



**VEDHIK**  
**IAS ACADEMY**  
*The New Learning Mantra*



**VEDHIK**

**DAILY NEWS ANALYSIS**

15 - JULY - 2022

## **FOREWORD**

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs\_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs\_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

## CONTENTS

- News - India to give land for I2U2-backed food parks GSP 02 B
- News - EU cuts euro zone growth estimate, raises inflation outlook GSP 02 C
- News - U.S. vows to use all means to stop Iran nuclear bomb GSP 02 C
- News -No nod for contempt case against ex-judge GSP 02 I
- Editorials - The great omission in the draft disability policy GSP 02 L
- Editorials -The road to rolling out labour codes GSP 02 M
- News - Kerala reports India's first monkeypox case Part I GSP 02 T
- News - Kerala reports India's first monkeypox case Part II GSP 02 T

- 
- News - Fiscal deficit reined in, CAD a concern Part I GSP 03 A
  - News - Fiscal deficit reined in, CAD a concern Part II GSP 03 A
  - News - Rupee slides 18 paise, closes shy of 80 per dollar GSP 03 A
  - News - Trade deficit widens to record \$26.1 bn GSP 03 A
  - News - Wholesale price rise eased to 3-month low of 15.2% in June GSP 03 A
  - News -Production of vegetables to go up Centre GSP 03 F
  - Editorials - The debate around the Forest GSP 03 P
- 

# India to give land for I2U2-backed food parks

Private parties to fund projects for food security

**KALLOL BHATTACHERJEE**  
NEW DELHI

India will provide “appropriate land” for “food parks” across the country that will be built in collaboration with Israel, the United States and the United Arab Emirates. The plan for the “integrated food parks” was announced in a joint statement after the leaders of the I2U2 grouping – India, Israel, the UAE and the U.S. – held a summit on Thursday. The leaders said they would bring in private capital for specific projects in the fields of water, energy, transportation, health, space and food security.



**Common concerns:** Prime Minister Narendra Modi addressing the I2U2 virtual summit from New Delhi on Thursday. •PTI

“U.S. and Israeli private sectors will be invited to lend their expertise and offer innovative solutions that contribute to the overall sustainability of the project. These

investments will help maximise crop yields which, in turn, will help tackle food insecurity in South Asia and the Middle East,” said the joint statement, adding that

India will “facilitate farmers’ integration into the food parks. In his comments at the event, Prime Minister Narendra Modi said, “Right from the first summit held today, I2U2 has established a positive agenda.”

The food parks aimed at cutting down “food waste and spoilage” are a few of the collaborations that the four countries declared after Thursday’s summit that was hosted by Israeli Prime Minister Yair Lapid and included UAE’s President Sheikh Mohammed Bin Zayed Al Nahyan, U.S. President Joe Biden and Mr. Modi.

The UAE will invest \$2 billion in India to create the food parks, the joint statement announced.

To a question from *The*

*Hindu* on whether farmers were consulted before the declaration of the “integrated food park” project, Foreign Secretary Vinay Mohan Kwatra said: “When the specific food corridor project is implemented and the manner of its implementation (is on the table), we will naturally ensure that all the stakeholders involved in this process are taken on board and consulted before this project is implemented.”

Asked how India would provide land for such a project, an official who has been part of the consultation process said that as of now, Madhya Pradesh and Gujarat had come forward to participate in the project and that other States were also expected to join in.

# EU cuts euro zone growth estimate, raises inflation outlook

Inflation expected to peak at 7.6% as war in Ukraine impacts

**REUTERS**  
BRUSSELS

The European Commission cut forecasts for economic growth in the euro zone for this year and 2023 and revised up its estimates for inflation largely due to the impact of the war in Ukraine.

In its quarterly forecast, Brussels confirmed its more downbeat outlook, which it had already discussed with the euro zone Finance Minister. The EU executive now predicts growth of 2.6% this year for the 19-country currency bloc, slightly less than the 2.7% it had forecast in May. But next year, when the impact of the Ukraine war and of higher energy prices



may be felt even more acutely, growth is now forecast to be 1.4%, instead of the 2.3% previously estimated.

“A storm is possible, but we are not there at the moment,” EU Economics Commissioner Paolo Gentiloni said, noting that the fall of the euro to parity against the dollar was a major concern largely for developing eco-

nomies, rather than for the euro zone, because the euro was appreciating against other major currencies.

The Commission also raised its estimates for euro zone inflation, which is now expected to peak at 7.6% before falling to 4% in 2023.

In May, the Commission had forecast prices in the euro zone would rise 6.1% this year and 2.7% in 2023. Brussels warned headline inflation could move even higher if gas prices soared due to Russia cutting off supplies, which might lead to a further downward revision of growth. Risks to the outlook from COVID-19 resurgence could also not be ruled out.

