



AFTER HIGH DRAMA, BIREN DROPS HIS RESIGNATION PLAN



Women gather outside CM's residence, tear up his resignation letter; BJP says CM decided against quitting to honour people's sentiments

Beleaguered Manipur Chief Minister Nongthombam Biren Singh was stopped by his supporters from resigning on Friday, amid high drama in Imphal.

The BJP later announced that Mr. Singh had decided against quitting, to honour the sentiments of the people.

Mr. Singh was scheduled to meet Governor Anusuiya Uikye at the Raj Bhavan, barely 200 metres from his official residence, to tender his resignation at 1 p.m. The appointment was rescheduled to 3 p.m. The CM, along with some 20 MLAs (including Ministers), came out of his house around 2.20 p.m. in a convoy of vehicles but hundreds of women blocked his path. He returned after they asked him not to resign.

A group of Ministers emerged from his residence after some time and one of them read out Mr. Singh's resignation letter before handing it to some women, who tore it up.

The BJP later announced that Mr. Singh had decided against quitting, in order to honour the sentiments of the people and civil society organisations. Leaders of the Congress and other political parties termed it a chair-saving drama.

Neither Home Minister Amit Shah nor the central BJP leadership had instructed the Chief Minister to step down, an associate of Mr. Singh told The Hindu.

Mr. Singh is believed to have made up his mind to quit after abuses were hurled at him during a protest in Imphal on Thursday night.

While a section of the people in the Meitei-dominated Imphal Valley are rallying behind Mr. Singh, the Kuki community in the hills — including seven BJP legislators — have been demanding his resignation, as well as a separate tribal administration.

STALIN 'DISREGARDS' LETTER, ASSERTS GOVERNOR HAS NO POWER TO SACK A MINISTER

Tamil Nadu Chief Minister M.K. Stalin wrote to Governor R.N. Ravi on Friday, informing him that his "unconstitutional communication" dismissing arrested Minister V. Senthilbalaji "without my advice is void ab initio and non est in law and hence has been disregarded".

Reacting strongly to Mr. Ravi's communication initially "dismissing" Mr. Senthilbalaji and then subsequently keeping it in "abeyance" on Thursday night, Mr. Stalin said that though the Governor's letters required only an outright disregard, he wished to clarify the facts and law on the issue.

Sources privy to the development said that Mr. Stalin sent a six-page letter to the Governor, arguing that the aid and advice of the Chief Minister and the Cabinet was neither sought nor given for either of Mr. Ravi's communications. Noting that the Governor had kept his "dismissal letter" in abeyance, in order to seek the opinion of the Attorney-General on the intervention of the Union Home Minister, Mr. Stalin said that this showed that Mr. Ravi had acted in haste "with scant regard to the Constitution of India".

Referring to Mr. Ravi's charge that he had used "intemperate language" in a letter to Raj Bhavan earlier this month, the CM said: "We have always been pleasant, courteous and respectful towards you in line with our Tamil culture. However, that does not mean we have to abide by unconstitutional directives issued by you."

He said that Mr. Ravi's first letter "even alluding to breakdown of constitutional machinery" was "a not so veiled threat".

Holding that the Cabinet and his MLAs enjoyed the confidence of the people, who are the ultimate sovereign, Mr. Stalin said that "high constitutional authorities like the Governor, while dealing with an elected government, must

We have always been pleasant, courteous and respectful towards you (Governor) in line with our Tamil culture. However, that does not mean we have to abide by unconstitutional directives issued by you

M.K. STALIN
T.N. Chief Minister



act with dignity and not stoop to levelling veiled unsubstantiated threats about 'breakdown of constitutional machinery'".

Distinguishing between a person facing investigation, a person against whom charges have been framed, and a person convicted by a court, Mr. Stalin said that it was only in the third category of cases that a person attracted disqualification, from holding office as Minister or legislator as per the judgement of the Supreme Court.

