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IMEC is caught between commerce and geopolitics

Context

- The ongoing conflict involving **Iran** has exposed critical weaknesses in the contemporary international order, challenging long-held assumptions about military power, economic security, and global connectivity.
- Despite facing the combined capabilities of the United States and Israel, Iran demonstrated the effectiveness of **asymmetric warfare**, highlighting the limitations of technological superiority in modern conflicts.
- Simultaneously, disruptions in the **Strait of Hormuz** revealed the vulnerability of global trade and energy networks.
- These developments have strengthened the case for alternative connectivity initiatives such as the **India-Middle East-Europe Economic Corridor (IMEC)**, while also exposing the geopolitical challenges that such projects must overcome.

Lessons from the Iran Conflict

- **Changing Nature of Military Power**

- The conflict demonstrated that overwhelming military superiority does not necessarily translate into decisive victory.
- Iran's ability to sustain resistance and inflict costs on stronger adversaries challenged conventional notions of warfare.
- Modern conflicts increasingly depend on resilience, adaptability, and unconventional strategies rather than merely advanced technology and superior firepower.

- **Strategic Importance of Choke Points**

- The blockade of the **Strait of Hormuz**, through which nearly one-third of global oil supplies pass, underscored the significance of **choke points** in the global economy.
- Disruptions in this critical maritime route affected energy markets worldwide and exposed the vulnerability of countries dependent on imported oil, including **India**.
- The crisis highlighted the need to diversify **trade routes** and reduce dependence on strategically sensitive waterways.

IMEC: A Strategic Connectivity Initiative

- **Concept and Objectives**

- The **India-Middle East-Europe Economic Corridor (IMEC)** was announced during the **G-20 Summit** in New Delhi in 2023 as a transformative connectivity project linking India with Europe through West Asia.
- Unlike traditional transport corridors, IMEC integrates **railways**, **ports**, highways, energy networks, digital infrastructure, and **green hydrogen** corridors to facilitate trade, investment, and regional cooperation.

- **Strategic Significance**

- IMEC seeks to create an alternative route to existing maritime corridors and reduce dependence on vulnerable trade channels.
- Alongside initiatives such as the **International North-South Transport Corridor (INSTC)** and the **Belt and Road Initiative (BRI)**, it reflects the growing importance of resilient infrastructure networks in an era marked by geopolitical uncertainty.
- The corridor has the potential to enhance **connectivity**, strengthen economic integration, and promote long-term prosperity across Asia, the Middle East, and Europe.

Challenges Facing IMEC

- **Impact of Regional Conflicts**

- The conflicts in **Gaza** and Iran have directly affected critical sections of the proposed corridor.
- The Israeli port of **Haifa**, a key transit hub in the IMEC framework, has faced security concerns, while attacks on Gulf infrastructure have exposed vulnerabilities in the corridor's eastern segment.
- Such instability complicates implementation and increases operational risks.

• **Geopolitical Divergences**

- Another major challenge arises from evolving political dynamics among key regional stakeholders.
- Differences between **Saudi Arabia** and the **United Arab Emirates (UAE)** could hinder the coordination necessary for seamless connectivity.
- Since IMEC depends on cooperation among multiple countries, regional rivalries and strategic disagreements pose significant obstacles to its success.

Way Forward

• **Diversification of Routes**

- To enhance resilience, IMEC should adopt a more flexible framework.
- Omani ports such as **Salalah**, **Duqm**, and **Muscat** could serve as alternative eastern gateways due to their distance from conflict-prone areas.
- On the western side, Egypt and the **Suez Canal Economic Zone** offer viable alternatives until conditions stabilize elsewhere in the region.

• **Strengthening Diplomatic Engagement**

- Infrastructure alone cannot guarantee the success of transnational corridors.
- Sustained diplomacy is essential to maintain cooperation among participating countries.
- **India**, which enjoys strong relations with both Saudi Arabia and the UAE, can play an important mediating role.
- European partners such as **Italy** and **France** can further support the initiative through political engagement, investment, and strategic coordination.

