

● POLITY

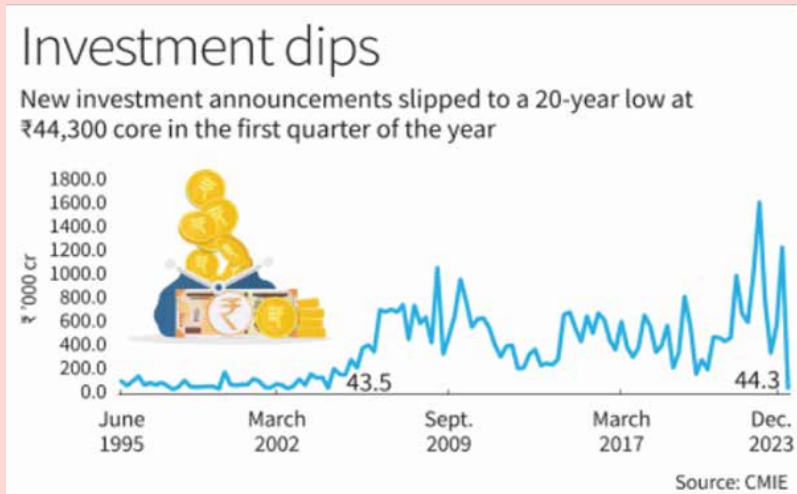
● ECONOMICS

● TECHNOLOGY

● ECOLOGY

POLITY & GOVERNANCE

New private investment plans slumped to 20-year low in Q1



The domestic private capital expenditures (investment plans) during the first quarter (April-to-June) of FY 2024-25 slumped to a 20-year low of ₹ 44,300 Cr. The manufacturing outlays dominated with a 46.4 % share followed almost evenly by electricity and services. Total investment announcements reached ₹ 27.1 lakh Cr. for the FY 2023-24, with outlays worth ₹12.35 lakh Cr. announced in the January-to-March quarter.

The fall in value of investment announcements of ₹ 7.4 lakh Cr. over the period between June 2023 and June 2024 with the tepid investment levels in Q1 could be explained by investors adopting a wait-and-watch approach amid the Lok Sabha election, though the planned investment figures are far lower than the corresponding quarters during the Lok Sabha elections in 2014 and 2019. New investment plans in Q1 of 2014-15 were at ₹ 2.9 lakh Cr. and ₹ 2.1 lakh Cr. in Q1 of 2019-20.

Another factor for the slowdown could be poor realisation of investment announcements over the last two years. A good monsoon and steady demand during the festival season could ramp up the demand. Corporate bond issues fell sharply from ₹ 2.86 lakh Cr in the first quarter of 2023-24 to ₹ 1.73 lakh Cr in Q1 this year, with over three-quarters raised by financial services players. Between April 1 and June 14, incremental bank credit was ₹ 2.78 lakh Cr. as against ₹3.78 lakh Cr. last year, with growth slipping to 1.7 % from 2.5 % last year.

INTERNATIONAL RELATIONS

PM's visit to Moscow will see discussions on energy, trade



PM Narendra Modi will arrive at Moscow on Monday to a particularly warm and special welcome at a private dinner hosted by Russian President Vladimir Putin at his Dacha, or estate, in the Moscow suburb of Novo-Ogaryovo. The two leaders are meeting for the first time since 2022. It is Mr. Modi's first visit to Russia since the war in Ukraine began and his own first visit abroad for bilateral talks after being re-elected to office in June. The two leaders will be together for most of the events during the approximately 26-hour visit.

Mr. Modi will be joined by Mr. Putin for a visit to an exhibition venue for Rosatom on nuclear power-related technology developments, a key segment of bilateral ties, after which they will go into formal meetings and delegation level-talks at the Kremlin.

The official talks and delegation-level talks on Tuesday will focus on addressing trade and banking challenges due to western sanctions, the possibility of more predictable pricing and long-term contracts for Indian energy imports in oil and LNG, opportunities for investment, as well as connectivity projects such as the International North South Transport Corridor (INSTC), the Chennai-Vladivostok maritime route, and the North Sea corridor. The two sides are expected to sign a separate agreement on cooperation in the Russian "Far East" region.

