



# Delhi Policy Group

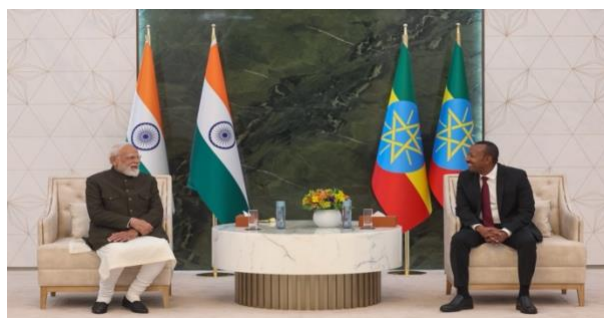
Advancing India's Rise as a Leading Power

## GLOBAL HORIZONS DECEMBER 2025

*Author*

Nalin Surie

Volume III, Issue 12



**Delhi Policy Group**

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)



# Delhi Policy Group

Advancing India's Rise as a Leading Power

## Global Horizons

Vol. III, Issue 12

December 2025

### 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.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

### Author

**Ambassador Nalin Surie, I.F.S. (Retd.),** Distinguished Fellow for Diplomacy, Delhi Policy Group

*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:

Indian Prime Minister Narendra Modi meeting with the President of Russia, Vladimir Putin at Hyderabad House, in New Delhi on December 05, 2025. Source: [Prime Minister of India](#)

Indian Prime Minister Narendra Modi meeting the Prime Minister of Ethiopia, Dr. Abiy Ahmed Ali at Addis Ababa, in Ethiopia on December 16, 2025. Source: [Prime Minister of India](#)

India's External Affairs Minister, Dr. S. Jaishankar jointly inaugurated with Sri Lanka's Minister of Foreign Affairs, Vijitha Herath, a 120-foot dual carriageway Bailey Bridge in the Kilinochchi District of Northern Province - one of the areas severely affected by Cyclone Ditwah, in the presence of Sri Lankan President Anura Kumara Dissanayake, on December 23, 2025. Source: [X/@DrSJaishankar](#)

© 2026 by the Delhi Policy Group

### Delhi Policy Group

Core 5A, 1st Floor,

India Habitat Centre,

Lodhi Road, New Delhi- 110003.

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)

## Global Horizons

December 2025

by

Nalin Surie

The year did not end well. Christmas did not bring any real cheer. Instead, wars, conflict and human suffering continued to take their toll across the world. Peace was not the default setting. Nor was dialogue. Might, where it worked, was the preferred option or else blatant deal making.

A year into his second, non-coterminous, presidency, President Trump's administration issued its National Security Strategy. It essentially put together the threads of what the Trump government has been doing since it assumed office in January 2025. There was no shortage of ambiguities, but Trump made it abundantly clear in his introduction that his NSS "is a roadmap to ensure that America remains the greatest and most successful nation in human history, and the home of freedom on earth. In the years ahead, we will continue to develop every dimension of our national strength – we will make America safer, richer, freer, greater, and more powerful than ever before."

US core interests outlined in the NSS include a Western Hemisphere that remains free of hostile, foreign incursion or ownership of key assets and that supports critical supply chains; keeping the Indo Pacific free and open, preserving freedom of navigation in all crucial sea lanes, and maintaining secure and reliable supply chains, and access to critical minerals; restoring Europe's civilisational self-confidence, and Western identity; preventing any adversarial power from dominating the Middle East; and ensuring that US technology and US standards, particularly in AI, biotech, and quantum computing, drive the world forward.

The writing on the wall is clear: for the US, the ends justify the means. Issues of sovereignty, legality etc. are irrelevant. Lest there be any doubt on that score, it was immediately dispelled by the abduction of Venezuelan President Maduro and his wife from Caracas on the night of January 02, 2026 in an impressive US military operation (They are now in jail in New York and are to be tried under US law.) Not surprising, since Maduro had been warned by Trump that his end was nigh. Venezuela will pay for the US action through its oil wealth. The barely hidden truth is out. How Venezuela will be governed going forward is still being worked out!

