



Delhi Policy Group

Advancing India's Rise as a Leading Power



GLOBAL HORIZONS

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Author

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Cover Images:

1. Indian Prime Minister Narendra Modi chaired a high-level meeting to review the situation related to petroleum, crude, gas, power and fertiliser sectors in view of the evolving West Asia situation, in New Delhi on March 22, 2026. Source: [Prime Minister of India](#)
2. Indian Prime Minister Narendra Modi welcomed the President of the Republic of Finland, Dr. Alexander Stubb at Hyderabad House, in New Delhi, on March 05, 2026. Source: [Prime Minister of India](#)
3. Indian Prime Minister Narendra Modi held a meeting with the Prime Minister of Canada, Mark Carney, at Hyderabad House, in New Delhi, on March 02, 2026. Source: [X/@narendramodi](#)

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by

Nalin Surie

The law of the jungle has natural boundaries where the hunter hunts only to satiate its hunger. But March 2026 demonstrated that for some elements of humankind, the paradigm of 'might is right' has no boundaries: legal, moral, humanitarian or ethical, irrespective of the wanton destruction caused to men, women and children; to the means of livelihood and infrastructure; to the international order; to the developing world; and to the future of mankind. Ironically, this destruction is being caused by those who pretend to speak from a high moral ground but refuse to learn the harsh lessons of history and whose actions are shorn of the basic edicts of humanity.

The US and Israel-led unilateral war on Iran, which even their closest treaty allies do not support; Russia's ongoing war in Ukraine; and Israeli actions in Gaza, on the West Bank and Southern Lebanon, clearly fall in the above category, except that the war against Iran has arguably created the greatest havoc since World War II for international relations, for development, for international security, for already crumbling international institutions, and for Western alliance structures. Going forward, the biggest victim will be the development of the countries of the Global South.

The common factor in all these developments is the United States. It is driving the process and believes that its unique power and other strengths allow it to act unilaterally as long as its domestic electoral constituency does not rein it in. It does not seem to matter to it that its allies, partners and friends, who used to look up to the US, have lost trust in it but are compelled to not yet wholly distance themselves from it on account of historical security, economic, cultural, religious and other relationships and dependencies built over the past decades.

The US approach under the Trump administration is clearly transactional. If you are not for them you are against them. President Trump called his NATO allies cowards and undependable for not supporting the US action against Iran.

It would appear to knowledgeable outside observers that NATO was effectively on its last legs even before the war unleashed on Iran. This became clear from the differences over Russia's war in Ukraine, on which President Trump is unusually

soft, as he is on President Putin, unlike his predecessor. This was manifest in the decisions, of the European Council on March 19 on Ukraine. That 17 paragraph decision, while reiterating fulsome European support for Ukrainian independence, sovereignty and territorial integrity within its internationally recognised borders, does not once refer to NATO. The only reference to “in cooperation with the US” is in the context of the Coalition of the Willing countries being prepared to give robust and credible security guarantees for Ukraine. That meeting of the European Council also “reaffirmed its determination to decisively ramp up Europe’s defence readiness by 2030, reduce strategic dependencies and address critical capability gaps, with a 360 degree approach”.

The transactional approach with India was also clearly enunciated by the US Under Secretary for War, Elbridge Colby in a speech in New Delhi on March 24. He stated that the US approach to its strategic partnership with India (to ensure a long-term favourable balance of power in Asia) “is interests based and realistic, shaped by geopolitics and incentives as opposed to gauzy aspirations or detached idealism”. The US objective is to “sustain a favourable regional balance of power that serves us both” and “our goals should be practical: to ensure that our forces can operate effectively together when our interests align” etc. These are many qualifiers, which are understandable but which raise serious issues of dependability given changing US alignments in the Indo-Pacific and the personal predilections of the incumbent US President.

