



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## ECONOMIC SECURITY AND RESILIENCE REVIEW SEPTEMBER 2025

*Author*

V.S. Seshadri

Volume III, Issue 9



**Delhi Policy Group**

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### ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

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### Author

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*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:

Minister for External Affairs of India, Dr. S. Jaishankar addresses the general debate of the United Nation's General Assembly's 80<sup>th</sup> session, in New York, on September 27, 2025. Source: [United Nations](#)

European Commissioner for Trade and Economic Security, and European Commissioner for Interinstitutional Relations and Transparency, Maroš Šefčovic, received Piyush Goyal, Indian Minister for Commerce and Industry in Brussels, on May 1, 2025. Source: [European Commission](#)

High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, Kaja Kallas and European Commissioner for Trade and Economic Security, and Commissioner for Interinstitutional Relations and Transparency, Maroš Šefčovič, gave a press conference on the new Strategic EU-India Agenda, in Brussels, Belgium, on September 17, 2025. Source: [European Commission](#)

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# **Economic Security and Resilience Review**

by  
V. S. Seshadri

## **Introduction**

The relentless campaign by President Trump and his administration on the trade and tariff fronts continued unabated during the month. New rules requiring an application fee of US\$ 100,000 for issue of H-1B visas have come into force and will affect those applying for new visas. A tariff of 100% was announced on all patented and branded pharmaceuticals with effect from October 1, but the measure is apparently still under review. New tariffs on lumber and some timber derivative products came into effect. Additionally, more Section 232 investigations on national security grounds have been launched on industrial machinery, robotics related items, and pharmaceutical devices and equipment. An announcement on levying 100% duties on foreign made movies has been made, but no implementation order has been issued yet.

On the US deals made with different countries, the framework agreement with Japan was detailed during the month. South Korea is reportedly pushing back on the demand that the detailing in its case should follow the pattern of the Japan deal.

A US-China deal on Tik Tok's continued operations and ownership was announced, but trade restrictive actions between the two countries continued.

EAM Dr. S. Jaishankar participated in the special BRICS summit convened by Brazilian President Lula da Silva on the topic of Trump tariffs. In his speech at the UN General Assembly, EAM Jaishankar voiced India's position on the impact of non-market practices on trade and the current tariff volatility.

The month also saw the US and India reviving their negotiations on a bilateral trade agreement, including during a visit by the Commerce and Industry Minister Piyush Goyal to the US. Revocation by the US of exemption from sanctions for Chabahar port in Iran was a setback for India's connectivity to Central Asia.

India and the European Union appear to be making progress on finalising their bilateral FTA, for which the thirteenth round of negotiations was held during the month in New Delhi. The European Commission President and the EU High Representative also launched a joint communication on a new EU-India strategic agenda that will now be taken up for approval by the EU Council, before it is readied for developing a joint comprehensive strategic agenda with India.

This issue also outlines Pakistan's proposals to engage the United States in the critical minerals sector.

### **New US rules on H-1B visas**

President Trump issued a Proclamation<sup>1</sup> on September 19 to restrict entry into the US of certain H-1B category non-immigrant workers under which a USD 100,000 payment is to accompany new applications.

The reasons given for introducing the measure was that the programme has been exploited to replace rather than supplement American workers with lower-paid, lower-skilled labour. The proclamation claimed that a systematic abuse of the programme has undermined both US economic and national security. Some employers, it was stated, have used H-1B and its regulations to artificially suppress wages. A finger was pointed particularly towards IT companies for manipulating the system, significantly harming American workers in computer related fields. The share of IT workers in H-1B grew from 32% in fiscal year 2003 to an average of 65% in the last five fiscal years. In addition, it was alleged, some of the most prolific H-1B employers were now consistently IT outsourcing companies.

Following some confusion about the applicability of the new rules, it was clarified<sup>2</sup> that:

- a) The Proclamation does not apply to previously issued H-1B visas or any petition submitted prior to 12.01 AM eastern time in the US on September 21;
- b) Does not change any payments or fees required to be submitted in connection with any H-1B renewals;
- c) The USD 100,000 fee is a one time fee on submission of a new H-1B petition; and
- d) This does not prevent any holder of current H-1B visa from travelling in and out of the US.