A MISADVENTURE

Tamil Nadu Governor has acted without forethought in sacking a Minister

Tamil Nadu Governor R.N. Ravi appears to be on a mission to demonstrate his tenuous grasp of the Constitution. In an action without precedent — and, as it turns out, without forethought — he sent out a

communication to the Tamil Nadu Chief Minister, M.K. Stalin, that he had dismissed V. Senthilbalaji, a State Minister without Portfolio, who is in hospital and in judicial custody. Within hours, on the advice of the Union Home Minister,

he again wrote to the Chief Minister that he was holding the order in abeyance and was, instead, seeking the opinion of the Attorney General of India. One would have thought that a Governor expected to abide by constitutional norms would have obtained appropriate legal opinion prior to his drastic action. That Mr. Ravi had to be advised to seek ex post facto legal opinion reflects poorly on his decision-making prowess. His letter says he was invoking Articles 153, 163 and 164 of the Constitution, which deal with the executive power of the State being vested in the Governor, his acting on the Cabinet's aid and advice, and the appointment of the Chief Minister and other Ministers. The constitutional scheme set out in these articles gives no room for doubt that the Governor has no discretion in the matter of appointing and removing ministers, which is under the Chief Minister's domain.

Mr. Ravi has sought to justify the extraordinary action by referring to the allegations against the Minister and the Supreme Court of India's observations in a recent order. However, any call to remove a Minister is an appeal to moral

sense rather than a legal requirement. For the Governor to remove someone unilaterally on the ground that his earlier counsel to drop a Minister went unheeded is nothing but a constitutional misadventure. It will be desirable if Ministers facing charges quit on their own, or they are removed by the respective Chief Ministers. In the past, the framing of charges in the trial court has led to Ministers being removed, but it remains a moral high ground, and not a mandatory feature of the constitutional system. Few would disagree that the charges of bribery that Mr. Senthilbalaji faces, dating back to his stint in the erstwhile All India Anna Dravida Munnetra Kazhagam regime, and allegations of laundering the proceeds are serious enough to merit his stepping down until he is cleared of charges. Mr. Stalin could have acted on his own to avoid facing the charge that he is providing a "shield of office" for the Minister to protect himself or that the Minister's presence in the Cabinet is obstructing the due process of law. But nothing can excuse the Governor's misadventure.

ALL HANDS ON DECK

T.S. Singhdeo's elevation in Chhattisgarh expands the Congress's reach

The elevation of T.S. Singhdeo as Deputy Chief Minister in the Congress government in Chhattisgarh is partly a reward for his loyalty to the party, and partly a message to Chief Minister Bhupesh Baghel who has risen as a regional strongman. Mr. Baghel spearheaded the Congress party's comeback in the 2018 Assembly elections in the State after a hiatus of 15 years. With his ear to the ground, Mr. Baghel instinctively senses the political mood of the State, and under him the Congress party has devised a unique mobilisation model. The party won 68 of the 90 Assembly seats in the State in 2018, and in government, continued to consolidate its support base. A combination of welfare schemes, an innovative evocation of Chhattisgarh's subnational identity, and social engineering that drew Other Backward Class communities closer to it, placed the Congress in an advantageous position against the Bharatiya Janata Party (BJP). The State government also rolled out a slew of schemes that pandered to Hindu sentiments as a counter to the BJP's Hindutva politics. All this boosted the Congress, but also strengthened the Chief Minister in such a way that others in the party began to feel the discomforting weight of his expanding power.

Strong regional leaderships create a typical dilemma for national

parties such as the Congress and the BJP. On the one hand they anchor the party while on the other the stronger they are, the more deviant they could turn from the national agenda of the party. Strong leaders are often reluctant to subject themselves to processes, within the party or through institutions. Balancing this essential need of strong leadership with the imperatives of party decorum is not an easy task. Mr. Baghel has created a model for combating the BJP in the heartland, which the Congress could seek to replicate in other comparable regions. But the Congress can ill-afford to let success devour it. The history of the party in the State is instructive. Under the late Ajit Jogi, the first Chief Minister of the State, the party wilted as it alienated communities and its own leaders. Mr. Baghel's leadership was a critical factor in the revival of the party, but so were the contributions of several others, known and unknown. For it to retain power in the State, the Congress will have to hold all of them together. Mr. Singhdeo's elevation is, hence, a first step in the right direction. There is more to be done, including a renewed outreach to tribal communities. But at least the Congress seems ready to project a united front in Chhattisgarh.

