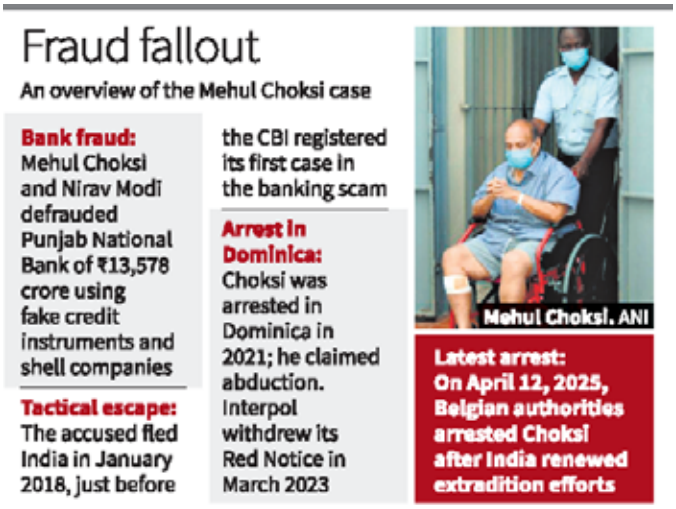
Choksi arrested in Belgium as India seeks extradition

International Relations



Belgian authorities have confirmed the arrest of fugitive diamond businessman Mehul Choksi on April 12 near his home in Antwerp. Choksi, wanted in connection with a ₹13,578 crore loan fraud case involving Punjab National Bank along with his nephew Nirav Modi, had been pursued for extradition by the CBI since 2018. Now an Antiguan citizen, Choksi moved to Belgium a few years ago for cancer treatment and obtained Belgian residency in November 2023 through his wife, a Belgian citizen. His arrest follows India's extradition request.

Extradition request

Mehul Choksi is currently in Belgian custody awaiting judicial proceedings, with access to legal counsel ensured. The Belgian Justice Department confirmed receiving an extradition request from India, with Choksi's case scheduled for a court hearing next week. In 2021, a Dominica court rejected a similar extradition request after Choksi claimed he was kidnapped and assaulted by agents of the Indian government. Interpol later withdrew its Red Notice against him over alleged human rights violations and political targeting. His Belgian lawyer has stated they will fight extradition, citing concerns over a fair trial in India. Choksi is also appealing Antigua's decision to revoke his citizenship.

Telangana becomes first State to notify sub-categorisation of Scheduled Castes

Polity & Governance

The Telangana government has implemented the Telangana Scheduled Castes (Rationalisation of Reservations) Act 2025, with April 14 as the effective date for categorising Scheduled Castes into three groups. Telangana is the first state in India to enforce such classification following the Supreme Court's August 2024 judgment, which upheld the constitutionality of sub-classifying SCs and STs to provide separate reservations for the most marginalised within these communities.

Multiple factors

The Telangana government classified Scheduled Castes into three groups based on the Supreme Court's verdict and various socio-economic factors. Group-I includes 15 most backward sub-castes (0.5% of the SC population) with 1% reservation. Group-II comprises 18 sub-castes with marginal benefits, given 9% reservation, and Group-III includes 26 relatively better-off sub-castes with 5% reservation. Of the 59 total SC sub-castes, 33 remain in their previous categories, while 26 (3.43% of the SC population) were reclassified. Recruitment for government jobs will now follow this new categorisation, but it won't affect already notified vacancies.

Stocks surge after U.S. tariff exemptions even as Trump doubles down on China

International Relations

Global stock markets rose on Monday after the U.S. temporarily exempted electronics like smartphones and laptops from tariffs, easing fears sparked by President Donald Trump's ongoing trade war—especially with China. Markets in Paris, Frankfurt, London, Tokyo, and Hong Kong saw significant gains. However, Trump warned the reprieve is temporary, stating that no country, particularly China, would be let "off the hook." While China called the move a "small step" and demanded all tariffs be removed, it continues positioning itself as a stable counter to

U.S. volatility. Despite tensions, the White House claims progress, saying many countries are entering trade talks ahead of a 90-day pause ending.