Conclusion

- The Iran conflict has highlighted the interconnected nature of **security**, economic stability, and infrastructure development.
- It exposed the **vulnerabilities of existing trade networks** while reinforcing the strategic necessity of alternative connectivity projects such as IMEC.
- However, the corridor's success will depend not only on infrastructure investments but also on its ability to navigate geopolitical complexities and regional rivalries.
- With diversified routes, **sustained diplomatic efforts**, and strong regional cooperation, IMEC has the potential to reshape global commerce and emerge as a cornerstone of future economic integration across Asia, the Middle East, and Europe.

IMEC is Caught between Commerce and Geopolitics FAQs

Q1. What major lesson did the Iran conflict provide about modern warfare?

Ans. The Iran conflict showed that military superiority alone does not guarantee victory in modern warfare.

Q2. Why is the Strait of Hormuz strategically important?

Ans. The Strait of Hormuz is important because a significant share of the world's oil supply passes through it.

Q3. What is the primary objective of IMEC?

Ans. IMEC aims to enhance trade and connectivity between India, the Middle East, and Europe.

Q4. What is a major challenge facing IMEC?

Ans. Regional conflicts and geopolitical tensions pose major challenges to the successful implementation of IMEC.

Q5. How can IMEC become more resilient?

Ans. IMEC can become more resilient by diversifying routes and strengthening diplomatic cooperation among partner countries.

Source: **The Hindu**

Orbital Rivalry — The Challenge of China's Space Power

Context

- The growing militarisation of **outer space** has transformed it into a critical domain of strategic competition.
- Modern states increasingly depend on satellites for **communication, navigation, surveillance**, intelligence gathering, and military operations.
- Consequently, control over space assets has become a major determinant of national power. China's rapid advancement in **counter-space capabilities** has generated concerns regarding the future security of space and its implications for regional stability.
- For India, these developments pose significant strategic challenges that require urgent policy attention.

China's Space Ambitions

- **Pursuit of Technological and Strategic Dominance**
 - While officially advocating the peaceful use of space, Beijing has demonstrated capabilities that indicate preparation for potential **space warfare**.
 - The 2007 **anti-satellite (ASAT)** missile test, the testing of **exo-atmospheric vehicles**, and the deployment of robotic spacecraft capable of manipulating satellites reflect a long-term effort to develop military space capabilities.

- China's ambitions extend beyond military objectives. It seeks technological superiority through large-scale satellite deployments, lunar exploration, asteroid mining, space-based solar power, and plans for nuclear-powered shuttles.
- With nearly 1,900 satellites currently in orbit and plans to deploy over 36,000 **low-earth orbit (LEO)** satellites by 2030, China aims to become a dominant actor in the global space economy.

• **Development of Counter-Space Capabilities**

- China has developed a diverse range of systems capable of disrupting or disabling rival space assets. These include:
 - **Kinetic attack systems** such as the DN-3 and SC-19 missiles capable of physically destroying satellites.
 - **Laser weapons** designed to dazzle or blind satellite sensors.
 - **Co-orbital satellites**, including the SJ and TJS series, capable of interfering with or repositioning other spacecraft.
- Together, these capabilities provide the **People's Liberation Army (PLA)** with options to degrade **ISR networks**, communication systems, and navigation infrastructure during the initial stages of a conflict.

Implications for India: Vulnerability of Indian Space Assets

- India's growing dependence on space-based infrastructure makes it vulnerable to counter-space operations.
- Critical systems such as **CARTOSAT**, **RISAT**, and **NavIC** support military surveillance, navigation, and communication functions.
- However, India possesses far fewer satellites than China, resulting in limited redundancy and resilience.
- Even the temporary disruption of a small number of satellites could affect India's situational awareness and operational effectiveness.
- During a border crisis, China could employ jamming, laser dazzling, or cyber interference to create intelligence blind spots, particularly along the **Line of Actual Control (LAC)**.

Limits of Chinese Counter-Space Operations

- Despite these concerns, China's ability to inflict catastrophic damage remains constrained.
- Large-scale destruction of satellites would generate substantial orbital debris and increase the risk of **Kessler Syndrome**, a chain reaction of collisions that could threaten all space users.
- Consequently, future counter-space competition is more likely to involve reversible forms of interference rather than widespread physical destruction.
- India's **Mission Shakti** has strengthened deterrence by demonstrating ASAT capability.
- However, deterrence remains limited by the absence of advanced co-orbital systems and the relatively small size of India's satellite constellation.