THE GOVERNOR'S MOVE IS DANGEROUS, UNCONSTITUTIONAL

The Governor of Tamil Nadu, R.N. Ravi, has dismissed V. Senthilbalaji, a Minister in the Council of Ministers of Tamil Nadu — as in the communication issued by the Raj Bhavan on June 29, 2023. (The Governor later backtracked on his decision late in the night, keeping the "dismissal" order in abeyance.) The operative part of the press release issued by the Raj Bhavan is that "there are reasonable apprehensions that continuation of Thiru V. Senthilbalaji in the Council of Ministers will adversely impact the due process of law, including fair investigation that may eventually lead to breakdown of the Constitutional machinery in the State". Hence, the dismissal of the Minister.

This unprecedented and deliberately provocative act of dismissing a Minister of a government which enjoys an absolute majority in the State legislature, without the recommendation of the Chief Minister of the State, is going to set a dangerous precedent and has the potential to destabilise State governments putting the federal system in jeopardy. If Governors are allowed to exercise the power of dismissal of individual Ministers without the knowledge and recommendation of the Chief Minister, the whole constitutional system will collapse.

Articles and clarity

What needs to be examined first is whether Governors have the power to dismiss an individual Minister without the advice of the Chief Minister. Under Article 164 of the Constitution, the Chief Minister is appointed by the Governor without any advice from anyone. But he appoints the individual Ministers only on the advice of the Chief Minister. The Article implies that the Governor cannot appoint an individual Minister according to his discretion. So, logically, the Governor can dismiss a Minister only on the advice of the Chief Minister.

The reason is simple. The Chief Minister alone has the discretion to choose his Ministers. He decides who the Ministers of his Council will be. He also decides who will not remain as a Minister in his Council. This is a political decision of the Chief Minister, who is ultimately answerable to the people. The Constitution has not transferred the discretion of the Chief Minister to the Governor.

This point would become absolutely clear on looking at the Government of India Act, 1935. Section 51(1) of this Act says, "the Governor's Ministers shall be chosen and summoned by him, shall be sworn as members of

the council and shall hold office during his pleasure". This Section makes it clear that the Ministers shall be chosen by the Governor. So, they hold office during his pleasure. Further, sub-section 5 of Section 51 says, "The functions of the Governor under this section with respect to the choosing and summoning and the dismissal of Ministers and with respect to the determination of their salaries, shall be exercised by him in his discretion".

Two things are clear from Section 51(1) and Section 51(5) of the Government of India Act, 1935. One, the Ministers are chosen by the Governor. Two, they are dismissed by him at his discretion. Thus, the Governor during the colonial rule had absolute discretion to choose a Minister and dismiss him. The hire and fire approach.

A mere constitutional head

Now, the Tamil Nadu Governor's action conveys the impression that he thinks that the Governors under the Constitution of India have the same discretionary powers as the Governors appointed by His Majesty by the commission under the Royal Sign Manual. Perhaps the words, "the Ministers shall hold office during the pleasure of the Governor" in Article 164 might have given him such an impression. But, independent India has a constitutional system under which a Governor is a mere constitutional head and he can act only on the aid and advice of the Council of Ministers headed by the Chief Minister.

B.R. Ambedkar had stated unambiguously in the Constituent Assembly that there is no executive function which a Governor can perform independently under the Constitution. So, choosing a Minister and dismissing him are no longer within his discretion. It is the Chief Minister who chooses the Minister. It is the Chief Minister who recommends the removal of a Minister.

It is true that the pleasure doctrine has been brought into the Constitution of India from the Government of India Act, 1935. But these words simply refer to the formal act of issuing the order of dismissal which is to be done by the Governor, but only on the advice of the Chief Minister. It is because it is the Governor who appoints the Ministers. Therefore, it has to be the Governor who should dismiss them.

