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India's Year of Europe and Growth Amid Global Uncertainties

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by **Sanjay Pulipaka**

In September, India conducted high-intensity diplomacy by engaging on platforms such as the SCO, BRICS, the 81st Session of the United Nations General Assembly, and holding numerous meetings on the sidelines of the UNGA. Last week, India and Europe advocated for a reformed multilateralism at the UNGA. The week was defined by conceptual reimaginations and bilateral and multilateral interactions between Indian and European leaders.

Europe

Speaking at the Munich Leaders Meeting (MLM), convened by the Munich Security Conference (MSC) in Delhi (October 4 to 5), EAM S Jaishankar noted that for India this has been a '[year of Europe](#).' Noting that in a multipolar world, countries will hedge and diversify, EAM S Jaishankar stated: "The idea is that countries will have relationships with players that may not always be easy to harmonise, but nevertheless are a reality and a compulsion for countries....so it's a sort of strategy of advancing by [hedging](#)."¹

The growing India-Europe ties were also evident in the visit of the [President of Switzerland](#), along with a large business delegation, to India from 5 to 7 October.² During the visit, both countries decided to scale up [trade and economic cooperation](#) and to promote Swiss investment in key sectors such as biotechnology, life sciences, food processing, sustainability, and banking.³ During the visit, [agreements were signed](#) on mobility partnerships, exchange of young professionals, and scientific research collaborations.⁴

On October 1st, [India-Bulgaria](#) Foreign Office consultations were held in Delhi. The conversations focused on wide-ranging bilateral issues, including cooperation in 'trade, investment, science and technology, AI, space, defence, education, culture, and people-to-people ties.'⁵

On September 30, on the margins of the G20 Trade Ministers' meeting in Milwaukee, India's Commerce Minister Piyush Goyal met [European Trade Commissioner Maros Sefcovic](#).⁶ Both leaders discussed progress on the India-EU FTA, the India-EU Trade and Technology Council, meaningful [WTO reform and shared G20 priorities](#).⁷

Americas

In the recent past, there has been steady improvement in India-Canada relations. On September 27, EAM S Jaishankar met with his Canadian counterpart, Anita Anand.⁸ Both ministers "discussed efforts to advance [negotiations](#) for a Canada-India Comprehensive Economic Partnership Agreement ... [and cooperation in the domains of] renewable energy, critical minerals and civil nuclear energy..⁹ Prime Minister Modi may visit Canada toward the end of this year.

The downturn in India-US relations continued this week despite interactions between the two countries' leaders. Indian Prime Minister Narendra Modi [spoke](#) by phone with US President Donald Trump on September 30.¹⁰ The two leaders discussed cooperation in trade, defence, energy, critical technologies, and related areas.¹¹ A day later, Union Minister of Commerce and Industry Piyush Goyal and US Trade Representative Jamieson Greer reviewed progress on [free trade negotiations](#).¹² Earlier, the US Commerce Department provided a waiver for 'India along with 20 other countries', making them eligible 'for a [zero per cent US tariff](#) on certain speciality pharmaceutical products and their associated ingredients.'¹³ Meanwhile, [Mesabi Metallics](#), a subsidiary of India's ESSAR, has announced it will build one of the largest steel plants in Iowa, United States, with a proposed cost of \$15 billion.¹⁴ [President Trump](#) announced the investment at the White House.¹⁵

Neighbourhood

In the neighbourhood, the concerns about the Chinese economic tactics persisted. Towards the end of the month, India initiated an [anti-dumping](#) probe into seven products, including engineering and pharma products, from Chinese firms.¹⁶ Pakistan's illegal cross-border movements raised concerns in India. On October 03, India's Ministry of External Affairs summoned the Chargé d'Affaires of the [Pakistan](#) High Commission to protest illegal cross-border infiltration and armed narcotics syndicates from Pakistan, with 'the complicity of Pakistan border guarding forces.'¹⁷

During the week, India engaged neighbourhood countries through regional frameworks. The Indian government hosted the [BIMSTEC](#) Joint Working Group on Counter Terrorism and Transnational Crime in Delhi on September 28-29.¹⁸ The meeting discussed reports of various subgroups pertaining to human trafficking, illicit drugs, [money laundering](#), [terrorist financing](#), law enforcement, and others.¹⁹ On September 30, India virtually hosted the 9th Deputy National Security Adviser-level meeting of the [Colombo Security Conclave](#) (CSC), attended by officials from Bangladesh, India, Maldives, Mauritius, Seychelles, and Sri Lanka.²⁰ The meeting discussed traditional and non-traditional [security issues](#) in the Indian Ocean region.²¹

