

Beyond the Reset: India's Diplomacy of Repair and Balance in 2026

December 29, 2025 • vajiramandravi.com



India's Diplomacy in 2026 Latest News

- As the world enters 2026 after a turbulent 2025, India faces a critical diplomatic moment. Global geopolitics was reshaped by wars, elections, sanctions, and leadership shifts.
- India's foreign policy choices in 2026 will determine its global standing, regional stability, and strategic autonomy.

Backdrop: 2025 as a Global Reset Year

- 2025 witnessed the return of Donald Trump to the U.S. presidency, reshaping global trade, security, and alliance politics.
- Wars in Ukraine and Gaza, renewed great-power rivalry, and erosion of trust in multilateral institutions marked the year.
- Global politics increasingly moved towards transactionalism, tariffs, and coercive diplomacy.

India's Position

- India navigated a year of conflicting pressures:
 - Managing ties with the U.S. amid tariff threats.
 - Sustaining energy and defence links with Russia.
 - Maintaining stability in its neighbourhood.
- Despite tensions, India avoided strategic isolation.

India-U.S. Relations Under Trump 2.0

- Initial optimism following Trump's re-election faded quickly.
- Trump accused India of "unfair trade practices" and imposed 50% tariffs on Indian exports.
- Pressure mounted on India to reduce Russian oil imports.
- Trade talks stalled.
- While military and strategic cooperation continued, economic friction dominated.
- 2026 will test whether the relationship stabilises or deteriorates further.

India-Pakistan: An Uneasy Pause

- A terror attack in Pahalgam led India to launch Operation Sindoor.
- Military escalation was avoided, but relations remain tense.
- Pakistan faces internal consolidation of power under Asim Munir, raising concerns over military dominance.
- **Key Concern for India** – Fragile ceasefire; Persistent terror infrastructure; Risk of sudden escalation.

Neighbourhood Diplomacy Challenges

- **Nepal: Regime Change and Instability**
 - Protests and generational political churn.
 - Formation of an interim government.
 - Revival of monarchist sentiments and stronger army role.
 - India must recalibrate engagement carefully.
- **Bangladesh: Political Turmoil**
 - Renewed unrest after killing of youth leader.
 - Student protests and fragile interim administration under Muhammad Yunus.
 - Elections due in 2026 amid law-and-order concerns.

West Asia: Fragile Calm, Strategic Stakes

- **Gaza War Pause**
 - Temporary pause after intense conflict.
 - Direct Indian interests due to:
 - Energy security
 - Indian diaspora

- IMEC corridor prospects
- **India's Role** – Advocates restraint, humanitarian aid, and regional stability; 2026 may offer limited diplomatic revival but risks remain high.

Ukraine War and Russia Factor

- **War Without Resolution**
 - No clear end despite peace talks.
 - Trump pushes for ceasefire, but core disputes persist.
- **India's Position** – Continued engagement with Russia; Participation in Ukraine discussions while preserving strategic autonomy; Russian oil imports remain critical for inflation control.

China and Russia: Strategic Outreach

- India engaged both Xi Jinping and Vladimir Putin through SCO and bilateral channels.
- China remains the primary long-term challenge despite tactical engagement.
- Despite talks, 60,000+ troops remain deployed on both sides of LAC.
- Disengagement remain incomplete.

Re-engagement with China: Cautious Reset

- Trade links expanded but mistrust remains.
- India balances economic pragmatism with security concerns.
- 2026 diplomacy requires avoiding escalation without conceding core interests.

Multilateral Diplomacy in 2026

- **BRICS and Quad**
 - India must balance participation in BRICS with its role in the Quad.
 - Both forums reflect India's strategic autonomy.
- **G20 Under U.S. Presidency**
 - Trump's approach may dilute multilateralism.
 - India must protect G20 gains achieved during its presidency.
- **Europe and Africa: Renewed Focus**
 - **Europe**
 - India seeks stronger economic and strategic ties.
 - Hosting visits from EU leadership expected.
 - **Africa**
 - India's goodwill remains strong.
 - Next **India-Africa Forum Summit** likely.
 - Countering China's growing footprint remains a challenge.

Key Diplomatic Tests for India in 2026

- **Trade**
 - Finalising or salvaging trade deal with the U.S.
 - Managing tariff pressures.
- **Energy Security**
 - Sustaining Russian oil imports amid pressure.
 - Maintaining Middle East stability.
- **Technology and AI**
 - Hosting global AI summit.
 - Showcasing India's tech leadership.

Conclusion: Repair, Rebuild, Rebalance

- 2026 is not about grand resets but careful repair:
 - Repairing strained alliances.
 - Rebuilding neighbourhood trust.
 - Rebalancing relations among rival power blocs.

Source: TH

Source: <https://vajiramandravi.com/current-affairs/beyond-the-reset-indias-diplomacy-of-repair-and-balance-in-2026/>

© Vajiram & Ravi. For personal use only.