The pleasure of the Governor under the Constitution of India insofar as it relates to the Ministers is not the same as that of the colonial Governor. It

should be noted here that much of the Act of 1935 has been reproduced in the Constitution. Section 51 of the Government of India Act, 1935 confers on the Governor the discretion to choose as well as dismiss the Ministers. But when Article 164 of the Constitution was drafted, the words "chosen", "dismissal" and "discretion" were omitted. It was a significant omission which makes it abundantly clear that the Constitution did not confer any discretion on the Governor to either choose or dismiss an individual Minister.

Judicial clarification

The position of the Governor in India's Constitutional setup has been clarified by the Supreme Court of India in a number of cases. In *Shamsher Singh and Anr vs State Of Punjab* (1974), a seven-judge Constitution Bench declared the Law on the Powers of a Governor in the Republic in the following words: "we declare the law of this branch of our Constitution to be that the President and Governor, custodians of all executive and other powers under various Articles, shall, by virtue of these provisions, exercise their formal constitutional powers

only upon and in accordance with the advice of their Ministers save in a few well known exceptional situations...."

Similarly, in *Nabam Rebia vs Deputy Speaker*, a Constitution Bench of five judges reaffirmed the law laid down in *Shamsher Singh* and further held that the discretionary powers of the Governor are limited to the postulates of Article 163(1). The Court also set aside the decisions in the *Mahabir Prasad Sharma* and *Pratapsing Raojirao Rane* cases, where it was held that the Governor can exercise power under Article 164 in an unfettered manner.

In sum, the dismissal of a Minister of the Tamil Nadu Government by the Governor of the State without the advice of the Chief Minister is constitutionally wrong. Newspaper reports suggest that the Governor later held back his order of dismissal for legal consultation. But the issue of dismissal of a Minister without the advice of the Chief Minister is one which clearly destabilises the constitutional system.

A NEW CHAPTER IN INDIA-AFRICA TIES CAN BE WRITTEN

There is a slow realisation that Africa, a continent, accounting for nearly 17% of the world's population today and reaching 25% in 2050, needs to be studied closely. Why? Because India's rise as a global player is inevitably linked to the kind of partnership it enjoys with Africa.

In the past 15 years and especially since 2014, India-Africa relations have developed steadily but more progress is achievable. In this context, the 20-member Africa Expert Group (AEG), established by the Vivekananda International Foundation, recently presented the VIF Report entitled 'India-Africa Partnership: Achievements, Challenges and Roadmap 2023'. (This writer chaired the Africa Expert Group established by the Vivekananda International Foundation.)

Africa in transition

The report examines the transitions unfolding in Africa: demographic, economic, political and social. From this blend of changes, stamped by the adverse impact of the pandemic and complicated geopolitics, emerges a continent that is set to transform itself. It is slowly heading toward regional integration and is devoted to democracy, peace and progress, even as Ethiopia, Sudan, the Central African Republic and other countries continue to battle with the challenges posed by insurgency, ethnic violence and terrorism.

Superimposed on this landscape is the sharpening competition among at least half a dozen external partners such as China, Russia, the United States, the European Union, Japan, Türkiye and the United Arab Emirates for strengthening their relations with parts of Africa to ensure market access, gain energy and mineral security, and increase political and economic influence. China stands apart, armed with a consistent and robust policy since 2000 to become virtually Africa's biggest economic partner. An essay in the report aptly portrays China's role as 'the infrastructure developer', 'the resource provider', and 'the financier.' It has invested enormously in Africa in terms of money, materials and diplomatic push.

Since 2007, Chinese leaders have visited the continent 123 times, while 251 African leaders have visited China. The VIF report notes that India has a substantive partnership with Africa and a rich fund of goodwill, but it is "essential for New Delhi to review its Africa policy periodically, stay resilient by making the required changes, and place a razor-like focus on its implementation".

Gist of recommendations

The central part is 'Roadmap 2030', a set of nearly 60 policy recommendations that are designed to deepen and diversify the India-Africa partnership. They cover four areas.

