideological rigidity and harsh restrictions on women. On May 14, the Taliban issued Decree No. 18, officially titled the "Code on Judicial Separation of Spouses." The decree states that a virgin girl's silence upon reaching puberty (minimum age 9 under Sunni Islamic law) can be interpreted as consent to marriage. It also maintains deeply unequal divorce rights by allowing men unilateral divorce while forcing women through complex judicial avenues to separate from their spouses.<sup>17</sup>

The United Nations Assistance Mission in Afghanistan expressed "grave concern" over the decree, warning that it "entrenches systemic discrimination against women and girls" and "implies that child marriage is permitted." Taliban spokesperson Zabihullah Mujahid defended the decree, arguing it is based on the group's interpretation of Islamic law and that external criticism is not important.<sup>18</sup>

### *Regional Outreach*

Speaking at the Shanghai Cooperation Organisation meeting on May 14, Russian Security Council Secretary Sergei Shoigu said that his country is establishing a "full-fledged partnership" with the Taliban and is encouraging other countries in the region to expand cooperation with Kabul. He claimed that up to 23,000 members of more than 20 militant groups remained active in Afghanistan and credited Kabul for fighting against the Islamic State.<sup>19</sup> Russia also hosted a regional security conference focused on shared security challenges and defence cooperation, which was attended by the Taliban Defence Minister Mohammad Yaqoob.<sup>20</sup>

Regional countries continue to engage with Afghanistan. Uzbekistan has sent around 200 tons of humanitarian aid to Afghanistan in support of families affected by the floods.<sup>21</sup> Kazakhstan's Agriculture Ministry said grain exports to Afghanistan reached 3 million tons between September 2025 and May this year, marking a 2.3-fold increase compared with the same period last year.<sup>22</sup> India has sent 20 tons of medical supplies for vaccine distribution to Kabul to support child immunisation programs in Afghanistan.<sup>23</sup>

On May 21, a senior Taliban delegation led by Mines and Petroleum Minister Hedayatullah Badri visited Turkmenistan for talks on the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. Discussions covered progress on the pipeline, land acquisition along the Afghan route, gas pricing and technical issues. The extension of the pipeline to Pakistan and India remains uncertain, but as a first step, the section to Herat could be completed by the end of 2026.<sup>24</sup>

For Kabul, increasing regional engagement is necessary to replace its dependence on Pakistan. For the neighbours, the engagement is driven by hard interests - preventing cross-border militancy and avoiding another destabilising Afghan collapse.

## DEVELOPMENTS ON THE INDIA-CHINA LINE OF ACTUAL CONTROL (LAC)

### *Situation at LAC*

The situation along the LAC remained stable, with the diplomatic process continuing to support the gradual normalisation of India-China relations. On May 27, India and China held the 35th meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs in Beijing. Both sides expressed satisfaction with the progress made in maintaining peace and tranquillity in the border areas, which has enabled progress towards the gradual normalisation of bilateral relations. Discussions also covered delimitation, border management, mechanism building, and cross-border cooperation. The Indian side stressed the need for an early meeting of the next Expert Level Mechanism on Transboundary Rivers.<sup>25</sup>

The tone of the WMCC meeting suggests that both sides are currently prioritising management over resolution. This is a positive development in terms of preventing accidental escalation, but structural problems persist. The post-2020 deployment pattern and infrastructure build-up continue to define the situation at the LAC.

China's continuing support for Pakistan also remains a limiting factor in India-China ties. On May 7, Chinese state broadcaster CCTV aired an interview with Zhang Heng, an engineer at the Aviation Industry Corporation of China's (AVIC) Chengdu Aircraft Design and Research Institute. Zhang confirmed that Chinese engineers had provided on-site support to Pakistan during the May 2025 conflict with India.<sup>26</sup>

Responding to reports of the interview, MEA spokesperson Randhir Jaiswal stated that they corroborated what was known to India. He added, "It is for nations that consider themselves responsible to reflect on whether supporting or protecting terrorist infrastructure affects their reputation and standing."<sup>27</sup>

Although not formally announced, media reports indicate that China's President Xi Jinping is expected to visit India in September 2026 for the BRICS Summit, which New Delhi is hosting.<sup>28</sup> This would be the first visit by a Chinese President to India since Xi's 2019 informal summit at Mahabalipuram. The visit, if it materialises, would provide the occasion for further consolidation of the normalisation process.

