EDITORIAL HIGHLIGHTS

29-08-2026

GS 3: INTERNAL SECURITY THE HINDU PAGE: 01

India signs Javelin procurement deal with U.S., boosts defence ties

Saurabh Trivedi
NEW DELHI

India signed a Letter of Offer and Acceptance (LOA) with the U.S. on Friday to procure Javelin anti-tank guided missile systems through the U.S. Foreign Military Sales route, marking a significant step in the defence partnership between the two countries.

The missile system is being bought under the emergency procurement powers granted to the armed forces to augment critical operational capabilities following Operation Sindoor, defence sources said. The Indian Army is procuring Javelin missiles in limited numbers. Under the emergency framework, the armed forces can make purchases of up to ₹300 crore for each equipment category. Deliveries of contracts under the sixth tranche of emergency procurements are expected to begin by the end of 2026-27, sources said.

The Javelin is a medium-range, anti-tank guided missile designed to engage armoured vehicles and fortified positions. AFP

The U.S. Embassy in New Delhi welcomed the signing of the LOA, saying it demonstrated the growing depth of the U.S.-India Major Defence Partnership. and would pave the way for greater cooperation between the defence industries of the two countries. "With the signing of the LOA, India becomes a customer of the Javelin system," the Embassy said.

U.S. Ambassador to India Sergio Gor said the agreement reflected a defence partnership that was "growing deeper, more capable, and consequential". He said it demonstrated U.S. support for the Indian Army and created opportunities for the two countries to work together.

The Javelin is a medium-range, anti-tank guided missile designed to engage armoured vehicles and fortified positions.

Its fire-and-forget capability lets the operator fire the missile and move to another position without having to guide it throughout its flight.

The Javelin system is produced by the Javelin Joint Venture, comprising RTX and Lockheed Martin. Currently, the U.S. Army, U.S. Marine Corps and several international customers operate it. The U.S. Embassy said the signing would facilitate discussions on mutually beneficial co-production and create additional opportunities to strengthen the defence industrial bases of India and the U.S.

The procurement assumes significance in the backdrop of India's efforts to rapidly strengthen its anti-armour capabilities following Operation Sindoor, while simultaneously deepening defence-industrial cooperation with America.

GS 2: INTERNATIONAL RELATIONS THE HINDU PAGE: 06

Five years on, Taliban are still at a fork in the road

For a people long regarded as at the crossroads of civilisations, the past five years of the Islamic Emirate of Afghanistan (IEA) under Taliban rule resemble the backwaters. After 47 years of bloodletting, terrorism and foreign occupation, the current "stability" is a respite. But the ongoing time-freeze only postpones an eventual transition to modern universality. So far, the process has been glacial and selective, causing pain and uncertainty. It is time to take stock of the past half-decade and try to fix the broad contours of a foreseeable future.

A more stable country

The IEA's overall performance since the August 15, 2021 takeover has been a binary. On the positive side, though the IEA 2.0 transition was as chaotic as the IEA 1.0 transition in 1996, it spared the country from mass retribution. Afghanistan is now largely stable and secure. The country's "Badlands" were long associated with militant groups such as al-Qaeda. Their 9/11 attacks unleashed two decades of bloody U.S. retribution on both al-Qaeda and the IEA 1.0. The IEA 2.0 has disallowed the use of their territory for operations against other countries. During the past five years, an estimated 5.7 million refugees from Pakistan and Iran have returned to Afghanistan. While this return of an eighth of the country's population has exacerbated the penury, the government has managed it reasonably well. These unmistakable shifts from the ruinous policies of the previous Islamic Emirate (1996-2001) have partially mitigated the world's concerns.

But many of the IEA 2.0 domestic policies are a carbon copy of IEA 1.0; its socio-political contrast with the preceding western-designed Republic was widely perceived as a huge regression. To the universal abomination, Taliban 2.0 swiftly reinstated the harshest rules in the contemporary Islamic world: a ban on music, no education for girls beyond class six, gender segregation, lifting the ban on child marriages and a narrow power base shutting out women, non-Pashtuns and ethnic minorities. The Taliban theocrats defended these measures, citing Islamic Sharia, Sunni Deobandi Islam, Hanafi jurisprudence and Pashtun traditions.

