



By: Tomorrow's Affairs Staff

# Will PM Modi's new government correct some parts of the previous foreign policy?



Indian Prime Minister Narendra Modi made his international debut in his third term at the recently concluded G7 summit in Italy.

It is certainly a coincidence that the summit of the seven major industrialised countries took place just a few days after PM Modi was sworn in as prime minister.

However, it is impossible to escape the symbolism of the Indian Prime Minister having his first major international activity in the company of partners from the developed West.

But is this symbolism enough to draw more serious conclusions about the direction of India's foreign policy in the new, third term of Prime Minister Modi's government?

“Had a very productive day at the G7 Summit in Apulia. Interacted with world leaders and discussed various subjects. Together, we aim to create impactful solutions that benefit the global community and create a better world for future generations,” **said** Prime Minister Modi after returning from the summit in Italy, where he was one of the most significant guests.

The trip was an opportunity for at least a slight thaw in relations with Canada, as Prime Ministers Modi and Trudeau met for the first time since the Canadians made allegations last September that the Indian government was involved in the killing of Sikh activist Hardeep Singh Nijjar.

There was no formal meeting between the two prime ministers, but both **announced** that they had a brief meeting and a handshake, with Prime Minister Trudeau congratulating his Indian counterpart on his new term as prime minister.

If this meeting, even a brief one, is the beginning of a thaw between the two major democracies and economies, then Prime Minister Modi's arrival at the G7 summit will have an important practical outcome.

## India and the priorities of the G7

However, many other factors, of which the positions of the G7 from the Italian summit will only be a part, will determine the overall direction of India's foreign policy with the newly elected government.

In the final **declaration** of the G7 leaders from the summit in Apulia, the issues of Ukraine, the conflict in Gaza, freedom of navigation in the Red Sea, and Iran were highlighted as the most important. It is evident that these G7 members' priorities are not also India's foreign policy priorities.

On each of these issues, India is more or less restrained, is not directly involved in solving any of these problems, and shows no tendency to deviate from the balance in which has been investing much effort.

Prime Minister Modi expressed his support and solidarity with Israel after the Hamas terror attacks on October 7, but subsequently warned of massive casualties among the Palestinian civilian population due to Israeli action in Gaza.

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India's position thus did not differ significantly from that of Israel's most important allies in the West, above all the USA.

However, considering the direct harm the blockade of navigation has caused to the Indian economy, India's **reluctance** to resolve the Red Sea crisis thus far lacks justification.

Last March, the New Delhi government warned that the disruptions caused by the blockade of the Red Sea maritime corridor directly threatened important domestic

economic parameters such as inflation and growth.

A combination of high freight costs, insurance premiums, and long transit times can make imported goods "significantly more expensive," the Indian Ministry of Finance announced at the time.

## Iran and the Red Sea crisis

The Red Sea crisis, in particular, exemplifies the reasons for possible changes in India's foreign policy during Narendra Modi's new term of office.

Foreign policy was not an issue that influenced Indian citizens' decisions in the recently concluded parliamentary elections.

However, the election results and the necessity for Prime Minister Modi and his Bharatiya Janata Party (BJP) to form a coalition after failing to secure enough mandates to form a government on their own will allow for some adjustments in foreign policy.

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These adjustments are not necessary in themselves, but they seem necessary because some important foreign policy issues directly affect the country's internal economic conditions. In this respect, the Red Sea crisis is the most obvious and will require a much stronger commitment from India than before because it has a negative impact on the domestic economy.

About 80% of India's total trade with Europe passes through this corridor, which has become risky due to the missile attacks on merchant ships by the pro-Iranian Houthis.

This is linked to India's future relations with

Iran, which New Delhi is maintaining at a high level, given that India is one of the largest buyers of Iranian oil and also has a sizable market for the export of rice, sugar, chemicals, and pharmaceuticals in Iran.

"Iran must cease its destabilising actions" was the conclusion of the G7 leaders at the summit in Italy. This position does not bind India, because it is not a member of the G7, but it does bind Indian economic interests, which suffer damage due to Tehran's aggressive policy in the Middle East.

## The alignment of interests regarding China

The developed Western economies gathered in the G7 and India basically share the same views on China and the need to contain its economic and security influence in the Indo-Pacific region.

However, to counter China's state-led pressure on global trade in the coming years, Prime Minister Modi's new government will need to engage much more, even if it does not fully align with the Western bloc.



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India undoubtedly shares G7 partners' concerns about supply chain stability, "persistent industrial targeting and comprehensive non-market policies and

practices that are leading to global spill overs, market distortions, and harmful overcapacity in a growing range of sectors," as stated in the final communiqué of the G7 summit.

In the long term, however, this will require a far greater direct commitment from the government in New Delhi than the usual passivity on the foreign policy front.

Major shifts in the New Delhi foreign policy are not realistic given India's highly diversified political and economic interests and its traditionally neutral orientation regarding most global crises.

However, Prime Minister Modi's new government has enough room to step out of its current neutrality and take responsibility for resolving some of the current crises without much political risk as the nation looks forward to greater global influence.

Its economic interests will inevitably cause adjustments in some aspects of its foreign policy, especially in the Middle East and the immediate Indo-Pacific region.