

India, China begins disengaging at last two friction points

INTERNATIONAL RELATIONS

India and China have begun disengaging from Depsang and Demchok, the last two friction points of the 2020 stand-off along the Line of Actual Control (LAC) in eastern Ladakh. The process started on Tuesday and it will take a few days to remove the structures erected during the stand-off and restore the landforms. Some tents and structures have been removed and the process is on, the source said, adding that once the disengagement is completed, patrolling will resume as was being done before the stand-off.

Defence Minister Rajnath Singh confirmed India and China of reaching a consensus to restore the “ground situation” based on the principles of equal and mutual security, including restoration of “patrolling and grazing to traditional areas”.

The “patrolling arrangements” and the disengagement is with regard to the two remaining friction points at Depsang and Demchok. There is no change in status at the other friction points where disengagement has already been undertaken, meaning that the buffer zones at those locations will remain for now and will be addressed subsequently.

Mr. Singh attributed the progress in ties to the “power of engaging in continuous dialogue because, sooner or later, solutions will emerge”.

“India and China have been involved in talks both at diplomatic and military levels to resolve their differences in certain areas along the LAC. Pursuant to the talks, broad consensus has been achieved to restore ground situation based on the principles of equal and mutual security,” he said, during an address at the second Chanakya Defence Dialogue organised by the Army.

Confirming this, Foreign Secretary Vikram Misri said that, as far as the “disengagement agreements reached previously are concerned, those agreements were not reopened in these discussions.”

On the strategic Depsang plains, Chinese troops have been blocking Indian patrols from going beyond the Y-junction. The Indian Army has not been able to access Patrolling Points (PP) 10, 11, 11A, 12, and 13 located on the Limit of Patrolling which lies before the LAC. India last accessed these PPs in Depsang in January or February 2020, as reported by The Hindu in 2020. The disengagement will now allow the Army to resume patrols in this area. Chinese troops had come up to the Y junction at some point and then went back, but their presence in the area remained and they had been blocking Indian patrols, said one official in the know.

At Demchok, the friction began in 2017 when Chinese set up tents on the right side of the Charding La area. This presence expanded as the standoff unfolded in April 2020. In addition, the traditional grazing grounds have been blocked, which has been a regular point of friction.

“Doing nothing is very hard to do. You never know when you’re finished.”—Leslie Nielsen

Two soldiers among four injured in Kashmir ambush

INTERNAL SECURITY

Two Army personnel and two porters were injured in a firefight with militants in north Kashmir's Baramulla on Thursday. In a separate incident, a non-local worker was injured after being fired at by militants in south Kashmir's Pulwama, with the valley witnessing a sudden spurt in terror attacks over the past week.

Initial reports said an Army convoy came under fire from the militants hiding in forests in Baramulla district, resulting in the firefight. An official said the incident took place near the Nagin post of Butapathri Sector, which is close to the Line of Control (LoC) as well as the tourist hub of Gulmarg.

"During the firefight, two soldiers and two porters suffered injuries and were evacuated for medical care. The operation [against militants] is in progress," a Srinagar-based spokesperson of the Army's 15 Corps said. Reinforcements were rushed to the attack site to throw a multi-layer cordon to trap the militants, officials said.

In a separate incident, Shubam Kumar, 19, son of Pritambar Singh, a resident of Uttar Pradesh's Bijnor, was fired at and left injured by suspected militants in the morning in Batagund village of Tral in south Kashmir's Pulwama. Officials said the victim sustained a bullet injury in his hand. His condition was described as "stable" in the hospital. Security forces cordoned off the area after the attack but could not trace the attackers. Hurriyat chairman Mirwaiz Umar Farooq termed such attacks on unarmed civilians in Kashmir as "un-Islamic".

Supreme Court finds discrepancy in Delhi L-G's version on tree-felling in protected ridge area

POLITY AND GOVERNANCE



The Supreme Court on Thursday found that Delhi Lieutenant-Governor and Delhi Development Authority (DDA) ex-officio Chairperson V.K. Saxena's version on oath in a personal affidavit about when exactly he came to know that trees were illegally felled in the protected ridge area did not match with official records.

Mr. Saxena had told the court that he was informed by the DDA Vice-Chairperson of the tree-felling in a letter only on June 10. However, a three-judge Bench headed by Chief Justice of India D.Y. Chandrachud was alerted by advocate Gopal Sankaranarayanan, appearing for the petitioners, to entries in official files that pointed to the Lieutenant-Governor being informed of it on April 12.

"Consequently, the statement that it was only on June 10 that the L-G was apprised of the fact that the actual felling of trees commenced on February 16 will require further clarification," the court noted. It directed the Lieutenant-Governor and former DDA Vice-Chairperson Subhasish Panda, who was in the

saddle at the time the trees were cut and is facing contempt proceedings, to file affidavits to explain the “discrepancy”. The L-G and Mr. Panda were asked to make “specific disclosures” of the actual date on which they “obtained knowledge of the felling of the trees”.