Amid 'GPS spoofing' claims, IAF says Myanmar 'missions were achieved' as planned

International Relations

The Indian Air Force (IAF) confirmed that its crews successfully completed all missions to deliver earthquake relief to Myanmar, despite facing suspected GPS spoofing incidents. GPS spoofing, a cyberattack that misleads navigation systems, was reportedly experienced by IAF pilots flying C-130J aircraft during 'Operation Brahma', launched after Myanmar's March 28 earthquake. The Mandalay airport had issued a NOTAM warning of possible degraded GPS signals, and the IAF stated that its crews were well-prepared to handle such challenges while ensuring flight safety and mission success. India sent six aircraft carrying aid, field hospitals, and rescue teams.

Banks pass on RBI rate cut benefit to borrowers, loans to get cheaper

Economics & Development

Following the Reserve Bank of India's 50-basis point repo rate cut in 2025, major banks have reduced their lending and deposit rates. The State Bank of India (SBI) cut repo-linked lending rates to 8.25% and external benchmark rates to 8.65%, effective April 15. The Bank of Maharashtra and Bank of India also reduced external benchmark and home loan rates, with Bank of India's home loan rate now at 7.9%.

Deposit rates were lowered as well. SBI cut fixed deposit (FD) rates for senior citizens by 10 basis points, with one-to-two-year FDs now earning 7.2% and two-to-three-year FDs earning 7.4%. Bank of India reduced FD rates across various tenures and withdrew its 400-day special deposit scheme. HDFC Bank, India's largest private bank, also reduced savings deposit rates by 25 basis points—for balances below ₹50 lakh, the rate is now 2.75%, and for above ₹50 lakh, it is 3.25%, effective April 12, marking the first change in three years.

300 kg drugs worth ₹1,800 crore seized off Gujarat coast

Internal Security

In a joint operation, the Gujarat Anti-Terrorist Squad (ATS) and Indian Coast Guard (ICG) seized over 300 kg of methamphetamine worth ₹1,800 crore from the Arabian Sea. The drugs were dumped into the sea by Pakistani smugglers who fled across the International Maritime Boundary Line (IMBL) after being chased. The contraband, originating from Pakistan's Pasni port, was intended to be transferred mid-sea and transported to Tamil Nadu. The operation took place off Gujarat's Jakhau coast on the night of April 12–13. The smugglers evaded capture due to their proximity to the IMBL and the distance from the Coast Guard ship at the time of detection.

