

Important Issues of the Day

India and EU Seal the Deal | Pg1

New UGC Reforms | Pg1

Energy Sector is at centre of India's Aspirations |
Pg7

Meghalaya's AI Story | Pg10

From Breakthroughs to Delivery | Pg11

US quits Paris Deal but has chosen to remain in
some climate bodies

India-EU FTA

• ECONOMICS

How shifting trade winds nudged India-EU talks across finish line

US tariff threats may have accelerated talks, but EU & India narrowed their differences by reevaluating their positions amid rapid geo-economic changes



RAVI DUTTA MISHRA

PRIME MINISTER Narendra Modi and the President of the European Commission, Ursula von der Leyen, Tuesday announced the formal completion of negotiations on the long-awaited free trade agreement (FTA) at the India-EU summit on Tuesday. Although the trade talks first began in 2007, the greatest progress was made in the past six months. From having closed barely seven of the 21 chapters by July last year, both sides managed to wrap up all the chapters last week. The fast-tracking negotiations coincided with the dramatic use of tariffs by the US, which has triggered anxiety among countries globally, forcing them to scout for newer markets.

While the EU continues to face threats of US tariff hikes on tech regulations and Greenland, Washington has imposed steep 50% tariffs on India since August last year. The US tariff threats may have accelerated the India-EU trade negotiations, but India and the EU managed to narrow differences by reevaluating negotiating positions amid rapid geo-economic shifts that have even left multilateral bodies such as the World Trade Organization (WTO) scrambling for relevance.

Washington's protectionism

In one of the clearest messages of the US moving away from the liberal trade order, US Secretary of Commerce Howard Lutnick, said at Davos that globalisation has "failed" the West and the US, asking that other countries should also follow policies like America First by tightening immigration and putting their workers first.

Uncertainty in US trade policy has affected both India and the EU as Washington remains the largest export market for

both New Delhi and Brussels. While the Indian labour-intensive sectors have been facing the 50% tariff, the EU-US relations remain volatile despite a trade deal. The US agreed to reduce tariffs for the EU to 15% last year under a deal that remains unpopular in Europe due to limited gains for Brussels and was largely seen as a tactical agreement rather than an economic agreement amid the war in Ukraine.

Earlier this month, US President Donald Trump threatened to dramatically raise tariffs up to 30% on the EU for opposing his plans to take over Greenland. The threats paused only after the EU threatened retaliation, leading to a fresh framework agreement on Greenland. Brussels and Washington are also clashing over tech regulations. The US in December barred five Europeans from entering the country over "censorship" of tech platforms.

Meanwhile, Indian exporters face the worry of the permanent loss of market in the US as American buyers are no longer placing orders. Competitors such as Vietnam and Bangladesh have begun benefiting. The US tariff has also hit investments in India and has resulted in a surge in foreign portfolio investment.

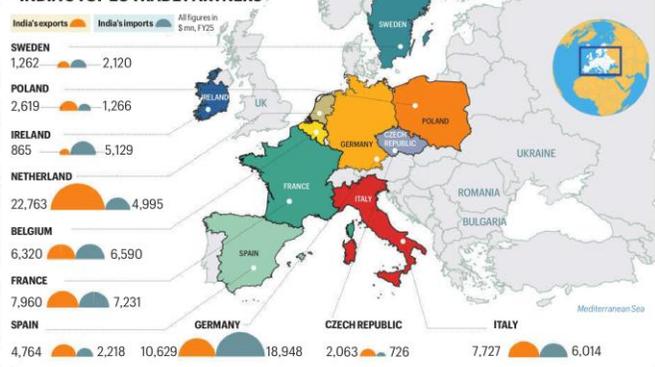
Both New Delhi and Brussels have started entering other agreements. Brussels concluded its trade deal with Mercosur, a South American trade bloc, earlier this month, and New Delhi has signed trade deals with the UK, New Zealand and Oman in an effort to diversify exports.

Chinese overcapacity

One of the prime reasons for India-EU to restart negotiations in 2022 was China's growing trade surplus. Much like other parts of the world, the EU and India import most of its industrial requirements from China. Beijing's tightening grip on the manufacturing supply chain reflects China's record \$2.7 trillion annual trade surplus despite friction with the US.

However, New Delhi as well as Brussels have been trying to restrict Chinese products in the strategic sectors. On weapons,

INDIA'S TOP EU TRADE PARTNERS



US-EU deal

The US agreed to reduce tariffs for the EU to 15% last year in a deal that is unpopular in Europe.

The deal was seen as a tactical arrangement amid the Ukraine war.

for instance, Brussels in 2024 imposed tariffs up to 35% on Chinese EVs. Similarly, India is opening its automobile sector for developed countries in free trade agreements and continues to impose over 100% duty on imported automobiles.