# U.S. vows to use all means to stop Iran nuclear bomb

President Biden signs new security pact with Israel PM Lapid

AGENCE FRANCE-PRESSE  
JERUSALEM

The U.S. and Israel signed a new security pact on Thursday reinforcing their common front against Iran, as President Joe Biden pledged to use “all” American power to stop the Islamic republic from acquiring nuclear weapons.

The Jerusalem Declaration on joint security was inked by Israeli Prime Minister Yair Lapid and Biden, as the U.S. leader was making his first trip to West Asia as President.

It commits the United States to “never to allow Iran to acquire a nuclear weapon”, stating that it “is prepared to use all elements of its national power to ensure that outcome”.

## ‘Can’t wait forever’

A landmark deal that imposed curbs on Iran’s suspect nuclear programme in exchange for sanctions relief was torpedoed in 2018 by former U.S. president Donald Trump. Efforts to revive the accord have been stalled since March.

Asked on Thursday how



**Strong bond:** U.S. President Joe Biden and Israeli PM Yair Lapid signing a joint declaration in Jerusalem on Thursday. ■AP

long the U.S. was prepared to give those efforts, Mr. Biden said “we’re not going to wait forever” for a response from the Islamic republic.

Israel, which has West Asia’s sole but undeclared nuclear arsenal, is staunchly opposed to the deal with Iran, which has always denied seeking the bomb.

Mr. Lapid warned “words” and “diplomacy” were not enough to thwart Iran’s alleged nuclear ambitions.

“Diplomacy will not stop them. The only thing that will stop Iran is knowing that if they continue to develop their nuclear programme the free world will use force.

The only way to stop them is to put a credible military threat on the table,” Mr. Lapid told reporters alongside Mr. Biden.

## Harsh response: Iran

Reacting to the pact, Iran warned the United States and its allies on Thursday against undermining regional security.

“I tell the Americans and their regional allies that the Iranian nation will not accept any crisis or insecurity in the region, and that any mistake made in this region will be met with a harsh and regrettable response,” Iran’s President Ebrahim Raisi said in televised remarks.

# No nod for contempt case against ex-judge

## Criticism of SC view on Nupur remarks

**LEGAL CORRESPONDENT**  
NEW DELHI

Attorney-General K.K. Venugopal did not consent to a plea to initiate criminal contempt proceedings against former Delhi High Court judge S.N. Dhingra and two senior advocates for criticising the Supreme Court over its oral observations against suspended BJP leader Nupur Sharma.

Mr. Venugopal said the statements made by Justice Dhingra, senior advocates Aman Lekhi and K. Rama Kumar were in the “realm of fair comment on a hearing”.

He said the statement were “not vituperative or abusive nor are they likely to interfere with the administration of justice by the Supreme Court of India”.

Mr. Venugopal reminded advocate Jaya Sukin, who had sought his consent for initiating contempt action, that the Supreme Court had itself, in several judgments, held that “fair and reasonable criticism of a judicial proceedings would not constitute contempt of court”.

“I am not satisfied that the criticism made by the



K.K. Venugopal

three persons named in your letter is with malice or is an attempt to impair the administration of justice, or that it was a deliberate and motivated attempt to bring down the image of the judiciary. In the circumstances, I accordingly decline consent to initiate proceedings to criminal contempt of the Supreme Court,” Mr. Venugopal addressed Mr. Sukin in his response.

A Vacation Bench of Justices Surya Kant and J.B. Pardiwala on July 1 severely reprimanded Ms. Sharma for her comments against Prophet Muhammed, saying she was “single-handedly responsible for what is happening in the country”.

# The great omission in the draft disability policy

Unless there is political inclusion of the disabled, the goal of inclusiveness and empowerment will remain elusive



SHASHANK PANDEY

The Department of Empowerment of Person with Disabilities (DoEPwD) recently released the draft of the national policy for persons with disabilities (“Policy”) – public comments have been invited till July 15, 2022 (at: panda.dk@nic.in). The necessity for a new policy which replaces the 2006 policy was felt because of multiple factors such as India’s signing of the United Nations Convention on Rights of Persons with Disabilities; enactment of a new disability legislation (Rights of Persons with Disabilities Act 2016) which increased the number of disabilities from seven conditions to 21 and being a party to the Incheon Strategy for Asian and Pacific Decade of Persons with Disabilities, 2013-2022 (“Incheon commitment”). The last was prepared under the aegis of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) which identifies 10 goals for Asia-Pacific countries to ensure the inclusion and the empowerment of persons with disabilities and conformity with the Sustainable Development Goals 2030.

These commitments have changed the discourse around disability by shifting the focus from the individual to society, i.e., from a medical model of disability to a social or human rights model of disability.

