INDIA AND THE WORLD

Strategic Autonomy Is Becoming More Expensive for India. That Is Exactly Why It Matters.

In one week, a trade-talks "plateau", a peace proposal and a rupee defence turned a foreign-policy slogan into a bill.

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"Strategic autonomy" has been said so often in Indian foreign-policy debate that it can sound like filler. Over the past week it did not. On 4 October, External Affairs Minister S Jaishankar said India had gone "beyond advocacy" in trying to help end the Russia-Ukraine war. On 5 October, Finance Minister Nirmala Sitharaman said trade talks with the United States had reached a "plateau". On 10 October, the Reserve Bank of India opened a special dollar window for oil companies to defend the rupee. I think those are one story.

Start with Washington. Sitharaman said further concessions were "very, very difficult" for both sides, days after US Trade Representative Jamieson Greer said a deal was not imminent. The talks began in February 2025. India ran a surplus of almost $34 billion with the United States last fiscal year, Reuters reported, and Sitharaman said Washington "would want to reduce that imbalance." Russian oil sits in the middle. The US Congress has passed the Sanctioning Russia and Iran Act, expected to take effect by mid-October, which could expose Indian goods to tariffs of up to 100 per cent over purchases of Russian energy. On 9 October, Donald Trump announced a deal under which Russia will supply diesel to the US and global markets. The Indian Express's diplomatic editor calls these contradictory signals, and it is hard to disagree.

India's Russian crude imports crossed $43 billion in 2025, rose 25 per cent in the first half of 2026, and peaked at a record share of over 50 per cent, about 2.47 million barrels a day, in July. By September they had fallen to about 1.82 million. I do not know why; the reports I have seen do not say. But a country that trims a major supplier by roughly a quarter in two months while insisting on its independence is not holding a fixed position. Autonomy, as I read it, is a dial, not a switch.

The second story is India trying to be useful in Ukraine. Five Indian seafarers died in attacks on merchant ships in the second half of July, and India summoned diplomats from both Russia and Ukraine to protest. Since then it has floated a three-part idea: stop attacks on energy infrastructure, keep grain and energy moving through Black Sea ports, and end strikes on commercial shipping. Ukraine's foreign minister, Andrii Sybiha, called it the most comprehensive of the proposals Kyiv has received, from India, Egypt, Turkey

and the US. Vladimir Putin said Modi has “very good ideas”. Nothing I have read suggests either side has agreed to anything yet.

Critics will say a country that buys discounted Russian oil is not a neutral broker, and Kyiv was angry about those purchases for years. That is fair. But I do not think self-interest cheapens the effort. Black Sea ports account for nearly 30 per cent of Russian energy flows to India, according to Hindustan Times. Indians are roughly one in ten of the world’s seafarers. Jaishankar has said grain, fertiliser and fuel are concerns for India and the wider Global South. A mediator with real interests at stake is at least easier to explain.

And then the bill. The rupee is down more than 7 per cent this year and sits near its record low, under pressure from oil and global bond yields. The RBI raised its policy rate by 25 basis points to 5.5 per cent on 7 October, its first hike in almost four years. On 10 October it said it would supply dollars directly from its reserves to Indian Oil, HPCL and BPCL, and required dealers to hold a 20 per cent reserve on certain hedging contracts. An ANZ strategist told Reuters the first step “will show up in a depletion of reserves.” Autonomy has a price, and some of it is paid in reserves.

That is why I do not accept the idea that strategic autonomy means refusing to choose. That is the easy version, and it is only cheap when the world is calm. What it should mean is having enough economic, energy, technological and military capacity that India’s decisions are its own, and not the only ones left on the table. That is domestic work: diversifying energy sources, building manufacturing and defence capability, and keeping reserves deep enough to absorb a shock like this one. Foreign policy begins at the balance sheet.

The next test is already on the calendar: Modi is expected to travel to the US for the G20 summit in December. A more divided world makes all this harder. It also makes it necessary. India does not need permanent friends or permanent enemies. It needs permanent options, and they are expensive to keep. This week’s headlines are the receipt.