ASI seeks to shed new light on Dwarka through explorations

History, Art & Culture

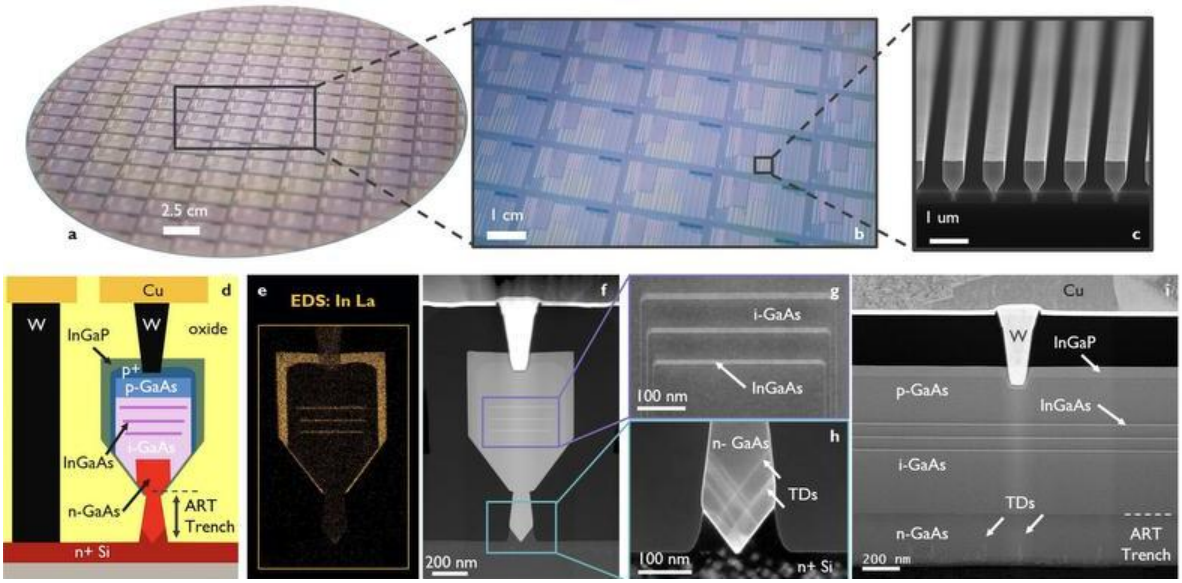
The Archaeological Survey of India (ASI) has launched onshore and offshore expeditions at Dwarka and Beyt Dwarka in Gujarat to study and date submerged archaeological remains. A nine-member team from ASI's Underwater Archaeology Wing is conducting the research using scientific analysis of sediments and marine deposits to determine the antiquity of recovered objects. Beyt Dwarka, believed to be the home of Lord Krishna, holds cultural and historical significance. A preliminary field study was conducted in February near Gomati Creek to assess previously explored areas and identify new sites. ASI officials emphasized Dwarka's importance in India's cultural and archaeological history.

Important remains

Between 2005 and 2007, the ASI's Underwater Archaeology Wing conducted systematic onshore and offshore investigations at Dwarka, uncovering significant archaeological remains such as ancient sculptures, stone anchors, and various artifacts. Limited underwater excavations were carried out with Navy divers, revealing clusters of submerged remains after cleaning thick deposits. A focused 2007 excavation near the northern gate of the Dwarkadhish Temple uncovered iron, copper objects, beads, rings, and pottery from a 10-meter-deep, 26-layer deposit. The current study aims to explore a wider area in Okhamandal, involving archaeological surveys, diving operations, and scientific analysis to further understand the region's historical significance.

Miniature laser grown onto silicon chip could revolutionise computing

Science & Technology



1 of 2 Top, L-R: photograph of a fabricated 300-mm silicon wafer containing thousands of GaAs devices; close-up view of a fabricated 300 mm wafer showing multiple dies; and scanning electron micrograph of a GaAs nano-ridge array before encapsulation. The bottom row shows various components of chip.

The invention of silicon chips revolutionized communication, and recent advances have shifted from using electrons to photons, leading to the rise of silicon photonics. Photons offer faster data transfer, higher capacity, and lower energy loss compared to electrons, making them valuable for applications like data centers, sensors, and quantum computing. However, integrating light sources (lasers) directly onto silicon chips has been a major challenge, as current methods rely on attaching separate lasers, which slows performance and increases costs. A new study published in *Nature* reports a breakthrough where scientists successfully grew miniaturized lasers directly on silicon wafers using standard CMOS manufacturing processes. This advancement promises faster, more cost-effective, and scalable silicon photonics compatible with existing chip production methods.

Getting on the chip

A typical silicon chip consists of four main components: a source (electrons or photons), waveguides, modulators, and photodetectors. In photonic chips, the light source is a laser, which is the most difficult component to integrate onto the silicon chip. Waveguides direct photons, similar to how wires direct electrons. Modulators encode or decode information by altering properties of light such as intensity, wavelength, or phase. Photodetectors then convert the light signals back into electrical signals.