The court called for the original records concerning the issue to be placed on record for its perusal. It posted the case for Tuesday.

The personal affidavit filed by the L-G in the court had explained the circumstances leading to the illegal felling in the ridge area as part of widening access to the Central Armed Police Forces Institute of Medical Sciences (CAPFIMS) in Maidangarhi. Petitioners who approached the Supreme Court had alleged that the trees were chopped down on the orders of the Lieutenant-Governor, who had visited the site on February 3.

On October 16, the apex Court had decided to have the LG himself file an affidavit explaining his alleged role and what really happened on February 3. Mr. Saxena said he had visited the road-widening site in February while on his way back from the hospital site. He said no one told him that felling the trees would require permission from the Supreme Court.

Satellites tracking Cyclone Dana since October 20: ISRO

SCIENCE AND TECHNOLOGY

The Indian Space Research Organisation (ISRO) on Thursday said its polar orbiting satellite EOS-06 and geostationary satellite INSAT-3DR had been tracking the Cyclone Dana since October 20.

“Cyclonic storm Dana is fast approaching the coastal districts of Odisha and West Bengal. ISRO polar orbiting satellite EOS-06 and geostationary satellite INSAT-3DR are regularly providing valuable information on the cyclone status. ISRO polar orbiting satellite EOS-06 Scatterometer sensor provides the status of ocean winds and their circulation well before the formation of the cyclone,” the space agency said.

It stated that the satellite inputs help in better monitoring and mitigation of the cyclone threat to India.

‘Money laundering a major threat to India’s online gaming sector’

INTERNAL SECURITY

Identifying money laundering as a major threat to the Indian online gaming sector’s integrity and long-term success, a report by the Digital India Foundation (DIF) has recommended that the government should establish a ‘whitelist’ of compliant gaming companies, ensuring that payment gateways and internet service providers serve only the listed operators.

The report titled ‘Combating Money Laundering in Online Gaming Ecosystem’ said the use of international online betting sites both for the purpose of money laundering and terror financing had become a key trend in cybercrime. It suggested a dedicated task force for a clamp down on illegal operators, stringent Know Your Customer (KYC) practices, and action against misleading advertisements.

DIF, a not-for-profit think-tank, released the report on Thursday.

As per the report, the Indian real money gaming (RMG) sector has become a key player in the global market with a compound annual growth rate of 28% from FY20 to FY23. Its revenue is projected to reach \$7.5 billion within the next five years.

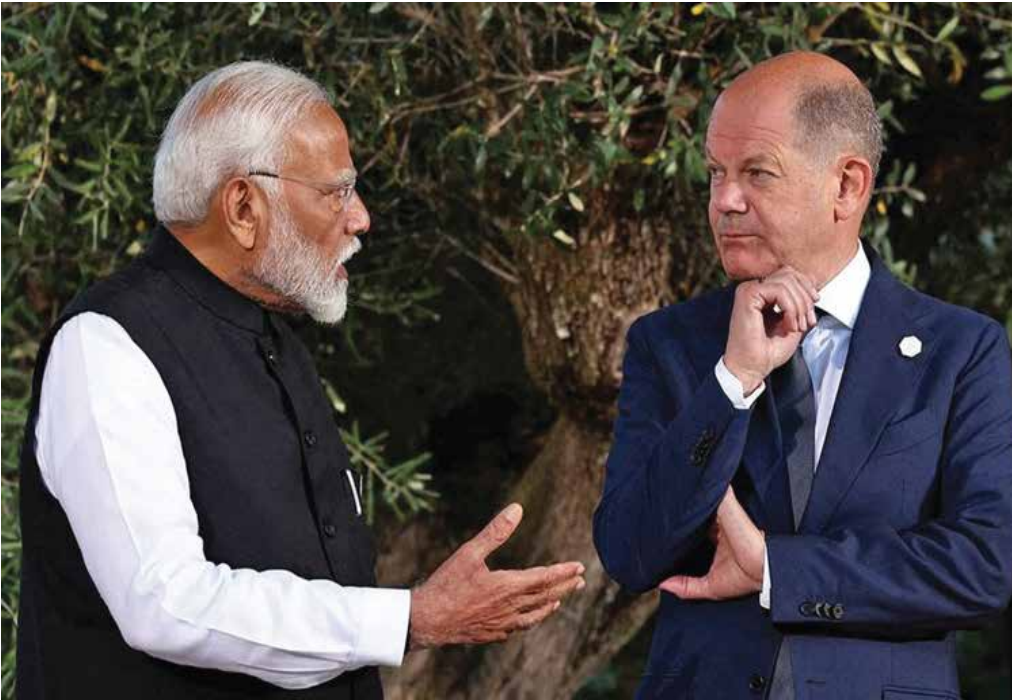
Challenges in sector

“However, the report’s extensive research and consultation has shown that there are several challenges in the sector, such as issues of financial integrity, cybersecurity, and user protection, that can impede progress. The severity of these challenges is underscored by the fact that the illegal betting market in India attracts over \$100 billion in deposits annually,” it said.