First, political and diplomatic cooperation should be strengthened by restoring periodic leaders' summits through the medium of the India-Africa Forum Summit; the last summit was in 2015. Besides, a new annual strategic dialogue between the chairperson of the African Union (AU) and India's External Affairs Minister should be launched in 2023. Another recommendation relates to forging consensus among G-20 members on the AU's entry into the G-20 as a full member. Action is now under way, following Prime Minister Narendra Modi's recent communication to G-20 leaders requesting support for this proposal. The expert group has also suggested that the Ministry of External Affairs (MEA) should have a secretary exclusively in charge of African affairs to further enhance the implementation and impact of the Africa policy.

Second, on defence and security cooperation, the government needs to increase the number of defence attachés deployed in Africa, expand dialogue on defence issues, widen the footprint of maritime collaboration, and expand lines of credit to facilitate defence exports. More can be done to increase the number of defence training slots and enhance cooperation in counter-terrorism, cyber security and emerging technologies.

Third, the largest number of recommendations relate to economic and development cooperation. India-Africa trade touching \$98 billion in FY22-23 is an encouraging development. This figure can go up if access to finance through the creation of an Africa Growth Fund (AGF) is ensured. A special package of measures to improve project exports and build up cooperation in the shipping domain has been suggested. A special focus on promoting trilateral cooperation and deepening science and technology cooperation could pay rich dividends.

Fourth, socio-cultural cooperation should be increased through greater interaction between universities, think tanks, civil society and media organisations in India and select African countries. Setting up a National Centre for African Studies will be the right step. Indian Technical and Economic Cooperation (ITEC) and Indian Council for Cultural Relations (ICCR) scholarships awarded to Africans should be named after famous African figures. Visa measures for African students who come to India for higher education should be liberalised. They should also be given work visas for short periods.

Finally, the report suggests a special mechanism for implementing the 'Roadmap 2030'. This can best be secured through close collaboration between the MEA and the National Security Council Secretariat through a team of officials working under the joint leadership of the Secretary, Africa in the MEA, and a designated Deputy National Security Adviser.

INDIA BACKS 2016 RULING FAVOURING THE PHILIPPINES IN SOUTH CHINA SEA

Bilateral ties: Foreign Minister S. Jaishankar (right) with his Philippines counterpart Enrique Manalo in New Delhi. PTI

As negotiations continue between China and the ASEAN bloc for a code of conduct in the South China Sea — which diplomatic sources described as a "complex exercise" involving 11 countries — India called for adherence to the 2016 arbitration decision in favour of the Philippines, which has been rejected by China.

A joint statement issued after talks between Enrique A. Manalo, the visiting Secretary of Foreign Affairs of the Philippines, and his Indian counterpart S. Jaishankar on Thursday said that the two leaders "underlined the need for peaceful settlement of disputes and for adherence to international law, especially the United Nations Convention on the Law of the Sea (UNCLOS) and the 2016 Arbitral Award on the South China Sea in this regard."

Mr. Manalo, who arrived in India on an official visit on June 27, concluded his visit on Friday.



China disagrees

The Philippines had instituted an arbitration proceeding against China in the Permanent Court of Arbitration under UNCLOS on January 22, 2013. The court ruled in favour of Manila on July 12, 2016, but this was rejected by China, which had called it "null and void." China, which claims rights to most of the resource-rich South China Sea up to the nine-dash line, has become more assertive in recent years, leading to flare-ups in the region.

On the ongoing negotiations on a code of conduct, the source said that it involved a lot of details and 11 countries. Though it has a common agenda, ASEAN does not have a common stance on all issues, given the differing views of its member nations. "It goes into a lot of details like what to do and what rules to observe when there is a collision at sea, how to deal with third parties. Also in the end, we have to agree if the code is legally binding or not, and if so who will

enforce it, and if it is not legally binding, then what is its status. Negotiations are going on regularly at the technical and legal levels," the source added.