## BANGLADESH

### *Bangladesh-China-Pakistan*

Bangladeshi Foreign Minister Khalilur Rahman visited China from May 5-7, during which he held talks with Chinese Foreign Minister Wang Yi. Bangladesh reaffirmed the One-China principle, including opposition to “Taiwan independence,” while China reiterated support for Bangladesh’s sovereignty, territorial integrity and independently chosen development path. Both sides agreed to promote high-quality Belt and Road cooperation and expand cooperation in trade, investment, industry, digital economy, water resources, health and people-to-people exchanges.<sup>29</sup>

Dhaka formally sought China's involvement and support in the Teesta River Comprehensive Management and Restoration Project. Bangladesh's Foreign Affairs Adviser later said discussions with China on Teesta had been "very good and positive" and added that China's Exim Bank would finance implementation. However, the study report and recommendations were still under review.<sup>30</sup> India views potential Chinese involvement in the Teesta project with concern, as it would give Beijing a strategic infrastructure presence near India's sensitive Siliguri Corridor.

Chinese Ambassador Yao Wen subsequently said the foreign minister's visit to Beijing had injected "fresh momentum" into Belt and Road cooperation. He also claimed that at least four Chinese companies had signed investment agreements worth nearly \$100 million in the first three months of the new government and cited priority projects including the modernisation of Mongla Port, the China-Bangladesh Friendship Hospital and a residential hall at Dhaka University.<sup>31</sup>

Bangladesh-Pakistan ties are also gaining momentum. Pakistan’s Minister for Interior and Narcotics Control Syed Mohsin Raza Naqvi visited Bangladesh, where is held meeting with State Minister for Foreign Affairs Shama Obaed Islam. Both ministers agreed to increase cooperation in trade, business and culture, and discussed a possible visit by Bangladesh's foreign minister to Pakistan. The two countries also signed an agreement to strengthen bilateral cooperation in preventing illicit drug trafficking, narcotics abuse and related money laundering activities. As part of capacity-building efforts, the two sides agreed to arrange training and retraining programmes for drug control officials and exchange scientific research and expertise related to narcotics control.<sup>32</sup>

Defence engagement also continued. A Pakistan Air Force delegation led by Air Vice Marshal Aurangzeb Ahmed visited Bangladesh from May 10-14 for the first-ever “Air Staff Talks” between the two countries. Discussions focused on enhancing bilateral defence cooperation, including advanced pilot training for Bangladesh Air Force (BAF) pilots. The delegation gifted a fully operational JF-17 flight simulator to the

BAF. Reports indicate that Bangladesh is exploring the purchase of the JF-17 fighter aircraft.<sup>33</sup>

### *India-Bangladesh Relations*

On May 24, the outgoing Indian High Commissioner, Pranay Verma, paid a farewell call on Prime Minister Tarique Rahman, with Bangladesh's Foreign Minister, Khalilur Rahman, also present. Prime Minister Rahman thanked Verma for his contributions to bilateral relations. At the same time, Verma reaffirmed India's commitment to further deepen multifaceted engagement with Bangladesh for the mutual benefit and shared prosperity of the peoples of both countries.<sup>34</sup> In his farewell statement, Verma called for a "new agenda driven by cultural and economic linkages," describing Bangladesh-India ties as "special and unique."