The West, in particular, felt deeply betrayed by the Taliban's cynical disregard for their commitments under the transitional accord signed in Doha in 2020 to pave the way for U.S. and North Atlantic Treaty Organization (NATO) troop withdrawal. Two decades of the U.S. military campaign against the Taliban, which caused 6,379 deaths and cost $2.26 trillion in expenses, now seem in vain. Despite intense Pakistani lobbying for the IEA 2.0 to be accepted and formally recognised, there was global unanimity to withhold both till such draconian policies were moderated. The global community's response to the Taliban's re-takeover was framed by the United Nations Security Council resolution 2593 adopted on August 30, 2021. It demanded, *inter alia*, that Afghan territory not be used for terrorism and that human rights, including the rights of women, children, and minorities, be upheld. It also encouraged all parties to seek an inclusive, negotiated political settlement, with the full, equal, and meaningful participation of women, that responds to the desire of Afghans to sustain and build on the gains Afghanistan had made over the preceding 20 years, in adherence to the rule of law. Five years on, this resolution remains a cornerstone of global policy on the IEA.

Mahesh Sachdev

Retired Indian Ambassador, specialising in West Asian and oil issues

A fortnight ago, the Taliban completed five years in power, bringing stability; but Afghans still yearn for a political, economic and social makeover

The IEA 2.0's political architecture of an uncodified unitary theocracy evolved informally from the Quetta Shura, later called Rahbari Shura. It received the endorsement of 3,000 Afghan clerics and tribal leaders under the aegis of a Loya Jirga (Grand Assembly) held in Kabul in mid-2022. Accordingly, Hibatullah Akhundzada was appointed Supreme Leader (Amir al-Mu'minin), with combined powers as head of state, commander-in-chief, and religious leader of Afghanistan. He heads the 26-member Leadership Council, the IEA 2.0's top decision-making body, which includes Prime Minister Hassan Akhund and three Deputy Leaders. Its decisions are implemented by the Cabinet. The IEA 2.0 has often cited the Holy Koran as its Constitution and Hanafi jurisprudence as its common law.

Fragile economic progress

The latest available figures are tentative, but point to a relative improvement in the Afghan economy. Draconian measures have curbed rampant corruption and smuggling. Thanks to better fiscal discipline, the national currency, the Afghani, is stable. Consumer inflation was 2% in 2025. The Nominal GDP is $19.66 billion, contributed by services (49%), agriculture (26%), manufacturing and mining (13%) and construction (12%). Its growth rate for 2025 was 4.3% and is expected to be 2.3% in 2026. The country's GDP dropped by nearly 20% following the Taliban's return to power. The GDP/capita is only $448, less than one-sixth of India's.

Nearly half of Afghanistan's 49 million population lives under the national poverty line, facing acute food shortages. Still, most western official development assistance (ODA) remains suspended, and many multilateral agencies restrict their funding. Some non-governmental organisations have continued to help mitigate the dire situation. The population rose by 11% in 2025, largely due to immigration. This led to a 4% decline in GDP per capita despite healthy economic growth. Afghanistan has a Human Development Index (HDI) score of 0.496, among the world's lowest. Formal unemployment is put at 13.3%, with most women and a quarter of young men jobless. While foreign trade reached $13.9 billion in 2025, Afghan exports barely cover 15% of its imports. Despite a rise in tax revenues, negligible foreign investments and declining external grants leave the government with insignificant funds for welfare or decrepit infrastructure mauled by nearly five decades of instability. After the formation of IEA 2.0 in 2021, the U.S. froze $9.6 billion worth of Afghanistan's foreign assets.