Seeking support

Referring to the 2016 arbitral ruling, the anniversary of which is in two weeks, the source noted that China does not recognise the ruling and did not participate in the deliberations at The Hague.

On the Philippines' ongoing tensions with China, the source said that Manila was also doing other things beyond the 2016 ruling to deal with the actual issue, which is the "presence of China in the South China Sea". Manila is trying to send as many assets there as possible, to show that it is the Philippines' Exclusive Economic Zone, even while stressing that it only wants to "assert its rights and protect its fishermen"

IN TALK WITH PUTIN, MODI CALLS FOR 'DIALOGUE AND DIPLOMACY' TO END WAR IN UKRAINE

Days after his return from the United States, Prime Minister Narendra Modi spoke to Russian President Vladimir Putin on Friday, calling once again for "dialogue and diplomacy" to end the Ukraine conflict, while "expressing support" for Mr. Putin's actions during the June 24 failed mutiny in Russia.

During the conversation, which the Kremlin said had occurred "at the initiative of the Indian side", Mr. Modi also spoke about upcoming contacts between the two leaders at the Shanghai Cooperation Organisation (SCO) virtual summit on July 4, and the BRICS and G-20 summits in August and September, and informed Mr. Putin about his recent visit to Washington. On Friday, Chinese President Xi Jinping and Pakistan Prime Minister Shehbaz Sharif confirmed they will attend the virtual summit, as will leaders of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

"President Putin informed PM about the recent developments in Russia," said a statement issued by the government. "While discussing the situation in Ukraine, PM reiterated his call for dialogue and diplomacy," it said. In a more detailed statement, the Kremlin said that Mr. Putin had given his assessment of the current situation in the "special military operation zone" in Ukraine, adding that he "stressed Kiev's utter refusal to undertake political and diplomatic steps to resolve the conflict".

"In connection with the events of June 24 in Russia, Narendra Modi expressed understanding and support for the decisive actions of the Russian leadership to protect law and order, ensure stability in the country and the security of its citizens," said the statement issued by the Kremlin, referring to the short-lived rebellion by Wagner militia group chief Yevgeny Prigozhin, who had attempted a march on Moscow before calling it off and fleeing to Belarus. On Thursday, Russian Security Council Secretary Nikolai Patrushev had spoken to National Security Adviser Ajit Doval and briefed him on the developments.

Apart from the PM's visit to Washington, the statement said the two leaders had spoken about bilateral projects and trade, and paid "particular attention" to interactions within the SCO and the G-20, in a possible indicator that President Putin intends to travel to Delhi for the G-20 summit on September 9-10.

China's stand

China's Foreign Ministry on Friday confirmed Mr. Xi would attend the SCO summit via video-conference as well.

"President Xi Jinping will deliver important remarks at the meeting, and together with other participating leaders, chart the course for the future growth," said Chinese Foreign Ministry spokesperson Mao Ning at a briefing in Beijing, adding that the other countries want the SCO to play a "bigger role in



One to one: Prime Minister Narendra Modi (right) greets Vladimir Putin before a meeting in New Delhi in December 2021. AFP

Kremlin says PM expressed support for Putin's decisive actions on Wagner mutiny, discussed SCO summit, U.S. visit, bilateral projects and trade; Russia indicates that Putin may attend the G-20 summit in September; China confirms that Xi will attend the SCO summit via video-conference

safeguarding regional security and promoting common development".

Since the military stand-off at the Line of Actual Control (LAC) began in April 2020, Mr. Modi and President Xi have not spoken directly, with the exception of a brief meeting and exchange of greetings at the G-20 summit in Bali in 2022. They both also attended last year's SCO summit in Samarkand, but did not have any public contact during the meeting, and have attended a number of virtual multilateral conferences.

Pakistan Prime Minister Sharif would also attend the summit, said the Pakistan Ministry of Foreign Affairs, adding that SCO leaders would "chart the future direction of cooperation" and would induct Iran as a new member.