The subsequent warning by US Secretary of State Rubio, that Trump does what he says, was equally chilling. A warning perhaps to Iran next, since it was very recently warned by Trump that the US will not stand idly by if the Iranian regime used violence to suppress ongoing peaceful demonstrations against the regime. There is speculation that Iran was discussed when Israel PM Netanyahu met Trump at Mar-a-Lago on December 29. The US also seeks regime change in Colombia and Cuba, and is determined to pursue its interests in Greenland. It also has demands on Canada and Mexico.

It is still not clear though how the war in Ukraine will be brought to an end; how the peace plan for Gaza will be implemented; and how the US relationship with China will be managed. How these pan out in 2026 will bear close scrutiny and impact the changes already taking place in international relations.

On Christmas Day, US forces launched strikes against IS targets in north west Nigeria, ostensibly at the request of the Nigerian government. Trump had earlier accused the Nigerians of not protecting the Christian community. Trump said on social media that he would “not allow Radical Islamic Terrorism to prosper” (BBC). Earlier in the month, US forces also targeted IS clusters in Syria.

The war in Ukraine showed little sign of abating. Russian attacks on infrastructure and civilian targets continued. There was a flurry of activity to try and work out an acceptable peace package. Ukrainian president Zelinsky met with President Trump and consulted his European allies on a 20-point proposal. He suggested that 90% of the package was ready for proposing to the Russian side. However, the most important 10% evidently remained unsettled. In the meantime, the Russian side alleged that Ukraine had targeted Putin’s residence, and as a result, Russia had no option but to harden its position. Trump is to speak to Putin and it remains to be seen whether Russia is willing to compromise on his hard-core demands on territorial and other aspects.

Interestingly, in spite of concerted pressure by several member states, the European Union did not agree to use frozen Russian central bank assets in Europe for use by Ukraine. Instead, the European council decided on December 18 that the EU would provide a loan to Ukraine of Euro 90 billion for the years 2026–27, based on EU borrowing on the capital markets backed by the EU budget headroom. A wise decision, considering the wider implications of in effect appropriating frozen Russian Central Bank assets for this and related purposes for Ukraine.

Europe continued to scurry to get its act together since the message seems to have finally gone home that going forward it will have to manage European security essentially on its own. It continued to work with some desperation to ensure that it is not excluded from any final agreement on ending the war in Ukraine.

Germany has clearly decided to take the bull by its horns and work to restore its prime position in Europe, both militarily and economically.

President Macron reached out to China, where he paid a state visit from December 3-5. A joint statement was issued on “enhancing global governance” in which the two sides reaffirmed their commitment to firmly upholding the authority and status of the UN in the international system and upholding and safeguarding the international system, underpinned by International Law and the rule of solidarity in accordance with the purposes and principles of the UN charter; and that multilateralism is the cornerstone of the international order. France has stated that it attaches importance and appreciates the global governance initiative put forward by China. Xi Jinping warned that decoupling and severing supply chains will lead to isolation. This remark has to be seen in the context of the ongoing efforts of the EU to reduce its dependencies on China, which have built up in recent decades.

In Gaza, the West Bank (new settlements) and southern Lebanon, Israel continued to act with impunity. Hamas refused to give up its arms. But, some form of peace prevailed. The humanitarian situation in Gaza continued to deteriorate, so much so that the Foreign Ministers of Canada, Denmark, Finland, France, Iceland, Japan, Norway, Sweden, Switzerland and UK issued a joint statement on December 30, expressing serious concerns over the renewed deterioration of the humanitarian situation in Gaza, which “remains catastrophic”. They called upon Israel to lift the restrictions which limit the capacity for aid to be delivered at the scale needed in accordance with international humanitarian law, or for repairs to be made to support recovery and reconstruction efforts. They also called upon Israel to honour the comprehensive plan to end the Gaza conflict.