The report raised concerns over the possible misuse of in-game assets, cryptocurrencies, and operation of illegal off-shore online betting platforms.

India, Germany discussing military logistics support agreement: official

INTERNATIONAL RELATIONS



India and Germany are close to finalising a memorandum of arrangement for logistics arrangement between the armed forces, with focus on expanding maritime security cooperation. Germany is set to post a liaison officer at the Indian Navy’s Information Fusion Centre for Indian Ocean Region in Gurugram.

German Chancellor Olaf Scholz arrived in India on an official visit accompanied by eight senior Ministers. He is scheduled to meet Prime Minister Narendra Modi on Friday morning.

A memorandum of arrangement for logistics arrangement between the

armed forces for cooperation and joint exercises in one of the two countries or the surrounding maritime domains is in the works. “With the likelihood that this arrangement will also facilitate co-development and co-production and joint research...,” he said.

Pushing for co-development and co-production of defence equipment, he said they have specific areas in mind. Underwater technology, which brings in the Project-75I programme of the Indian Navy for six conventional submarines in which Germany’s TKMS is competing with Navantia of Spain, is one of them.

Other areas are cruise missiles, with MBDA as a potential partner, and drones. An agreement for peacekeeping training agreement between respective agencies in both countries is also on the anvil. Last week, the German government had adopted a focus document on India which says that Germany wants to be a reliable partner to India. Germany is keen on repair and maintenance of German ships in the region in India, on the lines of U.K. and U.S., which have been leveraging the logistics agreement for this purpose.

Mr. Modi and Mr. Scholz will address the 18th Asia-Pacific Conference of German Business 2024 with about 800 CEOs of various companies attending. The two sides will hold talks as part of the 7th Inter-Governmental Consultations and a number of agreements are expected to be concluded.

Justice Sanjiv Khanna appointed next CJI

PERSONALITY IN NEWS

The Union Government on Thursday notified the appointment of Justice Sanjiv Khanna as the 51st Chief Justice of India with effect from November 11.

“In exercise of the powers conferred by Clause (2) of Article 124 of the Constitution of India, the President is pleased to appoint Shri Justice Sanjiv Khanna, Judge of the Supreme Court, to be the Chief Justice of India with effect from November 11, 2024”

- Department of Justice notification.

Chief Justice D.Y. Chandrachud, who is scheduled to retire on November 10, had recommended Justice Khanna as his successor in office, on October 17. Born on May 14, 1960, Justice Khanna enrolled as an advocate with the Bar Council of Delhi in 1983.

He was senior standing counsel for the Income Tax Department and had also functioned as standing counsel for the National Capital Territory of Delhi. He was elevated as an Additional Judge of the Delhi High Court in 2005 and made a Permanent Judge in 2006.

He was appointed a Judge of the Supreme Court on January 18, 2019. Justice Khanna was ranked 33 in the combined seniority of High Court judges on an all-India basis, but the then Supreme Court Collegium headed by Chief Justice Ranjan Gogoi had recommended him over others on grounds of merit and integrity.

Important cases

Justice Khanna had led the Supreme Court which gave interim bail to former Delhi Chief Minister Arvind Kejriwal to campaign in the Lok Sabha elections of 2024. He was also a member of the Constitution Bench which upheld the abrogation of Article 370 of the Constitution in Jammu and Kashmir. Justice Khanna is due to retire on May 13, 2025.

ICCR organises conference on Pali as classical language

ART AND CULTURE



The Indian Council for Cultural Relations (ICCR) on Thursday held a conference of Buddhist monks and scholars in Colombo on granting Pali the status of a classical language by the Indian government. Buddhist scholars and the monastic community from Sri Lanka, Nepal, Myanmar and Bangladesh participated in the conference. The scholars underlined the significance of Pali in preserving the “Dhamma” and propagating Buddhist practices. They

commended the government’s decision to confer the classical language status on Pali. The scholars welcomed it as a reflection of India’s commitment to preserving Buddhist culture.

Trachoma eliminated as a public health problem in India; what next?

POLITY AND GOVERNANCE



October 12, 2024, an incident at Trichy Airport involving an aircraft malfunction kept the aircraft circling in the skies for hours. The pilots' efforts to safely land the plane, preventing potential disaster, captured the public's imagination. Their actions were tangible, immediate, and visible, making it easy for people to appreciate the significance of their work. This event dominated headlines, occupied significant airtime and social media space, while just days earlier, another important achievement unfolded rather quietly: on October 8, India's health system

achieved a quiet but equally important victory in eliminating trachoma as a public health problem — a success far less visible but just as impactful.

Public health works face the paradox where the nature of their work makes failures highly tangible and visible, leading to headlines, while their successes remain intangible, often going unnoticed despite their significant impact. Acknowledging these achievements is essential, as they reflect the dedication and perseverance of countless individuals working behind the scenes to prevent blindness and improve lives. The achievement marked a significant public health victory and has profound economic implications.