India and the EU are also under pressure from the US to reduce its dependence on Chinese products and be used as a transshipment hub. Targeting the EU, Lutnick said: "...why would Europe agree to be net zero in 2030 when they do not make a battery?" They are deciding to be subservient to China, which makes the batteries.

This month, Lutnick, in a podcast, had also targeted India's dependence on China and its inability to sign a trade deal with the US. "India makes generic pharmaceuticals. They're good. India is not able to do that."

been interested in. New Delhi's opening up of the automobile sector particularly made the case for an India-EU trade deal, as the negotiations between the two countries were abandoned in 2013 over India's stance on automobiles.

For the UK, the India deal was the largest agreement since Brexit. Particularly of interest to Germany and France, the UK report on the deal said that the UK's beverages and tobacco sector is estimated to increase exports to India by around £200 million, equivalent to a 180% rise, while UK motor vehicle exports are estimated to increase by £890 million, a 311 per cent increase. Notably, one of the primary reasons for Brexit was that the UK wanted more control over "immigration, trade, and regula-

tion".

India and EU seal the deal

FTA: 'Not just a trade agreement, a new blueprint for shared prosperity... sending a clear message to the world'

Shubhajt Roy & Ravi Dutta Mishra
New Delhi, January 27

SEALING WHAT they called "a new blueprint" and the "mother of all deals", India and the European Union announced Tuesday that they had reached a free trade agreement, "a milestone" in their strategic partnership to deepen economic ties and "drive shared prosperity".

The FTA, clinched after nearly two decades of negotiations between the two sides representing 2 billion people, comes at a time when both India and the EU have been hit by the Trump administration's steep tariffs, adding urgency to their search for markets elsewhere.

The pact, once it is vetted and ratified, will eliminate duties on 99.5% of Indian exports, including textiles and

gems, while reducing tariffs on 97% of EU goods, such as cars and wine, to 0% in many cases.

Firming up 13 outcomes at their summit meeting in New Delhi, India and the EU signed the conclusion of the FTA negotiations, a security and defence partnership, a mobility framework and a joint India-European Union Comprehensive Strategic Agenda 2026-2030.

Prime Minister Narendra Modi, speaking alongside European Council President Antonio Luis Santos da Costa and European Commission President Ursula von der Leyen, said, "Today is another historic occasion, when the world's two largest democratic powers are adding a decisive chapter to their relations. Today, India has concluded the largest Free Trade Agreement in its history so far."



Prime Minister Narendra Modi with European Council President Antonio Costa (left) and European Commission President Ursula von der Leyen during their meeting at Hyderabad House, in New Delhi, on Tuesday. P11

• CONTINUED ON PAGE 2

Context and "Nudge" Factors

- India and the European Union (EU) have concluded their long-awaited **Free Trade Agreement (FTA)**. This "Mother of All Deals" marks the end of negotiations that first began in **2007**.
- **The Nudge factors:**
 - **US Protectionism**
 - **Chinese Overcapacity:**
 - **Ukraine War:**

Key Facts for Prelims

- **Top EU Partners for India:**

- **Germany:** Largest trade partner (\$10.6B exports / \$18.9B imports).
- **Netherlands:** High exports (\$22.7B), acting as a gateway to Europe.
- **Belgium & France:** Significant trade hubs.
- **Spain:** Emerged as a high-growth market for Indian exports.

- Talks started in 2007, were paused in 2013, resumed in 2022, and were concluded in **January 2026.**
- The EU is India's **largest trading partner in goods** (\$136 billion in FY25).
- Together, they represent **25% of global GDP** and **one-third of global trade.**

Top EU Partners

COUNTRY	INDIA'S EXPORTS (\$ MN)	INDIA'S IMPORTS (\$ MN)	KEY SIGNIFICANCE
Germany	10,629	18,948	Largest EU partner; key for tech & machinery.
Netherlands	22,763	4,995	Major export hub (re-export destination).
France	7,960	7,231	Strategic & Defense partner.
Spain	4,764	2,218	Fastest growing export destination in EU.

Major Pillars of the Agreement

Zero-Duty Access:

- The EU will drop tariffs on **99.5%** of Indian exports. This is a massive win for labor-intensive sectors like **textiles, leather, footwear, and gems/jewelry.**

Indian Concessions:

- India will reduce duties on **97.5%** of traded value.

Sensitive Sectors:

- **Automobiles:** India will slash car tariffs from 110% to **10%**, but only for a fixed quota (250,000 units) to protect the domestic EV ecosystem.
- **Wines & Spirits:** Tariffs will drop from **150% to roughly 20–40%** over 10 years.
- **Agriculture:** India has **excluded** sensitive items like dairy and rice to protect small farmers.