The wars/conflicts in Sudan and DRC/Rwanda showed little sign of abating, notwithstanding efforts by the US, both because of their relatively intractable origins but also because of inadequate pressure on the combatants by their external backers and inadequate US pressure. The humanitarian situation in the affected regions continued to deteriorate.



The conflict between Thailand and Cambodia worsened notwithstanding the peace agreement sanguinely brokered by President Trump earlier in the year in October 2025. The Chinese got into the act during the month and invited both Foreign Ministers to Yunnan in China on December 28-29. A press release was issued that stipulates that the immediate priority is to consolidate the cease fire of December 27; work towards resuming normal bilateral exchanges; work to rebuild political trust; improve bilateral relations; and safeguard regional stability. Cambodia and Thailand appreciated China's strong support in promoting talks between the two countries taking into account the comfort level of both sides. China is to continue to play a constructive role in facilitating the rebuilding of trust in achieving lasting peace between Cambodia and Thailand in the Asian way, with the aim of building a community with a shared future with neighbouring countries. It remains to be seen whether China will have success in this effort at mediation. They have, though, certainly found a role for themselves at this stage at the expense of that of the US. The latter may well step back in.

As China ended 2025, the Politburo of the CPC claimed that over the past five years of the 14th Five Year Plan, it had effectively navigated various shocks and challenges, achieved a significant enhancement of its hard power in areas including the economy, science and technology, national defence, as well as soft power, culture and diplomacy etc. It was stressed that it was necessary to ensure a good start to the 15th five-year plan, 2026-2030. This would require ensuring progress while maintaining stability and improving both quality and effectiveness; maintaining the leading role of domestic demand; pursuing an innovation driven strategy; and implementing critical reforms. Integrated urban-rural development and regional synergy would need to be promoted.

At the end of China's Article IV consultations with the IMF, the managing director of the IMF announced that the fund had upgraded China's growth to 5% in 2025 and 4.5% in 2026. China is contributing about 30% to global growth. In her opinion, this outlook provides a conducive environment for the Chinese authorities to address the significant and pressing challenges the economy faces. She identified these as persistently weak domestic demand; low inflation, relative to trading partners that had resulted in significant real exchange rate depreciation that had made Chinese exports cheaper, prolonging an excessive reliance on exports and worse external imbalances. As the second largest economy in the world, China is simply too big to generate much growth from exports and continued dependence on export-led growth risks furthering global trade tensions. Other disabilities

identified were slowing productivity growth, high corporate and public debt levels, decreasing returns on investment and an ageing population.

According to the IMF, pivoting to consumption led growth is the overarching policy priority for China. The IMF recommended three key areas of focus for the Chinese economy going forward. First, tackling domestic imbalances and in particular deflationary pressures to be addressed by additional fiscal stimulus; further monetary policy easing and greater exchange rate flexibility; and public investment and scaling back of industrial policies in support of selected firms and sectors. Second, introducing structural reforms to lift medium term growth such as reducing regulatory burdens, lowering barriers to internal trade, especially in the services sector, reducing skill mismatches and youth unemployment. Third, addressing high domestic debt levels. Unsustainable local government debt will need to be restructured. It was suggested that implementation of such policies could raise China's GDP level by about 2.5% by 2030 and create nearly 18 million jobs, reduce deflationary pressures, help exchange rate depreciation and lead to a smaller current account surplus.

The Chinese authorities are not unaware of the problems China's economy faces and the conventional solutions. It remains to be seen, though, whether the IMF recommendations will find resonance since they do not necessarily take into account the internal and external security and political compulsions facing China and its need to persist with current economic policies in the light of the uncertain direction of the international economy in the current restructured phase of globalisation. In this context, it is worth noting that during the month, China released its latest policy paper on Latin America and the Caribbean. The intent is clear. China intends to further strengthen its already strong inroads in that critical part of the world, and this may well clash with the US intent to once again dominate the Western Hemisphere.

