

ECONOMIQUITY

News Wrap – #2/February 2026



Trade in a Fragmenting World: India's Strategic Balancing Act

Global trade dynamics in early 2026 underline how geopolitics, strategic resources, and supply-chain security are increasingly shaping economic policy. Africa's vast mineral wealth, estimated at nearly \$30 trillion, is gaining renewed strategic importance as major economies compete to secure critical inputs for energy transition and high-tech industries. At the same time, new forms of bilateral trade arrangements, including deals that link tariff reductions to investment commitments, show how large economies are using trade policy to strengthen domestic industry and infrastructure.

These developments coincide with renewed debate over the future of the World Trade Organization (WTO) ahead of its 14th Ministerial Conference. Calls for reform reflect concerns that the multilateral system has struggled to keep pace with evolving trade realities. Disagreements over initiatives such as the Investment Facilitation for Development Agreement highlight deeper divisions among members. Supporters see plurilateral agreements as pragmatic tools to advance negotiations where consensus is difficult, while countries such as India remain cautious, arguing that such approaches may weaken the consensus-based structure that protects developing-country interests.

Parallel to these debates, new regional and sectoral initiatives are reshaping trade architecture. Projects such as Peru's Chancay Port are aligning with evolving Asia–South America trade patterns, while discussions on critical minerals in Australia highlight tensions between raw-material exports and domestic processing ambitions. Financial institutions are also responding to structural gaps in global trade, including efforts to address Africa's estimated \$100 billion trade finance shortfall and support firms' access to international markets under frameworks like the African Continental Free Trade Area.

For India, these shifts carry significant implications. The country is actively expanding its network of trade agreements while simultaneously reviewing existing partnerships to improve market access and supply-chain resilience. Negotiations with partners across regions from the Gulf Cooperation Council to Latin American economies reflect an effort to diversify trade ties and strengthen economic engagement in a more uncertain global environment. At the same time, India must adapt to the increasing importance of regulatory standards in global trade. Measures such as the European Union's carbon-border regulations and stricter sustainability requirements are likely to influence market access as much as tariffs in the coming years.

Trade policy today, therefore, is no longer defined solely by tariff reductions or liberalisation. It has become a strategic instrument shaped by geopolitical competition, regulatory standards and supply-chain security. For India, navigating this evolving landscape will require balancing development priorities with the need to remain competitive in an increasingly fragmented global trading system.

International Trade

1.	<p><i>Global trade tensions raise strategic value of African minerals, report says</i></p> <p>Down To Earth</p> <p>February 14, 2026</p>	<p>As geopolitical tensions reshape global trade, Africa’s vast mineral wealth estimated at \$29.5 trillion is gaining strategic importance. A new Africa Finance Corporation report argues Africa must move beyond raw exports toward infrastructure-backed, regionally integrated processing. By targeting chokepoints in concentrated supply chains, investing in power and transport, and leveraging assets like gold reserves, Africa can capture greater long-term value.</p>
2.	<p><i>US and Bangladesh Trade Deal: Growing Challenges for Pakistan</i></p> <p>Prime</p> <p>February 17, 2026</p>	<p>The US-Bangladesh trade deal grants broad duty-free access but ties Bangladeshi garment preferences to the use of US cotton, creating incentives for trade diversion. This could hurt Pakistan’s cotton exports and intensify competition in US markets. The agreement reflects power-driven bilateralism, highlighting Pakistan’s need for export diversification and structural upgrading.</p>
3.	<p><i>Side effects of US trade deals are appearing: How Trump is collecting heavy price of tariff cuts</i></p> <p>Zee Media Bureau</p> <p>February 20, 2026</p>	<p>Under Donald Trump, tariff cuts tied to foreign investment commitments are channelling billions into US energy and manufacturing. This approach strengthens domestic infrastructure, boosts power capacity, secures critical supply chains, reduces reliance on China, and supports long-term industrial growth- though it may increase policy rigidity in trade negotiations.</p>
4.	<p><i>EU set to push for WTO reform at Cameroon summit in March</i></p> <p>EU Observer</p> <p>February 20, 2026</p>	<p>EU trade ministers plan to push for reform of the WTO’s Most Favoured Nation (MFN) principle at the March summit in Cameroon, reflecting concerns shared with the United States. The EU also discussed tensions with China, progress on bilateral trade deals, and provisional application of the Mercosur agreement despite opposition from European farmers.</p>
5.	<p><i>How Middle Powers Are Responding to Trump’s Tariff Shifts</i></p> <p>Carnegie</p> <p>February 24, 2026</p>	<p>Following a Supreme Court ruling limiting tariff powers, Donald Trump signalled continued use of tariffs as a negotiating tool, proposing a 10% global tariff via alternative legal authorities like Section 301. In response, middle powers are exploring closer alignment between the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union to strengthen supply chains, diversify trade, and sustain rules-based trade amid U.S. uncertainty.</p>

