CENTER OF POLICY
RESEARCH & GOVERNANCE

THIS WEEK IN POLICY

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THIS WEEK AT A GLANCE

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UNION GOVERNMENT & NATIONAL INSTITUTIONS

At the Centre

01

Cabinet approves Semicon 2.0 with an outlay of Rs 1,27,500 crore

The Union Cabinet approved Semicon 2.0 as the long term successor to the first India Semiconductor Mission programme. The scheme spans design, machines and materials, semiconductor fabrication, assembly and packaging, research and development, and talent development. It builds on the approved manufacturing units and design startups supported under the first phase.

> ***CPRG INSIGHT***
>
> India has moved from almost no chip base in 2021 to roughly a dozen approved projects worth over ₹1.64 lakh crore, with Micron's Sanand unit operational and the Tata-PSMC Dholera fab under construction, though the base is still concentrated in packaging and trailing-edge nodes. Semicon 2.0 extends support to materials, equipment, R&D and talent, targeting the upstream gaps that keep India import-dependent as it chases a market projected to cross $100 billion by 2030.

02

Cabinet approves Rs 62,500 crore Mobile Phone Manufacturing Scheme

The Mobile Phone Manufacturing Scheme will operate from financial year 2026 to 2027 through 2030 to 2031. It provides incentives on eligible sales, additional support for domestic sourcing, and a higher incentive for design and research. The programme projects cumulative production of about Rs 39 lakh crore and around 60,000 direct jobs.

> ***CPRG INSIGHT***
>
> India is already the world's second-largest mobile manufacturer, with 99% of phones sold here now made domestically but largely through assembly, with components still imported. By adding incentives for domestic component sourcing and research atop production-linked support, the scheme targets the next stage of turning assembly scale into additional value addition

03

THE CABINET COMMITTEE ON ECONOMIC AFFAIRS

National Investment Policy for Urea 2026 approved to attract new gas based plants

The Cabinet Committee on Economic Affairs approved the National Investment Policy for Urea 2026. The framework separates fixed and variable costs, provides a return on equity band of 12 to 16 percent, and offers a mechanism to manage foreign exchange risk. The government estimates savings of more than Rs 250 crore for each plant compared with the 2012 framework.

CPRG INSIGHT

As the world's largest urea importer, buying a quarter of its roughly 40 mt demand and importing about 85% of its gas, India was doubly exposed in 2026 when Strait of Hormuz disruptions and Chinese export curbs drove global urea prices up 50 to 60% to near $950 a tonne. Guaranteeing a defined return-on-equity band is therefore well-timed, giving investors the certainty to build fresh domestic capacity just as global supply turns costly and unreliable.

04

MINISTRY OF COAL

Coal Exchange registration portal opened

A registration portal has been launched for coal exchanges under the Coal Exchange Rules 2026, with the Coal Controller serving as regulator. Registered exchanges may offer delivery based contracts, market price discovery and settlement services, and registrations will remain valid for twenty five years

CPRG INSIGHT

A formal, long-duration registration regime for delivery-based coal is a significant reform that extends organised, market-based price discovery to a sector long run on administered pricing and linkage-based allocation. It is a meaningful step in liberalising one of the last major commodities still governed by allocation rather than markets.

05

DEPARTMENT OF TELECOMMUNICATIONS

DoT and TSDSI sign agreement to strengthen Indian participation in global telecom standards

The agreement under the Technology Development and Investment Promotion Scheme will support participation in international standards development organisations, contribution of Indian technologies to global standards, and greater representation of startups and MSMEs in standard setting activities.

> ***CPRG INSIGHT***
>
> Institutionalising Indian participation in global standards bodies is a necessary precursor to turning domestic R&D into royalty-bearing IP rather than a guarantee of it. It also ensures Indian products are built to global standards from the outset, making them export-ready and interoperable abroad rather than needing costly retrofitting later.

DIPLOMACY & EXTERNAL AFFAIRS

India & the World

06

MINISTRY OF EXTERNAL AFFAIRS

India United Kingdom CETA and Double Contribution Convention enter into force

The trade agreement provides zero duty access for about 99 percent of Indian exports, while the social security convention exempts eligible Indian professionals temporarily working in the United Kingdom from double contributions for up to five years. More than fifty consignments valued at about 140 million dollars were reported on the first day.

> ***CPRG INSIGHT***
>
> Brought into force within a year of signing, the fastest the two countries have ever put a trade deal into effect, the agreement pairs near-total tariff elimination with relief from double social-security contributions. It addresses both goods trade and professional mobility, two of the most persistent asks from Indian industry, and the speed signals strong commitment to realising the benefits quickly.

07

MINISTRY OF EXTERNAL AFFAIRS

India and New Zealand elevate ties to a Strategic Partnership and sign a free trade agreement

During the first visit by an Indian Prime Minister to New Zealand in four decades, the two countries adopted a Strategic Partnership, a Roadmap to 2030 and a free trade agreement. Ten outcome documents covered trade, maritime cooperation, defence, counter terrorism, education and wider people to people ties.