During the past five years, the IEA 2.0 has sought international acceptance and legitimacy without undertaking the necessary domestic reforms. Nevertheless, the ostracising consensus has frayed, and realpolitik has spurred engagement. The IEA now claims to have 40 active diplomatic missions abroad and more than 20 countries represented in Kabul, even as Russia is so far the only country to have recognised the IEA and opened an embassy in Kabul. Pakistan, China, Iran and India have established links with Kabul at variously nuanced *de jure* levels without extending formal recognition. Some trade and mineral exploitation transactions have also been made. Iran, the Central Asian Republics, the Gulf countries and Türkiye have extended trade and logistical links. With the solitary exception of neighbouring Pakistan, with which it is in conflict, Afghanistan's links with most regional countries are stable.

New Delhi's Afghan engagement

India was initially sceptical of the IEA 2.0, but has since come full circle. New Delhi continues to conform to global norms by not having full diplomatic recognition, without preventing substantive bilateral engagement. Following the Afghan Foreign Minister's successful visit to India in October 2025, three other Afghan Ministers have also visited India. Despite Pakistan's denial of overland transit, India-Afghan annual trade has hovered around one billion dollars, with India becoming one of the largest markets for Afghan exports. India has provided the IEA with valuable humanitarian assistance. Indian mentoring has improved the Afghan cricket team's performance.

With five years of governance behind them, some IEA leaders are beginning to see the unsustainability of their hardline domestic socio-political agenda. For instance, the Taliban now claim that the ban on higher education for girls is due to a lack of funds for segregated education. The need of the hour now is for the world community to encourage this trend. It should collectively come up with a critical mass of incentives to gently induce the IEA to reform.

As South Asia's trendsetter, India is well suited to match mutual expectations and create a pathway for normalisation of IEA 2.0, preferably through a multilateral donors' conference. Ironically, five years ago, Pakistan tried to get the world to accept the IEA 2.0. It failed because the Taliban, then flushed with victory over the U.S., saw no need to adopt. In case India decides to take up this "great game", New Delhi would need to gingerly begin at both ends. A progressive and moderate Afghanistan, thus created, would be an asset not only to India but also to the world at large.

GS 2: INTERNATIONAL RELATIONS THE HINDU PAGE: 12

Dhaka 'positively' weighs joining Mecca Pact

BNP-led government says the interests of the country and its people would be given the highest priority in joining any defence agreement or alliance; Foreign Minister Khalilur Rahman says Bangladesh's accession is not currently under discussion and that it has not received any formal proposal yet; major Opposition parties voice support

Rabiul Alam
DHAKA

Bangladesh will give positive consideration to joining the Mecca Pact, the trilateral defence agreement signed by Saudi Arabia, Turkiye and Pakistan, should its members propose bringing Dhaka into the framework, Bangladesh Foreign Minister Dr. Khalilur Rahman told Parliament on Thursday. The BNP-led government's such consideration has also drawn support from the country's main Opposition parties, including Bangladesh Jamaat-e-Islami and the National Citizen Party (NCP).

Responding to a supplementary question from Independent Member of Parliament Rumin Farhana during the third session of the 13th Parliament, Mr. Rahman said Bangladesh's accession to the pact was not currently under discussion and would depend on the intentions of the agreement's existing signatories.

"If they express interest in bringing Bangladesh into this pact, the government will certainly consider it positively," he said.

Ms. Farhana had asked what benefits Bangladesh stood to gain from joining the pact, signed on August 7, and whether Dhaka intended to do so.

Mr. Rahman said the government viewed the agreement, struck between the three countries, as a positive development, but that the question of Bangladesh's membership had "not yet arisen," since no formal proposal had been extended.

Khalilur Rahman says Dhaka's accession to the pact would depend on the intentions of the agreement's existing signatories. AFP

"The time has not yet come to weigh the pros and cons of the pact before a proposal for Bangladesh's inclusion is made," he said, adding that the government would take all aspects into account if and when such a proposal materialised.

"We will certainly keep all these matters under consideration," the Minister said.

Mr. Rahman also suggested the pact could, if expanded further, evolve into a collective self-defence mechanism for the wider Muslim world.

"This is our family. This is an internal matter of the Muslim family. Others need not be concerned about it."