The US-Israel war on Iran has now gone on for over a month. It has entailed heavy loss of life, destruction of infrastructure and of military and nuclear facilities, but Iran shows no sign of capitulation or of seeking a humiliating cease fire. Iran has effectively used its available military resources and the Strait of Hormuz to build leverage for itself and frustrated the US-Israel effort to bring about its capitulation. It has extended its attacks on its neighbours, except Oman, to widen the war. This and the control over oil and cargo movements through the Strait of Hormuz, has very seriously impacted, in particular, countries in Asia. The Houthis, an Iranian ally, have threatened to block another alternative maritime route through the Strait of Bab al Mandeb. They have also attacked Israel.

The damage being done is multi-sectoral and can have a long lasting impact on Asia, the world economy and connectivity, diaspora and financial structures, unless the war ends soon. The fate of the Gulf countries as an oasis of energy, petrochemicals, fertilisers, business, finance, tourism, connectivity, technology etc. also hangs in the balance.

Efforts to bring about a cease fire and peace have been ongoing, but without success. Both Iran and the US have announced mutually unacceptable redlines. The US has proposed 15 conditions, and Iran a 5 point counter proposal.

Efforts by Pakistan, Egypt, Saudi Arabia and Turkey have been understandably unsuccessful.

China, the largest importer of Iranian oil, has made notional efforts with Pakistan to try and become relevant, but knows its own shortcomings. The five point China-Pakistan proposal made on March 31 calls for immediate cessation of hostilities, early start of peace talks, security of non-military targets, security of shipping lanes and primacy of the UN Charter. This proforma formula does not fit with the complexity of the situation.

Europe, led by the UK, is making efforts to restore normalcy of shipping in the Strait of Hormuz, but that requires a ceasefire as a minimum condition. (Online meeting of 41 countries, including India but excluding the US, was convened by the UK on April 02.) This after Trump told the Europeans to fend for themselves to open the Strait of Hormuz since they had refused to help the US to open the Strait. Iran has been selectively allowing ships stuck in the Persian Gulf to exit the Strait. India has benefitted.

Frustration is writ large on President Trump for the inability to bring Iran to heel quickly, inspite of repeatedly claiming that his oft-described objectives have been fulfilled, including destruction of Iran's ability to build nuclear weapons, destruction of its airforce, navy, missile production and launch facilities etc. The killing of the top Iranian leadership has not led to the Iranians taking to the streets to remove the regime. His narrative on success of the military operations is full of superlatives but is frustrated because Iran continues to fight back with some success in spite of the damage inflicted on it, and has also greatly expanded the regional scope of the conflict to seriously impact the world economy, energy prices, stock markets, bond prices and inflation. Trump has been forced to allow temporary lifting of sanctions on the sale of Russian oil and even Iranian oil.

The recent downing of a US F15 on April 03 by Iran and the subsequent rescue of its crew has added to the pressures building on Trump, who has threatened to bomb Iran to the Stone Age. Simultaneously, the US has built up several thousand ground troops in the region in preparation for some still undefined ground operations in Iran. Trump's deadline for Iran to open the Strait of Hormuz looms

large, even as the bombing of Iranian bridges and infrastructure has begun. Innocents continue to die.

Trump's visit to Beijing has had to be postponed on account of the US war against Iran and is now scheduled for May 14-15.

Israeli attacks on Iran also continue. PM Netanyahu announced on March 19 that the US-Iran action against Iran had changed the Middle East, and Israel has become a regional and even international power. This will not go down well with its neighbours and the Gulf countries.

While it continues to pound Iran, Israel has continued to unabashedly pursue its agenda of aggrandisement in Gaza, the West Bank and southern Lebanon. Southern Lebanon and Beirut were bombed. More than 1000 people were killed and over one million displaced in Lebanon during March. Israel has decided to create a buffer zone in South Lebanon upto the Litani river, which in effect is de-facto territorial expansion. The extent of Israeli impunity seems unbounded, and without any fear of pushback going forward.

