

India in Trade Deficit with 9 of the Top 10 Trading Partners

According to official data from Union Ministry of Commerce and Industry, in the FY 2023-24, India recorded Trade deficit with 9 out of its top 10 trading partners.

➤ **Trade deficit** (also known as **negative trade balance**) occurs when country's value of imports are more than that of exports.

Current Status of India's External trade (FY 2023-24)

- **China, USA, UAE, Russia, and Saudi Arabia** are India's largest trading partners. (in descending order)
- India's trade deficit with **China, Russia, South Korea, and Hong Kong** increased as compared to 2022-23, while it narrowed with **UAE, Saudi Arabia, Indonesia, and Iraq**.
- **USA, Netherlands, UK, Belgium, and Italy** are top 5 trading partners with which India has trade surplus.

Impact of higher trade deficit on Economy

Negative

- **Depletion of Forex reserves** due to the need to pay for excess imports, raising concerns of **depreciation of domestic currency**.
- **Widening current account deficit** which may adversely affect credit rating of the country and raise borrowing costs.
- **Strategic implications** due to sustained trade deficit, particularly for essential products or critical sectors.

Positive

- **Access to wider range of goods**, increased domestic investment if deficit is driven by imports of capital goods, etc.

Reasons behind India's higher trade deficit

- **Reliance on imported inputs**, including crude oil and pharmaceutical ingredients.
- **Changing consumption pattern**, including increased demand for consumer durables, luxury goods, etc.
- **Structural factors** such as sub-optimal growth of manufacturing sector, higher logistics cost, infrastructure bottlenecks, etc.
- **Domestic policies** such as inverted duty structure, frequent bans on exports of commodities, etc.
- **Others** – Sub-optimal utilization of FTAs, imposition of non-tariff barriers by developed countries, etc.

Cyclonic storm 'Remal' makes landfall in West Bengal and Bangladesh Coast

The name of tropical cyclone 'Remal' that formed in the **Bay of Bengal** was chosen by **Oman** which means 'sand' in Arabic.

About Tropical Cyclones

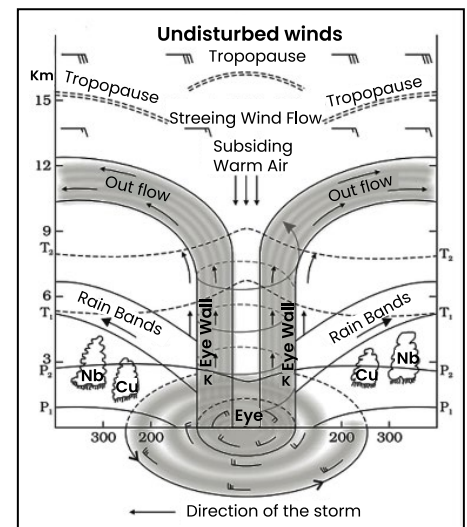
- These are **rapidly rotating storms** that are non-frontal **low-pressure system** originating over tropical oceans.
- Known as **Cyclones** (Indian Ocean), **Hurricanes** (Atlantic), **Typhoons** (Western Pacific and South China Sea) and **Willy-willies** (Western Australia).
- They get energy from **condensation in towering cumulonimbus clouds** around the storm centre (eye).
 - ⊕ **Eye is a region of calm** with subsiding air.
 - ⊕ When they reach land (landfall), moisture supply stops and the storm dissipates.

Favourable Conditions for Tropical Cyclones

- Sea surface with **temperature higher than 27° C**.
- Presence of **Coriolis force**.
 - ⊕ Tropical cyclones are **not formed near equator** due to absence of Coriolis force.
- **Small variations in vertical wind speed**.
- A pre-existing **weak low-pressure area**.

IMD's colour coded weather warnings for cyclone prone areas

- **Green: Pre Cyclone Watch**, issued 72 hours in advance.
- **Yellow: Cyclone Alert**, is issued at least 48 hours in advance.
- **Orange: Cyclone Warning**, issued at least 24 hours in advance.
- **Red: Post Landfall Outlook**, is issued at least 12 hours in advance.



Naming of Tropical Cyclones

- World Meteorological Organisation (WMO), a **specialized agency of UN**, have adopted a cyclone naming process.
- A **list of cyclone names** is prepared by the **Tropical Cyclone Regional Body (TCRB)** responsible for an ocean basin.
- **WMO/ESCAP Panel on Tropical Cyclones**, one of **five TCRBs** assigns names to tropical cyclones in North Indian Ocean (Bay of Bengal and Arabian Sea).
 - ⊕ Its **members** include Bangladesh, India, Maldives, Myanmar, Pakistan, Sri Lanka, Oman, Thailand, Iran, Qatar, Saudi Arabia, United Arab Emirates and Yemen.
 - ⊕ All member countries provided a list of 13 names each which are used sequentially.