Reacting to the H-1B related announcement, the government in India said that the full implications of the measure were being studied by all concerned, including Indian industry. The statement<sup>3</sup> further noted that skilled talent mobility and exchanges have contributed enormously to technology development, innovation, economic growth, competitiveness and wealth creation in the United States and India. Moreover, since the measure was likely to have humanitarian consequences by way of disruption

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<sup>1</sup><https://www.whitehouse.gov/presidential-actions/2025/09/restriction-on-entry-of-certain-nonimmigrant-workers/>

<sup>2</sup> <https://www.uscis.gov/newsroom/alerts/h-1b-faq>

<sup>3</sup> [https://www.mea.gov.in/Speeches-Statements.htm?dtl/40155/Statement\\_by\\_the\\_Official\\_Spokesperson\\_regarding\\_restrictions\\_to\\_the\\_US\\_H\\_1B\\_visa\\_program](https://www.mea.gov.in/Speeches-Statements.htm?dtl/40155/Statement_by_the_Official_Spokesperson_regarding_restrictions_to_the_US_H_1B_visa_program)

caused to families, the government hoped that these disruptions can be suitably addressed by the US authorities.

A coalition of unions, educators, religious organisations and non-profits has reportedly<sup>4</sup> filed a lawsuit in a US court in California challenging the new H-1B measure. The case makes the submission that the President has no authority to impose revenue measures without congressional approval. It is also claimed that the White House bypassed the regulatory process and described the decision as 'arbitrary and capricious'.

### **US announces tariffs on pharmaceutical imports**

In a Truth Social post, President Trump announced on September 25 that starting October 1, 2025 the US will be imposing a 100% tariff on any branded or patented pharmaceutical product unless a company 'IS BUILDING' their pharmaceutical plant in America. He also clarified that 'IS BUILDING' will be defined as 'breaking ground' and/or 'under construction', adding 'There will therefore be no tariff on these pharmaceuticals products if construction has started'.

There has, however, been no follow up federal register notice from the administration about the move, and White House officials have indicated that the plan is on hold and under review<sup>5</sup>. But preliminary observations from available sources at the Indian end indicate that the potential impact of such a measure on Indian pharmaceutical companies may not be so significant, because a large part of India's pharmaceutical exports are of generics that are excluded. Secondly, several Indian pharmacy majors like Sun Pharma, Dr. Reddy's, Glenmark, Cipla and Lupin have established plants in the US.

### **Yet more Trump tariffs**

President Trump has also announced that the US will impose a 25% import tax on all heavy-duty trucks, a 10% import duty on lumber, a 25% import duty on upholstered furniture that will go up to 30% on January 1, and a 25% levy on kitchen and bathroom cabinets which will increase to 50% on January 1. The reason given is that the present quantities and circumstances of the imports of wood products threaten to impair national security<sup>6</sup>. The tariffs on heavy trucks would protect US manufacturers from

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<sup>4</sup> <https://economictimes.indiatimes.com/nri/work/unions-educators-sue-trump-administration-over-100000-h-1b-visa-fee/articleshow/124316388.cms?from=mdr>

<sup>5</sup> <https://www.livemint.com/news/us-news/donald-trump-administration-delays-100-per-cent-tariff-on-imported-brand-name-drugs-says-plan-still-under-review-11759363011933.html>

<sup>6</sup> <https://www.whitehouse.gov/fact-sheets/2025/09/fact-sheet-president-donald-j-trump-addresses-the-threat-to-national-security-from-imports-of-timber-lumber-and-their-derivative-products-e810/>



outside competition, and the duties would help build American companies such as Peterbilt and Mack trucks.

All these actions are being taken under Section 232 of the US Trade Expansion Act.

### More Section 232 investigations launched

The Trump administration has on September 24 launched new investigations under Section 232 of the US Trade Expansion Act on national security grounds, on two more sets of products each encompassing a wide scope:

1. **Personal protective equipment (PPE), medical consumables and medical equipment and devices:** PPE includes surgical masks, N 95 respirators, gloves and gowns, and related medical parts and components; Medical consumables include syringes, needles, infusion pumps, forceps and scalpels; medical supplies includes IV bags, catheters, tracheostomy tubes, anaesthesia equipment, gauze, bandages, sutures, laboratory reagents etc.; medical equipment refers to durable equipment, tools and machines used in healthcare to support patient care including wheel chairs, crutches and hospital beds; and medical device is any instrument, apparatus or machine used in the diagnosis, monitoring or treatment of medical conditions including insulin pumps, coronary stents, heart valves, hearing aids, robotic and non-robotic prosthetics, blood glucose monitors, orthopaedic appliances, and electro medical apparatus.
2. **Robotics and industrial machinery:** These include robots and programmable computer controlled mechanical systems. The latter spans CNC machining centres, turning and milling machines, grinding and deburring equipment, and industrial stamping and pressing machines. It also includes automatic tool changers, jigs and fixtures and machine tools for cutting, welding and handling work pieces.