Not surprisingly, the US focus on attacking Iran drew attention away from the war in Ukraine, where the war and killing continued. Russian attacks on Ukrainian infrastructure and civilian areas were unrelenting. In an interesting change of tactics, Ukraine began to target Russian oil infrastructure to put pressure on Russia's ability to finance its war. It was also reported that Russia was unable to make any major territorial gains in Ukraine during the month. The special envoys of the US President obviously had other fish to fry. Further, the ability of the United States to supply weapons and munitions to Ukraine was impacted because of the focus on the attacks on Iran. Europe continued to do the heavy lifting in this regard to the extent that it could.

Interestingly, the US-Israel war on Iran and the latter's extension of its response to the attacks by targeting the Gulf nations opened up an important avenue for Ukraine to assist these countries in defending themselves from Iranian style drones which Russia has been using against Ukraine. The latter has mastered the effective development, manufacture and use of drones in its war against Russia, including against missiles. Zelenskyy was quick to exploit this opportunity and toured the Gulf in an effort to make new allies, earn revenue and indirectly aid the US war on Iran. Ten year strategic defence agreements were signed by Ukraine with Saudi Arabia, Qatar and the UAE. (An agreement with Kuwait may also happen.) These reportedly cover drone defence expertise, joint production, and deployment of

Ukrainian specialists to train local forces in their use. These partnerships may also enable investments in Ukraine's defence sector and exchange of advanced electronic warfare and air defence technology. Ukraine also hopes to receive high end air defence missiles from these countries.

There was no end in sight for the humanitarian nightmare in Sudan. Both the SAF and RSF have been accused of attacking aid convoys. Civilian casualties continued to mount. It has been reported that almost half the population now faces acute food insecurity, and famine has been confirmed in El Fasher and Kadugli. The number of people displaced exceeds 12 million, of whom around 9.5 million are internally displaced.

The war in Iran has seriously narrowed the room for manoeuvre for the SAF on account of its dependence on Iranian military supplies and risking US displeasure on that count. Sudan's Ministry of Foreign Affairs condemned Iran's attacks on the Gulf states, excluding the UAE, while pointedly avoiding any reference to US-Israeli strikes on Iran. Whether the RSF can take advantage of this remains to be seen. The people of Sudan will have to wait longer for any real succour.

Syria under President al-Sharaa continued the search to broaden the space for itself. He visited Germany and UK during the month in a search for acceptability and investments to rebuild Syria. The German Chancellor's suggestion that 80% of Syrians in Germany, many of whom fled during the civil war, should return home would have given him food for concern and thought.

In London, al-Sharaa outlined the Syrian approach to its region: neutrality in the ongoing Iran war, scepticism towards Iran's role in Syria, and cautious engagement with Israel. He clarified that Syria's main issue was not with Iran as a state, but with its presence and activities inside Syria and, for this reason, his government has so far avoided establishing formal relations with Tehran. He expressed the intention to remain neutral in the current war unless directly attacked. On relations with Israel, it was clarified that talks had been underway with that country in different formats, but had repeatedly broken down due to last-minute shifts in Israel's position.

According to the UN, the security and political situation in the DRC remained "extremely tense". Clashes between rebel forces and government forces intensified and were marked by the growing use of offensive drones. The violence was spreading towards Burundi, raising fears of a broader regional conflict. 6.4 million people are currently internally displaced across the country. A quarter of the

country's population are expected to face food insecurity this year. The renewed commitment by the DRC and Rwanda to move forward with the Washington Accords following a meeting on March 17-18 was seen as a sign of hope. Time will tell if this hope is justified.

The annual meetings of China's National People's Congress, held on March 5-12, delivered important but not unpredictable outcomes. The work program for 2026 was adopted, but more important was the adoption of the 15th Five Year Plan for 2026-2030, which spells out the technology and also military modernisation plans going forward.