Trachoma's impact, through blindness and visual impairment, results in an estimated economic loss of \$2.9 to 5.3 billion annually due to reduced productivity.

Trachoma, a chronic infectious eye disease, affects regions with poor hygiene and sanitation. The disease primarily affects young children and women in areas with limited clean water and sanitation access. *Chlamydia trachomatis*, the bacterium responsible for trachoma, has serotypes A, B, Ba, and C, which cause eye infections. These infections lead to symptoms such as eye irritation, discharge, swollen eyelids, sensitivity to light, and, in severe cases, blurred vision. If left untreated, repeated infections can cause scarring of the inner eyelid and eventually blindness.

Trachoma is transmitted through contact with eye secretions from an infected person's fingers, contaminated towels or clothes, or flies (*Musca sorbens*) touching the infected secretions, often exacerbated by poor hygiene and overcrowded living conditions.

Trachoma is one of 20 diseases the World Health Organization (WHO) has classified as neglected tropical diseases (NTDs) and seeks to eliminate by 2030. NTDs disproportionately affect impoverished communities, and controlling them is a key target under the United Nations Sustainable Development Goal 3 (Target 3.3).

While many developed nations have long eliminated trachoma, countries like India have struggled due to socio-economic and environmental challenges.

India's success in significantly reducing trachoma prevalence is largely attributed to the WHO's SAFE strategy, which has been pivotal in global trachoma elimination efforts. The SAFE acronym stands

for surgery to correct trichiasis (misdirected eyelashes), antibiotics to treat and control the infection, facial cleanliness to reduce transmission, and environmental improvements such as access to clean water and sanitation.

WHO's Criteria

The WHO defines trachoma as eliminated as a health problem when prevalence of trachomatous trichiasis falls below 0.2% in people aged 15 years and above. The prevalence of active trachoma in children aged 1–9 years is less than 5% in endemic countries. It also includes a health system capable of managing new cases. Reaching these thresholds is a significant milestone, but it does not equate to the total eradication of the disease.

In 2005, trachoma accounted for 4% of all blindness cases in India. Remarkably, by 2018, this figure declined to just 0.008% of all blindness.

Even with India's commendable achievement of a 0.7% prevalence, sporadic cases can still exist. The elimination target means that the disease's burden has been significantly reduced but not eradicated. This distinction is crucial in epidemiology, where reaching elimination is a major milestone. India has conducted three major trachoma prevalence surveys, the most recent from 2014 to 2017. Historically, trachoma was highly endemic, especially in northern states like Gujarat, Rajasthan, and Uttar Pradesh. The national surveys conducted in the 20th century demonstrated alarming rates of infection, but successive public health measures have drastically reduced the burden.

However, this achievement does not mean India is free from trachoma. The term "elimination as a public health problem" signifies that trachoma is no longer a significant threat, but sporadic cases may still exist.

This is an important distinction. While India has achieved the elimination of trachoma as a "public health problem," this does not mean that the disease and transmission have been eliminated. There is often confusion between the two terms: elimination as a public health problem and elimination of disease. The former refers to reducing disease prevalence to such low levels that it no longer poses a significant public health threat. In contrast, the latter implies very negligible to zero transmission of the disease, as seen in India's polio, measles, and guinea worm infection levels.

Epidemiological challenges

From an epidemiological standpoint, achieving the elimination threshold is like an associate member country of the ICC being granted test status — it's a milestone, but maintaining this status requires continuous effort and excellence. Similarly, India has reached an impressive point in the fight against trachoma, but to sustain it, efforts must be ongoing. Developed countries achieved trachoma elimination much earlier in the 1950s.

The road to completely eradicating trachoma is long due to lack of vaccines. With no long-lasting protective immunity and the presence of active trachoma cases, the focus must remain on interrupting the transmission cycle of the disease through sustained improvements in sanitation, access to clean water, and continued health education.

India's progress has been remarkable, but it is essential to continue the battle with the same vigour. The WHO's decision not to set an eradication target for trachoma (unlike yaws and guinea worm) reflects the complex epidemiological challenges. Surveillance systems must be vigilant to catch cases early and prevent resurgence.

The National Programme for Control of Blindness and Visual Impairment (NPCBVI) needs to regularly conduct surveys, at least once a decade, across all districts to detect any new cases and prevent the resurgence of the disease to maintain India's status as free from trachoma as a public health threat.

It's time public health workers receive the acknowledgement they've earned for protecting the nation's health, and we should keep striving to tackle future challenges with the same determination. Eliminating trachoma as a public health problem is a significant achievement for India, and the journey continues.

Ongoing surveillance, adherence to the SAFE strategy, and initiatives like Swachh Bharat will be critical in ensuring that trachoma remains a disease of the past. We should keep up the momentum.