During the month, China continued to strongly challenge US moves in its periphery, not unlike its responses to the unilateral imposition of tariffs etc. on Chinese exports to the US. In response to a US\$11 billion arms package announced for Taiwan by the United States, China launched a huge two-day military exercise late in December using a full cross section of its military forces to surround Taiwan. The messaging to Taiwan, regional powers and the United States was clear. Taiwan is an integral part of China and will be returned to the motherland and that no power on earth can stop that. The Taiwanese response was plucky but restrained. Japan under its new Prime Minister Ms. Takaichi took note. This move

by China will strengthen those in Japan who argue that Japan's security is directly linked to the maintenance of Taiwan's current status. The US military for its part would no doubt have studied in great detail the deployments made by the Chinese PLA forces with a view to identify how these can be best countered. For its part, the implications of the Maduro abduction would not have been lost on China, including its inability to do anything to help a supposed ally/partner.

During the month, Indian foreign policy focused on essentials and consolidation.

President Putin of Russia paid a state visit to India, December 4-5, for the 23rd India-Russia Annual Summit. In a special gesture, PM Modi personally received him at the airport. A joint statement was issued in which the special nature of this long-standing and time-tested relationship was emphasised. It was noted that their partnership is characterised by mutual trust, respect for each other's core national interests and strategic convergence. It was noted that both sides have strived to forge a contemporary, balanced, mutually beneficial, sustainable and long-term partnership. It was agreed to make all efforts to unlock the full potential of the strategic partnership. In effect, to greatly broaden the foundation of the relationship.

The joint statement covers the trade and economic partnership, energy, transport and connectivity; cooperation in the Russian Far East and Arctic; civil nuclear cooperation; cooperation in space, military and technical matters, science and technology; cultural cooperation; tourism, and P2P exchanges; collaboration in the UN and multilateral fora; on counter terrorism and on regional and international issues. Agreements were signed on migration and mobility, health and safety, maritime cooperation and Polar waters, fertilisers, customs and commerce, and academic and media collaboration.

A program was announced for the development of strategic areas of India – Russia economic cooperation till 2030. Modi noted that elevating our economic cooperation to new heights is the shared priority. The idea is to make trade and investment more diversified, balanced and sustainable and add a new dimension to areas of bilateral cooperation. He also noted that bilateral cooperation in critical minerals was vital for ensuring secure and diversified supply chains across the world.

In his briefing on the visit, India's Foreign Secretary Vikram Misri noted that economic cooperation was the driving impulse and the most important focus of this particular visit. Enhancing India's exports to Russia in sectors such as



pharmaceuticals, agriculture, marine products and textiles was important to correct the trade imbalance. The agreement on mobility was important in the context of increasing interest among Russian businesses and industries to hire skilled manpower from India.

Misri conveyed that the visit had helped deliver some very substantive outcomes, and the discussions between the two leaders had helped deepen the trust and mutual respect for each other's core national interests. The bilateral relationship remains an anchor for constructive engagement in an increasingly complex geopolitical environment.

PM Modi visited Jordan, Ethiopia and Oman from December 15-18.

The visit to Jordan was after a gap of 37 years and filled an important lacuna. Modi was received with great honour. A joint statement was issued that covers economic cooperation, technology and education, health, agriculture, water issues, green and sustainable development, cultural cooperation, connectivity and multilateral cooperation.

In his address to the India-Jordan Business Forum, PM Modi emphasised that “we are not here to merely count figures, we are here to build a long-term relationship”. The relationship between the two countries, he said, “is one where historic trust and future economic opportunities converge”. The challenge going forward will be to make up for lost time and build the long-standing friendship into a meaningful partnership.

The visit to Ethiopia consolidated an important long-standing partnership in East Africa and was arranged at very short notice. It was inexplicably Modi's first bilateral visit to Addis. He was honoured with the award of the Great Honor Nishan of Ethiopia. The bilateral partnership was upgraded to a Strategic Partnership. Cooperation is to be enhanced in trade and investment, agriculture, renewable energy, health, education, skill development, defence, mining, AI and DPI. Ethiopia is now a member of BRICS and an important member of the Global South. It hosts the African Union headquarters.