The principal targets for 2026 include GDP growth of 4.5 to 5%. While this is lower than growth rates in the past, given the absolute size of the Chinese economy and very low inflation, this represents a very substantial increase in real terms. There is to be even greater focus on expanding domestic demand to enhance growth, but this has been a long standing effort which continues to be frustrated by other serious lacunae in the Chinese economic and social security systems.

Other targets include addition of 12 million new urban jobs, a 7% increase in the defence budget, 10% growth in R&D spending, focus on future industries with special emphasis on energy, quantum technology, embodied AI, brain-computer interfaces, 6G technology, consumer price index increase of around 2% and a fiscal budget deficit of around 4% of GDP.

While presenting his plans for 2026, Premier Li Qiang pointed towards deepening geopolitical risks, weak economic momentum abroad, strains on multilateralism and free trade, long-standing domestic problems and new challenges in the country's economic development and transformation, such as a pronounced imbalance between supply and demand, subdued market expectations, and significant risks in key sectors. It is not clear, though, whether the impact of the US/Israel war on Iran has been factored in the plans for 2026. If not, appropriate correctives will no doubt be brought in.

The 15th FYP is an important road map of the intended way forward in China's quest to become the biggest and most sophisticated economy and military power in the world. President Xi Jinping has been systematically projecting this through his emphasis and focus in recent years on technology and innovation replacing the other traditional major drivers of growth and re-emphasising the need for civil-military fusion. The success of this approach will, inter alia, have a major impact on Xi's future legacy.

The development of industry and technology receive the highest priority in the 15th five year plan, in which artificial intelligence is to play a central role through the AI-plus initiative. The intention is to embed AI across the economy and work towards Artificial General Intelligence. Planning now incorporates a four character compound for 'model-chip-cloud-application' implying formal integration of AI models, semiconductor hardware, cloud infrastructure and real world applications into a unified national strategy.

Sectoral priorities will remain, as in the work plan for 2026, and include integrated circuits, aviation, bio medicine, and the low altitude economy.

There is to be "investing in people" in the plan focusing on education, health care, public services and growth of incomes to expand the middle income group. This is critical for regime stability.

The intent also is to foster a unified national market and tackling involution; reducing dependencies on foreign technologies; reduce carbon intensity by 17%; and raise the non fossil energy share to 25% while maintaining a role for coal as a reliable back up to ensure energy security. Security of supply chains, data and strategic mineral resources is emphasised.

On the military front, the new FYP suggests a move towards AI driven automation and decision support, i.e. the third intelligentization phase following modernisation and informatization. The intention is to create an integrated ecosystem where civilian technological innovation automatically contributes to military capability. The AI plus framework embeds military requirements into fundamental research from the inception. This is a pivotal development that will require careful monitoring and responses by countries like India and China's other neighbours.

The PLA reportedly seeks prototyping of AI systems that can pilot unmanned combat vehicles, detect and respond to cyber attacks, track seaborne vessels and identify and strike targets across land, sea and space. There is reportedly particular emphasis on countering perceived US advantages with a view to detect US naval assets above and below the surface and systems that could counteract US space based capabilities.

Important developments took place in India's immediate neighbourhood during the month of March.

In his 2026 Genocide Day (March 25) statement, the new Prime Minister of Bangladesh, Tarique Rahman, described what happened on March 25, 1971, as one of the most disgraceful and brutal days in the history of Bangladesh. He described the events as “one of the most heinous genocides in history”. The signal could not have been missed in Pakistan, or its supporters at the time.

A new government led by the new Gen Z inspired Rastriya Swatantra Party assumed office in Nepal on March 27. This represents a radical change in the political dispensation that will henceforth rule Nepal and opens significant opportunities for India to reset its historical, close and productive relations with this critical civilisational neighbour and make them more durable, sustainable and mutually supportive.