CPRG INSIGHT

A first prime ministerial visit in four decades culminating in both a strategic partnership and a trade agreement signals durable engagement rather than a one-off gesture. Pairing trade with defence, maritime and counter-terrorism cooperation gives the relationship substance beyond commercial interest alone.

08

MINISTRY OF COMMERCE & INDUSTRY

First round of India Maldives free trade negotiations concludes

The first negotiating round, held virtually from 29 June to 7 July, covered eight thematic sessions and recorded broad convergence. Both governments also reaffirmed their intention to advance a bilateral investment treaty. Bilateral trade reached about 771.76 million dollars in 2025 to 2026.

CPRG INSIGHT

Broad convergence across all eight thematic sessions in the opening round, alongside a parallel push on a bilateral investment treaty, suggests both sides are treating economic integration as central to stabilising a relationship that saw real strain in recent years. Sustaining that momentum through subsequent rounds will be the real test.

STATE POLICY & GOVERNANCE

Across the States

09

GOVERNMENT OF JHARKHAND

Jharkhand releases a draft Artificial Intelligence Policy with a proposed Rs 1,150 crore outlay

The draft policy proposes the use of artificial intelligence in health, agriculture, education, mining, environmental management, disaster response, welfare analytics and grievance redressal. It includes platforms for programme monitoring, nutrition vigilance and critical mineral administration and sets longer term ambitions for investment, global capability centres, startups and employment.

> ***CPRG INSIGHT***
>
> A proposed ₹1,150 crore outlay is significant for a state with a comparatively smaller fiscal base, and the intended coverage across health, agriculture and disaster response signals ambition beyond a narrow digital-governance agenda.

10

GOVERNMENT OF KARNATAKA

Karnataka prepares a dedicated Data Centre Policy for artificial intelligence infrastructure

The proposed policy is intended to support data centres and next generation computing as part of a wider state artificial intelligence strategy. The government has also discussed a public sector led artificial intelligence university and a specialised hub for research and industry.

> ***CPRG INSIGHT***
>
> Karnataka enters a data-centre race already crowded by Gujarat, UP and others, but Bengaluru's established IT base, with its concentration of tech firms, talent and enterprise demand, gives it a natural edge in anchoring AI infrastructure near where compute is consumed. Even so, success will turn on power availability and land allocation at the pace hyperscale investors expect.

11

GOVERNMENT OF NCT OF DELHI

Delhi Cabinet approves Bill making time-bound public services a legal right

The Cabinet approved the Delhi Right of Citizen to Time-Bound and Ease of Delivery of Services Bill, 2026, replacing the capital's 2011 service-delivery law. It proposes end-to-end digital processing, automatic escalation of delayed applications, expanded coverage of public bodies and a Delhi Right to Service Commission for oversight and grievance redressal. The Bill is expected to be introduced during the Assembly's Monsoon Session

CPRG INSIGHT

The Bill moves service guarantees beyond departmental citizen charters by combining a statutory entitlement with digital tracking and personal accountability for administrative delay.

12

GOVERNMENT OF NCT OF DELHI

Delhi Cabinet approves Startup and Incubation Policy with proposed ₹500-crore-plus support

The Delhi government announced approval of a Startup and Incubation Policy carrying an intended allocation of more than ₹500 crore. The policy is designed to support student and youth entrepreneurship through incubators, institutional partnerships, mentoring, access to finance and employment creation. The government presented it as a framework for strengthening Delhi's startup ecosystem and retaining innovation-led enterprises in the capital

CPRG INSIGHT

The headline allocation is substantial and institutional design, particularly how funds reach startups rather than only incubators, will determine whether it produces additional innovation.

13

GOVERNMENT OF ARUNACHAL PRADESH

Arunachal Pradesh signs agreement for India's first river kinetic energy demonstration plant

The 500 kilowatt project will use river currents to generate electricity without large dams or extensive civil works. It is being pursued with a Norway based technology company under the India Norway Green Partnership, with support from national and state institutions.

> ***CPRG INSIGHT***
>
> A dam-free 500-kilowatt pilot is modest in capacity but meaningful as a template for generating power from Himalayan river systems without the ecological and rehabilitation costs of large hydro projects. Its real value will lie in the operational data it generates for scaling the technology elsewhere in the Northeast.

14

GOVERNMENT OF WEST BENGAL

West Bengal announces adoption of the National Education Policy and PM SHRI scheme

The announcement links participation with access to central education funding and identifies reforms in teacher recruitment, school meals, solar energy, menstrual hygiene facilities and higher per student nutrition support.

> ***CPRG INSIGHT***
>
> The decision brings West Bengal into the central funding framework while aligning state education priorities with reforms in teacher recruitment, nutrition and school infrastructure.

REFERENCES

Sources

01 PIB - Semicon 2.0
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03 PIB - Policy for Urea 2026
04 PIB - Coal Registration Portal
05 PIB - DoT and TSDI Agreement
06 India UK CETA
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