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Trump declares end to U.S. citizenship by birth

INTERNATIONAL RELATIONS



CONTEXT: U.S. President Donald Trump signed a slew of Executive Orders marked the start of his second innings with a slew of executive orders, actions and directives that set the tenor for his administration's policy agenda over the four years.

The executive order to end "citizenship by birth," potentially affecting thousands of Indian professionals working in the U.S. under temporary visas. He also threatened to impose a 100% tariff on BRICS countries, including India, if they pursue non-dollar transactions. Additionally, Trump's crackdown on undocumented immigrants could impact around 725,000 Indians, with nearly 18,000 already on a deportation list. Significant among these are the nearly 1,600 pardons issued to those prosecuted for their role in the riot at the U.S. Capitol in 2021, the U.S.'s exit from the Paris Climate Agreement and the World Health Organization, the ending

of birthright citizenship, protected under the U.S. Constitution's 14th Amendment, for children of undocumented migrants and those on temporary visas, a proposed 100% tariff on BRICS nations — both of which could impact Indians considerably — and 25% tariff on Canada and Mexico from February 1, a declaration of national emergency on the U.S.'s southern border with Mexico, and reversing 78 executive orders and memoranda of his predecessor, Joe Biden.

Move challenged

A coalition of 18 Democratic-led States along with the District of Columbia and the city of San Francisco filed a lawsuit in federal court in Boston on Tuesday arguing that the Republican President's effort to end birthright citizenship was a flagrant violation of the U.S. Constitution.

Further, Mr. Trump appears to be emboldened by the breadth of his election victory to allow unconventional, even bizarre, policy priorities to enter the proposed agenda, including ideas such as the takeover of the Panama Canal, the de-recognition of transgender rights, threatening Denmark with a plan to takeover Greenland, and the prospect of travel bans for certain countries.

External Affairs Minister S. Jaishankar was scheduled to meet incoming U.S. Secretary of State Marco Rubio in Washington to discuss priorities for the India-U.S. relationship and the Quad. The meeting, Rubio's first with any foreign dignitary, would follow a Quad Foreign Ministers' meeting. They were expected to discuss the Quad Summit in India, President Trump's visit, the strategic partnership, and concerns regarding immigration and tariffs. The meeting of the Indo-Pacific grouping, which China has criticised, is significant as it is Mr. Rubio's first foreign policy engagement.

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Competent' to judge Indus Water Treaty dispute, says World Bank Neutral Expert

INTERNATIONAL RELATIONS

CONTEXT: The Neutral Expert (NE) appointed under terms of the Indus Water Treaty (IWT), 1960, decided that he was "competent" to decide on differences between India and Pakistan on the design of hydroelectric projects built on the Indus Treaty rivers.

On January 7, Michel Lino, the World Bank-appointed Neutral Expert (NE), issued a decision that did not address India's demand to renegotiate the Indus Waters Treaty (IWT), leaving ongoing differences between India and Pakistan over the treaty's dispute resolution mechanism. India halted further meetings of the Permanent Indus Commission (PIC) until the treaty was renegotiated, with the last meeting occurring in May 2022. Since January 2023, India has requested four times for talks with Pakistan to revise the treaty but has not received a formal response.

Differing stance

According to India, disputes must first be addressed by the Permanent Indus Commission (PIC), then by a World Bank-appointed Neutral Expert, and finally by a Court of Arbitration if previous steps fail. However, Pakistan has moved forward to the Court of Arbitration without India's agreement. Initially, both countries agreed to appoint a Neutral Expert, but in 2016, Pakistan requested a Court of Arbitration. The World Bank ruled that having both a Neutral Expert and a Court of Arbitration could lead to conflicting outcomes. In 2022, the World Bank facilitated both a Neutral Expert and a Court of Arbitration chair. India refuses to participate in the arbitration proceedings, arguing that the treaty does not allow parallel dispute mechanisms, while Pakistan maintains it is acting within the treaty's terms.

The press statement, issued on Tuesday, said that while the NE could under the terms of the treaty decide on technical disputes it did not invalidate the existing Court of Arbitration. In the days ahead, Mr. Lino is expected to hear from both India and Pakistan and decide on whether the design parameters of the Kishenganga and Rattle hydroelectric projects conform with the IWT.