Archaeological Survey of India confirms neolithic age rock carvings in Goa's Mauxi village

Rock carvings were found etched into the meta basalt rock along the dry riverbed of the Zarme river.

- The carvings are of animals such as zebus, bulls, and antelopes, alongside footprints and cupules (**hemispherical cup-shaped depressions**)

Prehistoric rock paintings of India

➤ Upper Palaeolithic Period

- ⊕ In India, **earliest paintings** have been reported from this period.
- ⊕ **Linear representations**, in **green** and **dark red**, of **animal figures**, such as bison, elephants, tigers etc. besides **stick like human figures**.
- ⊕ **Sites:** Bhimbetka (Madhya Pradesh), Jwalapuram (Andhra Pradesh).

➤ Mesolithic Period

- ⊕ **Largest number of paintings** belong to this period.
- ⊕ **Human scenes** predominate and depict **hunting in groups and community dances**.
- ⊕ **Animals** were painted in naturalistic style and humans in stylistic manner.
- ⊕ **Sites:** Pachmarhi and Adamgarh Hills (Madhya Pradesh)

➤ Neolithic-Chalcolithic Period

- ⊕ **Pottery and metal tools** are shown but vividness and vitality disappear.
- ⊕ Predominant colours are **white and red**, possibly made by **grinding haematite and limestone** respectively.
- ⊕ **Men appear adventurous** and **animals** are shown more **youthful and majestic**;
- ⊕ **Sites:** Chambal region, Daimabad (Maharashtra).

Significance of Prehistoric Rock Paintings

- **Artistic:** They depict the inner urge of prehistoric humans to express their experiences.
- **Social:** They depict family life and the mundane events of daily life.
 - ⊕ These include hunting in groups, music, animal fighting, etc.
- **Cultural:** They depict the clothing, food habits as well as ritualistic practises like community dancing, religious practices etc.
- **Environmental:** These depict various animals such as horse, elephant, bison etc. and vegetation of the region.

NASA Launches Small Climate Satellite to measure heat lost from Earth's poles

NASA has launched one of the two climate satellites under **PREFIRE (Polar Radiant Energy in the Far-InfraRed Experiment)** mission.

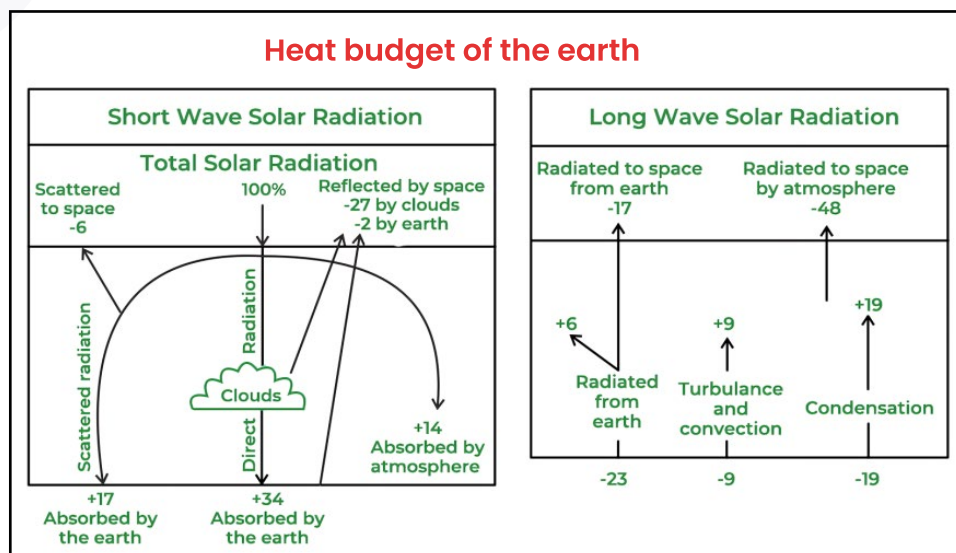
- The PREFIRE Mission consists of two **shoebox-size cube satellites, or CubeSats**.
- The mission will measure how much heat the Arctic and Antarctica radiate into space and how this influences the planet's climate.
- It will help **scientists better understand the heat budget of the planet**.

Heat Budget of the Earth

- It is the **balance between the amount of heat incoming to Earth from the Sun and the amount of heat outgoing from Earth into space**.
- **Factors responsible for the disturbance of heat budget** are Green House Gases emissions, reduction in thickness of the ozone layer, melting of glaciers etc.

