



Delhi Policy Group

Advancing India's Rise as a Leading Power



GLOBAL HORIZONS

JULY 2025

Author

Nalin Surie

Volume III, Issue 7



Delhi Policy Group

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

www.delhipolicygroup.org



Delhi Policy Group

Advancing India's Rise as a Leading Power

Global Horizons

Vol. III, Issue 7

July 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:

Leaders of BRICS Members, Partner and Outreach members gathered for the 17th BRICS Summit Family Photo, in Brazil, on July 07, 2025. Source: [X/@LulaOfficial](#)

Indian Prime Minister Narendra Modi met King Charles, at Sandringham Estate, in London on July 24, 2025. Source: [X/@narendramodi](#)

Indian Prime Minister Narendra Modi participated at the 60th Independence Day celebrations of Maldives as the Guest of Honour in Male, Maldives, on July 25, 2025. Source: [X/@narendramodi](#)

© 2025 by the Delhi Policy Group

Delhi Policy Group

Core 5A, 1st Floor,

India Habitat Centre,

Lodhi Road, New Delhi- 110003.

www.delhipolicygroup.org

Global Horizons

July 2025

by

Nalin Surie

There was no let up in the killings and destruction in Gaza and Ukraine.

The focus of the US administration during the month was to finalise higher import tariff arrangements with as many countries as possible as President Trump's August 01 deadline was approaching. Coupled with the latter was the passing by the US Congress of the President's budget bill that is expected to lead to a larger budget deficit. No doubt, the additional income from the huge tariffs being imposed on trade partners is intended to finance part of this deficit. The damage that this new methodology will do to the international trading order, the role of the US dollar as the world's principal reserve currency etc., has been given short shrift. The impact on growth of the world economy and inflationary pressures too have been essentially ignored.

The US announced major tariff agreements with the EU (largest source of imports into the US taken together), Japan, ROK, Vietnam, Indonesia and the Philippines, some of which also entail promises of investments in the US and purchases of US energy supplies. A deal was done earlier with the UK. The negotiations deadline with China has been extended to August 12 (China accounts for 13.4% of US imports). Mexico, the single largest source of imports into the US, has also gained a reprieve of 90 days. For some 90 other countries, Trump announced new tariff rates that will come into effect on August 07.

Brazil, Canada (third largest single source of imports into the US) and India have been singled out for punishment essentially for political reasons and not succumbing to Trump's pressure. But whether this is the last word is not clear. With India, ongoing trade negotiations are expected to continue in August.

Even where fresh trade agreements have been agreed, there is lack of clarity about implementation methodology, including in so far as investment promises are concerned.

Some analysts suggest that there is a method in the higher import tariff rates being imposed by the US. For instance, where the US has a trade surplus, a 10% tariff has been imposed. Where a deal has been struck it is 15%, but there are higher rates as

well for Vietnam, Indonesia and Malaysia. Overall, political considerations and conforming to US demands are playing a critical role as well.

While the world focused on safeguarding its trade interests with the US, the war in Ukraine continued to take a heavy toll. President Putin now faces an advanced deadline of August 08 announced by President Trump for stopping the war or facing further sanctions. Russia, though, has shown no sign of relenting and has continued to attack targets across Ukraine while enhancing control over more Ukrainian territory. Ukraine, too, has doggedly continued with its attacks on Russian targets. The toll on both sides continues to rise.

It bears recalling that Trump and Putin spoke on July 03; a conversation described by the Kremlin spokesperson as being “candid, business minded and concrete”. It was also mentioned that they will speak again soon. Trump said they did not make any progress and that he was unhappy about that. Earlier, President Macron of France spoke to Putin on July 01. This was after a gap of almost three years. Ukraine (and Iran) was discussed at length. The Kremlin described the talk as “substantial”. The two are expected to speak again.

A third round of talks was also held between Russian and Ukrainian delegations in Istanbul on July 23. However, no progress was made on a ceasefire, nor on any highest level meeting between Russia and Ukraine. Prisoner exchanges were, however, agreed upon.

Europe will pay increasingly more for supply of US weapons to Ukraine, and to support its economic needs. At the same time, the EU is making determined efforts to strengthen its defence identity and production bases, but it will necessarily need time for all this to happen. In the meantime, they will need to abide by US dictates. This broadens the opportunities for Russia to meet some of its objectives in its war in Ukraine. However, if the US and China agree on new a trade and tariff arrangement by August 12, the pressure on Russia may grow.

The humanitarian situation in Gaza continued to deteriorate. Starvation deaths rose and innocent women and children were among those killed by Israeli forces while trying to get hold of meagre food handouts from a nondescript Israeli-run and US-backed agency. UN and other relief agencies have been completely marginalised. Truck loads of humanitarian assistance are lined up but not allowed to enter Gaza. The US has continued to look the other way.