Replying to another supplementary question from Bangladesh Jamaat-e-Islami lawmaker Mir Ahmad Bin Quasem, the Foreign Minister also said Bangladesh would use its presidency of the United Nations General Assembly to serve all 193 member states rather than pursue the interests of any particular country.

Swift endorsement

The government's such move draws swift endorsement from the key Opposition parties. Dr. Shafiqur Rahman, Leader of the Opposition in Parliament and Ameer of Bangladesh Jamaat-e-Islami, said on Thursday that any decision to join the Mecca Pact is entirely Bangladesh's own affair.

"If Bangladesh makes a decision in the interests and for the needs of the country and its people, there is no reason for anyone else to feel suffocated by it," he added.

The National Citizen Party (NCP) went further, welcoming the possibility of Bangladesh's entry outright. In a press release on Wednesday, the party said the pact could open avenues for political and military coordination and cooperation in defence technology, strengthening Bangladesh's security, trade and strategic ties with key countries in the Muslim world.

The party cautioned, however, that any decision to join a collective defence framework should rest on a comprehensive assessment of the country's long-term national interests, security and strategic capabilities, rather than on political considerations or immediate diplomatic calculations.

The Mecca Joint Defence Agreement was signed in the Saudi city by Crown Prince Mohammed bin Salman, Turkish President Recep Tayyip Erdogan and Pakistan Prime Minister Shehbaz Sharif, establishing a mutual-defence clause under which an attack on any one signatory would be treated as an attack on all three.

GS 3: ECONOMY

INDIAN EXPRESS PAGE: 09

Economy weathered West Asia shock. Now, reform for sustained growth

SAJJID Z CHINOY

THE MACRO news over the next week will elicit some cheer. The final tally on the subsidised FCNR flows, a stop-gap measure to buy time on the external front, is expected to be impressive. More importantly, India's GDP growth for last quarter could print as high as 8 per cent, bucking fears the economy was dented by the Middle East conflict. Strong high-frequency data — autos, credit, exports and corporate earnings — have been presaging this outcome for a while.

Three factors explain the pick-up and resilience through the conflict.

First, policymakers executed a joint fiscal-monetary-regulatory stimulus in 2025. Direct taxes were cut in February, GST was rationalised in September, policy rates were cut effectively by 150 basis points accompanied by some regulatory easing in the financial sector.

Second, non-oil exports have begun to accelerate, likely underpinned by the near 15 per cent depreciation of the real effective exchange rate since 2025, a reduction in US tariffs and resilient global growth.

Third, the policy response to the Middle East conflict was swift and nimble. India scurried to diversify energy imports — crude from Russia, LNG from the US and Oman — to prevent domestic shortages. Paradoxically, India imported 17 per cent more energy than normal last quarter. Further, the fisc absorbed the bulk of the oil price shock to insulate the private sector, though this will increase fiscal pressures.

The good news: Growth has been relatively unaffected by the conflict. The cautionary warning: There is no room for complacency because much of the recent pick-up is cyclical, induced by tax and interest-rate cuts and fuelled by strong credit. At some point these impulses will wane, and growth rates will be shaped by the structural underpinnings of the economy.

Perhaps the most important barometer of long-term growth is the investment rate. Here the news is more sobering. Fixed investment remains at its decadal average of 32 per cent of GDP and has not lifted in recent years. This is despite rising public investment and real estate capex, because corporate capex continues to languish around 10-11 per cent of GDP. Balance sheets of the top 1,000 listed companies reveal there was no discernible pick-up in corporate capex in 2025-26. The imperative for corporate capex to lift is only increasing because both real estate and public investment have begun to slow. Central capex underpinned the post-Covid recovery, growing 30 per cent between 2020 and 2023, but then slowed to 11 per cent in 2024 and just 1.6 per cent in 2025, as last year's tax cuts cannibalised fiscal space. With the fisc absorbing the bulk of the oil shock, central capex will be under pressure again this year. Meanwhile, cash transfers on demand pose a clear and present danger to state capex, which is now growing below nominal GDP.