With this latest addition, the number of sets of products covered by such investigations have risen to 15, with the other 13 set out below:

1. Steel and its derivative products;
2. Aluminium and its derivative products;
3. Automobiles and parts;
4. Copper;
5. Lumber;
6. Pharmaceuticals and pharmaceutical ingredients;
7. Semiconductor and semiconductor manufacturing equipment;
8. Processed critical minerals and derivative products;

9. Heavy trucks
10. Commercial aircrafts and jet engines;
11. Unmanned aircraft systems and their parts and components;
12. Wind turbines; and
13. Polysilicon and derivative products.

While the investigations on seven of the foregoing have been completed and duties imposed (duties on the first two were imposed under the Trump-1 administration), investigations on the rest are underway with possible imposition of duties on them as well. These are products which are not on the 'reciprocal tariff' track which have been imposed by President Trump under the International Economic Emergency Powers Act.

### **President Trump announces tariffs on foreign made movies**

President Trump said on September 29 in his social media platform Truth Social that he would be imposing 100% tariff on any or all movies that are made outside the US, saying that foreign made films were hurting the movie business in the US. He further stated "Our movie making business has been stolen from the USA by other countries just like stealing a candy from a baby".

When implemented (no executive order has been released yet on this proposed measure), this will be the first instance of a US tariff on cross border delivery of services. He made a similar threat in the month of May, but that was not subsequently followed up.

Some industry analysts have stated<sup>7</sup> that such a move could mark a significant setback for Indian films and the industry's revenue from the US could take a 30-40% hit.

### **US-Japan deal moves from framework agreement to detailing**

The framework trade and investment agreement reached between the US and Japan was spelt out following more discussions between the two sides. These are now contained in the form of an Executive Order (EO) put out by the White House on September 4 titled 'Implementing the United States-Japan agreement', and an MOU signed between the Japanese lead negotiator Ryosei Akazawa and US Secretary of Commerce Howard Lutnick that focusses on the procedural process and modalities in respect of the US\$ 550 bn investment to be made by Japan in the US. The key features of the implementing agreement are as below:

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<sup>7</sup> [https://www.business-standard.com/world-news/donald-trump-again-announces-100-tariff-on-all-films-made-outside-us-125092901207\\_1.html](https://www.business-standard.com/world-news/donald-trump-again-announces-100-tariff-on-all-films-made-outside-us-125092901207_1.html)



- US will apply a baseline tariff of 15% on nearly all Japanese imports (similar to the EU deal, something that Japan was very keen on to be clarified) alongside separate sector-specific treatment for autos and auto parts (15% duty rate, again another key Japanese ask), aerospace products, generic pharmaceuticals and natural resources not normally available in the US;
- US confirms that for any Section 232 tariffs imposed on pharmaceuticals and semiconductors Japan will receive a rate no greater than that applied to any other country;
- Japan will provide American manufacturing, aerospace, agriculture, food, energy, automobile and industrial goods breakthrough market openings in key sectors;
- Japan will implement a 75% increase of US rice procurement and purchase of other US agriculture goods including corn, soyabean, fertiliser, bioethanol as well as other US products amounting to US\$ 8 bn per year;
- Japan will purchase US energy products totalling US\$ 7 bn per year;
- The two sides are also working to accept for sales in Japan of US manufactured and US certified passenger vehicles without additional testing;
- Japan will purchase US made commercial aircraft as well as US defense equipment per Japan's Defense Build-up programme.