Switching the laser on

A laser amplifies light through stimulated emission, where electrons drop from higher to lower energy levels, releasing photons that form a coherent light beam. However, silicon is inefficient at emitting light due to its indirect bandgap—it needs help to release energy as photons. In contrast, materials like gallium arsenide have a direct bandgap, allowing electrons to emit photons directly and efficiently, making them ideal for lasers. Integrating gallium arsenide with silicon is difficult because their crystal structures don't align, creating defects that cause energy loss as heat, reducing laser efficiency—like mismatched puzzle pieces not fitting together properly.

In the trenches

In the study, researchers created a silicon-based chip with nanometre-sized ridges for photon travel and a built-in light source. Inspired by a 2007 study, they used narrow trenches lined with silicon dioxide to trap defects when growing gallium arsenide, enabling the formation of defect-free crystals. On this base, they added three ultra-thin layers of indium gallium arsenide to serve as the laser, followed by a protective indium gallium phosphide

layer. Electrical contacts were added, and when current flowed through the indium gallium arsenide region, it emitted photons that traveled through the chip's waveguides, successfully creating an integrated laser on silicon.

Solving a long-standing problem

Researchers successfully embedded 300 functional lasers on a standard 300-mm silicon wafer, enabling compatibility with existing semiconductor manufacturing. The lasers emit light at a 1,020 nm wavelength, ideal for short-range chip-to-chip communication, potentially boosting computing performance and reducing energy use in data centers. Each laser operates with a low threshold current of 5 mA and outputs about 1 mW, running continuously for 500 hours at room temperature, though efficiency drops at 55°C. While promising, it still falls short of newer chips that function at up to 120°C. This is the first fully monolithic laser diode demonstrated on a wafer of this size, with a scalable and cost-effective manufacturing process.

What a post-Assad Syria means for China

International Relations

Over the past two years, China has aligned with Arab positions on Gaza, including hosting Hamas and other Palestinian groups in Beijing to mediate. This approach has increased China's popularity in the Arab world, surpassing the U.S. in recent surveys. However, the fall of Bashar al-Assad in Syria has created a security concern for China, as Uyghur militants have gained a stronger political foothold under the new Syrian leadership of President Ahmed al-Sharaa.

Getting a safe space

Uyghur militants from the East Turkistan Islamic Movement (ETIM), also known as the Turkistan Islamic Party (TIP), have gained significant roles in Syria's newly forming military under President Ahmed al-Sharaa, formerly known as Abu Mohammed al Jolani and leader of Hay'at Tahrir al-Sham (HTS). Al Sharaa rose to power with little resistance and has a history with both ISIS and al-Qaeda. HTS provided a sanctuary for foreign fighters, including Uyghurs, who supported its operations and built their own base in Syria. Since 2011, Uyghur militants were active in ISIS networks, producing propaganda against the Chinese state. As of 2025, nearly 2,000 Uyghurs are estimated to be part of Syria's military forces, with some rising to high-ranking positions—most notably Abdulaziz Dawood Khodaberdi (Zahid), a former ETIM commander. China's concern is growing as these developments threaten its national security interests.

Impact of big power competition

Beijing now faces a growing rift with Damascus, despite historically friendly ties, due to the elevation of Uyghur militants—especially from the East Turkistan Islamic Movement (ETIM)—into official ranks in Syria's new regime. China previously aligned with the U.S. post-9/11 to support its own counter-terror goals, particularly targeting ETIM, which the U.S. designated a terror group in 2002 but delisted in 2020, citing lack of credible evidence. As U.S.-China rivalry intensifies, militant groups have gained more freedom. While China prioritized removal of Uyghur militants from areas like Taliban-led Afghanistan, Syria's new government has embraced and promoted them, complicating Beijing's regional security interests.