Services and Mobility

Mode 4 Access:

- Easier movement for Indian professionals (IT, engineers, healthcare) to work in the EU.

Sectors:

- India gains access to 144 EU sub-sectors; the EU gains access to 102 Indian sub-sectors (notably financial and maritime services).

Sustainability and Standards

TSD Chapter:

- A dedicated **Trade and Sustainable Development** chapter focuses on climate goals (Paris Agreement), labor rights, and women's empowerment.

CBAM (Carbon Tax):

- While the EU's Carbon Border Adjustment Mechanism remains a challenge, the FTA creates a **platform for dialogue** to help Indian MSMEs transition to "green" exports.

Technical Dialogue & Verification Mechanism

- **Mutual Recognition of Verifiers**
- **Data Standardization:**
 - A platform to align India's "Carbon Credit Trading Scheme" (CCTS) with the EU's "Emissions Trading System" (ETS)
- **Financial Assistance Platform** (€500 Million Fund)
- MFN Clause

Comparison: India-UK Deal

India also signed a trade deal with the **UK** (post-Brexit).

The UK deal was a catalyst for the EU talks.

It includes a **Double Contribution Convention** (Social Security Agreement) to ensure professionals don't pay social security taxes in both countries.

Q1. With reference to the recently concluded India-European Union Free Trade Agreement (FTA), consider the following statements:

1. The European Union has agreed to provide immediate duty-free access to 100% of Indian tariff lines, including sensitive agricultural products like dairy.
2. Under the agreement, India will slash its high import duties on automobiles to zero for all European manufacturers to promote the "Green EV" transition.
3. The agreement includes a "Forward-looking Most-Favored Nation (MFN)" assurance, ensuring India receives any future trade flexibilities the EU might grant to other partners.
4. The Carbon Border Adjustment Mechanism (CBAM) has been officially scrapped for Indian MSMEs under the Trade and Technology Council (TTC) framework to ensure a level playing field.

How many of the statements given above is correct?

New UGC Regulations

• EDUCATION

New UGC regulations sharpen provisions against caste bias

Abhinaya Harigovind
& Shyamal Yadav

New Delhi, January 27

TWO WEEKS ago, the University Grants Commission (UGC), the regulatory body for higher education in the country, notified regulations to deal with discrimination, including on the basis of caste, in higher education institutions.

This was based on a Supreme Court intervention after a petition filed by the mothers of Rohith Vemula and Payal Tadv, who died by suicide over alleged caste-based discrimination in 2019 and 2016, respectively.

These regulations — a fresh version of the “equity” regulations the UGC first issued in 2012 — are now in the eye of a storm, with a section of people claiming that these can lead to “harassment” of general category students. BJP office bearers in Uttar Pradesh and the Bareilly City Magistrate have resigned in protest over them. Here’s what the regulations say, and what the controversy around them is.

What are the new UGC regulations?

The UGC notified the University Grants Commission (Promotion of Equity in Higher Education Institutions) Regulations, 2026 on January 13. The stated purpose was to “eradicate discrimination only on the basis of religion, race, gender, place of birth, caste, or disability, particularly against the members of scheduled castes and scheduled tribes, socially and educa-

tionally backward classes, economically weaker sections, persons with disabilities, or any of them, and to promote full equity and inclusion amongst the stakeholders in higher education institutions”.

These regulations replace the similarly named UGC (Promotion of Equity in Higher Educational Institutions) Regulations from 2012. The new regulations, which will apply to all higher education institutions, lay down a structure and method for discrimination-related complaints to be made and addressed.

How will these regulations be implemented?

To implement the objective of these regulations, every higher education institution is mandated to have an Equal Opportunity Centre, an Equity Committee and Equity Squads. Let’s look at these one by one:

Equal Opportunity Centre: The Equal Opportunity Centre (EOC) will oversee the implementation of policies related to disadvantaged groups, coordinate with the district administration and police, and help provide legal aid when necessary.

These EOCs will have five faculty members from the institution. There is no reservation for any category for these five members. The regulations state that if a college does not have at least five faculty members to establish an EOC, its functions shall be performed by the EOC of the university itself to which the college is affiliated.

Equity Committee: The EOC will have

Draft vs final regulations

• The draft UGC regulations did not have OBCs in equity committees and in the definition of caste discrimination.

• The final regulations include them in both.

• The final regulations have also done away with a section on ‘false complaints’, which had been included in the draft.