The principle of the draft policy is to showcase the Government’s commitment to the inclusion and empowerment of persons with disabilities by providing a mechanism that ensures their full participation in society.

In furtherance of this commitment, the policy document highlights a detailed commitment to education, health, skill development and employment, sports and culture, social security, accessibility and other institutional mechanisms. However, a glaring omission is the absence of any commitment to the political uplift of persons with disabilities.

## About political participation

Article 29 of the Convention on Rights of Persons with Disabilities mandates that state parties should “ensure that persons with disabilities can effectively and fully participate in political and public life on an equal basis with others, directly or through freely chosen representatives...” The Incheon goals also promote participation in political processes and in decision making. The Rights of Persons with Disabilities Act 2016 embodies these principles within its fold. The anti-discrimination commitment under this Act recognises the political domain wherein disabled people should be allowed to realise their human rights and fundamental freedoms. The documents fail to take cognisance of such mandates.

Political empowerment and the inclusion of the disabled are an issue that has not found traction in India’s democratic discussion. India does not have any policy commitment that is aimed at enhancing the political participation of

GETTY IMAGES/ISTOCKPHOTO



disabled people.

The exclusion of disabled people from the political space happens at all levels of the political process in the country, and in different ways. For instance, the inaccessibility of the voting process, barriers to participation in party politics or a lack of representation at the local, State or national levels have all aggravated the marginalisation of the disabled.

## Ground realities, no data

Section 11 of the Rights of Persons with Disabilities Act prescribes that “The Election Commission of India and the State Election Commissions shall ensure that all polling stations are accessible to persons with disabilities and all materials related to the electoral process are easily understandable by and accessible to them”. Although this mandate has been in existence for a few years, the disabled people still report accessibility issues before and on election day. There is often a lack of accessible polling booths in many locations. There is still no widespread adaptation of braille electronic voting machines and even wheelchair services at all polling centres. The Election Commission of India has developed its own procedures for handling PwDs during the electoral process.

Political parties in India still do not find the disabled as the large

electorate to specifically address their needs.

The lack of live aggregate data on the exact number of the disabled people in every constituency only furthers their marginalisation. The lack of accessible space for party meetings, inaccessible transport for campaigning or an attitudinal barrier among voters and party leaders can be termed as contributing factors. Thus, we seldom see disability being highlighted in the manifestos of parties.

## Inadequate representation

Representation plays an imperative role in furthering the interests of the marginalised community. Our Constitution makers recognised this when they provided for reservation for Scheduled Caste/Scheduled Tribes in the legislature. Disabled people are not represented enough at all three levels of governance. The response to a right to information filing by this writer to the Parliamentary Affairs Ministry showed that the Government does not maintain data on the disability aspect of members. The first visually disabled Member of Parliament in independent India, Sadhan Gupta, hardly finds mention in our political or disability discourse. We have often failed to acknowledge disabled political personalities who have overcome the myriad barriers in India’s political space.

However, few States have begun the initiative at local levels to increase participation. For instance, Chhattisgarh started the initiative of nominating at least one disabled person in each panchayat. If a disabled person is not elected then they are nominated as a pan-

chayat member as per changes in the law concerned. This is a step that has increased the participation of the disabled in the political space at local level.

## ‘Make the right real’

The goal of the policy document – of inclusiveness and empowerment – cannot be achieved without political inclusion. The policy can follow a four-pronged approach: building the capacity of disabled people’s organisations and ‘empowering their members through training in the electoral system, government structure, and basic organisational and advocacy skills’; the creation, amendment or removal of legal and regulatory frameworks by lawmakers and election bodies to encourage the political participation of the disabled; inclusion of civil societies to ‘conduct domestic election observation or voter education campaigns’; and a framework for political parties to ‘conduct a meaningful outreach to persons with disabilities when creating election campaign strategies and developing policy positions’.

The document lays emphasis on the point that central and State governments must work together with other stakeholders to “make the right real”. This right can be made real only when it includes political rights/political participation within it. This will only conform to the universal principle on disability, i.e., “Nothing about us. Without us.”

Shashank Pandey is a Javed Abidi Fellow at the National Centre for Promotion of Employment for Disabled People (NCPEDP). He was a Legislative Assistant to Members of Parliament (LAMP) Fellow

## EXPLAINER

# The road to rolling out labour codes

What are the reasons for the delay in implementing the four labour codes? Why are the central trade unions against the move?