The western game plan

China has raised concerns at the UN over the rise of Uyghur militants in Syria's new regime, as global powers engage with President Al Sharaa. Western nations aim to stabilize Syria to prevent mass migration and limit influence from Russia, Iran, and China. This geopolitical shift has enabled former terrorists to gain political legitimacy. China's diplomatic position is further strained by its tensions with Israel over Gaza and the acceptance of Al Sharaa by Arab powers like Saudi Arabia and the UAE—countries that had previously overlooked China's Xinjiang policies. These developments are prompting China to reassess its regional strategy.

Unnecessary change

Polity & Governance

The Right to Information (RTI) Act has significantly enhanced transparency and accountability in India. However, recent attempts to dilute its provisions, particularly through amendments in the Digital Personal Data Protection (DPDP) Act, 2023, pose a threat. Section 8(1)(j) of the RTI Act allows withholding of information if it invades privacy, but with a safeguard for public interest disclosures. The DPDP Act amends this by allowing government bodies to withhold "personal information" without considering public interest, removing the safeguard, which could limit transparency and accountability.

Union Minister Ashwini Vaishnaw defended the amendment to the RTI Act in a letter to Congress leader Jairam Ramesh, stating that it aimed to prevent misuse and balance the right to privacy with the right to information. He assured that public officials' salaries would remain accessible. However, the amendment in

Section 44(3) of the DPDP Act, which vaguely defines "personal information," could allow authorities to withhold previously public data by classifying it as "personal," thus reducing public scrutiny. Critics argue that the RTI Act already balances privacy and public interest, making the amendment unnecessary. Civil society and transparency activists have urged the government to remove this provision.

Missing the target

Economics & Development

India's industrial production growth slowed to 2.9% in February, marking a six-month low and a significant drop from January's 5.2% and last February's 5.6%. This decline was broad-based, with power production rising slightly by 3.6%, but mining and manufacturing saw steep declines, dropping to 1.6% and 2.9%, respectively. Consumer durables and non-durables also faced declines, indicating reduced consumption demand, despite a decrease in retail inflation to 3.61%. The slowdown suggests that the government's expected consumption boost, driven by events like the Maha Kumbh, did not materialize, making it unlikely that the 6.5% GDP growth target for fiscal 2025 will be met. The IIP data aligns with a 14-month low in the manufacturing Purchasing Manager's Index, which stood at 56.3.

The slowdown in India's industrial production highlights two key issues: manufacturers' concerns over global economic uncertainty, particularly due to actions by U.S. President Donald Trump, and reduced consumer spending, driven by stock market volatility. However, there were positive developments within the manufacturing sector, with 14 out of 23 industry groups showing growth. Leading sectors included motor vehicles, non-metallic mineral products, and basic metals, while capital goods output accelerated, reflecting strong investment demand supported by increased government spending. Despite a liquidity squeeze in the banking system, the central bank intervened with substantial support. While India may miss its GDP growth target for the last fiscal year, it remains the fastest-growing major economy.

How is spaceflight safety ensured?

Science & Technology

The safe return of NASA astronauts Sunita Williams and Barry Wilmore after a nine-month mission aboard the ISS highlights the importance of safety protocols during space missions. These protocols ensured the astronauts' physical and mental well-being, particularly during the unpredictable Starliner test mission. Similarly, the Indian Space Research Organisation (ISRO) is implementing its own safety measures for its upcoming Gaganyaan human spaceflight mission, drawing on the latest research and past incidents. Human spaceflight involves three key phases—launch, orbit, and reentry—each requiring strict safety protocols.