• The draft had provided for a fine or disciplinary proceedings in case of ‘false complaints of discrimination’.

a ten-member Equity Committee chaired by the head of the institution. Five of its members must be from reserved categories — Other Backward Classes, Persons with Disabilities, Scheduled Castes, Scheduled Tribes and women. It is to meet within 24 hours to address complaints, and submit its report to the head of the institutions in 15 days. In turn, the head of the institution is to initiate action within seven days.

Equity Squads: These are to be constituted to “maintain vigil and prevent discrimination on campus”. They are to “remain mobile and visit vulnerable spots frequently.” Institutions will also have a 24-hour ‘Equity Helpline’ to report incidents of discrimination. They must appoint Equity Ambassadors who will work as “torch bearers” of equity.

How are these regulations different from the 2012 regulations?

The 2012 regulations were mostly advisory in nature. They stated that “the punishment shall be commensurate with the nature of the discrimination or harassment”.

They did not provide for action to be taken against an institution that does not comply with the regulations. The new regulations, however, provide for a system for the UGC to monitor their implementation via a national-level monitoring committee. Institutions that don’t comply with the regulations can face action — the UGC can debar them from participating in the commission’s schemes, from offering degree programmes and online programmes, or

remove the institution from the list of those that are eligible to receive central grants.

The previous regulations did provide for the creation of Equal Opportunity Cells at institutions, but did not specify their composition and the procedure to be followed in case of an incident of discrimination.

The new regulations have more detailed provisions for making complaints and the procedures of their disposal, as detailed above. The 2012 version also did not specify OBCs anywhere in the regulations, and only stated that “no higher educational institution shall discriminate (against) a student belonging to the Scheduled Castes and the Scheduled Tribes categories”.

What is the controversy over these regulations?

A section of students, and now BJP office-bearers in Lucknow, have been calling for the withdrawal of the regulations. They have alleged that the regulations can lead to the “harassment” of students in the general category, and can create divisions on the basis of caste. An aspect of the regulations that they are protesting is that there is no provision for penalties in the case of “false complaints of discrimination”, and that institutions can be subjected to action for not complying with the regulations.

Under the #UGCRollBack hashtag on X, accounts have been alleging that the regulations are “unfair” to students in the general category, and that it creates caste-based divisions for political gain among the OBC community.

Context

- The UGC notified the **Promotion of Equity in Higher Education Institutions Regulations, 2026** on January 13.

Background:

- The move follows **Supreme Court intervention** after the suicides of students **Rohith Vemula** and **Payal Tadvi**, who allegedly faced caste-based harassment.

Primary Goal:

- To eradicate discrimination based on **religion, race, gender, caste, or disability**.

Target Groups:

- Focuses on Scheduled Castes (**SC**), Scheduled Tribes (**ST**), Other Backward Classes (**OBC**), and **economically weaker sections**.

New Institutional Framework

A. Equal Opportunity Centre (EOC)

- To **oversee the implementation** of anti-discrimination policies and provide **legal aid to students in need**.
- It consists of **five faculty members**.
- If a small college cannot find five members, the **EOC of its parent university will take over**.

B. Equity Committee

- To **review and resolve specific complaints** of discrimination.
- A **10-member committee chaired** by the **head** of the institution.
- At least **five members** must come from **reserved categories** (SC, ST, OBC, or Persons with Disabilities) and women.
- It must meet **within 24 hours** of a complaint and submit a **report within 15 days**.

C. Equity Squads

- To act as a **"vigilance" group**.
- These squads will visit **"vulnerable spots"** on campus to **prevent discrimination before it happens**.
- They will manage a **24-hour 'Equity Helpline'** and appoint 'Equity Ambassadors' among students.

How it Differs from the 2012 Regulations

Feature	2012 Regulations	2026 Regulations
Inclusion of OBCs	OBCs were not specifically mentioned in many provisions.	OBCs are now explicitly included in equity committees.
Enforcement	Mostly advisory ; no clear punishment for institutions.	Institutions can be debarred from grants or losing recognition for non-compliance.
Monitoring	No centralized tracking.	A national-level committee will monitor implementation.
'False Complaints'	Contained provisions to punish students for false complaints.	Provisions for punishing 'false complaints' have been removed to encourage reporting.

Key Controversies and Concerns

Alleged Bias:

Critics and some political groups argue the rules might lead to the **"harassment"** of **students from the General Category.**

Lack of Safeguards:

Protesters are concerned that because there is **no penalty for "false complaints,"** the law could be **misused.**

Political Friction:

There are claims that the **inclusion of OBCs** specifically is aimed at **political gain** rather than **just educational equity.**

चाहे तिल लो या ताड़ लो राजा,
राई लो या पहाड़ लो राजा,
मैं 'अभाग' सवर्ण हूँ मेरा,
रौंया-रौंया उखाड़ लो राजा..