A. M. JIGEESH

**The story so far:** The Code on Wages (passed in Parliament in August, 2019), the Industrial Relations Code, the Code on Social Security, and the Code on Occupational Safety, Health and Working Conditions (all passed on September 22 and 23, 2020 in the Lok Sabha and the Rajya Sabha) have not yet been implemented. The Centre claims that the four codes are a major step in the process of labour reforms. The central trade unions (CTUs) have held three general strikes against the codes so far, alleging that the codes will result in taking away whatever little social and economic security is left in the employment sector. The farmers' organisations had also supported the trade unions in their protests. The employers' associations, too, had mixed feeling towards the codes, but had generally welcomed them.

### Where does it stand?

The government says the delay in implementation is due to the delay in framing rules by the States. As labour is a concurrent subject, both the States and the Centre will have to prepare rules for the codes. The Centre had also offered help to the States so that the codes can be implemented from July 1, 2022.

Union Minister for Labour, Bhupender Yadav, recently said that only a few States have not yet framed the rules. According to a recent report, 24 States have so far published draft rules to all four codes.

### What is the process?

The States are publishing draft rules and inviting comments from stakeholders on those draft rules. The Centre had also published draft rules for certain sections of the four codes. The trade unions have been asking the Centre to stop this piecemeal approach and release the complete rules of four codes.

Since the four labour codes are an amalgamation of 29 Central laws and about 100 State laws that are similar to various Central laws, drafting, publishing and holding consultations with stakeholders is taking considerable time. There are also complaints by the Opposition-ruled States that the codes are "poorly drafted".

The Opposition had objected to the way the three codes were passed in Parliament in just two days without much discussion. Recently, Kerala Labour Minister V. Sivankutti said in the Kerala Assembly that the State prepared the draft rules hesitantly as most of the provisions in the codes are "anti-worker". The Centre intends to implement the



four codes together. "Our effort will be to implement the codes in 2022. The Labour Minister has offered discussions with trade unions and representatives of employers to iron out differences, if any," an official said.

The SP Mukherjee committee, which is working towards the issue of minimum wages, is yet to complete its task. Setting a national minimum wage is important in the implementation of the Code on Wages. The Centre had recently said that the ambit of Employees State Insurance Corporation (ESIC) will be expanded to

all districts within two years.

Social security for unorganised workers is a promise in the Code on Social Security and expansion of ESIC network is an unavoidable step for this purpose.

### What are some of the concerns?

The central trade unions in the Opposition camp are opposed to all the four codes. The Rashtriya Swayamsevak Sangh (RSS)-supported trade union, Bharatiya Mazdoor Sangh (BMS), is opposed to the Industrial Relations Code and certain provisions of the Code on Occupational Safety, Health and Working Conditions.

According to the Centre of Indian Trade Unions, one of the central trade unions said the exercise "is aimed at pushing out a large section of the workforce out of the coverage of all labour laws through increasing the threshold level of employment in an establishment and repealing of a big number of labour laws meant for certain specific sections of employees/workers viz., sales promotion employees, working journalists, etc."

The BMS has been maintaining that the codes should not be implemented at one go. "The differences must be resolved by mutual dialogue. We have our concerns

about the code on Industrial Relations, specifically on the provisions for the registration and working of central trade unions. Our advice to the government is that it should implement only those sections and codes where there is a larger unanimity among the workers," said BMS general secretary Binoy Kumar Sinha.

The employers' associations like Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) had expressed reservation on the proposal for increasing the minimum wages and expanding the social security network by involving the employers too.

### What lies ahead?

The trade unions are warning about more protests if the codes are implemented. They say that the Centre will have to repeal it the way it repealed the three farm laws.

The Centre, too, is worried about the political fallout of its implementation and thus, this could also be a possible reason for the delay. The employers are worried that further increase in the salary bill will hamper their profits in a recession-hit economy and they expect the government to hold more discussions.

## THE GIST

■ The government says the delay in implementing the four labour codes is due to the delay in framing rules by the States.

■ The States are publishing draft rules and inviting comments from stakeholders on those draft rules. The Centre had also published draft rules for certain sections of the four codes.

■ The trade unions are warning about protests if the codes are implemented. They say that the Centre will have to repeal it the way it repealed the three farm laws.

# Kerala reports India's first monkeypox case

35-year-old man who arrived in State capital three days ago from UAE tests positive

**SPECIAL CORRESPONDENT**  
THIRUVANANTHAPURAM

The first known lab-confirmed case of monkeypox in India has been reported in a 35-year-old man in Kerala, who reached the State capital three days ago from the UAE. The Union Health Ministry should now make the official declaration.

State Health Minister Vee-na George, who earlier on Thursday informed presspersons about a possible suspected case of monkeypox, said here at 7 p.m. that the National Institute of Virology, Pune had confirmed the disease.

The person, a Kollam native, has been isolated for

treatment at the Government Medical College Hospital (MCH) here. His condition was stable, though he seemed very anxious.