Before and during launch

- **On the launchpad:** In 1967, a tragic fire during a test of NASA's Apollo-1 crew capsule killed all three astronauts. To prevent a similar incident, ISRO has implemented safety measures, including ziplines and a fireproof bubble lift, at its second launch pad at SHAR in Sriharikota, allowing the crew to quickly escape in case of an emergency.
- **After ignition until orbital insertion:** ISRO's human-rated launch vehicle features an emergency escape system, with a tower-like structure on top of the rocket. If a malfunction occurs, the crew module will detach from the rocket, and the escape tower's solid fuel engines will propel it away to safety. This Crew Escape System is tractor-type, meaning an engine pulls the crew module to safety, in contrast to SpaceX's Crew Dragon, which uses a pusher-type system to push the module away from the rocket.
- **During launch:** ISRO's Crew Escape System operates in three modes, depending on the altitude during an emergency. It uses two types of motors: the Low-altitude Escape Motor (LEM), which provides thrust during the initial flight phase, and the High-altitude Escape Motor (HEM), which activates at higher altitudes to quickly pull the crew module to safety.
- **Pad abort:** In emergency situations immediately after ignition, both the Low-altitude Escape Motor (LEM) and High-altitude Escape Motor (HEM) are activated to quickly propel the crew module to safety. In low-altitude aborts, both motors are used, and the crew module splashes down in the sea. Under normal conditions, the LEM is jettisoned to reduce weight, while the HEM remains attached. Examples of successful crew escapes include the 1983 Soyuz T-10 rocket fire and the September 2022 Blue Origin New Shepard flight, where the escape systems functioned effectively.

Entering and staying in orbit

ISRO's Gaganyaan crew capsule consists of two modules: the crew module, which serves as the living quarters, and the service module, which contains fuel, engines, and control systems. Once the capsule nears its

orbit, the crew escape systems are released. If an emergency arises, the service module's propulsion system will launch the crew module on a sub-orbital trajectory. In orbit, both the service module and the crew module's thrusters will work together to reenter the Earth's atmosphere for a safe landing.

At the ISS

While Gaganyaan won't dock with a space station, its crew will be trained on docking procedures. In case of an emergency, the crew capsule can serve as a "lifeboat" for evacuation, similar to NASA's protocol, where two capsules (SpaceX Crew Dragon and Russian Soyuz) were available during past missions. The space station will also have a "safe refuge" space for occupants to escape potential dangers like fires, space debris collisions, or solar flare radiation, which can be sealed off from the rest of the station.

Space trouble

As of January, space accidents have killed 17 astronauts and 4 cosmonauts in five separate incidents out of around 676 people who have flown to space

The model of the Gaganyaan crew module, a spacecraft that will carry a crew of three astronauts into orbit and back to Earth displayed at the HAL stall, at the 8th edition of Bengaluru Space Expo 2024 (BSX), in Bengaluru on September 18, 2024. MURALI KUMAR. K

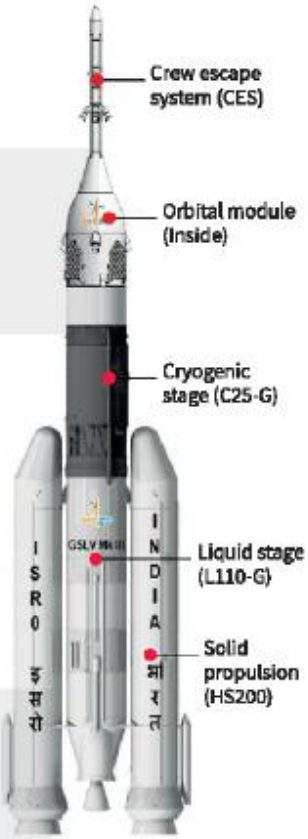
January 27, 1967: Three crew of Apollo-1 died at the launch pad when the electrical spark from a faulty wire ignited the pure oxygen in the crew cabin casing, raging fire

April 24, 1967: The parachute of Soyuz -1 did not open properly after the reentry, and the capsule hit the ground at high speed, tragically killing Soviet cosmonaut Vladimir Komarov

June 30, 1971: Three soviet cosmonauts, Georgy Dobrovolsky, Viktor Patsayev and Vladislav Volkov, completed their intended three-week stay aboard the Soviet space station Salyut-1 and undocked for reentry. Unfortunately, the cabin vent valve malfunctioned, and the whole crew quarters decompressed, and the crew were found dead inside the craft that safely landed