In his address to the Ethiopian Parliament, Modi noted that “Ethiopia sits at a crossroads of Africa, India stands at the heart of the Indian Ocean. We are natural partners in regional peace, security and connectivity”. This partnership will need consistent nurturing.

From Ethiopia, Prime Minister Modi visited Oman after a gap of seven years. This was an important visit to an important partner in the Gulf with which India has old civilisational links and which hosts almost 670,000 members of the Indian community. He was received with great courtesy and honour and awarded the Order of Oman.

A joint statement was issued. The two sides acknowledged that the relationship between the two maritime neighbours had stood the test of time and had transformed into a multifaceted strategic partnership. During the visit, a Joint Vision document on Maritime Cooperation was adopted. This reflects their shared commitment to regional maritime security, the blue economy and sustainable use of ocean resources.

Important agreements were entered into and include a Comprehensive Economic Partnership Agreement, MOUs in agriculture and allied sectors, higher education, and between the CII and the Oman Chamber of Commerce and Industry.

In his address to the India-Oman Business Forum on December 18, Modi called upon business to achieve something meaningful in green energy and launch five major green projects in the next five years and set new benchmarks in green hydrogen, green ammonia, solar parks, energy storage, and smart grids. He noted that while energy security is important, food security was equally vital, and in that context called upon business to establish an India – Oman Agri Innovation hub. He also called upon them to encourage innovation across all sectors and create an Oman-India Innovation Bridge with the goal to connect 200 start-ups from India and Oman over the next two years. These are meaningful initiatives and will hopefully fructify.

India's EAM, Dr. S. Jaishankar, visited Sri Lanka on December 23 as Special Envoy of PM Modi following the devastation caused by Cyclone Ditwah. The visit was in India's capacity as first responder and India has committed a package of USD 450 million for reconstruction of which USD 350 million will be in concessional LOCs and USD 100 million as grant. Assistance is to cover sectors worse affected by the cyclone. India will also encourage tourism from India to Sri Lanka and FDI from India.

India's relief assistance started on the very day the cyclone made landfall. This was provided by the Indian Navy and Air Force. Indian Army engineers were also deployed.

Jaishankar assured the Sri Lankan side that “India stands firmly with Sri Lanka more than ever before”.

The situation in Bangladesh continued to cause concern in India, especially the convoluted views of the acting Chief Administrator, the rise of fundamentalist forces and atrocities being committed on minorities, including Hindus to which the interim administration continues to turn a Nelson’s eye. The death of BNP leader Khalida Zia on December 30 further queered the pitch. Her son, Tarique Rehman, had returned to Bangladesh after 17 years in exile on December 25, and is expected to lead the BNP in elections due on February 12. India was represented at Begum Khalida Zia’s funeral by EAM Dr. Jaishankar.

India has exercised great restraint in dealing with the interim administration in Bangladesh, in recognition of its responsibility as a reliable and friendly neighbour, our historical and civilisational relationship and in the interest of facing common challenges. The real test of Bangladesh’s intentions and outlook will come after the elections. India will clearly be prepared for all eventualities, but will be ultimately guided by its national interests and the principles of good neighbourliness if reciprocated.

New Year 2026 has not started well for the international community and for respect for international law. The process of reworking the post WW II international order and institutions is underway. Multipolarity is gaining traction. Might is right cannot be the way going forward. There is need for stepping back from the brink and giving genuine dialogue and statesmanship a chance. The Global South needs to strengthen its unity to ensure it does not again be marginalised or become the instrument of others. New forms of hegemony must be rejected.

It will undoubtedly be a challenging year for Indian foreign, security and economic policies. Accretion to its comprehensive national strength and maintenance of independence in decision making will have to be the way forward. There appears to be broad consensus on that in the country.

\*\*\*



**Delhi Policy Group**

Core 5A, 1st Floor,  
India Habitat Centre, Lodhi Road  
New Delhi - 110003  
India

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)