He had first consulted a private hospital at Kollam after he developed fever and other symptoms. He himself volunteered the information that a close contact of his in

the UAE had been confirmed as having contracted monkeypox. He was referred to the MCH.

## **Close contacts isolated**

His close contacts – father and mother – have also been isolated at the same hospital.

**CONTINUED ON ► PAGE 12**

# Kerala reports India's first monkeypox case

Ms. George said a few other persons who might qualify as contacts – the driver who took the person from the airport to his home at Kollam, the driver of the autorickshaw in which he travelled to the private hospital, the healthcare personnel who attended to him at the first hospital as well as 11 persons who had occupied the seats near him on his flight from the UAE – have all been informed about the new development. They will also have to go into isolation and monitoring for the next 21 days. Ms. George said that according to the patient, he had travelled on flight wearing the face mask and that he was wearing clothes that fully covered him.

She said the disease spread from person to person only through close contact and that there was no need to panic at this point in time. However, all districts have been asked to enhance disease surveillance in the field and to be on the lookout for any fever with unusual symptoms.

The Kerala Health Department has taken all precautions to ensure that the infection does not spread

outside the circle of close contacts. The COVID-19 graph in the State has been up for the past one month and hence mask mandates are in place and health workers are habituated to the use of PPE kits before attending to patients, thus minimising the risk of spread, Ms. George said.

Monkeypox initially presents like any tropical disease with fever, headache, joint ache and possible swelling of the lymph glands. The incubation period for the disease – the time from exposure to the virus to the manifestation of symptoms – ranges from five to 21 days. Rashes appear on the face, inside palms and the body one to four days after fever.

The course of the disease could last two to four weeks, during which time the rashes progress into pustules, vesicular lesions and scabs.

Transmission happens only through close contact and by touching or sharing the clothes or bedding used by the patient, because the lesions usually have a high viral load. Transmission also extends throughout the course of the illness, till the lesions heal.

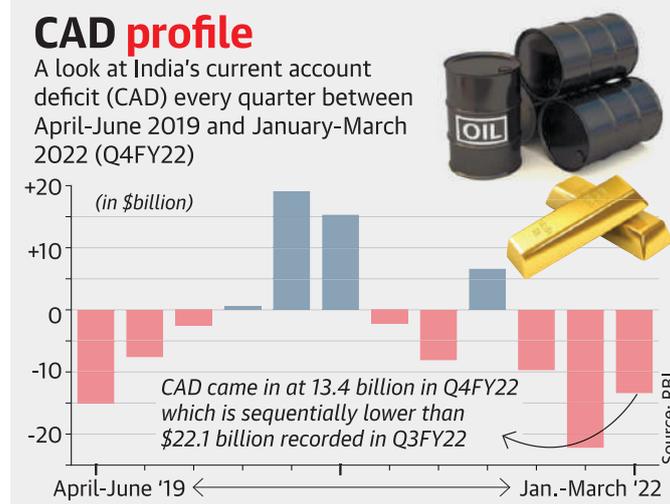
# 'Fiscal deficit reined in, CAD a concern'

Inflation, trade deficit are key challenges: FinMin

VIKAS DHOOT  
NEW DELHI

India's macro risks have receded in recent weeks and concerns about the fiscal deficit target being breached may be misplaced, the Finance Ministry asserted on Thursday, while conceding that the current account deficit (CAD) could, however, deteriorate this year mainly due to rising trade deficits.

Identifying elevated inflation and a widening trade deficit as 'twin challenges' for the economy, the Ministry, however, emphasised



that economic activity in the country remained resilient almost five months into the Russian-Ukraine conflict.

Data released separately

on Thursday showed the trade deficit widened in June to an all-time high of \$26.2 billion as imports surged past \$66 billion. Retail infla-

tion eased slightly to 7.01% in June, and the Ministry attributed it to measures taken by the government and the central bank as well as fears of a global recession that had dragged oil prices lower.

The government would still need to 'continue to walk the tightrope of balancing inflation and growth concerns' as long as price gains remain above the 6% mark, the Ministry said in its monthly economic review.

"Softening of global commodity prices may put a leash on inflation, but their elevated levels also need to decline quickly to reduce India's CAD," it noted.

CONTINUED ON ► PAGE 12

# Fiscal deficit reined in, CAD a concern: Ministry

The Ministry stressed that the boom in gold imports was also a concern though the government had raised import duties in a bid to curb them.

“A sudden and sharp surge in gold imports amid wedding season (as many weddings were postponed to 2022) is also exerting pressure on the CAD. If recession concerns do not lead to a sustained and meaningful reduction in the prices of food and energy commodities, then India’s CAD will deteriorate in 2022-23 on account of costlier imports and tepid exports,” the Finance Ministry cautioned.