Impact of imbalance of Heat budget

- **Heat gets accumulated in Earth's components** like the atmosphere, land, etc which is fuelling global warming.
- Melting of ice causes a **decrease in Earth's white surface area**, leading to less solar energy to be reflected (**lower albedo**).
 - ⊕ Albedo is the reflectivity of solar radiation from a surface.
- **Ocean absorbs excessive heat** affecting the Oceanic Circulation like **Atlantic Meridional Overturning Circulation**.



The US aims to institutionalize a new minilateral grouping called 'Squad'

Earlier this month, US secretary of defence met his **Australian, Filipino, and Japanese** counterparts to institutionalize and launch the 'Squad' as a new **four-way security arrangement in Indo-Pacific**.

- The crystallization of this new quadrilateral grouping is a testament to the growing **importance of "minilateralism"**.

About Minilateralism

- It is an international relations concept that involves **small groups of nations collaborating to tackle problems** (security, economic, technological, etc.) or **pursue mutual goals**.
- **Nature:** They are **informal, flexible, voluntary frameworks** with varied situational interests, shared values or relevant capabilities.

Reasons for rise of minilateralism

- **Dysfunctional multilateral institutions:** Diverse interests and ideologies of member states result in lack of consensus and gridlock. e.g., Dysfunctional WTO's dispute settlement system.
- **Flexibility and agility:** Minilaterals are relatively more flexible and agile than traditional multilateral arrangements, allowing quicker decision making and targeted cooperation.
- **Issue based cooperation:** Allows like-minded countries to come together on specific issues of mutual interest. e.g., **Supply-Chain Resilience initiative** between Australia, India, and Japan.
- **Changing 'Balance of Power':** Emergence of more aggressive and assertive China in recent times led to emergence of groupings like QUAD, AUKUS, etc.

Concerns with rising Minilaterals

- **Legitimacy and inclusiveness:** Lack of inclusiveness can undermine interests of countries in Global South.
- **Limited resource and capabilities:** Smaller groups lack sufficient collective resources to address complex global challenges such as Climate Change.
- **Tensions and divisions among countries:** Due to potential for growth of exclusionary bloc politics, particularly in areas of strategic cooperation.
- **Accountability and transparency:** Less formal structure and processes in minilaterals raise concerns of inadequate democratic oversight.

The 10-Year Sovereign Bond Yield Falls to Near 1-Year Low

The decline in Sovereign Bond Yield is mainly due to recent transfer of record-high **dividend payout of Rs 2.11 lakh crore** by RBI to the Government. It will strengthen financial position of government.

- Furthermore, a **fall in crude oil prices has also improved market sentiment** and spurred buying interest in bonds.
- Overall, these have led to increased **prices of bonds and lowered yield** (Refer to box).

Sovereign Bond

- It is a specific **debt instrument** issued by the government. It can be **denominated in both foreign and domestic currency**.
- It **promises to pay the buyer a certain amount of interest** for a stipulated number of years and repay the face value on maturity.
- These **bonds are preferred** by governments to meet their expenditure as they are similar to taking loans from the market.
- Yield of Sovereign Bond is dependent primarily on given factors –
 - ⊕ **Creditworthiness:** The issuing countries' perceived ability to repay their debts.
 - ⊕ **Country Risk:** External/Internal factors like unrest and wars tend to jeopardize a country's ability to pay (Current account deficit etc.).
 - ⊕ **Exchange Rates:** Countries with volatile economies and high inflation rates have to issue higher interest returns on their bonds compared to more stable ones.

Bond Yield

- **Bond yield** is the return on the capital invested on a particular bond.
- **Bond Price - Yield relation**
 - ⊕ Price and yield are inversely related.
 - ⊕ As the price of a bond goes up, its yield goes down. Conversely, as the yield goes up, the price of the bond goes down.
- A fall in government bond yields **lowers borrowing costs across the economy as sovereign debt yields are the benchmarks for determining the price of corporate borrowing**.

Also in News



Gold Backed Currency

Recently, Zimbabwe launched the gold-backed currency called ZiG.

About Gold backed currency

- **Gold backed currency has fixed value** directly linked to gold, and is **convertible into gold**.
 - ⊕ Money supply is **limited by available gold reserves**.
 - ⊕ It has its **inherent value** and has potential for **stability** in long run.

About Fiat Currency

- **Fiat currency lacks intrinsic value** and is established as legal tender by government.
 - ⊕ Its value is **determined by supply & demand** and is not supported by any physical commodity.
 - ⊕ It gives central banks **more control** to print required money.



Narva River

Recently, a new **dispute emerged between Russia and Estonia**, centered around the removal of navigation markers on the **Narva River**, which forms part of the border between the two countries.

About Narva River

- Narva basin is **situated in Baltic Sea basin on the eastern part of Estonia and on the northwest part of Russian Federation**.
- Important **transboundary water bodies in River Narva basin:** Lake Peipsi and Narva reservoir.
- It **connects Lake Peipsi with Gulf of Finland (Baltic Sea)**.