As for the MOU, it makes it clear that the Japanese commitment to invest US\$ 550 bn in the US must be made before January 19, 2029. The investments are to be made in sectors that advance economic and security interests, including semiconductors, pharmaceuticals, metals, critical minerals, ship building, energy (including pipeline), AI and quantum computing. The MOU details a procedural process which involves consultations with Japanese stakeholders, but the ultimate decisions are to be taken by the US side. Moreover, for each investment a special purpose vehicle will be formed which will distribute 50% of cash flows to the US and 50% to Japan until a deemed 'allocation amount' is reached. Thereafter 90% of the cashflows will go to the US and 10% to Japan.

### **Pushback by South Korea**

Republic of Korea appears to have conveyed its inability to agree to the US proposal that the investment commitment of US\$ 350 bn made by it while reaching its trade deal with the US in July be structured in a similar way as the agreement with Japan, and that the investment should be made 'upfront'. South Korea's national security adviser Wi Sung Lac was quoted<sup>8</sup> as saying 'The position we are talking is not a negotiating tactic but rather it is objectively and realistically not a level we are able to

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<sup>8</sup> <https://news.tuoi.vn/south-korea-cannot-pay-350-billion-to-us-for-tariff-deal-as-trump-suggests-top-aide-says-10325092815142306.htm>



handle'. South Korea has said the funds would come through loans, guarantees and equity rather than a direct cash payment. Secondly, South Korea is opposing Washington's demand for control over the funds.

South Korea is also arguing<sup>9</sup> that it is not in a position to replicate Japan's deal due to its smaller foreign currency reserves and lack of a currency swap agreement with the US. The country's relations with the US are also somewhat strained following the detention and subsequent transportation back to South Korea in early September of over 300 Korean workers from a Hyundai factory in the state of Georgia, following an immigration raid at that plant.

### **US-China deal on Tik Tok**

Following the fourth round of high level US-China trade talks held in Madrid on September 15-16, 2025, which was subsequently also followed up by a telephonic conversation between President Trump and President Xi Jinping on September 19, a way ahead was found for the future of the social media app Tik Tok's continued operations in the US. The resolution, outlined in an Executive Order<sup>10</sup> signed by President Trump, gives American investors majority control of the Chinese-owned app, in so far as its US operations are concerned, through a newly established joint venture resulting from a 'qualified divestiture'. The new American investors will come to occupy six of seven board seats in TikTok's US arm, reducing ByteDance's stake to no more than 20 per cent. But the full panel of new investors is still not known, even as they will have no affiliation with Byte Dance. The names of media major Rupert Murdoch and Michael Dell CEO of the computer maker Dell have figured, apart from Larry Ellison of Oracle.

The divestiture puts the operation of the algorithms and code, as well as content-moderation decisions, under the control of the new joint venture. The US user data would be housed on servers run by cloud infrastructure and software maker Oracle, retaining an arrangement put in place to address national security concerns. The divestiture includes intense monitoring of software updates, algorithms, and data flows by the United States' trusted security partners, and it requires all recommendation models, including algorithms, that use United States user data to be retrained and monitored by those trusted security partners.

According to a Chinese readout of the Trump-Xi call<sup>11</sup>, Xi said the Chinese government "would be happy to see productive commercial negotiations in keeping

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<sup>9</sup> <https://www.ft.com/content/837369d7-0db3-4c8e-855d-486d335d453b>

<sup>10</sup> <https://www.whitehouse.gov/presidential-actions/2025/09/saving-tiktok-while-protecting-national-security/>

<sup>11</sup> <https://www.channelnewsasia.com/east-asia/tiktok-deal-us-china-trump-xi-bytedance-national-security-5368531>

with market rules lead to a solution that complies with China's laws and regulations and takes into account the interests of both sides". Xi also pressed Washington to "provide an open, fair and non-discriminatory environment for Chinese investors". Chinese officials have also framed the developments as part of broader economic and trade discussions, rather than a stand-alone concession.

## **US and China continue trade actions against each other**

China launched two investigations targeting the US semiconductor industry during the month. One of them was an anti-discrimination investigation<sup>12</sup> launched on September 15 into relevant U.S. measures targeting China's chip sector. The second was an anti-dumping probe relating to certain US made analog IC chips. The investigations were kicked off after the U.S. added 23 more China-based companies to its entity list on September 12.

China's market regulator, the Cyberspace Administration of China, also stated<sup>13</sup> that a preliminary investigation found the US Chip major Nvidia to be in violation of the country's anti-competition laws. It has, therefore, told companies including ByteDance and Alibaba to end the testing and orders of the RTX Pro 6000D, Nvidia's tailor-made product for China.