Nehru port to enter top global ports with 10 mn TEUs by 2027

ECONOMICS & DEVELOPMENT



CONTEXT: The Jawaharlal Nehru Port Authority (JNPA) in Mumbai is set to become India's first port to enter top global ports with 10 million TEUs (twenty-foot equivalent units) by 2027 after launching projects worth nearly ₹ 2,000 crore towards expanding capacity at the JNP Port.

A solar-powered boat, two indigenously developed 70T tugs, and three fire tenders meant to boost the safety and efficiency of the Jawaharlal Nehru Port. In 2024, the port handled the highest-ever container volume of 7.05 million TEUs, performing at more than 90 % capacity. It had an annual growth of 11 % year-on-year last year as compared to the previous calendar year. The commissioning of the second phase of Bharat Mumbai Container Terminal will add another

2.4 million TEUs to JNPA's total capacity. The upgradation of Nhava Sheva Freeport Terminal in 2025 is also likely to add capacity to the port. Based on current growth projections, the container handling capacity is expected to reach 10.4 million TEUs from the current 7.6 million TEUs. Several memoranda of Understanding were also signed during the event for the development of the Vadhavan Port Project. A MoU between Vadhvan Port Project Limited (VPPL) and Reliance Industries Limited allocates Liquid Jetty along with 50 acres of land at Vadhavan port under PPP model.

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India, France discuss civil nuclear issues ahead of PM's visit to Paris

INTERNATIONAL RELATIONS



CONTEXT: India and France discussed long-pending civil nuclear cooperation issues in preparation for Prime Minister Narendra Modi's visit next month agreeing to enhance cooperation in high-end technology sectors during Foreign Office consultations in Paris.

Jaitapur project

A delegation led by Foreign Secretary Vikram Misri, including Indian Ambassador to France Sanjeev Singla, met with French officials Anne-Marie Descôtes and Jean-Noël Barrot to discuss Prime Minister Modi's upcoming visit to Paris for the Summit for Action on Artificial Intelligence on February 10-11. During the visit, India will co-chair the summit. Officials also discussed the Prime Minister's programme and bilateral agenda. Additionally, Mr. Misri and Ms. Descôtes held a meeting of the India-France Special Task Force on

Civil Nuclear Energy, established during President Macron's visit to India last year.

Time to seize the promise of the U.S.-India nuclear deal

INTERNATIONAL RELATIONS

CONTEXT: The long struggle for passage of the necessary U.S. legislation began in 2005, and it was only in late 2008 that the Coalition succeeded in working with the George W. Bush administration and U.S. Congressional leaders to make the deal legal under U.S. law.

The Coalition for Partnership with India was a loose association of businesses, Indian-Americans, and academics that supported U.S. approval of the deal in the face of fierce opposition that stipulated that the deal would promote the proliferation of nuclear weapons.

A game-changing deal

The U.S.-India civil nuclear deal was a pivotal moment that fostered a new era of defence and strategic cooperation between the two countries, which had been estranged during the Cold War. The trust developed through cooperation on nuclear technology enabled deeper collaboration in defence, military exercises, and intelligence sharing. However, the energy and commercial promises of the deal have not been fulfilled. The expected growth of India's civil nuclear sector with U.S. technology, job creation, and increased clean electricity generation has not materialized, despite U.S. President Obama's 2016 announcement that Westinghouse would build six new nuclear plants in India.

During his visit to India, U.S. National Security Adviser Jake Sullivan announced that the U.S. is finalizing steps to remove long-standing regulations that have hindered civil nuclear cooperation between India's nuclear entities and U.S. companies. While this development could potentially address the logjam preventing the U.S.-India deal from reaching its full potential, challenges remain. After the 2008 civil nuclear deal, most Indian entities were removed from the U.S. Department of Commerce's "Entity List," but some remained due to concerns about nuclear technology leakage to adversaries like Russia. Sullivan referenced these concerns, emphasizing the need for both countries to align their export control systems to prevent valuable dual-use technologies from falling into the wrong hands.

The Biden Administration has determined that the remaining Indian nuclear entities on the U.S. Entity List no longer pose the security concerns that led to their inclusion. While this is seen as progress, it is uncertain whether the security and foreign policy agencies from the Trump era will share this assessment. However, this issue is not the main obstacle preventing the U.S.-India civil nuclear deal from reaching its full potential.