Israeli Prime Minister Netanyahu visited Washington on July 7-8 for detailed discussions with President Trump and other senior US leaders. It was his first visit

after the coordinated attacks on Iranian nuclear facilities. Discussions no doubt included their thinking on how they envision the future of the Middle East.

Cease fire negotiations under the aegis of the US, Qatar and Egypt made no progress. Hamas refuses to opt out of any future political role in Palestine.

So bad has the situation become in Gaza, that France, UK and Canada have announced that they would recognise Palestine at the forthcoming UN General assembly. They have, of course, put certain conditions which must be met to enable them to do that. The reaction from Israel and United States was expectedly very negative. They argued that any such move would justify Hamas's brutal terrorist attack of October 07, 2023. Nevertheless, President Trump has been compelled to take cognisance of the starvation and deprivation in Gaza. Whether the situation will improve, though, remains to be seen.

In a clear signal of its intention to ensure that developments in Syria do not adversely affect its interests, Israel bombed Syrian military headquarters in Damascus and across Suwayda and Daraa in support of the Druze population of Syria, which had come under attack from extreme elements in the new Syrian establishment.

While the US soft pedalled on Gaza and Ukraine, it moved with alacrity to follow up on the peace agreement signed between the DRC and Rwanda. The intention clearly is to move quickly to begin exploitation of the mineral wealth, especially in eastern DRC which includes rare earths, cobalt, copper, gold, coltan etc.

In Sudan, the humanitarian and displacement crises worsened and the US had to postpone a meeting of the foreign ministers of Saudi Arabia, UAE and Egypt to advance the peace talks between the SAF and the RSF on account of Egyptian reservations on the proposal that neither the SAF nor the RSF should have a leading role in a post war transitional government. Egypt favours the former. As indicated in earlier reports, US's Arab allies support different factions in Sudan.

UK PM Starmer's outreach to the EU continued during the month. President Macron was invited to pay a three day state visit to the UK from July 8-10. Much plain speaking was done by Macron but the visit was successful. The two countries have much shared history. A joint Leaders Declaration was issued on July 10 covering foreign policy/global issues, defence and security, irregular migration growth and p2p relations.

This was followed by a visit by German Chancellor Merz to the UK on July 17. The first ever treaty was signed between the two countries on the occasion. It is wide ranging and, inter alia, enjoins the two countries to consult each other on foreign and

security policy matters, and on European security, to intensify trilateral cooperation with France; cooperate in cyber diplomacy, cybersecurity and emerging technologies; build a long term partnership to improve and further strengthen bilateral defence cooperation; support economic growth, job creation, digital transition and innovation; and cooperation on internal security, justice and migration etc.

There appears to be a clear realisation in important sections of Britain that the country's future lies in closer collaboration with its erstwhile EU partners.

Starmer also received PM Modi on July 24. It was an important visit. Details are provided later in this brief.

The 25th EU-China summit was held in Beijing on July 24. It marked the 50th anniversary of diplomatic relations between the two sides. The last summit was held in December 2023. The EU side reiterated its commitment to deepen engagement with China, but clarified that this required concrete progress on issues of joint interest and more productive work on a balanced and mutually beneficial economic relationship built on fairness and reciprocity.

The EU repeated its call on China not to provide any material support which sustains Russia's military-industrial base.

Attention was drawn to the trade deficit of Euro 305 billion with China which required correction. This was happening because of ongoing systemic distortions and growing manufacturing capacity in China. The EU also called for progress on long-standing market access issues and pointed out that Chinese investments in Europe must contribute to the EU's long-term competitiveness, technological progress and quality job creation. If negotiated solutions are not found, the EU will take proportionate, legally compliant action to protect its rightful interests.

Both sides welcomed positive and productive bilateral cooperation on climate change. A joint press statement on climate issues was issued.

The EU reiterated its deep concerns about the human rights situation in Xinjiang and Tibet, as well as the continued erosion of fundamental freedoms in Hong Kong.

The Chinese reaction was understandably frosty. When the EU delegation called on President Xi, he reminded them that an important understanding and insight is that the two sides should respect each other, seek commonality, uphold openness and cooperation and pursue mutual benefit. He posited that in a changing and turbulent world, Chinese and EU leaders should once again demonstrate vision and leadership and make the right strategic choices for the development of China-EU relations. For this purpose, he proposed upholding the principle of mutual respect. Measuring

China against the path taken by the West would result in a biased understanding of China. He conveyed that the challenges currently faced by Europe do not come from China.

Xi pointed out that interdependence is not a risk; and convergent interests are not a threat. Reducing dependency does not mean reducing cooperation. China's high-quality development and high standard opening will provide new opportunities and expand new space for China-EU cooperation.