Q2. With reference to the University Grants Commission (Promotion of Equity in Higher Education Institutions) Regulations, 2026, consider the following statements:

1. The regulations apply exclusively to public sector higher education institutions to ensure social justice.
2. The Equal Opportunity Centre (EOC) must consist of at least five faculty members, all of whom must belong to reserved categories.
3. The Equity Committee is mandated to meet within 24 hours of receiving a complaint to ensure swift resolution.
4. Educational institutions are authorized to penalize students for filing 'false complaints' to prevent misuse of the law.

How many of the above statements are correct?

- A. All four
- B. Only two
- C. Only one
- D. Only three

Energy Sector is at Centre of India's Aspirations

- Recently, Prime Minister Narendra Modi addressed the Nation at **India Energy Week 2026** in Goa.
- It highlights India's growing role as a global energy hub and its shift from "**energy security**" to "**energy independence.**"

Energy sector is at centre of India's aspirations: PM

Sukalp Sharma
Betul (Goa), January 27

CALLING ON global investors to invest in India's energy sector, Prime Minister Narendra Modi said Tuesday that sector is at the centre of India's aspirations and presents a \$500-billion investment opportunity.

Addressing the India Energy Week in Goa virtually, the Prime Minister counted oil and gas exploration, refining, liquefied natural gas (LNG) value chain, and petrochemicals as sectors with massive growth and investment opportunities in India.

He said the government is riding the "reforms express" and has been undertaking measures to liberalise India's hydrocarbons sector and create a transparent and investor-friendly environment in an effort to move beyond energy security to "energy independence". The country is building an energy sector ecosystem that can fulfill its own demand, and make energy exports competitive through affordable refining and transportation solutions, he said.

"India is the fastest-growing major economy, which means the demand for energy products is constantly increasing here. Additionally, India provides excellent opportunities to meet global demand. Today, India is one of the top five exporters of petroleum products in the world. Our export coverage extends to over 150 countries, and this capability of India will be very useful to you," Modi said, addressing del-



PM Narendra Modi virtually addresses a gathering at the India Energy Week 2026 on Tuesday. PTI

egates at India's premier annual energy event.

He said that India is on its path to become the world's top oil refiner, with efforts underway to increase the country's refining capacity to over 300 million tonnes per annum (mtpa) from the current around 260 mtpa, which is an opportunity for investors.

India is one of the few major economies where petroleum demand is still on the rise. It is also a net exporter of petroleum products, and some global majors have shown an interest in investing in the country's refining and petrochemicals sectors.

"India has such a large population and our economy is continuously growing. In such a scenario, the demand for petrochemical products in India is also going to rise constantly. Therefore, we need a very large energy infrastructure, and your investment in this will give you a lot of growth. Besides all this, there are many opportunities for you to invest in downstream activities in

'India decisive driver of global energy demand'

Betul: The rise of emerging markets, growth of AI and expansion of digital infrastructure, and transformation of energy systems to include various sources of energy — these are the three megatrends that are defining the story of energy in the present times, and India sits at the heart of these megatrends, UAE's Minister of Industry and Advanced Technology Sultan Ahmed Al Jaber said on Tuesday. Speaking at the India Energy Week here, Al Jaber, who is also the MD and Group CEO of the Abu Dhabi National Oil Company, said India is now a "decisive driver" of global energy demand, which is expected to jump significantly over the coming years and would require substantial investment in all forms of energy, instead of relying predominantly on any single source. ENS

India," Modi said.

India has an oil import dependency level of over 88%, and has been looking to increase domestic oil and gas production by intensifying exploration efforts.

Inviting global investors to invest in hydrocarbon exploration in India, Modi said that the government has carried out numerous reforms to make the sector investor friendly.

The Core Vision: Energy Independence

Investment Potential:

- India presents a **\$500-billion investment opportunity** in the energy sector.

The "Reforms Express":

- The government is actively liberalizing the hydrocarbons (oil and gas) sector to make it **transparent and investor-friendly**.

Domestic Production:

- There is a strong focus on **intensifying domestic oil and gas exploration** to reduce **high import dependency**, which currently stands at **over 88%**.

India's Global Standing in Petroleum

- India is **carving out a unique position in the global market** as both a major **consumer** and a **key supplier** of processed products.

Top Exporter:

- India is now one of the **top five exporters of petroleum products** in the world, reaching over **150 countries**.

Refining Powerhouse:

- India aims to increase its **oil refining capacity** from **260 million tonnes per annum (mtpa)** to **over 300 mtpa**.

Rising Demand:

- While **demand for petroleum is falling** in many developed nations, it is **still rising** in India due to a growing **population and expanding economy**.