The liability risk issue

In 2010, India passed the Civil Liability for Nuclear Damage Act, which placed liability for nuclear accidents on suppliers rather than operators, deviating from international norms. This created a barrier for major U.S. suppliers, GE and Westinghouse, as they were unwilling to assume such risks. Although India later attempted to mitigate these liability

concerns through a government-backed insurance scheme, Russian companies accepted the risks due to their government ownership and sovereign immunity. However, U.S. companies have not agreed to this insurance solution. The Trump administration will need to address the liability issue before U.S. companies can significantly participate in India's civil nuclear expansion.

Hurdles such as technology, consumer costs

Since the 2008 U.S.-India civil nuclear deal, several barriers have emerged preventing full U.S. involvement in India's civil nuclear expansion. Rapid advancements in nuclear technology mean U.S. companies must offer the latest technology at competitive prices, ensuring no increase in electricity costs for Indian consumers. Indian officials are wary of the cost overruns seen in U.S. nuclear projects. Addressing these challenges requires cooperation between the U.S. government, Indian authorities, and U.S. nuclear companies on regulatory, liability, technology, and cost issues.

What do draft data protection rules state?

POLITY & GOVERNANCE

CONTEXT: On January 3, 2025, the Ministry of Electronics and Information Technology released the draft rules for the Digital Personal Data Protection (DPDP) Act, 2023, 16 months after the law's notification. The government is seeking feedback through a fiduciary framework that limits public disclosure and counter-comments.

What is the data localisation mandate?

The draft rules propose a data localisation mandate that goes beyond the original scope of the DPDP Act, which previously limited personal data transfer restrictions to specific notified countries. The new rules aim to establish a government-appointed committee to determine which types of data cannot be exported from India, particularly targeting significant data fiduciaries (SDFs) like major tech companies such as Meta, Google, and Microsoft. This localisation requirement is driven by law enforcement challenges in accessing cross-border data. The government clarified that the committee will work with various ministries and regulators to implement data localisation smoothly and avoid disrupting industry operations. Companies will have a two-year compliance timeline. However, experts warn that data localisation could create operational challenges, particularly for large tech firms and start-ups, leading to higher costs and restrictions on business operations.

What about executive overreach?

Section 36 of the DPDP Act, along with Rule 22, grants the Union government the authority to demand any information from data fiduciaries or intermediaries for reasons related to national security or sovereignty. Experts warn that these broad powers could be misused, potentially enabling surveillance or suppressing dissent. The provisions could also force social media platforms to weaken end-to-end encryption, a concern raised by WhatsApp during its challenge to the 2021 IT rules. Rule 22 further prohibits companies from disclosing such government demands if it could harm national security. Apar Gupta of the Internet Freedom Foundation highlighted that these provisions contradict the privacy recommendations made by the Group of Experts on Privacy in 2012, led by Justice A.P. Shah.

The committee recommended that individuals subject to interception should be notified, as there is evidence of misuse of interception orders by police under political influence. Critics argue that the provision creates a significant loophole, allowing the government to requisition information without proper checks and balances. The lack of adequate safeguards and broad government discretion similar to those in the Information Technology Act, 2000, to ensure citizens are informed about government data requisitions could negatively impact commercial interests.



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Trump effectively pulls U.S. out of global corporate tax deal

INTERNATIONAL RELATIONS



CONTEXT: President Donald Trump on Monday declared that a global corporate minimum tax deal “has no force or effect” in the U.S., effectively pulling America out of the landmark 2021 arrangement negotiated by the Biden administration with nearly 140 countries.

In a presidential memorandum, former U.S. President Trump instructed the U.S. Treasury to explore protective measures against countries that impose tax rules negatively affecting American companies. While the EU, Britain, and others adopted a 15 % global corporate minimum tax, the U.S. maintains a 10 % rate, established by Trump’s 2017 tax cuts. Countries with the 15 % tax could collect “top-up” taxes from U.S. companies paying a lower rate, which Trump called “retaliatory.” He emphasized that the Global Tax Deal has no effect in the U.S., asserting it undermines national sovereignty

and economic competitiveness. Despite the agreement reached by U.S. Treasury Secretary Janet Yellen in 2021, Trump’s Treasury nominee Scott Bessent warned that implementing the deal would be a “grave mistake.”