UCC DRAFT WILL BE SUBMITTED SOON, SAYS COMMITTEE

From gender equality to elimination of arbitrariness and discrimination, from uniform laws on property rights to adoption rules, the draft of Uniform Civil Code (UCC) for Uttarakhand has taken all these aspects into account, said retired Supreme Court judge Ranjana Prakash Desai, on Friday. Justice Desai, who is heading the UCC committee formed by the State, also confirmed that the draft of the UCC is ready and is at a printing stage after which it will be submitted to the State government.

She added that the Committee has painstakingly taken into account all shades of opinions and looked into the various statutes and uncoded laws including the statutory framework in select countries.

The committee, headed by justice Desai, who is also the current head

of the delimitation commission, also has members like Justice Pramod Kohli, social worker Manu Gaur (heading Taxpayers Association of Bharat), retired IAS officer Shatrughan Singh and Vice Chancellor of Doon University Surekha Dangwal.

This committee was formed by the Uttarakhand government in June last year to examine ways for the implementation of a UCC.

In the span of a little over a year, this Committee has met 63 times. Over 2.15 lakh written submissions, including mass submissions (with multiple signatories) were received by the committee which has also met over 20,000 people personally via public outreach programme.

MAY CORE SECTOR GROWTH PACE BRAKES TO 4.3%, FROM 19.3%

Cause for concern

Core sector growth momentum slowed to a single digit in May from double digits a year earlier

■ Production of natural gas and electricity contracted 0.3% each

■ Coal output expansion slid to 7.2% from 33.5%

■ Rate of growth in fertilizer, steel and cement output slid to 9.7% (22.9%), 9.2% (15.1%) and 15.5% (26.2%)



Tempo slackened on decline in production of crude oil, natural gas and electricity, official data show; eight core industries comprise 40.3% of weight of items in Index of Industrial Production

The pace of growth of eight key infrastructure sectors slackened to 4.3% in May on account of a decline in the production of crude oil, natural gas and electricity, according to government data.

The core sector growth stood at 19.3% in May 2022.

During April-May this fiscal, the output growth of these eight sectors slowed down to 4.3% against 14.3%, the data showed.

Aditi Nayar, Chief Economist, Head - Research & Outreach, ICRA Ltd. said the growth remained broadly stable in May.

"ICRA expects the y-o-y IIP (index of industrial production) growth to print at about 4-6% in May 2023." The industries comprise 40.3% of the weight of items included in the IIP.

The output of crude oil shrank by 1.9% in May.

Similarly, the production of natural gas and electricity dipped by 0.3% each. The growth rate of coal output declined to 7.2% y-o-y from 33.5%.

The rate of growth in the production of fertilizer, steel and cement slowed down to 9.7%, 9.2% and 15.5%, respectively, compared with 22.9%, 15.1% and 26.2%.

INDIA'S FY23 EXTERNAL DEBT RISES TO \$624.7 BILLION: RBI

India's external debt at end-March 2023 rose by \$5.6 billion to \$624.7 billion from the year-earlier period but the external debt-to-GDP ratio slid to 18.9% at end-March from 20% a year earlier, data released by the Reserve Bank of India on Friday show.

Valuation gains due to the appreciation of the U.S. dollar vis-à-vis the Indian rupee and major currencies such as yen, SDR, and euro were placed at \$20.6 billion. Excluding the valuation effect, external debt would have increased by \$26.2 billion instead of \$5.6 billion at end-March 2023 over end-March 2022, the RBI said.

Long-term debt (with original maturity of above one year) was placed at

\$496.3 billion, logging a decline of \$1.1 billion over the end-March 2022 level. The share of short-term debt (with original maturity of up to one year) in total external debt rose to 20.6% at end-March 2023 from 19.7% a year earlier.

Dollar-denominated debt remained the largest component of external debt, with a share of 54.6% at end-March 2023, followed by debt denominated in the Indian rupee (29.8%), SDR (6.1%), yen (5.7%), and euro (3.2%).

Outstanding debt of government and non-government sectors rose during FY23 to \$133.3 billion (\$130.8 billion in FY22) and \$491.3 billion (\$488.3 billion), respectively.

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