Xi also stressed the importance of upholding multilateralism to safeguard international rules and order. China and the EU should support the peaceful settlement of international disputes through political means. The merits of the matter are pertinent and both symptoms and root causes must be addressed.

President Trump inaugurated his new golf resort in Aberdeenshire in Scotland on July 27 during a five day private/official visit. He held detailed talks with PM Starmer, received EU Commission President von Der Leyen, and entered into a new trade agreement with the EU. All elements of the latter have not been welcomed by all member states but this is understandably seen as a significant achievement by the Commission to ensure stability and certainty in trade relations with its biggest trade and investment partner. It will also strengthen the EU in its negotiations with China on trade and related economic issues.

Closer to home, the military junta in Myanmar announced, at the end of the month, the establishment of a civilian led interim government ahead of elections to be held in December/January. However, Min Aung Hlaing, the military leader, would remain in charge. Considering that over 40% of Myanmar is reportedly controlled by rebel and other forces and the Junta retains control over major, densely populated cities (around 21%), with the rest contested, the purpose behind the announcement is still not clear. Details may emerge in the coming weeks, but the end result is unlikely to lead to a restoration of democracy in Myanmar. The pressure by rebels, neighbours and the international community is, though, clearly beginning to tell on the regime.

The 17th BRICS Summit was hosted by Brazil in Rio de Janeiro on July 06-7, 2025. BRICS now has 10 permanent members, ten partners and eight institutions that participated. The host was President Lula. Prime Minister Modi and President Ramaphosa of South Africa attended. Of the other founder members, the Presidents of China and Russia did not attend in person. Putin participated online (FM Lavrov was present) and China was represented by Premier Li Qiang. Other full member participants were the President of Indonesia, Prime Ministers of Egypt and Ethiopia, Crown Prince of UAE and FM of Iran.

Given the current international situation, this summit acquired special salience. Its theme was strengthening Global South cooperation for inclusive and sustainable governance. As a result, a long and detailed Declaration, as a kind of charter, was issued on subjects ranging from strengthening multilateralism and reforming global governance to promoting peace, security and international stability; to deepening international economic, trade, and financial cooperation; to combatting climate change; and promoting sustainable fair and inclusive development. The declaration also calls for partnerships for the promotion of human, social, and cultural development. Views were expressed in the declaration on most major outstanding international issues. Where there was lack of consensus, for instance on Ukraine, national positions were recalled.

Terrorism was strongly condemned, including the attack in Pahalgam, India on April 22, 2025.

BRICS members clarified that they would not impose sanctions which were not approved by the UN Security Council.

Prime Minister Modi made important interventions on reform of global governance and peace and security, on multilateral economic-financial affairs, and on artificial intelligence. Modi reaffirmed India's commitment to enhancing the voice of the Global South and reform of multilateral institutions. He underlined that terrorism was a grave threat facing humanity and called for strong global action against it.

India will host the next BRICS Summit in 2026.

Following his participation in the BRICS Summit, PM Modi was invited by President Lula to pay a state visit to Brazil on July 08. While he has visited Brazil three times before for plurilateral/multilateral summits, this was his first bilateral visit. It was also a first by a PM in 57 years, though Indian Presidents have visited from time to time.

Given the present complexities in international relations, the strengthening of India-Brazil relations represents an important development, not only in bilateral terms but also in terms of strengthening multipolarity, the Global South, and for equity and fair play in international relations.

An important joint statement: "India and Brazil - two great nations with higher purposes" was issued. The statement draws up a strategic roadmap for developing bilateral relations around five pillars over the next ten years. These are: defence and security; food and nutritional security; energy transition and climate change; digital transformation and emerging technologies; and industrial partnerships in strategic areas.

Trade is envisaged to grow to \$20 billion in five years.

Six important agreements/MOUs were signed, including on combatting international terrorism, exchange of classified information, renewable energy, digital solutions for digital transformation, agricultural research, and cooperation in intellectual property. Agreements on Mutual Legal assistance in Civil Matters, Defence industry cooperation, sports, archival cooperation and a Cultural Exchange Program for 2025-29 are to be finalised early.

Going forward, it is important to ensure that the India-Brazil partnership fulfils the potential and opportunities between these two major Asian and Latin American partners.

PM Modi's visit to Brazil was preceded by important visits to Ghana, on July 2-3, Trinidad and Tobago, on July 04, and Argentina, on July 05. After Brazil he visited Namibia on July 09, on his way back. These were long overdue and important visits and resulted in renewed high level contact and important outcomes. PM Modi was received in all capitals with great respect and dignity.

In Ghana, the focus was on cooperation in agriculture, pharma and vaccines, the defence sector and the fight against terrorism, as well as investment and processing of critical minerals.