On April 3, Myanmar’s military leader, Min Aung Hlaing, was formally elected as the country’s 11th President. This followed the process of restricted elections (the largest opposition party of Aung San Suu Kyi was dissolved) in select parts of the country in which the military junta exercises control. A new Commander in Chief of Defence Services, General Ye Win Oo, has replaced Hlaing. This election does not change the reality of the civil war raging in the country, and the opposition National Unity Government in exile is unlikely to relent in its efforts to dislodge the military backed regime which is backed by China. India will have to continue to steer its way between these two opposing forces, as Myanmar is simply too important for India particularly from the security perspective but also in terms of connectivity, trade and economic relations.

China attempted to broker peace talks between Pakistan and Afghanistan in Urumqi on April 1. No agreement has been reached so far and hostilities continue. Efforts by China reportedly continue.

There were two important incoming visits to India during the month. The first was by the Prime Minister of Canada, on March 02. PM Carney’s visit was also the first by a Canadian Prime Minister since 2018. It was an important visit and permitted both sides to set aside the serious negativity that had entered and engulfed bilateral relations during the tenure of Carney’s predecessor, and reset them to make up for lost time and build on the extensive and obvious complementarities between the two countries. Several important agreements were signed and a comprehensive Joint Leaders’ Statement issued.

Collaboration is to be deepened in the energy sector, critical minerals, clean energy, climate and environment, global energy platforms, sustainable agriculture

and nutritional security, investing in talent; cooperation progressed in science and technology, space, the Digital and AI spheres, security, defence, Indo-Pacific engagement, trade and P2P exchanges.

A total of 17 outcomes emerged, including the terms of reference for a CEPA, an India-Canada-Australia trilateral on cooperation in technology and innovation, a commercial contract for supply of uranium ore concentrates, and the establishment of a bilateral Defence Dialogue.

Focused implementation will be needed to make up for lost time.

The President of Finland Dr. Alexander Stubb paid a state visit from March 04-07, during which he also inaugurated the 11th edition of the Raisina Dialogue. It was an important visit. Finland has been an important technology partner for India over the years.

It has now been agreed, inter alia, to elevate bilateral relations to a “Strategic Partnership in Digitalization and Sustainability”, to double bilateral trade by 2030 and create a joint task force on 6G. A MOU was signed on migration and mobility partnership. Cooperation and dialogue is to be strengthened on Arctic matters, including within the broader framework of the India-Nordic Summit.

Given its extensive equities in the Gulf region and its established relations with Iran, the government in India focused in depth on how best to manage the downsides of the US-Israel aggression against Iran and the implications of the latter’s regional response to the attacks. Parliament was kept informed; stock taken of the availability and procurement of supplies of oil, gas, fertilisers, petrochemicals etc; evacuation and safety of citizens; and the safety of Indian ships and personnel among others. PM spoke with his counterparts in the Gulf and Iran. EAM was in contact with concerned counterparts across the world.

So far, the situation is being managed well. The price of petrol at the pump is unchanged. Food and fertilisers stocks are available in adequate quantities. Prices are under control. Preparations are reportedly being made to manage the situation if the US-Israel war continues for much longer. There can be serious downsides in this eventuality. Even if the war ends in the next 2-3 weeks as posited by President Trump, there are many serious issues that have arisen and will have to be addressed, including the question of energy security, the future of the Indian diaspora in the Gulf, economic dependencies, and the impact of the war on the

future of the Gulf region. This will require not only an all of government approach but an all of nation approach.

In his statement to Parliament on March 09, EAM Jaishankar highlighted three guiding factors of India's approach to the crisis created in the Gulf: a return to dialogue and diplomacy coupled with de-escalation, restraint and ensuring the safety of civilians; priority to be given to the well being and security of the Indian community; and India's national interests, including energy security and trade flows being paramount.

It is essential for the US and Israel to back off very early and enable normalcy to be restored in the critical Gulf region. This is not a just war and should end at the earliest. The world demands this.



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