The government must be committed to this goal, ensuring that India's children can grow up in a world free from trachoma. This validation should serve as a reminder that, with continued collective effort, we can also target and eliminate other diseases like kala-azar and tuberculosis. The success against trachoma shows that even in tough conditions, coordinated efforts can bring about change.

Why did the Central govt. sanction a 50% hike in prices of commonly used drugs?

POLITY AND GOVERNANCE

On October 14, the National Pharmaceutical Pricing Authority of India (NPPA) increased the ceiling prices of eight drugs by 50 %, comprising medication for common diseases including asthma, tuberculosis, bipolar disorder, and glaucoma, among others.

Extraordinary circumstances:

The NPPA comes under the department of pharmaceuticals under the Union Ministry of Chemicals and Fertilizers. The NPPA's mandate is to ensure availability of essential drugs at affordable prices and ensure affordability without jeopardising access.

Essential drugs must remain available, and their price regulation should not lead to a situation where these drugs become unavailable," it said.

The NPPA added that it has been receiving applications from manufacturers for upward revision of prices, citing increased cost of active pharmaceutical ingredients; increase in the cost of production; and a change in the exchange rate, making production and marketing of the drugs unviable. Companies also applied for discontinuation of some formulations on account of their unviability.

The mechanism:

The NPPA, constituted in 1997, regulates ceiling prices of drugs and has the power to fix costs under what is known as a 'Drug Price Control Order' (DPCO) issued by the government under the Essential Commodities Act.

The Central Government said the decision to hike the cost of drugs comes after deliberations in a meeting on October 8.

It invoked extraordinary powers under Para 19 of the DPCO, 2013. The NPPA approved an increase in ceiling prices of eleven scheduled formulations of eight drugs by 50% of their current ceiling prices, in the larger public interest.

"Most of these drugs are low-cost and generally used as first line treatment crucial to the public health programmes of the country," it said.

Formulations for which ceiling prices have been revised include: atropine injection 06.mg/ml; streptomycin powder for injection 750mg and 1000mg; salbutamol tablet 2mg and 4mg and respirator solution 5mg/ml; pilocarpine 2% drops; cefadroxil tablet 500mg, desferrioxamine 500mg for injection; and lithium tablets 300mg.

Such extraordinary powers have been invoked by the NPPA in 2019 and in 2021. Prices of 21 and 9 formulations respectively were increased by 50% .

Section 19 of the DPCO allows the government to revise the ceiling cost. This can be done in extraordinary circumstances.

Section 19 states: “Notwithstanding anything contained in this order, the Government may, in case of extraordinary circumstances, if it considers it necessary to do so in public interest, fix the ceiling price or retail price of any drug for such period, as it may deem fit and where the ceiling price or retail price of the drug is already fixed and notified, the government may allow an increase or decrease in the ceiling price or the retail price, as the case may be, irrespective of annual wholesale price index for that year.”

Annual revision:

Every financial year starting April 1, the NPPA increases ceiling prices of drugs based on Wholesale Price Index (WPI) of the preceding year.

Pricing of drugs in India is strictly controlled by the Central government. Action is taken against companies found selling at higher prices. During 2023-24, ₹72.73 crore was recovered from defaulting companies.

Additionally, according to the Drugs and Cosmetics Act, 1945 and Rules, manufacturers of drugs are required to comply with conditions of the manufacturing licence and the requirements of Good Manufacturing Practices (GMP).

According to Drugs Rules, 1945, manufacturing, testing, labelling, packaging, storage, and distribution are required to be carried out in compliance with the conditions of license including the GMP prescribed under Schedule M of the Drugs Rules, 1945.

Building blocks

INTERNATIONAL RELATIONS

Russia’s hosting of the 16th BRICS Summit in Kazan had several messages, watched closely by particularly the western countries. This was the biggest such conference in Russia since the Ukraine war began in 2022. With leaders of nine countries (and Saudi Arabia’s Foreign Minister) arriving as BRICS and BRICS partner countries, and about 30 leaders of the Global South attending a special BRICS outreach conference, Russian President Vladimir Putin dispelled any notion that Russia had been “isolated” due to Ukraine. The summit agenda and the Kazan Declaration sent a concerted message on strengthening economic bonds within the group that together represents a third of global GDP, in a signal that unilateral sanctions against members — Russia and Iran, for instance — are not acceptable to all. Among the agreements, the push for an interbank cooperation mechanism, a grain exchange, a cross-border payment system and insurance company, and growth of the BRICS New Development Bank, indicate the intent to seek alternatives to the prevailing international governance structures. The induction of members, Iran, Egypt, Ethiopia, the UAE and Saudi Arabia, is another sign that the counter-balancing arrangement of emerging economies that BRICS was envisaged as, cannot be mocked. While many BRICS countries have strong ties with the U.S. and Europe, it is clear that they feel that the present institutions of global governance are skewed unfairly towards the “old guard” of the West.

