

Iran's conditions for talks with US and important developments in the context of India's neighbourhood

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On September 17, US President Donald Trump told Axios: “I have a big decision coming up. Do I want to go in and annihilate them [the Iranian regime] or do I not? It's a big decision. Anything could happen with me.”

Iran meanwhile has set 7 conditions for talks with the US. They include; putting a pause to fighting on all fronts, the release of frozen Iranian funds and an end to the US naval blockade.

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Trump has been keen to prevent the conflict from escalating, since rising oil prices will dent his personal popularity and have an adverse impact on the chances of the Republicans during the Mid-terms. According to a Fox News Survey, 71 percent of Americans believed that the Trump administration lacked a clear strategy for dealing with the West Asia conflict.

Two tankers passing through the Strait of Hormuz were attacked on September 18. The IRGC claimed that the vessels – one of them Togo flagged – were struck because they were attempted to illegally cross the Strait.

Trump signs Russia Sanctions bill

Trump signed the Russia sanctions bill into a law on September 18.

The US House of Representatives passed the “Lindsey O. Graham Sanctioning Russia and Iran Act of 2026” on September 16. The bill which seeks to impose economic pressure on Russia – via tariffs and sanctions. The US Sanctions bill received support from Democrats and had been passed by the US Senate last month.

One of the provisions of the bill is the imposition of 100% tariffs on countries which are top five purchasers of Russian oil – including China and India.

Kremlin spokesperson Dmitry Peskov while reacting to the bill said, “..It falls under the category of unfriendly actions, and of course the imposition of any additional sanctions by the U.S. would certainly complicate efforts to find a peace settlement in Ukraine”.

India reacted cautiously to the bill and said it has conveyed it's concerns to the US. In a statement the MEA said it is “monitoring” further developments in the matter and said:

“This issue has been discussed at high levels in recent months with various US interlocutors. Its potential implications for not just the bilateral relationship but also the international energy market have been very clearly articulated by the Indian side”.

The bill has been signed by Trump, days after the BRICS Summit was held in New Delhi on September 12-13, 2026. While there was no discussion of a BRICS common currency, the joint statement did criticise the US for imposition of tariffs and the need for an overhaul of the existing global economic architecture.

India-Bangladesh relations: Impediments to forward movement

Information and Broadcasting Affairs Adviser to Bangladesh Prime Minister Tarique Rahman, Zahed Ur Rahman said that the handover of former Bangladesh PM, Sheikh Hasina, who has been living in exile in India since 2024 and others including League General Secretary Obaidul Quader also in India were an important pre-condition for improving ties with India.

Zahed Ur Rahman said that this point was conveyed to the Indian Envoy to Bangladesh, Dinesh Trivedi during a meeting.

Bangladesh PM, Tarique Rahman had been invited for the BRICS Summit held in New Delhi, but did not accept the invitation

Bangladesh Nationalist Party (BNP's) acting Secretary General, Ruhul Kabir Rizvi alleged that the shut down of Adani Power's Godda plant in Jharkhand, on September 10, was linked to the fact that the Bangladesh PM did not attend the BRICS Summit in India. The Bangladesh PM had also

cancelled a proposed visit in August 2026. Rizvi said that the Bangladesh PM's decision not to attend the BRICS Summit upheld Bangladesh's sovereignty.

The shut down took place at a time when Bangladesh has been facing a power deficit.

While there has been pro-active engagement between both countries, the BNP dispensation has given clear priority to China, rather than seeking to balance ties with India. Rahman's first overseas visit was to China during which Bangladesh handed over strategically important projects – the SEZ at Mongla and the Teesta Project to China.

During a recent meeting between the Chinese Ambassador in Bangladesh, Yao Wen and Bangladesh's junior foreign minister Shama Obaed Islam the Mongla SEZ project along with a corridor connecting Bangladesh with China through Myanmar was discussed.

According to media reports a visit to India by the Bangladesh PM – in November or December -- cannot be ruled out

Jaishankar's Bhutan visit: The multi-layered nature of India-Bhutan ties

External Affairs Minister, S Jaishankar visited Bhutan (September 16-17). During his visit, Jaishankar met with the King of Bhutan, Jigme Khesar Namgyel Wangchuck and Bhutan PM, Dasho Tshering Topgay. While commenting on his meeting with the Bhutan PM, Jaishankar said:

“Delighted to call on PM Dasho Tshering Topgay of Bhutan in Thimphu today. Conveyed warm greetings of PM Narendra Modi. Deeply value his sentiments for our unique ties of friendship and cooperation. India stands firmly committed to Bhutan's progress and prosperity”.

Jaishankar attended an event for laying the foundation stone for the 500 KW Lunana Hydropower Project in Gasa, northern Bhutan. He reiterated the point that energy cooperation between both countries began in 1967 first hydroelectric plant, 'Jungshina', in Thimphu. Jaishankar also inaugurated a state-of-the-art 65-bedded Gyaltsuen Jetsun Pema Mother and Child Hospital in Mongar and a 80-metre-long Jaganathan Bridge in Samdrup Jongkhar.

The second phase of the United Payments Interface (UPI) -- will allow Bhutanese to pay digitally in India – was also launched during Jaishankar's visit. The first phase which enabled Indian tourists to pay via UPI in Bhutan had been launched in 2021.

An MoU on the Nehru-Wangchuck scholarship was also exchanged. This scholarship was first begun in 2009, with the aim of providing Bhutanese nationals the opportunity to pursue post graduate degrees at India's top institutions.

Jaishankar also handed over 54 Mahindra Electric Vehicles which were received by the Bhutan PM

Jaishankar's visit to Bhutan underscores the importance of New Delhi's ties with Thimphu and the inauguration of projects as well as MoU highlights the multi-layered nature of the relationship.

Saudi-Houthi conflict and the Mecca Pact

In recent days, there have been questions pertaining to the Mecca Pact after the Iran backed Houthis – based in Yemen –captured several islands near the Bab El Mandeb strait. Houthis have also attacked Saudi infrastructure including oil facilities. The attack on the Saudi East West pipeline has shocked not just Saudi Arabia, but drawn global markets since a prolonged conflict could disrupt global energy markets.

While commenting on Pakistan's position pertaining to the Pact, Pakistan's Defence Minister, Khwaja Asif said:

"There is a very clear-cut position regarding the pact that any country that violates the integrity or borders of that bilateral pact, then it will become applicable to both remaining countries, so that all three of them can jointly counter that aggression,"

Conclusion

In conclusion, continued disruptions in the Strait of Hormuz and Red Sea are likely to disrupt global energy markets. India is likely to be left with no option, but to purchase oil from Russia despite Trump signing the Russia sanctions bill. While in recent months, a lot of attention has been understandably focused on West Asia, important churning is taking place in the immediate neighbourhood – especially in Bangladesh. S Jaishankar's visit to Bhutan and the outcomes highlight the multi-dimensional nature of the relationship.

(Disclaimer: The views expressed above are the author's own and do not reflect those of DNA)

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