While no new defence procurement deals are on the anvil, Mr. Modi is expected to request expediting delayed deliveries. The issue of Indians in the Russian Army will feature, as Mr. Modi will press for early discharge or even a full waiver of the processes for those wishing to return.

"Doing nothing is very hard to do. You never know when you're finished."—Leslie Nielsen

ECONOMICS & DEVELOPMENT

Red flags raised over silver imports from UAE through GIFT City



India's imports of gold and silver from the UAE had jumped 210 % in 2023-24 to \$ 10.7 billion, while total silver imports stood at \$ 5.4 billion. In May, 87 % of India's global silver imports are now being cleared through the GIFT City exchange in Gandhinagar levying an import duty of 8 %. GIFT City exchange has been clearing all silver imports from UAE since December 2023. India levies a 15% import duty on silver and only allows institutions nominated by the Reserve Bank of India (RBI) and the Directorate General of Foreign Trade (DGFT) to import the precious metal. However, the GIFT City exchange does not limit imports to RBI/DGFT-nominated agencies, registers private traders, and has found no Rules of Origin issues as flagged by customs elsewhere.

Zero tariff

Under the CEPA signed in 2022, India has agreed to reduce the duty on silver imports to 0 % over 10 years, subject to Dubai exporters meeting the rules of origin conditions. As the tariff becomes zero over the next eight years, all silver imports will likely come from the UAE, resulting in a revenue loss of ₹ 6,700 Cr. This trade is driven solely by the tariff arbitrage offered by India. Global Trade Research Initiative (GTRI), a trade research body warning that this silver market trend could extend to gold, platinum, and diamonds, further disrupting traditional import practices and market dynamics. Earlier attempts by some banks to import silver from the UAE through other ports were questioned for not meeting rules of origin of the India-UAE free trade deal.

The key concern is how imports cleared through GIFT City meet the rules of origin requirements specified in the India-UAE FTA when importers from other port fail to meet these. GTRI has mooted a renegotiation of the CEPA terms to nullify the duty arbitrage, and more rigorous check on Dubai exporters' value addition claims by the GIFT City exchange and a "thorough investigation into the relationships between export and import firms to identify and address any potential conflicts of interest or familial ties". It had also suggested restricting silver imports to nominated agencies authorised by the RBI and DGFT to minimise the risk of mis declared imports.

INTERNATIONAL RELATIONS

Exit polls put French left bloc on course to defeat far-right RN

The New Popular Front (NFP), a loose pre-poll alliance of French left-wing parties formed last month after President Emmanuel Macron called snap elections, bringing together socialists, greens, communists and the hard-left into one camp is set to become the biggest parliamentary bloc and beat the far right, according to shock projected results.

Veteran presidential candidate Marine Le Pen's National Rally (RN) led the race after the June 30 first round, with opinion polls predicting Marine Le Pen's eurosceptic, anti-immigration RN set to become the biggest party in Parliament after Sunday's run-off. But projections showed no group on course for an absolute majority, and the left-wing NFP ahead of both Mr. Macron's centrist Ensemble and Ms. Le Pen's eurosceptic, anti-immigration RN.

However, according to projected results, the left-wing group is predicted to take between 172 and 215 seats, Mr. Macron's centrist Ensemble 150 to 180 and the National Rally 115 to 155 seats.

INTERNATIONAL RELATIONS

Masoud Pezeshkian to be sworn in as Iran President in Aug.

Iran's reformist Masoud Pezeshkian will be sworn in before parliament in early August as the Islamic Republic's ninth President. The swearing-in ceremony of the president will be held on August 4 or 5. The President will have 15 days to present his proposed ministers to the parliament for a vote of confidence. Iranian Presidents-elect are required to take an oath before parliament before officially taking office.

The swearing-in ceremony takes place after the President-elect receives an official endorsement by the Islamic republic's supreme leader. Iran's President is not head of state, and the ultimate authority rests with the supreme leader — a post held by Ayatollah Ali Khamenei for the last 35 years. Mr. Pezeshkian won a run-off election on Friday against the ultraconservative Saeed Jalili to replace President Ebrahim Raisi who died in a helicopter crash in May.