Key Megatrends Shaping the Sector

- According to global experts (such as the UAE's Minister of Industry), **three major trends are defining the energy landscape where India plays a leading role:**

Rise of Emerging Markets:

- Growth is shifting toward developing nations.

Growth of AI and Digital Infrastructure:

- New technologies are increasing the need for stable power.

Energy Transformation:

- Moving toward a system that includes various energy sources rather than relying on just one.

Q3. Regarding India's petroleum refining sector, which of the following statements is correct according to the recent government projections?

- A. India is currently on a path to increase its refining capacity to over 300 million tonnes per annum.
- B. India has reached its peak refining capacity and is now focusing solely on petrochemical diversification.
- C. The government aims to expand refining capacity to specifically meet the domestic demand of 150 countries.
- D. India's current refining capacity has already crossed 300 million tonnes per annum (mtpa).

Q4. Consider the following statements about India's energy import dependency. Which one is accurate?

- a) India's oil import dependency level currently stands at over 88%.
- b) India has successfully reduced its oil import dependency to below 50% through the 'reforms express'.
- c) Due to being a top exporter of petroleum products, India no longer depends on crude oil imports.
- d) India's energy independence initiative has already eliminated the need for global investment in hydrocarbons.

Meghalaya's AI Story

- Written by the Chief Minister of Meghalaya, Conrad K. Sangma, outlines how a **small Himalayan state** is becoming a **leader in Artificial Intelligence (AI)** and serves as a **model for inclusive technological growth in India.**



CONRAD
K SANGMA

Leveraging data-driven governance systems, Meghalaya has reduced its maternal mortality rate by nearly 50 per cent, a metric that showcases AI's capacity to save lives when deployed thoughtfully in public health systems

Meghalaya's AI story is a template for inclusive tech

MEGHALAYA'S EMERGENCE as one of the hubs of AI development represents a significant milestone in India's technological transformation. By leveraging abundant clean energy, dedicated data centres and proactive state policies, Meghalaya is fast attracting AI research, start-ups and digital skilling initiatives. This not only diversifies India's tech map beyond traditional metros but also showcases how smaller states can drive inclusive, innovation-led growth.

The Regional AI Impact Conference, held in December 2025, brought together over a thousand participants in Shillong. It signalled how state-level innovation, when aligned with central government support, can create a replicable model for inclusive AI development across the nation.

Leveraging data-driven governance systems, Meghalaya has reduced its maternal mortality rate by nearly 50 per cent, a metric that showcases AI's capacity to save lives when deployed thoughtfully in public health systems. The state is implementing an Internet of Things sensor network across 70,000 water springs to gather real-time data for improved water resource management and conservation planning.

The state government has articulated a bold vision to position Meghalaya as the IT skill capital of eastern India through initiatives including the expansion of the Shillong Tech Park, upcoming data and AI labs, and an AI centre of excellence. The state is also exploring robotics and AI applications in agriculture, drawing on cutting-edge farming models observed in Japan, while simultaneously integrating local languages into AI-powered applications.

Meghalaya's commitment attracted immediate central government support, reflecting how regional excellence can shape national resource allocation. During the December conference, Union Minister for Electronics and Information Technology Ashwini Vaishnaw announced that Meghalaya would receive three additional data and AI labs. This expansion is part of a much larger national initiative. The goal is to train approximately 1 million people in AI skills. At

its core, the IndiaAI Mission provides the strategic foundation for India's AI ecosystem, structured around seven integrated pillars that democratise access and foster technological sovereignty: IndiaAI Compute, which offers subsidised access to 38,000 GPUs; the IndiaAI Datasets Platform, hosting over 3,800 datasets for developers; IndiaAI FutureSkills, powering large-scale AI education programmes; the IndiaAI Innovation Centre, building indigenous foundational models; IndiaAI Startup Financing, supporting deep-tech ventures; and IndiaAI Applications Development, funding about 30 AI solutions in healthcare and agriculture.

The central government is implementing AI-focused initiatives across the Northeast. The Union Minister for Skill Development emphasised that embedded apprenticeship programmes are being rolled out through universities. The National Apprenticeship Promotion Scheme has been reformed to double stipend support for apprentices from the Northeast, addressing a critical issue: Historically, talented youth from the region had to migrate to major urban centres for quality employment.

Modules for AI readiness have been developed for students in classes VI through XII, with rollout expected soon. Additionally, the government is preparing online assessments, courses, and certification programmes to make AI education accessible to young people throughout the Northeast.

The conference in Meghalaya served as a key preparatory platform for the India AI Impact Summit scheduled between February 16 and 20 in New Delhi. The summit aims to establish India as a global leader in responsible, people-centric AI, with a strong focus on applications across healthcare, agriculture, education, and climate sectors.