What then will it take for corporate capex to broaden and deepen? Quite simply, more demand visibility. With capacity utilisation stuck in the 75-76 per cent range over the last decade, and ever-increasing Chinese overcapacity flooding the world, including India, it's understandable why corporates remain cautious. Only strong, sustained consumption and export demand will shake them out of their stupor. It was 16 per cent export growth between 2003 and 2012 that crowded in private capex. In contrast, post-pandemic private consumption and exports grew at just about 5 per cent, before last year's stimulus.

> What's needed is for consumption and export growth rates to rise more structurally. The former is inextricably linked to the employment challenge

What's needed is for consumption and export growth rates to rise more structurally. The former is inextricably linked to the employment challenge. White-collar jobs created through GCCs and service exports have been key to urban consumption. But the AI writing is on the wall. Service export growth (in nominal dollars) has halved to 8 per cent over the last year from 16 per cent the previous four years. Total employment across the major IT firms has been flat. To be sure, PLFS data show India's employment rate is rising, but a significant fraction of the new jobs are "self-employed" vis-à-vis "salaried-jobs" even though, encouragingly, the mix has improved in 2025. Sectorally, the share of the population working in agriculture, though reducing, is still higher than pre-pandemic levels.

For now, consumption is being fuelled by credit. Armed with healthy balance sheets, NBFC lending to households is growing at 20 per cent and the momentum of banks' unsecured personal lending has risen to 25 per cent. This comes on the back of a sharp increase in household leverage in recent years. For this not to backfire in the coming years, accelerating household incomes are the key.

The challenge, however, is more fundamental: How can labour be made a more attractive factor of production vis-à-vis capital in a world of increased automation and AI? India's capital-labour ratio has been rising for more than two decades. Bending this curve should be our top policy priority. The challenges are new but the constraints are old: Ramping up education, skilling, health, rationalising labour laws, which push up the cost of labour, directing scarce fiscal resources to labour-intensive sectors.

Exports will need to complement private consumption. India's goods exports have declined from 17 per cent of GDP a decade ago to 11 per cent. Policymakers must be commended for not succumbing to export pessimism and signing a slew of FTAs, beginning to rationalise tariffs and QCOs and allowing the exchange rate to depreciate. But for India's exports to become more structurally competitive, factors of production will have to become much more enabling, tariffs and non-tariff barriers rationalised more decisively, and stifling overregulation slashed more holistically.

Boosting consumption and investment more structurally is the key to a sustained private capex cycle. In turn, private capex is the key to crowding in FDI and stabilising the balance of payments.

A strong cyclical pick-up and a raft of capital inflows is unambiguously good news. But these should be thought of as a means, not an end. They provide a bridge over troubled global waters. They buy India time to address the structural underpinnings of the economy. The good news: Corporate and financial sector balance sheets are clean, infrastructure is being ramped up and agriculture is in a sustained surplus. If we can boost demand structurally, the next growth cycle could be a long one.

But in a world where AI is sucking up capital, white-collar jobs are threatened, trade is getting more fragmented and weaponised, and the global order has broken down, the ask is only getting more daunting. The clock is ticking and there is no time to waste.

The writer is head of Asia Economics at J.P. Morgan

GS 2: INTERNATIONAL RELATIONS INDIAN EXPRESS PAGE: 16

DIPLOMACY

PM visit to Uzbekistan, Kyrgyz Republic: Why Central Asia matters for India

Shubhajit Roy
New Delhi, August 28

PRIME MINISTER Narendra Modi is headed to Central Asia over the weekend. He will be in Uzbekistan from August 29 to 30 on a bilateral visit and in the Kyrgyz Republic for the 26th Shanghai Cooperation Organisation (SCO) Summit from August 31 to September 1.

While several Indian Prime Ministers, right from Jawaharlal Nehru, have visited Central Asia, India began its focused engagement with these five countries — Kazakhstan, the Kyrgyz Republic, Uzbekistan, Tajikistan and Turkmenistan — only in 2012 when it framed the "Connect Central Asia" policy. The policy got a fillip when Modi became the first Indian Prime Minister to travel to all five Central Asian countries in July 2015. Modi's visit marks a continuation of this outreach.