Economy

Uncertainties in the global economic order seem to have prompted policymakers to build resilience in the Indian economy. Reflecting on the current state of the global economy, at an economic conclave on October 03, Reserve Bank of India Governor Sanjay Malhotra noted that "financial stability is not about preventing risks...it is about [strengthening systemic resilience](#) to face those shocks and contain their amplifications."²² The Reserve Bank governor articulated [5 key priorities](#) to promote financial stability: strengthening systemic resilience; better understanding the new generation of systemic risks; improving monitoring and risk assessment frameworks; extending resilience across the entire financial ecosystem; and ensuring financial innovation strengthens trust.²³

Earlier on October 01, speaking at the G20 Trade Ministers Meeting in Milwaukee, U.S., India's commerce and industry minister Piyush Goyal said, "diversification of production and supply chains is a legitimate objective, but cannot be used as a pretext for measures outside WTO rules or for shifting the burden of adjustment onto [developing countries](#)."

While concerns about global trade practices remain, data and analysis of the Indian economy continue to project optimistic trends. A Report by the Boston Consulting Group (BCG) and

Confederation of Indian Industry estimates that “[India’s consumer durables market](#) is expected to witness significant growth to touch ₹3-3.25 lakh crore by 2030.”²⁴ According to provisional data released by the Ministry of Finance on October 1, India’s [GST collection](#) in September rose 14.7% to over ₹2.04 trillion.²⁵ According to the [index of industrial production](#), the manufacturing sector grew by 9%, while the electricity and gas sector grew by 12.3%.²⁶

During the week, India continued engaging with other strategic partners to secure increased investment. India and the United Arab Emirates held a high-level joint [task force meeting on investments](#) in Mumbai on September 28.²⁷ After the meeting, India’s Commerce and Industry Minister Piyush Goyal said the United Arab Emirates may invest another [\\$25 billion](#) in India in the coming years.²⁸ To increase economic engagement with India, [Finance Minister](#) Nirmala Sitharaman held bilateral talks with her counterparts from Saudi Arabia, Switzerland, Jordan, and Nepal on September 28 on the sidelines of the Asian Infrastructure Investment Bank (AIIB) 2026 Annual Meeting in Doha.²⁹

Defence and Technology

The Tarang Shakti 2026 military exercises, initiated on September 26, continued throughout the week. The India-Kazakhstan joint military exercise, [KAZIND](#), focused on counterterrorism operations in semi-urban and mountainous terrain and began on September 28 in Oskemen, Kazakhstan.³⁰ [India and Ethiopia](#) held a joint defence cooperation meeting on September 28 in Addis Ababa, focused on training, peacekeeping, and defence industries.³¹

A Goldman Sachs publication (September 26) on [India’s emerging AI ecosystem](#) noted that “services exports have become the country’s powerhouse...[and]...The composition of these exports is also shifting—from traditional IT services to higher-value engineering and AI-led capabilities.”³² The publication also observed that the [Global Capability Centres \(GCCs\)](#) are creating a tectonic shift...with more than 1,700 GCCs in the country currently and projected to grow into a ~\$110 billion sector by 2030 with ~2,200-2,500 GCCs.”³³ The Goldman Sachs publication estimated that “Generative AI is expected to add [\\$1.2-\\$1.5 trillion](#) to India’s GDP by 2030.”³⁴

(BISAG-N) and IIT Gandhinagar have successfully demonstrated “India’s first [free-space Quantum Key Distribution \(QKD\)](#) link at a scale of 5.56 km.”³⁵ According to reports, the trial laid the foundation for “advancing India’s capabilities in [secure communication infrastructure](#), strengthening resilience against emerging quantum-era security threats.”³⁶

Conclusion

As noted, India’s relationship with Europe continued to strengthen during the week. While India-Canada relations seem to be on the mend, India-US relations continued to experience stress despite leadership-level conversations. In the neighbourhood, there were continued concerns about Chinese economic tactics and Pakistan government’s complicity in cross-border infiltrations. Leading global agencies continue to provide a positive assessment of the Indian economy. During the week, India continued efforts to increase investment from strategic partners. India also conducted military engagements with Kazakhstan and Ethiopia, indicating growing diversity in its defence partnerships. Reports suggest India’s AI ecosystem is rapidly evolving and may become a key driver of India’s economic growth in the coming years.

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