Sharing taxing rights

The OECD negotiations also aimed to create a new framework for sharing taxing rights on large, profitable multinational companies with countries where their products are sold, in place of unilateral digital services taxes targeting American tech firms like Meta and Apple. However, the “Pillar 1” talks largely stalled, and without U.S. participation, countries like Italy, France, Britain, Spain, and Turkey may consider reinstating their digital taxes, potentially leading to retaliatory tariffs from the U.S.

Gadkari makes a pitch for using composites to make water taxis

POLITY & GOVERNANCE



CONTEXT: Union Minister Nitin Gadkari advocated for using composites in the production of water taxis to connect Mumbai to the Navi Mumbai International Airport.

During the inaugural address at the ICERP, Mr. Gadkari highlighted the need for about 10,000 Fiber-Reinforced Plastic (FRP) taxis to help reduce traffic congestion and air pollution. He mentioned that jetties near the Navi Mumbai International Airport are ready for operations by March. By utilizing sea routes around Mumbai and Thane and using FRP for taxis, significant environmental benefits could be achieved. He also encouraged the FRP Institute to explore new uses for composites while addressing cost challenges to boost its contribution to India’s growth.

The Indian composites raw materials market is projected to reach \$ 1.8 billion by the end of 2024, growing

at a 7.8 % CAGR to \$ 2.8 billion by 2030. The composites end product market, valued at \$ 4.6 billion in 2024, is expected to grow to \$ 7.2 billion by 2030. The unique properties of composite materials (FRP) such as strength, durability, and lightweight design, which drive innovation, efficiency, and sustainability across industries.

Export hit, job losses spur fresh scheme to revive diamond trade

ECONOMICS & DEVELOPMENT

CONTEXT: The Commerce Ministry on Tuesday introduced a new Diamond Imprest Authorisation (DIA) scheme to allow duty-free import of natural cut and polished diamonds for export purposes, acknowledging India's diamond industry.

Value-added exports

Starting April 1, the DIA will allow the import of diamonds under ¼ carat, provided they are exported with a 10% value addition. Diamond exporters with Two Star export house status and annual exports of \$15 million are eligible for the scheme. This initiative responds to beneficiation policies in diamond mining countries like Botswana, Namibia, and Angola, which require manufacturers to establish cut and polishing facilities for value addition.

The Diamond Imprest Authorisation (DIA) scheme allows the import of diamonds of less than ¼ carat or 25 cents, with the mandate that they be exported with a value addition of 10%. Diamond exporters having Two Star export house status and above, having \$15 million exports per year, are eligible for availing benefit under this scheme. The scheme is in response to beneficiation policies undertaken in natural diamond mining countries like Botswana, Namibia, and Angola, where diamond manufacturers are obliged to open cut and polishing facilities for a minimum percentage of value addition.

'Need policy for affordable bioethanol'

ECONOMICS & DEVELOPMENT

CONTEXT: Hiroya Ueda, chief engineer at Honda Motor Co Ltd., speaking at SIAM's 3rd International Symposium for Thriving Eco-Energy in Mobility highlighted India's potential to achieve carbon neutrality through bioethanol and renewable energy-based electrification. However, he emphasized the need for the government to create mechanisms that make bioethanol fuel more affordable, as its higher running costs due to low fuel efficiency hinder its economic viability, despite its environmental benefits.

'Improve fuel efficiency'

Hiroya Ueda emphasized that the high running cost of bioethanol fuel is a challenge and called for government policies to make fuel pricing more affordable and ensure its economic viability. He also suggested that vehicle manufacturers work to improve fuel efficiency. To maintain the economic competitiveness of ethanol, Ueda proposed reducing taxes on ethanol to keep its cost per kilometer on par with or lower than gasoline vehicles.