## **US-India BTA negotiations**

As per a government statement<sup>14</sup> of September 26, the Union Commerce Minister Piyush Goyal led an Indian delegation which visited the US from September 22-24, 2025 and held constructive talks with the US government on various aspects of the bilateral trade agreement (BTA) that is under negotiation between the two countries. Both sides reportedly exchanged their views on the possible contours of the deal and agreed to continue engagement with a target of reaching an early conclusion to a mutually beneficial deal. Minister Goyal held discussions with the USTR, Ambassador Jamieson Greer, and Mr. Sergio Gor, the Ambassador-designate to India. The delegation also took the opportunity to hold discussions with key US based businesses and investors on promoting trade and investment between India and the US.

Earlier during the month, a team of officials from the USTR led by Brendan Lynch, Asst. USTR, visited India on September 16. The Press Release issued on this occasion<sup>15</sup> stated that the discussions held between the two sides were positive and forward looking covering various aspects of the BIT.

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<sup>12</sup> [http://english.scio.gov.cn/pressroom/2025-09/15/content\\_118078457.html](http://english.scio.gov.cn/pressroom/2025-09/15/content_118078457.html)

<sup>13</sup> <https://www.ft.com/content/12adf92d-3e34-428a-8d61-c9169511915c>

<sup>14</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2171675>

<sup>15</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2167317>

These discussions were held after a marked change in tone by President Trump earlier in the month, stating that the US was continuing negotiations with India to address trade balances.

### **European Union releases a new strategic agenda with India**

The EU Commission President Ursula Von der Layen and the EU High Representative Kaja Kallas released a joint communication outlining a 'New Strategic EU-India Agenda', marking a significant milestone in EU-India relations. It identifies five areas of shared interest and complementary strengths, building on existing ties while addressing areas that present potential for increased engagement. Amidst shifting geopolitical realities, the Communication considers closer EU-India relations increasingly vital for strengthening economic growth and security and diversifying supply chains in response to today's uncertain global order.

The five areas dwelt upon in the communication were a) promoting prosperity and sustainability, including through finalising the bilateral FTA under negotiation; b) Technology and innovation with engagement on digital issues, with particular attention to strengthening economic security within the Trade and Technology Council; c) Security and defense that will deepen engagement on regional security, countering traditional and hybrid threats and boosting defense industrial cooperation; d) Connectivity and global issues that inter alia emphasise strengthening regional connectivity initiatives such as India-Middle East- Europe Economic Corridor and EU-India trilateral cooperation in third countries; and e) Mobility which includes skill mobility with the pilot European Legal Gateway office facilitating labour mobility and also developing a comprehensive mobility cooperation framework covering study, work and research.

Releasing the communication, EC President Von der Layen said that now was the time to focus on reliable partners and double down on partnerships rooted in shared interests and guided by common values. She added that with the new EU-India strategy 'we are taking our relationship to the next level'. The EU High Representative Kaja Kallas said that India was one of the most important players in the world today and a natural partner for the EU. She added that there were many areas where the interests of the two partners align but there were also areas in which the two disagree. "Ultimately our partnership is about defending our rules based international order. Our negotiations will address these challenges."

As for the next steps on the communication, it has been mentioned that it will be put for the adoption of the EU Council at the Foreign Affairs Council in October.

### **Thirteenth round of India-EU FTA negotiations**

The thirteenth round of India-EU FTA negotiations was held from September 8-12, 2025, in New Delhi, during when the EU's Commissioner for Trade and Economic Security Maros Sefcovic and EU Commissioner for Agriculture and Food Christophe Hansen also were present in the Indian capital.

As per the EU side, while the high level interventions of the EU trade team were useful to better understand each side's position, they did not allow for sufficient progress in sensitive areas such as automotives and agricultural products. Discussions were also apparently held on trade facilitating measures to address quality control orders, but an acceptable compromise could not be reached.

Meanwhile, CIM Piyush Goyal also said on X that "As the India-EU FTA negotiations continue we reiterated our shared commitment towards its early conclusion. A balanced and mutually beneficial FTA will unlock new opportunities for people and businesses on both sides".