Despite the gradual thaw in bilateral ties, the situation at the border has turned tense. There has been a change in the government in Bengal after the Bhartiya Janta Party won the state elections. The new government's very first cabinet meeting on May 11 approved the transfer of approximately 600 acres of land to the Border Security Force (BSF) for completing border fencing work that had been stalled for many years.<sup>35</sup>

On May 23, survey officials, accompanied by BSF personnel, commenced land acquisition operations at the Dahagram-Angarpota enclave area in Cooch Behar. Bangladeshi locals crossed over to disrupt the operation, followed by armed Border Guard Bangladesh (BGB) personnel who demanded an immediate halt, citing violation of the 1975 bilateral agreement prohibiting defence structures within 150 yards of the border. BSF reinforcements moved into tactical firing positions along the zero line. The BGB and Bangladeshi civilians eventually withdrew under the cover of darkness.<sup>36</sup> Separately, on the same day, there was a similar BGB objection to the BSF's attempt to install bamboo poles in the no-man's land at Patgram.

After the Bengal government announced the setting up of 'Holding Centres' for illegal Bangladeshi migrants on May 23, hundreds of undocumented Bangladeshis, arrived at the Hakimpur border checkpoint in North 24-Parganas to cross back into Bangladesh. The BGB has reportedly intensified patrolling to prevent forced entries, urging border residents to stay alert against pushback attempts from India.<sup>37</sup>

Dhaka has repeatedly insisted that any repatriation must follow formal bilateral procedures and has warned against unilateral push-ins. New Delhi's position remains that all illegal nationals who are staying in India will be dealt with as per the law, pointing out that over 2,680 nationality verification requests remain pending with Dhaka.<sup>38</sup>

## NEPAL

### *Governance Dilemma*

Two months into office, Prime Minister Balendra Shah's administration faces a convergence of governance challenges.

The most immediate political challenge was the crisis of parliamentary accountability. On May 21, opposition picketed the well of the House of Representatives, chanting slogans and demanding Prime Minister Shah's resignation. The provocation was Shah's repeated absence from parliamentary sessions, including his failure to attend to present bills, which the opposition characterised as a fundamental disregard for constitutional accountability.<sup>39</sup>

Earlier, on May 12, Prime Minister Shah walked out during President Ramchandra Paudel's presentation of the government's policies and programmes. On May 13, he again stayed away from the House debate, despite expectations that he would answer lawmakers' questions. These episodes expose a governing style shaped more by Shah's mayoral experience of direct, executive action than by the collegiate conventions of parliamentary democracy.

There is also judicial resistance to Shah's ordinance-backed reform drive. On May 12, Nepal's Supreme Court stayed the government's decisions to dissolve civil service trade unions and student organisations in universities. The court intervention became the sharpest legal setback to Shah's early reform agenda. The court also restrained the government from evicting landless squatters and informal settlers without due process and without safeguards for rehabilitation.<sup>40</sup> In a separate ruling, the Supreme Court temporarily halted the government's controversial policy imposing a customs duty on low-cost goods imported from India through the Nepal-India border.<sup>41</sup>

The most consequential challenge is economic. Nepal's average annual GDP growth over the past decade has been just 4.2 per cent, well below comparable regional economies, and the World Bank projects growth decelerating further to 2.3 per cent in FY2026 before recovering modestly. The banking system is flush with excess liquidity. Yet, credit growth was a mere 4.4 per cent in the first eight months of the fiscal year, reflecting a collapse in business confidence and investment demand that historically low interest rates have failed to reverse. With approximately 1.73 million Nepali workers in the region and remittances constituting 26.2 per cent of GDP, the disruption to Gulf labour markets since February 2026 threatens the single largest pillar of household income and foreign exchange. Compounding all of this is Nepal's second placement on the FATF grey list in February 2025, which has measurably reduced foreign investment commitments.<sup>42</sup>

Finance Minister Swarnim Wagle presented the Shah government's first budget on May 29, with a total outlay of Rs 2.124 trillion, the largest in Nepal's history and a 25.2 per cent increase over the current year's revised estimates. The budget targets a 7 per cent economic growth, inflation capped at 6 per cent, and a shift from remittance dependence to a production-based economy. Supporters characterised it as the first budget in years to project a coherent reform direction. Opposition leaders and analysts criticised the budget as inflated, distribution-oriented and debt-dependent, noting that it exceeded the Rs 1.89 trillion ceiling earlier recommended by the National Planning Commission.