Prime Minister Narendra Modi’s statement at the closed plenary sought to allay some concerns about this challenge, describing BRICS as an inclusive, “not a divisive organisation but one that works in the interest of humanity”. Given that India is the only member of BRICS that is also a part of U.S.-led arrangements (the Quad and the Indo-Pacific Economic Framework), this is a necessary balance. His oft-repeated phrases, that India supports “dialogue and diplomacy, not war”, and that there are “no solutions on the battlefield”, were a necessary reminder that all members do not completely align on

geopolitics. It was significant in this context that India backed the strong paragraphs in the Declaration on Israel in Gaza and support for the state of Palestine. Apart from the substance of the summit, the BRICS grouping also affords its members a stage to discuss thorny bilateral issues, given differences between members, including Iran-UAE and Egypt-Ethiopia. The *détentes* between India and China over Doklam, and agreement on resolving the four-year LAC standoff, were both held in meetings between Mr. Modi and Chinese President Xi Jinping on the side-lines of BRICS summits.

The Gaza war and the Global South's 'interventions'

INTERNATIONAL RELATIONS

The killing of Hamas chief Yahya Sinwar in Gaza at the hands of the Israeli military, on October 16, 2024, ended a critical aim for the Jewish state. Sinwar, who took over the reins of Hamas only some months ago after the assassination of then chief Ismail Haniyeh in Iran, in July 2024, was known to be a main architect of the October 7, 2023 terror attacks.

As Israel's core kinetic aims come to fruition, with the elimination of a plethora of leaders from Hamas and Hezbollah, the question of 'what next?' remains palpable. Civilian casualties in both Gaza, and now Lebanon, have mounted, and political space in both regions that are under siege continue to persist without a blueprint for any off-ramps. The United States, paralysed with its own domestic electoral requirements, has been unable to turn the keys towards a ceasefire. Others have increasingly looked towards alternatives, including India and China.

Countries and their moves

The proverbial Global South, so to speak, has arguably shown a fragmented approach to the crisis. South Africa, led by its own experiences of the apartheid era, took Israel to the International Court of Justice (ICJ) in December 2023, looking for the ICJ to issue a warrant against Israel's Prime Minister Benjamin Netanyahu. While Israel has lost a lot of goodwill in these countries, the two biggest powers within this construct, China and India, have taken divergent positions which are anchored more around their individual national interest rather than trying to build a consensus within newer multilateral formats such as BRICS. This is despite calls for ceasefire and diplomacy-led resolution promoted by both these states.

This divergence between the two Asian powers, representing over a third of the global population, ultimately decides the rudders of what the 'Global South' is, despite the non-monolith nature of this construct. Both India and China have clear diplomatic and political markers on the Palestine issue. Beijing has put its eggs in the Arab basket, in tune with its own postures of supporting causes such as that of Palestinian sovereignty from a de-colonisation lens. It was only in July 2024 that 14 Palestinian factions, including Hamas, travelled to China for a conference aimed at "ending divisions and strengthening Palestinian unity".

China's view and the Indian line

China, since October last year, has not condemned Hamas by name for planning and executing the attack against Israel. This, in part, was to keep its own mediation window open, something it had mobilised previously between Iran and Saudi Arabia, which had created a lot of fanfare for China's increasing clout in the international order. Those calculations were made redundant with the assassinations of Ismail Haniyeh and now Sinwar as follow-up conversations on said 'unity' remain far and few. To back the now hyphenated Arab-Iranian position, China undermined its relations with Israel, calculating that Israeli proximity to the U.S. is endearing and its capacities are better utilised elsewhere. But China still sees newer forums, such as BRICS, to incubate the narrative of the Global South in its own

favour. This was reflected in the recent expansion of the group which India was not particularly keen on but had to go along with. Interest to join BRICS has grown since, with even Palestine looking to apply as Palestinian President Mahmoud Abbas attended this year's BRICS summit in Kazan, Russia.

The Indian position, on the other hand, has been consistent and balanced regarding its national interest and international obligations. Many analysts believe Indian approach to the conflict has been skewed towards Israel, giving tacit yet critical support, and this is not an entirely incorrect view of things. Contrarian to China's approach, New Delhi also sees this from the view of countering terrorism. To put this in perspective, beyond their different domestic and regional realities, both states suffer from the designs of cross-border terrorism. To colour this argument further, the fact that Israel was forced to release Sinwar from prison in 2011 in exchange for a captured Israeli soldier is a parallel experience to India being forced to release Jaish-e-Muhammad's Masood Azhar during the hijacking of IC814 in 1999. India continues to push a return of countering terrorism as a core multilateral deliverable as the U.S.-pushed 'war on terror' draws down. Parallely, India continues to support a two-state solution and recognised the Palestinian state in 1988. Both these policies running concurrently, does create polarised impressions. However, both do co-exist as realities and do not undermine one from the other.