Regional Trade

1.	<p><i>India-Israel FTA to unlock untapped trade potential,' says PM Modi at Knesset</i></p> <p>Business Standard</p> <p>February 26, 2026</p>	<p>Prime Minister Narendra Modi visited Israel and addressed the Knesset, highlighting stronger ties and progress toward an India–Israel FTA. He also discussed cooperation under the India-Middle East-Europe Economic Corridor and the I2U2 Group, while opposition parties in India criticised the visit over the Gaza conflict and Palestine issue.</p>
2.	<p><i>Peru bets on Chancay to reshape Pacific trade</i></p> <p>East Asia Forum</p> <p>February 28, 2026</p>	<p>Chancay Port is often framed as a geopolitical extension of China’s Belt and Road Initiative, but its early performance suggests a more commercial logic. The port has gained traction by aligning with changing Asia–South America trade patterns, particularly containerised and time-sensitive exports from the Pacific coast. Yet its planned expansion and associated rail ambitions raise questions about whether future growth will be driven by market fundamentals or strategic scale.</p>
3.	<p><i>Australian critical mineral geopolitics and domestic interests</i></p> <p>East Asia Forum</p> <p>February 27, 2026</p>	<p>Australia’s critical minerals industry is caught between supplying China with raw materials and waiting for Western allies to build their manufacturing capacity. The influence of mining magnates, corporations and associations means government strategies primarily benefit upstream mining firms while downstream processing, workforce development, environmental protection and First Nations’ rights remain neglected. Long-term industrial planning, international partnerships and sustainability will require a political coalition to challenge the short-term interests of the mining elite.</p>
4.	<p><i>UBA Unveils Strategy to Bridge Africa’s \$100bn Trade Finance Gap</i></p> <p>This Day</p> <p>February 24, 2026</p>	<p>United Bank for Africa (UBA) outlined plans to help bridge Africa’s \$100 billion trade finance gap by leveraging UBA’s pan-African network and London banking platform to boost liquidity, strengthen correspondent banking, and support SMEs. The strategy also aims to capitalize on opportunities from the African Continental Free Trade Area.</p>

National Trade

<p>1. <i>Indo-US trade deal is not a surrender</i></p> <p>Financial Express</p> <p>February 16, 2026</p>	<p>The Indo-US trade deal reflects mutual compromise: India agreed to increase imports from the US in return for significant tariff reductions on its exports. Agricultural fears appear overstated, as market openings are limited and safeguarded. With quotas and existing GM restrictions, farmers face minimal risk, though greater investment in agri-R&D remains essential.</p>
<p>2. <i>India-EU trade deal: Can we overcome Europe's carbon barrier and adapt to its regulatory maze?</i></p> <p>Livemint</p> <p>February 16, 2026</p>	<p>The India-EU FTA marks a strategic breakthrough, but tariffs are not the main hurdle. The real challenge lies in the EU's complex regulatory regime, ranging from sustainability directives and data protection rules to stringent residue norms and traceability requirements, which could raise compliance costs for Indian exporters. The EU's Carbon Border Adjustment Mechanism poses a significant concern, as it requires Indian aluminium and steel exporters to pay the difference in carbon prices for market access, potentially offsetting tariff gains.</p>
<p>3. <i>Moving forward at WTO: India must recalibrate its positions at the forum</i></p> <p>Business Standard</p> <p>February 25, 2026</p>	<p>Ahead of the WTO 14th Ministerial Conference, World Trade Organization reforms are gaining urgency amid disputes over the e-commerce moratorium and integrating the Investment Facilitation for Development Agreement. With multilateral negotiations stalled, India is urged to reconsider opposition to plurilateral and adopt a more flexible stance to support WTO revival.</p>
<p>4. <i>The India-EU free trade agreement tells us something important about globalization</i></p> <p>Livemint</p> <p>February 19, 2026</p>	<p>The India-EU trade agreement is largely rooted in rules of the globalization era. Unlike recent deals struck by the US, it is WTO-compliant. It signals that countries with limited leverage value the mechanisms and principles that must underpin global trade.</p>
<p>5. <i>India to add more trade muscle as it inks FTA terms with GCC</i></p> <p>ET Bureau</p> <p>February 07, 2026</p>	<p>India is expanding its trade engagement by negotiating agreements with Australia, Chile, Peru, the Eurasian Economic Union, and Sri Lanka, while reviewing existing pacts with Association of Southeast Asian Nations and South Korea. It has also initiated talks with the Gulf Cooperation Council and others, while participating in the Indo-Pacific Economic Framework for Prosperity to strengthen resilient supply chains.</p>