Article 329(b)

Recently, **Article 329(b)** was invoked by the Election Commission in the Supreme Court for restricting judicial intervention in the poll process.

Article 329(b)

- It states that **No election to either House of Parliament or to the House or either House of the Legislature of a State shall be called into question** except by an election petition presented to such authority and in such manner as may be provided for by or under any law made by the appropriate Legislature.
- SC in Ponnuswamy judgment (1952)** stated that it **could not interfere in an election process once it was notified** by the Election Commission of India.



Linear Accelerator

The Society for Applied Microwave Electronics Engineering & Research (SAMEER) exchanged MoU on **Magnetic resonance imaging (MRI)** and technology transfer of **Linear Accelerator** with industry.

About Linear Accelerator or LINAC

- It's the device used for **external beam radiation treatments** for patients with **cancer**.
- It uses **microwave technology** to **accelerate electrons** which collide with a **heavy metal target** to produce **high-energy x-rays**.
 - Then the high-energy x-rays are directed to the **patient's tumor to destroy cancer cells**.

SAMEER

- It's an **autonomous Research & Development laboratory** at Mumbai under **Ministry of Electronics and Information Technology**.

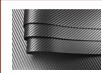


Eucalyptus Tree

Kerala government allow the Kerala Forest Development Corporation to plant eucalyptus trees

About Eucalyptus

- Belongs **myrtle family** and is native to **Australia**, Tasmania, and nearby islands.
- Tree Type:** Most of its Species are evergreen.
- Planted mainly for the **fuel wood**. Also, used as furniture wood, wood used in paper and pulp industry.
- Concerns related with Eucalyptus tree**
 - Extensive **water users** and contributors to **soil depletion**
 - Foliage is toxic to animals and humans if ingested.
 - Its oil gives off flammable fumes which can be ignited by lightning, flying sparks, etc.



Carbon Fiber

The Vice President inaugurates **Centre for Carbon Fiber and Prepregs** at National Aerospace Laboratories in Bengaluru.

About Carbon Fiber

- A **polymer** which is a **form of graphite (an allotrope of carbon)** consisting of thin, strong crystalline filaments of carbon.
- Properties: Extremely stiff, strong, and light**, high in **chemical resistance; temperature tolerant to excessive heat; and have low thermal expansion**.
 - Also, they can be **recycled**.
- Applications:** Manufacturing of components for automobiles, aircrafts, etc.

Prepregs: It is the common term for a reinforcing fabric which has been pre-impregnated with a resin system (thermoset or thermoplastic).



Committee on Import Licensing (CIL)

Statement released by WTO's CIL showed Japan and China have formally raised concern over India's laptop import licensing measure announced in August last year but was soon reversed.

About CIL

- It was established under **Article 4 of the Agreement on Import Licensing Procedures (ILP Agreement)**.
 - ILP seeks to reduce scope for discrimination or administrative discretion** in the application of import licensing procedures.
- It **supervises the implementation of the ILP Agreement**.
- Its work revolves around two main areas of reviewing **specific trade concerns** and **ensuring transparency in import licensing**.



Nyishi Tribe

Kabak Yano becomes the **first woman from Nyishi tribe** of Arunachal Pradesh to scale Mount Everest.

Nyishi Tribe

- Previously known as the **Daffla**, it is **largest ethnic group** in Arunachal Pradesh.
- Nyishi believes that they are descendants of **Abo Tani** (progeny of first human being on Earth).
 - That is why Nyishi, Adi, Gallo, Apatani etc. called themselves as **Tani Group of Tribes**.
- It is **neither based on caste system nor stratified into classes**, except a loose social distinction, which is not determined by birth/occupation.
- Polygyny** is prevalent and **Longte** is major festival.

Personality in news



Rash Behari Bose(1886-1945)

Prominent revolutionary leader of India's freedom struggle Rash Behari Bose was remembered on his birth anniversary (May 25).

About Rash Behari Bose

- Born in **Bardhaman district (Bengal)**.
- Was deeply inspired by the **French Revolution of 1789**.

Key Contributions

- Was an active member of **Yugantar group of revolutionaries** under leadership of Motilal Roy.
- Acted as an **effective link between revolutionaries of Punjab and United Provinces and Bengal**.
- Involved in **Delhi Conspiracy case** (bomb attack on Viceroy Lord Hardinge), 1912.
- Founded the **Indian independence League** (1942) in Tokyo.
- Played key role in **Ghadar Movement** and in formation of **Azad Hind Fauj (Indian National Army)**.

Values: Patriotism, Leadership, Courage, Perseverance, etc.