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SCIENCE & TECHNOLOGY

Kerala varsity to launch genome editing mission to boost pearl spot production



The Kerala University of Fisheries and Ocean Studies (KUFOS) prepares to launch a genome editing mission to see if the State fish can revolutionise aquaculture as genetically improved farmed tilapia (GIFT) did decades ago. Genome editing will target the genetic make-up of the fish that inhibits a faster rate of growth. Tilapia achieves a body weight of 600 to 700 grams in six months compared with 12 months needed for pearl spots to achieve 300 to 400 grams. According to data available for 2020, Kerala produces 2,000 tonnes of pearl spots annually against the market demand of 10,000 tonnes. It will also help enhance breeding and seed production of pearl spots. Pearl spots are sold in the retail market for about ₹650 to ₹700 a kg, while tilapia fetches between ₹250 and ₹300 a kg.

POLITY & GOVERNANCE

On expunction powers in Parliament



Parliament maintains a verbatim record of everything that is spoken and takes place during proceedings. While Article 105 of the Constitution confers certain privileges and freedom of speech in Parliament on MPs, it is subject to other provisions of the Constitution and the rules of the House. On the orders of the presiding officer, that is, the Chairman in the Upper House and the Speaker in the Lower House, words, phrases and expressions which are deemed “defamatory, indecent, unparliamentary or undignified” are deleted or expunged from records. For this purpose, the Lok Sabha Secretariat maintains a comprehensive list

of ‘unparliamentary’ words and expressions.

The rules of parliamentary etiquette, which are laid out to ensure discipline and decorum in the Rajya Sabha, say, “When the Chair holds that a particular word or expression is unparliamentary, it should be immediately withdrawn without any attempt to raise any debate over it. Words or expressions held to be unparliamentary and ordered to be expunged by the Chair are omitted from the printed debates.”

There have been recorded instances where the scope of expunction has been broadened. Speakers, at their discretion, have ordered the expunction of words deemed prejudicial to national interest or detrimental to maintaining friendly relations with a foreign State, derogatory to dignitaries, likely to offend national sentiments or affect the religious susceptibilities of a section of community, likely to discredit the Army, not in good taste or otherwise objectionable or likely to bring the House into ridicule or lower the dignity of the Chair, the House or the members, authors M. N. Kaul and S. L. Shakhder note in their book Practice and Procedure of Parliament.

Members must withdraw objectionable remarks deemed irrelevant to the debate upon the Chair’s request and failure to comply may lead to expunction. Similarly, quoting from an unreferenced document or speaking after being asked to desist can result in an expunction.

What about remarks against an MP?

If an MP makes an allegation against their colleague or an outsider, Rule 353 of the Lok Sabha outlines the procedural framework to be followed. “The Rule does not prohibit the making of any allegation. The only requirement is advance notice, on receipt of which the Minister concerned will conduct an inquiry into the allegation and come up with the facts when the MP makes the allegation in the House. If the allegation is neither defamatory nor incriminatory, the above rule would not apply. The rule does not obviously apply to an allegation against a Minister in the government. Since the Council of Ministers is accountable to Parliament, the Members of the House have the right to question Ministers and make imputations against their conduct as Ministers.

How do officers expunge remarks?

The Chairman and Speaker are vested with the power to order the expunction of remarks under Rule 261, and Rule 380 and 381 of the Rules of Procedure of the Rajya Sabha and Lok Sabha, respectively.

Rule 261 states, “If the Chairman is of opinion that a word or words have or have been used in debate which is or are defamatory or indecent or unparliamentary or undignified, he may in his discretion, order that such word or words be expunged from the proceedings of the Council.” The Lower House has a similar provision.

The expunged portions are marked by asterisks with an explanatory footnote stating ‘expunged as ordered by the Chair.’ If the Chair directs that nothing will go on record during a member’s speech or interruption, footnote ‘not recorded’ is inserted. A comprehensive list of words and phrases is circulated to media outlets at the end of the day’s proceedings. Once expunged, these words or phrases cease to exist on the official record. However, the relevance of the practice of expunging remarks has lately come into question, in a digital age where expunged content remains accessible due to the live telecast of proceedings and wider circulation of screenshots and videos on social media.