Safeguarding India's Interests

- **Expanding Indigenous Space Capacity**

- India must strengthen its domestic space ecosystem beyond the Indian Space Research Organisation (ISRO).
- Increased participation by private industry can enhance satellite production, launch capacity, and technological innovation, thereby improving overall resilience.

- **Building Redundancy Through Satellite Constellations**

- Instead of relying on a few large satellites, India should develop distributed constellations of smaller satellites.
- Such systems are more survivable and less vulnerable to targeted attacks.

- **Protecting Ground Infrastructure**

- The security of ground stations, tracking facilities, and communication hubs is equally important.
- Strengthening these assets can reduce the impact of hostile actions against space-based infrastructure.

- **Strengthening International Partnerships**

- Enhanced data-sharing arrangements with strategic partners can ensure continuity of services during crises.
- Access to allied or commercial satellite networks would help maintain essential communication and intelligence functions even if domestic assets are disrupted.

- **Establishing Credible Deterrence**

- India must clearly define its strategic red lines and articulate the scope of a proportionate response to hostile actions in space.
- A transparent deterrence framework can reduce miscalculation and strengthen stability.

Conclusion

- China's expanding counter-space capabilities represent **a significant challenge** in the evolving strategic environment of outer space.
- Through investments in advanced military technologies, satellite networks, and space infrastructure, **China seeks both technological leadership and strategic advantage.**
- While India faces vulnerabilities due to limited space assets and redundancy, these challenges can be mitigated through expanded domestic capacity, resilient satellite constellations, stronger partnerships, and credible deterrence measures.
- As space becomes an increasingly contested domain, **safeguarding national interests in orbit will be essential for India's long-term security** and strategic autonomy.

Orbital Rivalry — The Challenge of China's Space Power FAQs

Q1. What are China's counter-space capabilities?

Ans. China's counter-space capabilities include anti-satellite missiles, laser systems, and co-orbital satellites designed to disrupt or disable space assets.

Q2. Why is outer space strategically important?

Ans. Outer space is strategically important because satellites support communication, navigation, surveillance, and military operations.

Q3. Why is India vulnerable to Chinese counter-space operations?

Ans. India is vulnerable because it has fewer satellites and less redundancy compared to China's extensive satellite network.

Q4. What is Mission Shakti?

Ans. Mission Shakti is India's anti-satellite missile test that demonstrated its ability to destroy a satellite and strengthened its deterrence posture.

Q5. How can India safeguard its interests in space?

Ans. India can safeguard its interests by expanding satellite capacity, building resilient constellations, strengthening partnerships, and developing credible deterrence measures.

Source: [The Hindu](#)

Digital Sovereignty Beyond DPI - Securing India's Infrastructure Backbone

Context

- The Naryana Energy–Microsoft episode highlights a critical vulnerability in India's digital ecosystem.
- Although India has built globally acclaimed Digital Public Infrastructure (DPI), its growing dependence on foreign-controlled cloud services, AI, and semiconductor technologies raises concerns about long-term digital sovereignty and strategic autonomy.

The Naryana Energy Incident - A Wake-Up Call

- In 2025, Naryana Energy, one of India's major oil refiners, received a notice from Microsoft indicating that **cloud services** could be **discontinued** due to U.S. sanctions compliance obligations linked to its Russian shareholder, Rosneft.
- Although the threat was not ultimately enforced, the episode exposed a **key reality** – Indian companies operating legally within India can still be affected by decisions taken under foreign jurisdictions if they rely on

foreign-owned digital infrastructure.

- The incident demonstrated how **geopolitical tensions** can directly impact business operations through digital dependencies.

Digital Infrastructure - The New Strategic Asset

- Cloud platforms such as Microsoft Azure, Amazon Web Services (AWS), and Google Cloud are no longer mere technology services.
- They constitute **critical infrastructure** supporting the banking and financial transactions, healthcare systems, government databases, supply-chain management, and enterprise operations.
- Since these platforms are owned and governed by foreign corporations subject to their home-country laws, access can potentially be restricted or influenced by geopolitical considerations.