The visit to Trinidad and Tobago coincided with the 180th anniversary of the arrival of Indian immigrants to that country in 1845. The bilateral partnership going forward will cover health, ICT, culture, sports, trade, economic development, agriculture, education, skill development etc. India is committed to assist T&T in its developmental efforts. Six MOUs/agreements were signed and nine concrete announcements made by Modi in this regard, including gifting of 2000 laptops, agro-processing machinery, an artificial limb fitting camp etc.

The visit to Argentina was the first by an Indian PM in 57 years, although PM Modi had also visited in 2018 for the G20 summit. Issues for collaboration were identified and include energy (Argentina is also an important shale gas/oil producer), critical minerals, pharma, space, use of drones for development purposes, lithium production etc.

The visit to Namibia by an Indian PM came after a gap of 27 years. Collaboration is to be developed in natural resources, health, agriculture, defence, digital infrastructure, capacity building etc. An entrepreneurship development centre will be set up in Namibia.

PM Modi completed a busy month for Indian foreign policy with a short but significant visit to the UK on July 23–24. Following that, he paid an equally significant visit to the Maldives (July 25–26) as the Guest of Honour at their national day on July 26.

The visit to the UK witnessed the signing of the India-UK Comprehensive Economic and Trade agreement. It has also been agreed to enter into a Double Contribution Convention, which will come into force along with the free trade agreement. The latter is intended to help facilitate movement of professionals and service providers on both sides and reduce the cost of doing business in both countries. It is anticipated that, following ratification, implementation of these agreements will provide a substantive boost to bilateral trade and other economic exchanges. The proof of the pudding of course will lie in the eating, but, the framework has been established and is also expected to act as a yardstick for other similar agreements that India intends to enter into with other major trading partners.

To signify the importance both sides attach to the relationship, a document laying down the India-UK Vision 2035 was also adopted. This document is focused and contains a time bound program of action in five key pillars which support one another, namely economic growth, technology and innovation, defence and security, climate and clean energy, and education.

In brief, a good beginning in the process of establishing a new partnership among old interlocutors. Success will no doubt depend on shedding old mindsets.

PM Modi's state visit to the Maldives was described by Foreign Secretary Vikram Misri as "very very timely and productive". It built on the successful outcomes of the visit by Maldives President Dr. Muizzu to India in October 2024 (see Global Horizons, October 2024) and reaffirmed the determination of both sides to implement the joint vision for the India-Maldives Comprehensive Economic and Maritime Security Partnership which was then adopted.

India announced a significant package of assistance to the Maldives during the visit. Housing and other completed projects were handed over. Annual debt repayment on Government of India funded LOCs were reduced. Negotiations for a FTA are to be launched.

Modi assured the Maldives that "India will stand with Maldives at every step on its path to development and prosperity." He described the roots of the relationship as being "older than history itself and is as deep as the Ocean".

After a gap of five years, India resumed, on July 24, the issue of tourist visas to Chinese citizens. These had been suspended following the attack in Galwan etc. by Chinese forces.

Regrettably, however, the month ended with a cloud over India-US relations. Around the end of the month, President Trump, in a series of tweets, conveyed his obvious displeasure at India's approach on issues ranging from inadequate progress in the bilateral trade/tariff negotiations, Indian trade barriers, India's continuing purchases of Russian military equipment and crude oil, India's unwillingness to give him credit for bringing about a cease fire between India and Pakistan following the Pakistan-sponsored terrorist attack in Pahalgam, and in contrast to Pakistan's obvious willingness to accede to every US demand. Speaking of Russia and India in the same breath, he tweeted that "they can take their dead economies down together, for all I care". India, which accounts for only around 2.7% of US imports, is thus to be slapped with a tariff rate of 25% with effect from August 7. There could also be further penalties for purchases of oil and military equipment from Russia. At the same time, bilateral negotiations on a first stage trade agreement, reportedly, are to continue later in August.

Whether this is a negotiating tactic or something more intrinsic to US thinking on bilateral relations under the Trump 2 administration is not clear. India reacted in a mature manner. The MEA spokesperson said on August 01 that "India and the US share a Comprehensive Global Strategic Partnership, anchored in shared interests, democratic values, and robust people to people ties. This partnership has weathered several transitions and challenges. We remain focused on the substantive agenda that the two countries have committed to, and are confident that the relationship will continue to move forward."

India-US relations are mutually beneficial. That has been quite clearly established. Both are vibrant democracies. It is a relationship based on mutual respect and equality, notwithstanding the fact that the US is a much more powerful country at this point in time. It is certainly not India's intention to derail the steady development of bilateral relations that has been ongoing, particularly in this century. But, it is for India to determine what is in its best national interest.

Uncertainty and break down of trust continue to plague international relations and the overall security situation remains a matter of serious concern. Dialogue, diplomacy, development, mutual respect and equality are the need of the hour.



Delhi Policy Group

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

www.delhipolicygroup.org