Reducing price

Hiroya Ueda suggested reducing the price of E100 ethanol from ₹95 to ₹65 per liter to lower vehicle running costs and emphasized the need for OEMs to improve vehicle mileage. He highlighted that promoting ethanol fuel could benefit Indian farmers and rural communities. Ueda noted that ethanol can be supplied through existing gasoline stations, ensuring availability, while CNG infrastructure is growing gradually. He stressed ethanol's environmental benefits and argued that both flex-fuel and electric vehicles will be necessary for India's carbon neutrality. Regarding Honda's initiatives, he mentioned the launch of the CBF300 Flex Fuel in India, drawing from the company's experience in Brazil.

'Chances for more U.S. oil coming to India'

POLITY & GOVERNANCE

CONTEXT: Union Minister Hardeep Singh Puri suggested that there could be an increase in U.S. energy supplies to India following President Donald Trump's plans to boost oil and gas production.

India's Minister for Petroleum and Natural Gas, Mr. Puri, stated that the number of oil suppliers to India has increased from 27 to 39, and the country welcomes the possibility of more oil imports. In response to U.S. President Donald Trump's push to increase oil production, Puri affirmed that more American energy would likely enter the market and that there is potential for increased energy purchases between India and the U.S. He also highlighted India's efforts to seek global cooperation, including visits to Brazil and Argentina for assistance in seismic surveys and offshore activities.

Keeping a watch

Mr. Puri, India's Petroleum and Natural Gas Minister, stated that the government is closely monitoring the actions of the new U.S. administration under President Trump. He emphasized that more energy is entering the market, with no

shortage of oil globally. Puri noted that increased oil supplies are coming from the U.S., Brazil, Guyana, Suriname, and Canada, suggesting a potential decrease in oil prices.

Oil prices to drop?

Mr. Puri stated that there is no shortage of oil and that oil prices are influenced by its availability in the market. While some decisions by the Trump administration were expected, he emphasized the need to wait before reacting. He declined to comment on the U.S. decision to withdraw from the 2015 Paris climate agreement.

'Focus on flex-fuels'

The Minister urged automakers to increase the availability of flex-fuel vehicles in India and announced that the country would achieve 20 % ethanol blending ahead of schedule. He also raised the question of whether India could exceed the 20 % blending target and discussed the necessary agricultural and backward linkages for such an expansion.

India, France to work together on maritime surveillance in IOR

INTERNATIONAL RELATIONS

CONTEXT: India and France have agreed to explore opportunities for coordinated surveillance whilst deployed to counter threats to the maritime security in the Indian Ocean Region (IOR), besides committing to supporting each other in maritime security engagements.

India and France agreed to strengthen their maritime cooperation by enhancing information exchange through existing mechanisms like the Information Fusion Centre-Indian Ocean Region, Gurugram, and coordination with regional centers in Seychelles and Madagascar.

India and France agreed to jointly assess maritime security threats and address issues like piracy, terrorism, smuggling, illegal fishing, cyber security, and marine pollution. They also plan to enhance coordinated surveillance to tackle these challenges.

WHO chief urges U.S. to reconsider its decision to exit

INTERNATIONAL RELATIONS

CONTEXT: After President Donald Trump's announcement that the U.S. would exit the World Health Organization, Tedros Adhanom Ghebreyesus, Director-General, WHO, said he hoped the country would reconsider the decision.

Dr. Ghebreyesus expressed hope that the U.S. would reconsider its decision to withdraw from the WHO, emphasizing the importance of U.S. participation in shaping the organization since its founding in 1948. Mr. Trump cited the global health agency's "mishandling" of the COVID-19 pandemic and other international health crises as reasons for the exit. Stating that American institutions have both contributed to and benefited from membership in the WHO, the global health agency expressed its regret over the announcement.

Dr. Ghebreyesus highlighted the WHO's achievements, including eradicating smallpox and nearly eliminating polio, and noted that India is a major contributor to the WHO's funding, committing over \$300 million for 2025-2028

DRDO holds key test for hypersonic missiles

SCIENCE & TECHNOLOGY

CONTEXT: The DRDO has successfully demonstrated a cutting-edge active-cooled scramjet combustor ground test for the first time in India.

This is the effort to develop a long-duration supersonic combustion scramjet-powered hypersonic technology. The key to hypersonic vehicles is scramjets, which are air-breathing engines capable of sustaining combustion at supersonic speeds. The ground test of scramjet combustor showcased several achievements, demonstrating its potential for operational use in hypersonic vehicles, like successful ignition and stable combustion".

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