As India prepares for the AI Impact Summit and the larger vision of democratising AI across the nation, the Meghalaya model offers a template: Ground-up innovation, supported by national-level resources and vision, can transform technology development from a centralised privilege into a decentralised opportunity.

The writer is Chief Minister, Meghalaya

Meghalaya's Success: A Model for "Inclusive Tech"

- Meghalaya is **shifting the tech narrative** away from **big metropolitan cities** like Bengaluru or Hyderabad.
- The state is **leveraging its unique strengths** to become a hub for AI.

Key Drivers:

- **Abundant clean energy** (hydropower), dedicated **data centers**, and **proactive government policies**.

Goal:

- To become the "**IT Skill Capital**" of Eastern India.

Infrastructure:

- Expanding the **Shillong Tech Park** and **establishing new AI and robotics labs**.

Real-World Applications of AI in Governance

- The article highlights **how AI and data** are being used to solve **ground-level problems**:

Healthcare:

- By using data-driven systems, the state reduced its **Maternal Mortality Rate (MMR)** by **nearly 50%**.

Environment:

- Implementing an **Internet of Things (IoT)** sensor network across **70,000 water springs** to **manage water resources in real-time**.

Agriculture:

- Exploring **Japanese farming models** and integrating **local languages** into **AI apps** to help farmers.

The "IndiaAI Mission" & Central Support

- The Union Government is supporting these state-level efforts through the national **IndiaAI Mission**.
- This mission is built on **seven pillars** to **democratize technology**:

Compute Power:

- Providing **subsidized access** to thousands of **GPUs** (specialized chips for AI).

Data Sets:

- A platform **hosting over 3,800 datasets** for developers to use.

Financing:

- Funding for **startups and deep-tech** ventures.

Sector Focus:

- Specific funding for AI solutions in **Healthcare and Agriculture**.

IndiaAI Compute Capacity:

- Building a scalable AI computing ecosystem with over 10,000 GPUs via public-private partnerships (PPP).

IndiaAI Innovation Centre:

- Developing indigenous Large Multimodal Models (LMMs) and domain-specific foundational models.

IndiaAI Datasets Platform:

- Creating a unified data platform (AIKosh) for accessing non-personal, high-quality datasets.

IndiaAI Application Development Initiative:

- Promoting AI solutions in critical sectors like healthcare, agriculture, and governance.

IndiaAI Startup Financing:

- Supporting deep-tech AI startups with funding and mentorship.

IndiaAI FutureSkills:

- Expanding AI education, establishing AI labs in Tier 2/3 cities, and building a skilled workforce.

Safe & Trusted AI:

- Implementing responsible AI frameworks, including tools for bias mitigation and deepfake detection

Education and Skill Development

- To **prevent "brain drain"** (talented youth leaving the region), the government is **focusing on local skill building**:
- **School Curriculum:** AI readiness modules are being introduced for students from **Class VI to XII**.
- **Apprenticeships:** Reforming the National Apprenticeship Promotion Scheme to **double the stipend** for youth in the Northeast.
- **Mass Training:** A national goal to train approximately **1 million people** in AI skills.

Q5. With reference to the "IndiaAI Mission" mentioned in the article, consider the following pillars:

1. IndiaAI Compute
2. IndiaAI Datasets Platform
3. IndiaAI Startup Financing
4. IndiaAI Application Development

Which of the pillars mentioned above are explicitly aimed at democratizing AI access and fostering technological sovereignty in India?

Mains

"Meghalaya's emergence as a hub for AI development represents a significant milestone in India's technological transformation, shifting the narrative away from traditional metropolitan hubs."

In light of this statement, discuss how decentralized technological innovation at the state level can contribute to inclusive national growth. Use examples from the Meghalaya model to support your answer. (150 words, 10 Marks)

For Delhi and Brussels, challenge is to move from breakthroughs to delivery



RAJA MANDALA

BY C RAJA MOHAN

THE ARRIVAL of the European Union's top leadership in Delhi over the Republic Day weekend brought not just brilliant winter sunshine to the capital but a burst of strategic clarity. Ursula von der Leyen and António Costa, presidents of the European Commission and the European Council respectively, also unveiled the long-overdue consolidation of the bilateral strategic partnership and vindicated Delhi's newfound zeal for trade liberalisation.