A perspective

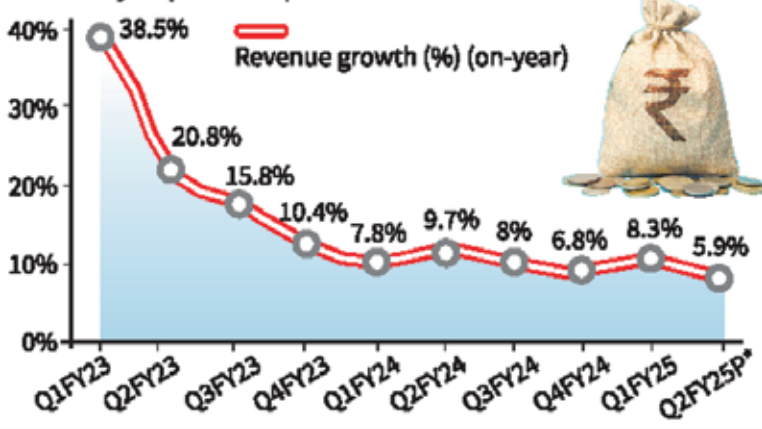
Ultimately, the war in Gaza has shown that while the idea of America's 'Pax Americana' design is diminishing, and finding fewer takers within the U.S. itself, alternatives remain distant realities. The India-China contestation by itself undermines any real unity within the Global South, while other disparities, such as democracies versus non-democracies, present more crevasses to navigate. True mediation relies on political and military power to mobilise and exploit leverages, and no power in the Global South, individually or collectively, has the correct tools in place to project such influence in West Asia today. Whatever little such projection is witnessed, is more about individual interests, rather than any collective aim to design, promote, and, most importantly, guarantee peace.

Q2 revenue growth at 16-quarter low

ECONOMICS AND DEVELOPMENT

Swerving to the Slow Lane

Listed companies' revenue performance seems to be corroborating concerns about slackening economic momentum in the July-September quarter



Source: CRISIL MI&A Research

*Projection

Indian industry's revenue growth in the July to September quarter is reckoned to have slipped sharply to a range of 5% to 7%, the weakest in the past four years, thanks to a stagnant performance in the critical construction segment, a revenue drop for industrial commodities firms and a tepid uptick in investment-linked sectors.

While second quarter (Q2) results are still coming in, the trend of moderating revenue growth is based on an analysis of 435 companies that account for almost half of India's listed market capitalisation by Crisil Market Intelligence and Analytics. These companies had clocked a revenue growth of 8.3% in the April-June quarter.

The cement sector's revenue growth slipped 2-3%, partly due to high base effects from Q2 last year and weak prices even as sluggish government spending after elections and an above-normal

monsoon slowed construction activity. The monsoon also impacted the petrochemicals sector, which reported flat revenue growth in Q2, while the agriculture sector, including fertilisers saw a 20%-22% drop in revenue, Crisil said.

“Revenue of industrial commodities, investment and construction-linked sectors — collectively accounting for about 38% of our sample set — grew only 1%, weighing down overall performance. The industrial commodities sector, such as coal, saw a 6-7% revenue decline,” said the firm’s research director Pushan Sharma.

“In the investment sector, the power segment grew just 1%... Among construction-linked sectors, steel revenue fell 2%-3% due to a price drop led by cheap Chinese imports,” Mr. Sharma added. On the other hand, export-related firms recorded a revenue uptick of about 5%, with pharma revenues up 11%, even as they rose a modest 3%-4% for IT services players.

October Flash PMI signals a modest rebound in activity

Manufacturing sector activity recovered in October after three months of moderation, even as producers raised prices at the fastest pace in 11 years, while services’ offtake also improved, as per early indicators from a private survey of purchasing managers compiled by S&P Global Market Intelligence.

The HSBC Flash India Manufacturing Purchasing Managers’ Index (PMI) recovered from September’s eight month-low of 56.5 in September to 57.4 in October. PMI readings of over 50 indicate an expansion in activity. The readings are based on inputs from 80% to 90% of the 400-odd firms surveyed separately for manufacturing and services indices.

The Flash PMI for Services Business Activity moved up marginally from 57.7 in September to 57.9 October, while the HSBC Flash India Composite PMI Output Index that measures the month-on-month change in both manufacturing and services sectors’ offtake levels, improved sequentially from 58.3 to 58.6 this month.

“Manufacturing regained growth momentum in October, with several components accelerating after a modest slowdown over the past two to three months. New orders and new export orders expanded at faster rates, providing a good omen for industrial production for the remaining months of 2024,” said Pranjul Bhandari, chief India economist at HSBC.

Manufacturers outperformed services firms in expansion for output and sales with faster rise in input and selling costs. But, hiring in services firms was stronger than factories.

Day after FinMin rap for ‘reckless’ lending, MFIs get a RBI rebuke

ECONOMICS AND DEVELOPMENT

A top Reserve Bank of India (RBI) official delivered a sharp message to microfinance institutions (MFIs) on Thursday, urging them to realign their lending practices and prioritise affordable credit offerings. MFIs can no longer hide behind the facade of limited access as a rationale for steep interest rates, asserted Jayant Kumar Dash, executive director of the RBI, challenging the very foundation of the sector’s traditional defence.