India's Success in DPI

- India has emerged as a global leader in Digital Public Infrastructure through platforms such as:
 - **Aadhaar** - Digital identity
 - UPI - Digital payments
 - DigiLocker and eSign - Digital document management
 - Ayushman Bharat Digital Mission (**ABDM**) - Health data architecture
 - Open Network for Digital Commerce (**ONDC**) - Open digital commerce ecosystem
- **Key features of India's DPI**
 - Open and interoperable architecture
 - Public-interest orientation
 - Non-extractive data governance
 - Innovation-friendly ecosystem
 - National ownership and control
- These platforms have **reduced dependence** on private digital monopolies and enabled inclusive digital growth.

The Unfinished Agenda - Infrastructure Dependence

- Despite controlling the application layer through DPI, India remains **heavily dependent** on foreign entities for:
 - **Cloud infrastructure:** Most fintech, health-tech, and digital businesses built on Indian DPI rely on foreign hyperscalers such as AWS, Azure, and Google Cloud.
 - **Artificial Intelligence (AI):**
 - Large Language Models (**LLMs**) and foundational AI systems are largely controlled by U.S. and Chinese firms.
 - Their training datasets, embedded values, safety guardrails, and governance structures are outside Indian regulatory oversight.

- **Semiconductor ecosystem:** Advanced chips powering cloud computing and AI are overwhelmingly produced through global supply chains beyond India's control.
- Owning digital applications, while renting the underlying infrastructure, amounts to a form of “**digital tenancy**.”

Digital Sovereignty vs Digital Isolationism

- The goal is to lessen strategic vulnerabilities while maintaining integration with the global digital economy, not to promote technological protectionism or isolation from international markets.
- The challenge is achieving a balance between openness and sovereignty.

Four Policy Levers for Strengthening Digital Sovereignty

• Move beyond data localisation:

- Keeping sensitive data within India is important but insufficient.
- So, India must also ensure operational control over critical systems, audit rights for domestic authorities, and emergency powers to maintain continuity during crises.
- True sovereignty requires control over infrastructure, not merely data storage.

• Develop sovereign cloud capabilities:

- Initiatives such as **MeghRaj** and expanding domestic data-centre investments provide a foundation.
- The objective should be **indigenous** cloud infrastructure, strategic redundancy, and sovereign fallback options for critical services.

• Extend the DPI model to AI:

- India successfully created alternatives to foreign platform dominance through UPI and ONDC.
- A similar approach is required for AI through Indian foundational models; sector-specific AI for agriculture, healthcare, education, and governance; and public digital AI infrastructure.
- Such systems would align AI development with Indian priorities and regulatory frameworks.

• Build a global south digital coalition:

- India's DPI collaborations across Africa, Latin America, and Southeast Asia can evolve into a broader digital partnership.
- This could help **democratise** digital governance, reduce dependence on dominant technology powers, and create alternative standards and norms for the digital economy.

Strategic Significance for India

- The future geopolitical competition will increasingly occur through digital infrastructure rather than conventional domains alone.

- Key concerns include technological sovereignty, national security, data governance, economic resilience, strategic autonomy, AI governance, and critical infrastructure protection.
- Countries that control their cloud infrastructure, AI ecosystems, and semiconductor capabilities will enjoy greater policy **independence** and **resilience**.

Conclusion

- India's DPI represents a remarkable achievement and a global model of inclusive digital governance.
- The next phase of India's digital transformation must focus on securing the infrastructure layer, ensuring that technological self-reliance extends beyond platforms to the foundational systems on which the digital economy operates.

Digital Sovereignty Beyond DPI FAQs

Q1. How does dependence on foreign cloud infrastructure pose a challenge to India's digital sovereignty?

Ans. It enables external geopolitical or legal decisions to potentially affect India's critical digital services and data infrastructure.

Q2. Why is India's DPI considered a global model?

Ans. It combines open architecture, interoperability, public ownership, and non-extractive governance to deliver inclusive and scalable digital services.

Q3. Why is data localisation alone insufficient for ensuring digital sovereignty?

Ans. Data stored within India may still remain vulnerable if the underlying cloud infrastructure is owned and controlled by foreign entities.

Q4. What is meant by the term "digital tenancy"?

Ans. It refers to a situation where India controls digital applications and services but remains dependent on foreign-owned cloud, AI, etc.

Q5. How can extending the DPI model to AI strengthen India's strategic autonomy?

Ans. It can reduce dependence on foreign AI systems and enhance technological self-reliance.

Source: **IE**

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