The translation of prolonged rhetoric into concrete outcomes marks a genuine transformation in the geopolitics of India and Europe. Binding India to Europe — whose economy is now on par with China's and second only to the US — represents the most consequential trade arrangement Delhi has yet negotiated. It reinforces India's growing recognition that trade is a



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cal imagination. Delhi habitually viewed the continent through the prism of Russia's rivalry with the West. Europe, for its part, interpreted Asia through a narrow frame: An India encumbered by protectionism and a China open for business. By the time Modi took office in 2014, ties with Europe had sunk to a low. The strategic partnership announced in 2004 had stalled. Free trade negotiations were suspended in 2013. Annual summits were put on hold. Bilateral relations with key European states, includ-

(IMEC) widened the horizon. Security co-operation expanded in the western Indian Ocean. Defence industrial collaboration picked up pace. Advanced technologies — from green hydrogen to semiconductors — moved to the centre of the agenda. Even on contentious issues such as climate change, human rights, and Russia's war in Ukraine, Delhi and Europe found pragmatic common ground to advance bilateral ties.

This week's breakthroughs are the cumulative results from that diplomatic in-

With Europe, India must generate both the ideas and momentum. Delhi also needs creative institutional engagement and an expanded presence across Europe's multi-lingual and multinational geography. Yet, the moment could not be more auspicious. India and Europe share similar priorities: Internal economic and institutional reform, strengthening defence capabilities, narrowing the technology gap with the US and China, and diversification of strategic ties.

On trade, the journey has been especially striking. The BJP government began as a sceptic of free trade and dramatically walked out of the RCEP in 2019, reinforcing India's image as a reluctant liberaliser. What followed was a significant strategic reorientation: The recognition that India gains more by negotiating with complementary economies in the West rather than competing with manufacturing hubs in East Asia.

Since exiting RCEP, India has stitched together a chain of free trade agreements — with Australia, the UAE, the European Free Trade Association, the United Kingdom, Oman, and New Zealand. The FTA with Europe will be the capstone of this new strategy.

Success with Europe must now spur Delhi to accelerate the upgradation of the Australia agreement, revive prospects with Canada, and nudge Washington toward a more stable trade compact. India should

Context: A New Chapter in India-EU Relations

- For a long time, India and Europe viewed each other through **narrow lenses**.
- India saw Europe through the **prism of Russia's rivalry with the West**, while **Europe saw India as a protectionist economy**.
- **The Turning Point:**
 - Recent visits by EU leadership to India signify a "strategic clarity."
- **The Goal:**
 - Moving **beyond diplomatic talk** (rhetoric) to actual results (delivery).
- **Key Driver:**
 - Both sides want to "**de-risk**" by **reducing dependence** on an assertive China and a **politically unpredictable United States**.

The Evolution of the Relationship

The Low Point (Pre-2014):

- By 2013, **free trade negotiations were suspended**, and annual summits had **stopped**. Ties with major European nations like **Italy** were **deeply strained**.

The Repair Phase:

- Since **2014**, the Indian government has **worked to rebuild trust**. This involved moving away from **treating Europe as just a "fly-over continent"** on the way to the **US**.

Broadening the Reach:

- India is now engaging not just with Brussels (the EU headquarters) but also with **sub-regions like the Nordics, Baltics, and Central Europe**.

Major Pillars of Cooperation

Economic Strategy:

- India has moved from being a **"reluctant liberalizer"** to **actively signing trade deals** (e.g., with the UAE and Australia). A Free Trade Agreement (FTA) with the **EU** is now **seen as a top priority**.

Connectivity:

- Projects like the **India-Middle East-Europe Economic Corridor (IMEC)** aim to link the regions physically and economically.

Technology & Defence:

- Cooperation has expanded into **high-tech areas like green hydrogen, semiconductors, and industrial defense production**.

Maritime Security:

- There is increased collaboration in the Western Indian Ocean.

Significance for India's National Strategy

Economic Ambition:

- India views trade as a **vital tool to become a developed nation by 2047.**

Strategic Autonomy:

- By strengthening ties with Europe, India **gains more "agency" or power to shape the global order** rather than just following the lead of superpowers.

Complementary Economies:

- India realizes it **gains more by negotiating with the West** (which has technology and capital) than by **competing with manufacturing giants in East Asia.**

Challenges and The Way Forward

- While the breakthroughs are impressive, the transition from "negotiation" to "implementation" is difficult.
- **Bureaucratic Hurdles:** Trade liberalization requires massive coordination across different government departments.
- **Sustained Engagement:** Unlike the 2005 nuclear deal with the US, India must ensure it fully capitalizes on the opportunities Europe offers without losing momentum.
- **Global Role:** This is a moment for India and Europe to work together to stabilize the emerging international order.

Mains

- The India-EU relationship has transitioned from a period of 'prolonged rhetoric' to one of 'strategic clarity' and concrete outcomes. Examine the drivers behind this shift and discuss the challenges in moving from diplomatic breakthroughs to actual delivery. (15 marks / 250 words)