Prime Minister Shah's strongest asset remains public frustration with the old political class, but to sustain the reform momentum, he will have to shift from executive activism to a more disciplined national governance model.

## SRI LANKA

### *Economic Situation*

On May 27, the International Monetary Fund (IMF) Executive Board approved \$695 million in programme funding for Sri Lanka under the Extended Fund Facility. The disbursement comes at a time when Sri Lanka's foreign exchange reserves had fallen to \$6.7 billion at the end of April, largely because of higher energy import costs linked to the US-Iran war. The IMF also noted that Sri Lanka's recovery had been weakened by the combined impact of Cyclone Ditwah and the Middle East conflict, projecting growth to slow to around 3 per cent in 2026, after 5 per cent growth the previous year.<sup>43</sup>

On May 26, the Central Bank of Sri Lanka raised its policy rate by 100 basis points to 8.75%, the sharpest increase since 2023. The decision reflected mounting pressure from inflation, currency depreciation and the fuel-price shock caused by the Iran war. Inflation had risen from 2.2% in March to 5.4% in April, while the rupee had come under pressure from higher import bills and external uncertainty. The rate hike signalled a shift from supporting growth to defending macroeconomic stability.<sup>44</sup>

However, tough economic measures carry political costs. The Public Utilities Commission of Sri Lanka (PUCSL) approved an 18 per cent electricity tariff increase effective May 11, for consumers using more than 180 units. Electricity tariffs have now increased by a cumulative 43 per cent in 2026. The tariff hike has ignited public anger. There were vehement protests, and civil society groups described it as an accelerating transfer of economic pain onto ordinary citizens in the name of recovery.<sup>45</sup>

On May 10, in a meeting between Indian High Commissioner Santosh Jha and Sri Lanka's Deputy Minister of Finance & Planning Anil Jayantha Fernando, both sides agreed to expedite the implementation of India's \$450 million post-Ditwah reconstruction package. The package is intended to support the recovery of roads, railways, bridges, and housing after the cyclone caused large-scale flooding, landslides, and displacement. This keeps India positioned as Sri Lanka's principal first-responder and reconstruction partner at a time when Colombo is trying to balance fiscal consolidation with disaster recovery.<sup>46</sup>

Sri Lanka's tourism sector provided some relief. By the final week of May, the country had crossed one million tourist arrivals for the second consecutive year before the end of May. India remained the largest source market, with 200,000 visitors so far this year, followed by the UK, Russia, China and Germany.<sup>47</sup>

## MALDIVES

### *India-Maldives Relations*

On May 13th, India's External Affairs Minister, Dr S. Jaishankar, met with the visiting Maldivian Foreign Minister, Iruthisham Adam, in New Delhi. Following a cabinet reshuffle by Maldivian President Mohammad Muizzu in April 2026, Iruthisham Adam was appointed Foreign Minister, and this marked her first official foreign visit. Discussions during the bilateral meeting aimed to bolster the close relationship, people-to-people exchanges, and the longstanding partnership between India and the Maldives.<sup>48</sup>

During their meeting, Commerce Minister Piyush Goyal and Foreign Minister Adam deliberated on expediting negotiations for the India-Maldives Free Trade Agreement, advancing the Bilateral Investment Treaty, encouraging trade settlements in local currencies, and strengthening cooperation in tourism, digital payments, and business-to-business ties.<sup>49</sup>

On May 11, President Mohamed Muizzu stated that the current administration has so far settled a total of \$974 million in debt repayments inherited from previous governments. This includes \$50 million, which was part of the \$150 million loan facility extended by India during the previous administration. He added that these efforts form part of the government's commitment to reducing the national debt burden and ensuring long-term fiscal stability.<sup>50</sup> However, this outflow has led to a sharp decline in foreign exchange reserves from \$1.33 billion to \$717 million.

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## ENDNOTES

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