What central Asia offers

Central Asia has always been seen as Russia's backyard. It has a 20-30% Russian population and the language is also commonly spoken.

The fact that Chinese President Xi Jinping chose to visit Central Asia in September 2022 and visited four of the five Central Asian countries — his first overseas trip after two years of disruption due to the Covid-19 pandemic — speaks volumes about the strategic importance of this region. The region is considered to be extremely rich in mineral and natural resources.

KAZAKHSTAN has one of the world's biggest reserves of uranium. It has other minerals too: coal, lead, zinc, gold and iron ore.

THE KYRGYZ REPUBLIC has gold and hydro-power.

TURKMENISTAN has one of the world's largest reserves of natural gas.

TAJIKISTAN also has huge hydro-power potential and Uzbekistan has gold, uranium and natural gas.

Understandably, the world wants to enter this region to tap into the vast potential it offers.

Battle for strategic space

For India, engagement with the Central Asian countries is important for a variety of reasons — security cooperation in the wake of the Taliban takeover of Afghanistan, countering China's influence, connectivity plans including the International North South Transit Corridor, energy needs (Kazakhstan has uranium reserves and Turkmenistan is part of the proposed Turkmenistan-Afghanistan-Pakistan-Iran gas pipeline), old cultural links and potential for trade.

India considers Central Asia its extended neighbourhood, and its outreach is aimed at security, political and economic benefits. Another sign of its outreach came in January 2022, when New Delhi invited Central Asian leaders for the Republic Day celebration.

China has also made major investments in the region with its Belt and Road initiative. India doesn't want the post-Soviet space to be captured by the Chinese, and the PM's engagement is a key mechanism in Delhi's toolkit.

The challenges

While the economic benefits for India are clear from the vast reserves of mineral resources it can tap, the lack of overland transport access to Central Asia — Pakistan blocks India's access — remains a major challenge.

This is one of the major reasons for India's engagement with Central Asia. It wants to integrate the International North-South Corridor with the Chabahar port in Iran to access this resource-rich region.

The Central Asian region is widely seen as the northern boundary of the Islamic world, and with the Taliban's ascent in the region, the threat of radicalism and possible regrouping of the Islamic State poses a serious security challenge for these countries as well.

But the complication of the Russia-Ukraine conflict may also cause some local churn in these Central Asian countries. Reports suggest that some Russians — who have the money and the skills, but cannot move to the West — are moving to these Central Asian countries for the time being. While the region may benefit from the inflow of talent and funding into their local economies, this may create some tension within the countries.

Civilisational, cultural links

There has been a deep cultural and civilisational connect between India and Uzbekistan for centuries. The only Buddhist monastery known in Central Asia is in Kara Tepa, Termez, Uzbekistan. This was an important centre in the Kushana era, when the Buddhist influence had spread further to Central Asia. There are close to 3,000 shared words in Hindi and Uzbek. There are similarities in cuisine, like *ghee-sariyok*, *samosa-samsa*, *naan-non* and *pulao-pilaf*.

India is also among the top 10 trading partners of Uzbekistan. The bilateral trade in 2025-26 stood close to $1 billion.

SCO leaders' summit

PM Modi will visit Bishkek, Kyrgyz Republic, to participate in the 26th meeting of the Shanghai Cooperation Organization Council of Heads of State (SCO CHS), scheduled on August 31 and September 1.

The SCO comprises 10 member states, including India, Belarus, China, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan and Uzbekistan, 15 Dialogue Partners (Azerbaijan, Armenia, Bahrain, Egypt, Cambodia, Qatar, Kuwait, Laos, the Maldives, Myanmar, Nepal, UAE, Saudi Arabia, Türkiye, and Sri Lanka), and two Observers (Mongolia and Afghanistan).

India has been a member of the SCO since 2017.

This year also marks the 3rd edition of the SCO+ format meeting. Apart from SCO Member states, Azerbaijan, Armenia, Vietnam, Laos, Mongolia, Togo, Turkey, Egypt, Turkmenistan, along with multi-nation bodies like the UN and the Collective Security Treaty Organization are expected to attend the SCO+ Meeting.