The current account slid back into a deficit of 1.2% of GDP in 2021-22, after registering a surplus of 0.9% in the preceding pandemic-hit fiscal year. Economists expect the CAD to widen to about 3% of GDP this year.

An increase in services exports where India is more globally competitive as compared to merchandise exports, may help rein in the CAD, which is also putting

pressure on the rupee, the Ministry averred.

While the rupee has dropped 6% against the dollar since January, the Ministry contended that the currency had performed well compared with peers from other major economies ‘unlike in 2013, when it depreciated against other major economies’. This, it asserted, reflected the ‘strong fundamentals’ of the Indian economy.

However, on the flip side, the Ministry noted: “The depreciation, in addition to elevated global commodity prices, has also made price-inelastic imports costlier, thereby making it further difficult to reduce the CAD.”

While meeting the fiscal deficit target for this year may seem like a challenge following the excise duty cuts on petroleum products announced in May, the Ministry said it expected the revenue losses to be offset by robust GST collections, increase in customs duty receipts, and the imposition of the windfall tax on petroleum product exports.

# Rupee slides 18 paise, closes shy of 80 per dollar

## Drop in oil prices curbs rupee's losses

**PRESS TRUST OF INDIA**  
MUMBAI

The rupee edged close to an unprecedented low of 80 against the U.S. currency on Thursday as it depreciated by a little more than 18 paise to settle at 79.9975 as the dollar surged to 24-year highs against a basket of global currencies.

While wholesale inflation remained in double digits for the 15th straight month in June, the expected deterioration in the current account deficit and forex outflows weighed on the local unit.

A sharp correction in crude oil prices in the past few days, however, has allowed a breather for the lo-



cal currency, analysts said.

“The rupee closed at a record low for the fourth day in a row amid safe-haven demand for the dollar after U.S. inflation surged to a 41-year high,” said Dilip Parmar, Analyst, HDFC Securities. “Markets now are pricing [in] aggressive rate hikes from the Federal Reserve.”

# Trade deficit widens to record \$26.1 bn

Runaway gold, coal purchases swell June imports, offset 23.5% growth in exports to \$40.1 billion

**SPECIAL CORRESPONDENT**  
NEW DELHI

India's merchandise trade deficit widened to a record \$26.18 billion in June, wider than the government's earlier estimate of \$25.63 billion, after the Commerce Ministry revised upwards both the exports and imports figures for the month.

While goods exports increased 23.5% year-on-year to exceed \$40.1 billion (preliminary estimate was \$38 billion), imports outpaced, surging 57.5% to \$66.3 billion on the back of higher purchases of coal, gold and petroleum products.

The previous record monthly merchandise trade deficit was \$24.3 billion in May. Last month's trade deficit was almost three times as wide as the \$9.6 billion shortfall recorded in June 2021.



**Cloudy horizon:** Export growth may slow down amid a weaker outlook for the global economy, says Nayar. ■ K. K. MUSTAFAH

Import figures for coal, gold and petroleum products saw significant upward revisions from the preliminary estimates. Coal imports jumped almost fourfold to \$6.76 billion while gold imports almost trebled to surpass \$2.7 billion. Petroleum

imports climbed 99.5% to \$21.3 billion.

Excluding petroleum and gems and jewellery, imports were up 38.3% at \$38.53 billion in June. Stripping out the same items from the export data, meant exports of other products grew by a sin-

gle digit of 8.65% to about \$28 billion.

In the export basket, engineering goods and drugs and pharmaceuticals, that were earlier estimated to have recorded falls, actually clocked 3% and 4.8% increases in shipments, respectively.

Petroleum exports were up 119% at \$8.6 billion, while electronic goods' exports jumped 60.7% to \$1.67 billion. Rice exports soared 43% to cross the \$1 billion mark, while the employment-intensive readymade garments sector clocked a 50% uptick in exports. Cotton yarn and handloom products, as well as plastic and linoleum, which among India's top 10 export commodities, contracted 19.5% and 20%, respectively.

The first quarter of 2022-23 thus witnessed a 24.5%

rise in exports to \$118.96 billion, while imports rose 49.5% to \$189.76 billion. The trade deficit for the April-June three-month period widened to \$70.8 billion.

## 'Commodity prices'

"While the upwardly revised merchandise trade deficit for June 2022 poses some upside risks to the current account deficit for the first quarter... the correction in commodity prices has softened the outlook for the ongoing quarter," said ICRA chief economist Aditi Nayar.

However, she cautioned that export growth may see a slowdown amidst a weaker outlook for the global economy. "We foresee modest downsides to our current account deficit forecast for this year of \$105 billion, or 3% of GDP," she noted.