Both ministers, CIM Goyal and Commissioner Sefcovic, also attended the 65th annual session of the Automotive Component Manufacturers Association in New Delhi on September 12. CIM Goyal commented that it was important not to let the search for a perfect deal to become the enemy of progress, and stressed that the direction in which the negotiations were progressing was extremely positive. Commissioner Sefcovic observed that India and the EU were negotiating a ground breaking FTA with unprecedented momentum describing the ongoing discussions as some of the most intensive and constructive ever held between the two partners.

The 14th round of the FTA negotiations are to take place in Brussels in the week starting October 6, even as inter-sessional engagements are underway to prepare for the round.

### **Third Round of India-New Zealand FTA negotiations**

The third round of India-New Zealand FTA negotiations were held in Queenstown, New Zealand from 15-19 September, 2025 at which several chapters were concluded and significant progress also appears to have been made in other key domains<sup>16</sup>. Both sides agreed to continue the momentum through inter-sessional engagements. The next round of in-person negotiations is scheduled to be held in New Delhi on 13-14 October 2025. It is interesting to note that India's bilateral merchandise trade with

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<sup>16</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2168608>

New Zealand, which stood at USD 1.3 billion in FY 2024-25, registered a growth of nearly 49 percent over the previous year.

### **EAM's speeches at BRICS summit and UNGA**

Representing PM Narendra Modi at the virtual summit of BRICS leaders on September 8, 2025 to discuss US trade practices, the External Affairs Minister Dr. S. Jaishankar called<sup>17</sup> for creating a more resilient, reliable, redundant and shorter supply chains. He noted that increasing barriers and complicating transactions will not help when the world requires constructive and cooperative approaches. Neither would the linking of trade measures with non-trade matters. He said that BRICS can set an example by reviewing trade flows among its member states. Here, he noted that as far as India was concerned, some of the biggest deficits were with BRICS partners for which India has been pressing for an expeditious solution.

On the international trading system, Dr. Jaishankar said that it was based on foundational principles of open, fair, transparent, non-discriminatory, inclusive, equitable and a rule based approach, with special and differential treatment for developing countries. He stressed India's belief that this should be protected and matured.

Dr. Jaishankar also alluded briefly to the economic concerns facing the world in his speech<sup>18</sup> at the General Debate at the UN General Assembly on September 27. He referred to how non-market trade practices gamed rules and regimes and how the resulting concentration exposed the world to leveraging. On top of that, he remarked, the world was seeing market volatility and uncertain market access. The heightened technology controls and the grip on supply chains and critical minerals were also flagged.

### **A major GST revamp by India**

Approved by the ministerial-level GST Council, the government introduced a major reform of the Goods and Services Tax (GST) during the month effective from September 22, 2025. The tax structure was greatly simplified, accompanied also by significant tax reductions. A large majority of items now fall in the zero, 5% or 18% bracket. The reforms are also intended to create an enabling environment for entrepreneurship, job creation and affordable living. Most food items are now under

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<sup>17</sup> [https://www.mea.gov.in/Speeches-Statements.htm?dtl/40106/EAMs\\_remarks\\_during\\_virtual\\_Summit\\_of\\_BRICS\\_Leaders\\_September\\_08\\_2025](https://www.mea.gov.in/Speeches-Statements.htm?dtl/40106/EAMs_remarks_during_virtual_Summit_of_BRICS_Leaders_September_08_2025)

<sup>18</sup> [https://www.mea.gov.in/Speeches-Statements.htm?dtl/40170/EAMs\\_statement\\_at\\_the\\_General\\_Debate\\_of\\_the\\_80th\\_session\\_of\\_the\\_UNGA\\_September\\_27\\_2025](https://www.mea.gov.in/Speeches-Statements.htm?dtl/40170/EAMs_statement_at_the_General_Debate_of_the_80th_session_of_the_UNGA_September_27_2025)



the 5% or nil tax slabs. The government is expecting these measures to stimulate domestic manufacturing, support traditional industries, and encourage innovation while also improving public health, education and mobility.

### **India-Iran-Armenia trilateral dialogue**

The third trilateral consultations between India, Armenia and Iran were held in Tehran on September 8, 2025. Joint Secretary Anand Prakash from the Ministry of External Affairs represented India at this meeting. A Press Release issued on the meeting noted<sup>19</sup> that all three countries emphasised expanding and deepening cooperation, especially in the fields of connectivity, including the International North-South Transport Corridor (INSTC) and Armenia's "Crossroads of Peace" project.