Speaking at the Sa-Dhan national conference on financial inclusion in the capital, Mr. Dash made it clear this ‘specious argument of high-cost credit is unavoidable in the absence of access to credit’, had lost its relevance. He called on MFIs to innovate and find new, sustainable ways to offer credit at

affordable rates, emphasising that financial inclusion should not come at the cost of exploiting the vulnerable.

“Risk sharing through blended finance and switching to lean management techniques could hold some answers (to ensure affordable rates),” Mr. Dash suggested.

His remarks are significant as MFIs in India, on an average, levy interest rates of 24% a year on borrowers.

Mr. Dash also said there is an onerous responsibility on MFIs to ensure they are not abetting over indebtedness or participating in predatory lending.

At an aggregate level, over 12% of the total microfinance borrowers had four or more active loans in March, which could go up to 18% in some of the States, Mr. Dash noted.

The RBI’s rebuke signals a tightening grip over MFIs, which now face increasing pressure to strike a balance between business viability and social responsibility.

On Wednesday, speaking at the same forum, Financial Services Secretary M Nagaraju had said MFIs must not capitalise on their borrowers’ low financial literacy levels but empower them instead.

The ‘Bharat Microfinance Report,’ released by Sa-dhan, highlighted that a reduction of interest rates from 20% per annum to 19.5% per annum would not make a difference in weekly or monthly installment payments by poor households.

Potash supply nears pre-war levels, pushing producers to cut output

ECONOMICS AND DEVELOPMENT



Global potash supply is returning to levels seen before the invasion of Ukraine, as Russia and Belarus sidestep Western sanctions by increasing shipments to Asia and South America, pressuring producers to cut output and avoid oversupply.

Potash production is expected to reach 73 million metric tons this year, with Russian exports at 12-13 million tons and those from Belarus at around 10 million tons, Julia Campbell, head of the potash pricing service at commodity agency Argus, said.

Potash prices have started to normalise following a period of volatility following

Russia’s invasion of Ukraine in 2022.

“Russian exports dropped sharply after the war in Ukraine began due to financial and logistical challenges. But these problems have since eased,” Ms. Campbell said.

Increased exports from Canada, Jordan and Laos have also boosted global supply and brought down prices, adding to the fears of possible oversupply, with a slight improvement in demand expected only in 2025.

During their half-year earnings reporting, major potash producers such as Germany’s K+S sounded optimistic about growing demand and stabilizing prices. However, analysts have since warned the

abundant global supply would put a cap on pricing, dampening the firms' earnings prospects.

"I don't think there's likely to be any sort of premium pricing or any real pricing benefit as a result of the global supply shift and the global trade shift. We saw that mostly in 2022 and into 2023 when prices were still moderating," Morningstar analyst Seth Goldstein told Reuters.

President Muizzu to take 50% salary cut amid worsening financial crunch in the Maldives

INTERNATIONAL RELATIONS

Maldives President Mohamed Muizzu will take a 50% salary cut as part of his government's efforts to cut costs, as the country braces itself for a possibly severe financial crunch.

President Muizzu announced "special measures" in line with his government's "economic reform agenda" proposed as part of the 2025 national budget. "As an initial step, the President stated he will not be taking 50% of his salary," his office said in a statement on Tuesday. Further, the salary of all political appointees and staff of state-owned enterprises, excluding banks, will be reduced by 10%.

"When the 2025 budget is presented, under the economic reform agenda, a number of measures will be taken to reduce government spending...for a period of 2 years," Mr. Muizzu said on social media platform 'X'.

Dwindling reserves

His announcement comes in the wake of growing concern over the island nation's dwindling foreign reserves. In its latest update, the World Bank said the Maldives's foreign exchange reserves have declined to "critically low levels", with rising liquidity risks, driven by an elevated Current Account Deficit and increasing external debt repayments. "Official reserves fell from \$590.5 million at end-2023 to \$443.9 million at end-August 2024, due to rising debt repayment obligations and high import needs," the Bank noted in its October 2024 update.

Official reserves are at their lowest level since 2017, sufficient to cover only one month's worth of imports to the Indian Ocean archipelago. The country's debt reached \$8.2 billion or an estimated 115.7% of GDP in the first quarter of 2024, it said.

Earlier this month, India signed a critical currency swap agreement with the Maldives for \$750 million, after Prime Minister Narendra Modi met with President Muizzu in New Delhi.

The swap arrangement for \$400 million and an additional ₹3,000 crore (\$357 million), signed between the Reserve Bank of India and the Maldives Monetary Authority under the South Asian Association for Regional Cooperation (SAARC) Currency Swap Framework, will remain until 2027. It is aimed at helping the Maldives cope with its foreign currency crunch, officials said.



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