# Wholesale price rise eased to 3-month low of 15.2% in June

## Food inflation surged to 12.4%

**SPECIAL CORRESPONDENT**  
NEW DELHI

Inflation in wholesale prices moderated marginally from the record 15.88% pace in May to 15.18% in June, as a slight deceleration in the price rise of manufactured products, fuel and power as well as primary articles was offset by a surge in food price inflation to 12.41%, from 10.89% in May.

June's wholesale inflation rate is the lowest in three months as the Commerce and Industry Ministry revised April's Wholesale Price Index (WPI) to reflect a 15.38% price rise that month as opposed to 15.08% estimated earlier. This is the 15th successive month that wholesale price inflation has exceeded the 10% mark.

Despite the reduction in the year-on-year headline rate, there was no change in the overall WPI index on a month-on-month basis.

The Ministry said the high inflation in June was primarily driven by continued gains in the prices of mineral oils, food articles, crude petroleum & natural gas, basic metals, chemicals & chemical products and food products, compared with a year earlier.

### **LPG price rise**

With June being the first full month after the excise duty cuts on fuel products in late May, fuel and power inflation dropped a tad, from 40.6% in May to 40.4%.

While diesel inflation eased to a four-month low of 54.9% in June, from 65.2% in May, LPG price rise accelerated to 53.2%, from 47.7% in May. Petrol price inflation



moderated a little from May's 58.8% pace to 57.8% in June.

Inflation in food articles moved up to the highest level in several months to 14.4%, from 12.3% in May, driven largely by a sharp surge in inflation for potatoes (39.4%), vegetables (56.75%) and fruits (20.33%). Inflation in cereals remained virtually unchanged at 8% in June, while wheat price rise eased marginally from 10.55% in May to 10.34%. Inflation in manufactured products dropped below 10% after four months, to hit 9.2%.

Aditi Nayar, chief economist at rating firm ICRA, attributed the overall easing in inflation to the sharp corrections in the inflation for minerals and basic metals and non-food articles, amid fears of an impending global recession that have hit commodity prices.

"The good news is that the core inflation index (that excludes food and energy prices) declined by 0.7% in month-on-month terms after rising 24 months in a row, and dampened the year-on-year core inflation to single digits at 9.3% after a gap of 13 months," Ms. Nayar said.

# Production of vegetables to go up: Centre

## Cultivation of spices, medicinal plants may dip

**SPECIAL CORRESPONDENT**  
NEW DELHI

The total horticulture production in 2021-22 is estimated to be 341.63 million tonnes (MT), an increase of about 7.03 MT or 21% over the 2020-21 figure, according to the second advanced estimates of area and production of various horticultural crops released by the Union Agriculture Ministry here on Thursday.

Last year, the total horticulture cultivation was on



**Off to the market:** Potatoes being harvested near Ghaziabad. ■ R.V. MOORTHY

27.48 million hectares and according to the second advanced estimates, in 2021-22, it could be 27.74 million hectares.

The Centre said that while there could be an increase in

the production of fruits, vegetables and honey, the cultivation of spices, flowers, medicinal plants and plantation crops could decrease over previous year. “The fruit production is estimated at 107.1 MT compared to 102.48 MT in 2020-21. The production of vegetables is estimated to be 204.61 MT, compared to 200.45 MT in 2020-21,” it said in a release.

In the case of onion, the production is estimated to be 31.7 MT against 26.64 MT in 2020-21. Potato production is likely to be 53.58 MT, from 56.17 MT in 2020-21. Tomato yield is expected to be 20.34 MT, from 21.18 MT

in 2020-21. Farmers of the three crops had agitated against the drop in prices last year.

Farmers’ organisations have also been complaining about scarcity of fertilizers and increase in its price.

Union Agriculture Minister Narendra Singh Tomar said in Bengaluru on Thursday that the country had to depend on the import of fertilizers and the Centre was incurring a subsidy of about ₹2.5 lakh crore annually so that the burden of rising prices globally did not fall on the farmers. “But there must be an end to this situation at some time,” he said.

## EXPLAINER

# The debate around the Forest Conservation Rules

What are the Forest Conservation Rules and how will it affect forest dwellers and tribals? What is the government's position on the updated rules?

## THE GIST

- Forest Conservation Rules prescribe the procedure to be followed for forest land to be diverted for non-forestry uses such as road construction, and highway development.

- The latest version of the rules, which consolidates changes to the Act over the years from various amendments and court ruling, was made public on June 28, 2022.

- Prior to the updated rules, state bodies would forward documents to the Forest Advisory Committee (FAC) that would include information on the status of whether the forest rights of locals in the area were settled.