India has been keen to promote the INSTC corridor through Chabahar port in Iran which provides an alternative route between Russia and India via Iran, as also with Afghanistan via Iran. Additionally, India would gain access to Central Asia and Eurasia.

At the consultations, Armenia reportedly presented its own vision and regional connectivity plan known as the 'Crossroads of Peace'. The proposal is designed to link Armenia with Türkiye, Azerbaijan, Iran, and Georgia<sup>20</sup>. At its core, it envisions transport routes that connect the Caspian Sea to the Mediterranean and the Persian Gulf to the Black Sea.

### **US revokes sanctions exemption for Chabahar port**

The Trump administration has announced<sup>21</sup> that consistent with its maximum pressure policy to isolate Iran, it is revoking the sanctions exemption issued in 2018 under the Iran Freedom and Counter-Proliferation Act (IFCA) for Afghanistan reconstruction assistance and economic development, with effect from September 29, 2025.

For India, this move will make things difficult for government owned India Ports Global Limited (IPGL) which has operational control of the Shahid Beheshti terminal at the port since 2018, when the first Trump administration provided the waiver under IFCA considering the importance of the terminal for the economic development and reconstruction of Afghanistan.

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<sup>19</sup> <https://www.mea.gov.in/press-releases.htm?dtl/40116/IndiaIranArmenia+Trilateral+Consultations+September+08+2025>

<sup>20</sup> [https://www.primeminister.am/u\\_files/file/documents/The Crossroad of Peace-Brochure.pdf](https://www.primeminister.am/u_files/file/documents/The%20Crossroad%20of%20Peace-Brochure.pdf)

<sup>21</sup> <https://timesofindia.indiatimes.com/world/us/in-another-blow-to-india-us-revokes-sanctions-waiver-on-irans-chabahar-port-given-during-trumps-first-term/articleshow/123981874.cms>

One analyst has noted<sup>22</sup> that this move could hinder India's connectivity projects in Eurasia since the port is vital for India's trade with Central Asia and Afghanistan. It also serves as a counter to China's growing influence in the region.

### US-Pakistan deal details

More details are emerging regarding Pakistan's offers and engagements with the US in respect of critical minerals, even as no public statement has emanated from either side about what transpired during President Donald Trump's meeting with Prime Minister Shehbaz Sharif and Field Marshal Asim Munir in the White House on September 25, 2025. An exception is the release by the White House of a snapshot<sup>23</sup> in which the Sharif-Munir two-some are showing Trump an open 18X18 inch wooden box with colourful stones apparently bearing critical mineral deposits.

Pakistan's Frontier Works Organisation (FWO), a military linked engineering and mining entity, has reportedly signed an MOU on September 8, 2025 with the Missouri based US Strategic Metals (USSM), a private US firm specialising in critical minerals. The agreement, with an initial funding of US\$ 500 m from USSM, envisages three phases: Phase I (immediate, involving export of readily available minerals such as antimony and copper concentrates) to the US generating quick revenue; Phase-II (medium term 2026-2028) involves construction of processing plants and refineries in Pakistan with technology transfer for rare earth elements (REE) separation and purification; and Phase III (long term 2028 plus) entailing large scale exploration and exploitation including drilling in high potential REE belts and developing 5-10 mining projects.

An accompanying plan, with some reports<sup>24</sup> terming it as audacious, envisages American investors developing the seaside fishing town of Pasni as a port terminal for evacuating Pakistan's critical minerals. The proposed port, estimated to cost around US\$ 1.2 bn, would be linked to a new railway to transport minerals from Pakistan's interior, and could also be linked to Reko Diq which is a copper and gold mine being developed by Canada's Barrick Mining. Pasni is 100 miles from the Iran border and 70 miles from the other Pakistani port at Gwadar that has been developed with Chinese assistance. It is not clear what has been the US response to the new port development proposal from Pakistan.

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<sup>22</sup> <https://www.orfonline.org/research/chabahar-wrong-port-of-call-for-us>

<sup>23</sup> <https://timesofindia.indiatimes.com/world/us/pakistan-plays-trump-card-flashes-mineral-wealth-in-the-white-house/articleshow/124191971.cms>

<sup>24</sup> <https://www.ft.com/content/9f7c7bf2-76ed-4eb6-bb9a-f628d05b0068>



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