

REVIEW OF INDIAN ECONOMY FROM RECENT COP30 & G20 SUMMITS

Abstract

Recent multilateral events like COP30 and the G20 summit was spoiled by dissent and disagreements on major global issues, but India showed to the world the need for sustained sustainable growth and values of a shared and better future of the world.

Despite the inconclusive phasing out of the fossil fuel, India has gradually enhanced its commitments as well as capabilities in the RE segment albeit with grid shortcomings as the main reason for the gross underutilization of the RE plants. It needs to resolve these through RTC projects and use of various pro green emerging technologies for reducing pollution including that from hard to abate sectors.

On the global trade front recent anti globalization policies of some of the nations has forced India to probe for new supply chain sources as well as new export destinations but the efficacy of these efforts depends on quality of Indian products and services.

Introduction:

Based on the latest COP 30 at Brazil and G20 summit in South Africa, India's role in the new and emerging global economy has assumed greater and wider global significance as it aims to balance its national growth including exports with sustained and sustainable development while advocating shared and cleaner Greater Global Good.

While the future of world's climate actions mainly depends on densely populated nations like India, China, USA and Europe, the risk on global supply chains due to protectionist and restrictive policies of some of the major nations has forced India to



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explore global alternatives both for securing supply chains and for export diversification and convince the world the benefits of a shared global future rather than competitive posturing.

A) COP 30 & Its Impact on India:

Annual climate meet at Brazil this year again saw some countries lobbying for end of fossil fuel but once again the fossil lobby seemed to prevail. **While 19 countries (including India, Brazil, & Japan) committed to raise the use of sustainable energy at least 4 times by 2035 from the 2024 levels (Ref#1)**, the major objective of deciding the world fossil phase out remained inconclusive with the UN body seeking detailed data for deliberations on same by the next summit in-spite of protest from over 30 nations (mainly UK, Germany and France) insisting for conclusion of same in the COP30 meeting (Ref#2). However the meet concluded with noting the **need for more global funding for climate action, agreements on Just transition and import of enhanced adaptation finance (Ref#3)**.

Indian economy Under Climate Action: Despite the substantial advancements on RE, India's economy is suffering due to lower labor productivity and higher risk to its public health due to climate deterioration (Ref#4). Yet it remains un-decided on fossil fuel phase out probably due to unreliable/ grid incompatible nature of its RE assets (Ref#5),

also noted as a major global constraint for RE in the recent IEA report (Ref#6). However, Indian resolve for effective transition remains intact as per GOI in the recent COP30 meet (Ref#7).

On the export fronts, developments like the Europe's Carbon Border Adjustment Mechanism (CBAM), applicable from 1st January 2026, has forced Indian Steel manufacturers (Ref #8) to explore alternate export destinations and greener manufacturing technologies in the longer run to remain globally relevant as Europe is now the major steel export market for India. CBAM is a major risk for not only Indian steel but also cement and engineering goods.

On the domestic front also, to mitigate the impact of various kinds of pollution India need emerging technologies like greener version of fossil fuel (Ref#9) and better processing technology for agriculture (Ref#10) as agriculture and population density remains high priority for Indian plans.

Though energy security and options are cardinal for a growing economy like India, it cannot overlook the importance of sustained energy transition both for the future environment and economic needs of the nation especially to solve its current fossil energy import burden. Perhaps the better utilization of RE assets, crucially linked with their Round the Clock (RTC) and Battery storage (BESS) projects, will help reduce fossil energy.

B) G20 Summit & India's Expanding World Trade:

For last few years G20 had been one of the most impactful platform of multilateralism, but unfortunately the recent summit at South Africa saw boycott and fractured mandate, thereby raising serious doubts on very future of G20 if such attitudes persisted.(Ref#11).

While another report (Ref#12) indicates that such narrow policies will indirectly benefit Asian giants (like China, Japan, Korea and India) as Asia is projected to remain the biggest growth centre in the current century.

Incidentally the recent tariff war and counter measures impacting supply chain of industries mainly pharmaceuticals (Ref#13), Automobiles, RE products (Ref#14) has seriously impacted global

economy.

Impact on India & India's Responses:

Despite GOI efforts to solve supply chain constraints, many Indian industries still await actual ground breakthroughs (Ref#15) forcing to search for alternative global partners and also possible new material/technologies.

India's current export strategy can wait for well negotiated trade deals based on the strength of robust domestic economy (Ref#16), while exploring alternate destinations/ new products for expanding the export profile (Ref#17). This seems to already productive with more and more collaborations with new nations including Australia, UK, Italy etc. Exporters are also finding new global markets especially for seafood, garments and jewellery etc.

India also seeks to **expand its service exports, already seeing recent growth**, including engineering services in African nations (Ref#18) apart from construction services to Australia, which not only promises to expand Indian economy but **also contribute to development of the third world nations awaiting critical technologies.**

It has also resolved to strengthen the old tie ups with willing nations like Russia including efforts to fast track the pending Eurasian Economic Cooperation Agreement (Ref#19), enhance bilateral investments and raise Indo- Russia trade to 100 billion by 2030 including new products like autos, electronics etc, settlement in national currencies and bettering balance of trade.

The key for all these expansions apart from the GOI initiatives remains the improved capacity and capabilities of the Indian companies (Ref#20) based on quality and excellence. The Indian industries can no longer expect insulations from government for mitigating the shocks of world trade but develop qualitatively in line with emerging demands of wider global markets.

Conclusions:

On the climate action side, India still needs to effectively increase the RE utilization, though the resolve to quadruple it from the 2025 levels by 2035 gives hopes for substantial reductions in the fossil fuel usage. However, it needs to substantially

evolve alternatives technologies and materials to tide over the present supply chain constraints impeding the RE sector. On the RE consumption side encouraging RTC plants may partly solve the grid constraints, while micro solar etc. may be encouraged for wider adoption by domestic consumers beyond the current rooftop for at least partly reducing the per capita fossil fueled power consumption.

While Tariff and retaliatory stance has impacted strategic industries and India started to explore alternative- markets, materials, sourcing- the long term policies should aim proactively for self sustained supply chains of all such key industries. While encouraging make in India capabilities including critical inputs for these manufacturing, India should substantially reduce its import dependence which has greatly eroded the national currency.

As India aims to impress the world to understand the utility of Global Cooperation in-stead of Global competition, the world should sooner understand the synergies/benefits of collaboration and coexistence mode as the current phase of anti global tendencies may not serve any nation in long run.

Indian economy needs to plan for integrated and long run manner to converge the energy transition and import substitution as necessitated by situations and also to mitigate the risk of any such future global trade shocks on our economy. **MA**

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Obituary

**CMA Ashok Kumar Ratilal Patel**

With profound grief and heavy hearts, the Institute and its Members announce the passing of our beloved Member, CMA Ashok Kumar Ratilal Patel (Village: Bawla), who left for his heavenly abode on Saturday, December 13, 2025 at the age of 67 in Ahmedabad.

We pray to the Almighty to grant his soul eternal peace.