JACOB KOSHY

**The story so far:** The Congress and the Bharatiya Janata Party (BJP) sparred earlier this week on the latest version of the Forest Conservation Rules. Congress spokesperson, Jairam Ramesh, alleged that the latest version of the rules, updated last month, allowed forest land to be diverted to industry without settling questions of the rights of forest dwellers and tribals who resided on those lands. The Union Minister of Environment, Forest and Climate Change, Bhupender Yadav and Tribal Affairs Minister, Arjun Munda, denied these claims.

### What are the Forest Conservation Rules?

The Forest Conservation Rules deal with the implementation of the Forest Conservation Act (FCA), 1980. They prescribe the procedure to be followed for forest land to be diverted for non-forestry uses such as road construction, highway development,

**After 2009, the Environment Ministry passed an order mandating that proposals would not be entertained by the FAC unless there was a letter from the State specifying that the forest rights in the place had been "settled"**

railway lines, and mining.

The broad aims of the Forest Conservation Act are to protect forest and wildlife, put brakes on State governments' attempts to hive off forest land for commercial projects and striving to increase the area under forests.

For forest land beyond five hectares, approval for diverting land must be given by the Central government. This is via a specially constituted committee, called the Forest Advisory Committee (FAC).

This committee examines whether the

user agency, or those who have requested forest land, have made a convincing case for the upheaval of that specific parcel of land, whether they have a plan in place to ensure that the ensuing damage – from felling of trees in that area, denuding the local landscape – will be minimal and the said piece of land doesn't cause damage to wildlife habitat.

Once the FAC is convinced and approves (or rejects a proposal), it is forwarded to the concerned State government where the land is located, who then has to ensure that provisions of the Forest Right Act, 2006, a separate Act that protects the rights of forest dwellers and tribals over their land, are complied with.

The FAC approval also means that the future users of the land must provide compensatory land for afforestation as well as pay the net present value (ranging between ₹10-15 lakh per hectare.)

### What do the updated rules say?

The latest version of the rules, which consolidates changes to the Act over the years from various amendments and court ruling, was made public on June 28, 2022.

Parliament is scheduled to begin its monsoon session on July 18, 2022 and the law requires that the rules be placed before both the Houses. The new rules, according to the Centre, "streamline" the process of approvals. The rules make a provision for private parties to cultivate plantations and sell them as land to companies who need to meet compensatory forestation targets.

This, according to the government, will help India increase forest cover as well as solve the problems of the States of not finding land within their jurisdiction for compensatory purposes. While this has invited its own controversy, the latest point of contention is the absence of wording, in the updated Forest Conservation Rules, of what happens to tribals and forest-dwelling communities whose land would be hived off

for developmental work.

Prior to the updated rules, state bodies would forward documents to the FAC that would also include information on the status of whether the forest rights of locals in the area were settled.

After 2009, the Environment Ministry passed an order mandating that proposals would not be entertained by the FAC unless there was a letter from the State specifying that the forest rights in the place had been "settled" and the gram sabha, or the governing body in villages in the area, had given their written consent to the diversion of forest.

However, there have been a series of orders by the Environment Ministry over the years, and frequently opposed by the Ministry of Tribal Affairs, that have sought to skirt the necessity for consent from the gram sabha.

The new rules formally codify this and say that a project, once approved by the FAC, will then be passed on to the State authorities who will collect the compensatory fund and land, and process it for final approval.

Only in passing, is it mentioned that the States will ensure "settlement" of Forest Rights Acts applicable. This, many forestry experts say, doesn't automatically imply the consent of the resident tribals and forest dwellers.

### What is the government's position?

Union Environment Minister Bhupender Yadav rebutted Mr. Ramesh underlining that fulfilling and complying with the FRA, 2006 was an independent process and could be undertaken by States "at any stage" of the forest clearance process and that complying with provisions of the FRA is mentioned in the rules before States order diversion of the land. However, he said, it had to be completed before granting approval for land diversion.

The purpose of updating these rules, said



Mr. Yadav, was to "streamline the approval process."

**Initial steps:** The purpose of updating the rules was to "streamline the approval process." • GETTY IMAGES

### How well has the Forest Conservation Act (FCA) been implemented so far?

A 2019 analysis by the Legal Initiative for Forests and Environment has found that the FAC generally approves land for diversion without examining questions around consent as it relies on the State government to ensure that this is done.

In the first six months of 2019, of the 240 proposals that were considered for diversion of forest land for non-forestry purposes, 193 proposals were recommended, 40 proposals were deferred for later consideration and seven rejected. Recommendation for 193 proposals meant 9,220.64 hectares of forest land were recommended for diversion for non-forestry purposes such as roads, railways, mining, irrigation, infrastructure and hydel power.

General Studies Paper I	
A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 <sup>th</sup> century such as industrial revolution, world wars, re-drawing of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies
General Studies Paper II	
A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
<b>General Studies Paper IV</b>	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.