ECONOMICS & DEVELOPMENT**Vadhavan, a global port in the making**

Container ships today handle almost 16 % of the world's maritime trade — from 37 million 20-foot equivalent units (TEUs) in 1980, the volume of containerised trade surged to 850 million TEUs by 2023. Ports around the world have bulked up infrastructure and transformed into mega ports to handle the massive quantities of containers. In 2021-22, Shanghai port led by handling 44 million TEUs, followed by Singapore with 37 million TEUs.

Clearly, Chinese ports have the edge, cumulatively handling 250 million TEUs, against which India's 20 million TEUs pales in comparison. While India's share of containerised trade is increasing alongside global growth, it continues to grapple with shortfalls in productivity, turnaround of ships, utilisation of berths and technology enablement.

Private investors

India's 7,517-km coastline extends across nine States and four Union territories. In recent years, the government has initiated policy measures to attract private investments in the ports sector, including allowing 100 % foreign direct investment (FDI). Currently, the country has 76 functional ports — 12 major and 64 non-major — and nine more under development. The total cargo handling capacity countrywide is about 2,700 million tonne per annum (MTPA) with 60 – 65 % on an average.

The growing Indian economy and trade, wherein 95% of export-import cargo volume is shipped, necessitates an expanded port capacity. Further, as ship sizes continue to increase, we need ports that can accommodate them. Our ports with high-volume cargo handling capacity have an average of 8-12 m draft. Bigger vessels require at least 12-20 m draft. This will also enable big mother vessels to call at our ports, helping reduce logistic costs and avert the need for transshipment.

New development

In this context, the approval for the setting up of an all-weather, deepwater mega port at Vadhavan, near Dahanu, in Palghar district of Maharashtra, assumes importance. A special purpose vehicle (SPV) created by Jawaharlal Nehru Port Authority (JNPA) and Maharashtra Maritime Board (MMB) with a shareholding of 74% and 26%, respectively, will develop the port at an estimated cost of ₹76,220 crore.

The port will have nine container terminals, each 1,000 m

long; four multipurpose berths, including a coastal berth, four liquid cargo berths, a berth for roll-on, roll-off or Ro-Ro ships, and a Coast Guard berth. The 20-m draft, capable of berthing large vessels, will be created through reclamation of 1,448 hectare from the sea. The plan is to create a cumulative cargo handling capacity of 298 MTPA, including around 23.2 million TEUs of container-handling capacity.

The port will cater to hinterland industrial areas in Maharashtra, south and north Gujarat, Rajasthan, National Capital Region, Madhya Pradesh, Chhattisgarh, and other central and north Indian States.

POLITY & GOVERNANCE**FSSAI mandates salt, sugar, fat info in bold**

The Food Safety and Standards Authority of India (FSSAI) has approved a proposal to display nutritional information about total sugar, salt and saturated fat in "bold letters" and "relatively increased font size" on labels of packaged food items, it said in a statement on Saturday.

FSSAI will bring in an amendment in the labelling norms in this regard with an aim to enable consumers to make informed and healthier choices. The information regarding per serve percentage contribution to Recommended Dietary Allowances (RDAs) would be given in "bold letters for total sugar, total saturated fat and sodium content. The amendment aims to empower consumers to better understand the nutritional value of the product and make healthier decisions. The draft would now be put in the public domain for inviting suggestions and objections.



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POLITY & GOVERNANCE

Representation of women in the Lok Sabha

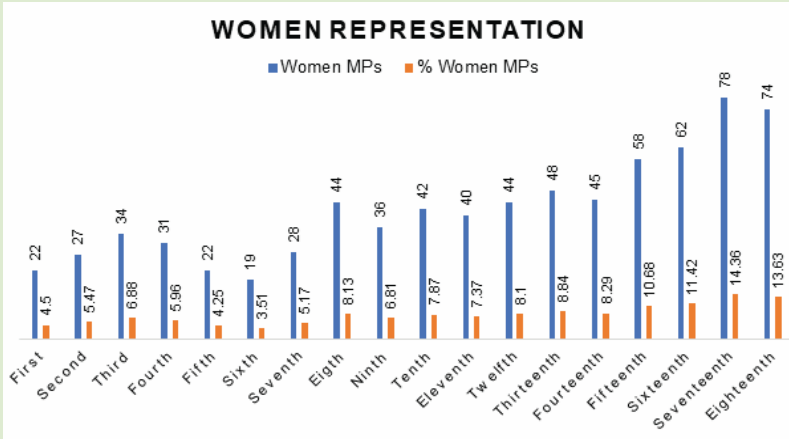


FIGURE: Column chart representation of women’s representation in Lok Sabha sessions

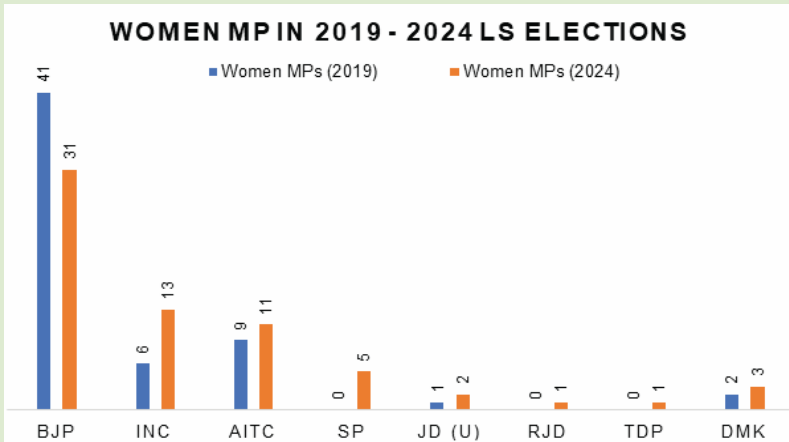


FIGURE: Column chart representation of party-wise women MP’s in Lok Sabha elections 2019 vis-via-vis 2024.

WOMEN SUCCESS RATIO IN LS ELECTIONS

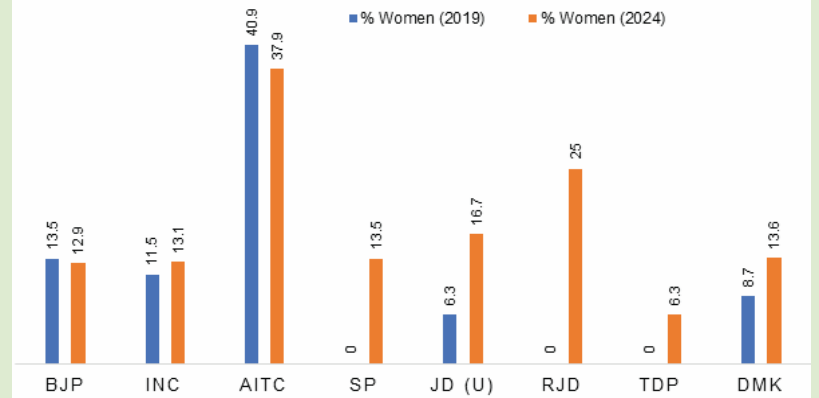


FIGURE: Column chart representation of party-wise women’s success ratio in Lok Sabha elections 2019 vis-via-vis 2024.

WOMEN FIELDIED IN LS ELECTIONS

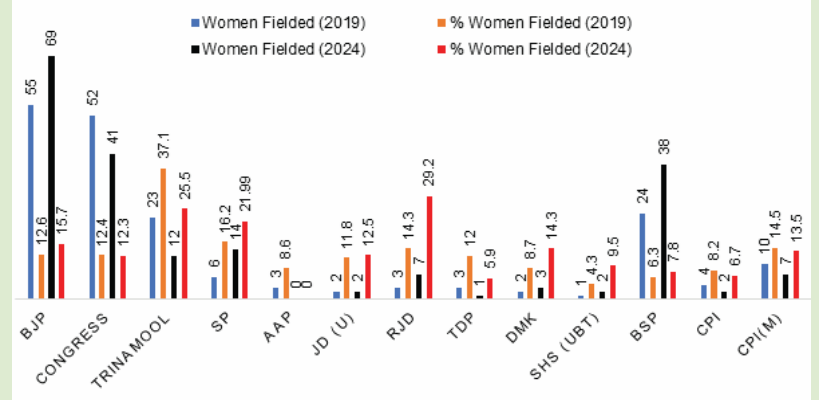


FIGURE: Column chart representation of party-wise representation of women in Lok Sabha elections 2019 vis-via-vis 2024.



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New Delhi, Delhi-110022

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202, Raheja Chambers, 12,
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