January 28, 1986: The Space Shuttle Challenger was destroyed 73 seconds after liftoff at an altitude of 15 kilometres, killing seven U.S. astronauts: Gregory Jarvis, Christa McAuliffe, Ronald McNair, Ellison Onizuka, Judith Resnik, Michael J. Smith and Dick Scobee

February 1, 2003: The Space Shuttle Columbia disintegrated when the shuttle's thermal protection system (TPS) failed during reentry at an altitude of just under 65 kms to its destination killing six U.S. astronauts and one from Israel: Rick D. Husband, William C. McCool, Michael P. Anderson, David M. Brown, Kalpana Chawla, Laurel Clark and Israel's Ilan Ramon



NASA astronauts Butch Wilmore and Sunita Williams. REUTERS

Returning to the earth

Reentry is the most challenging phase of spaceflight. As a capsule reenters Earth's atmosphere, its thrusters control the descent and speed. The outer heat shield protects the crew from temperatures up to 1,800°C due to

atmospheric friction. During descent, the capsule uses retrograde thrusters and deploys parachutes to slow down. The Gaganyaan crew capsule employs a 10-parachute system for deceleration. It starts with apex cover separation parachutes at 15.3 km, followed by drogue and pilot parachutes to reduce speed and stabilize the descent, ultimately opening three main parachutes to slow the capsule to 10-12 m/s before it splashes down.

Growth in demand for diesel falls to the lowest since COVID

Economics & Development

Diesel demand growth in India slowed to its lowest level since the pandemic in the 2024-25 fiscal year, rising by only 2% to 91.4 million tonnes, according to the Petroleum Planning and Analysis Cell. This is a sharp decline from the 4.3% growth in the previous year and 12.1% in 2022-23. While the softer demand reflects overall economic activity, the rise of electric vehicles (EVs) is significantly reshaping diesel consumption, especially in the transport sector. Although diesel still powers most of India's transport sector, the shift toward commercial EVs is moderating its growth.

Electric vehicles (EVs), including buses in cities like Delhi and Mumbai, and e-rickshaws in tier-2 and tier-3 cities, are reducing diesel consumption in urban transport. Additionally, companies like Amazon and Flipkart are transitioning their delivery fleets to EVs, impacting diesel demand in logistics. Meanwhile, petrol consumption rose by 7.5%, LPG demand increased by 5.6%, and jet fuel consumption surged nearly 9% due to growth in the aviation sector. Overall, India's petroleum consumption grew by 21% to 239.171 million tonnes in 2024-25, though the growth rate slowed compared to previous years, marking the slowest increase in a decade, excluding the COVID-19 lockdown years.

How RBI is proposing to streamline rules of lending against yellow metal

Economics & Development

The Reserve Bank of India (RBI) on April 9 put out draft guidelines for consultation on how lending against gold jewellery and ornaments as collateral should be conducted. The norms strive to harmonise the overall regulatory framework which may differ for entities with varied risk-taking capabilities and address concerns relating to their present conduct. The banking regulator is soliciting comments on the draft until May 12.

Standard framework

The proposed norms aim to create a standardized framework to address issues arising from inadequate due diligence and improper assessment of gold value in loan disbursements. Concerns were raised by the banking regulator in September about loans being disbursed through partnerships between regulated entities and fintech platforms, where key procedures like credit appraisal, gold valuation, and KYC were outsourced. Issues included discrepancies in the gold's value when auctioned, due to incorrect assessments of purity and weight. Additionally, there were concerns over the misuse of loans as entities did not verify the loans' actual purpose, leading to inadequate risk assessment. Gold loans have increased significantly, with a rise of 87% year-over-year, and non-performing assets (NPAs) related to gold loans have also seen an 18.14% increase.

Addressing lacuna

The proposed norms outline specific guidelines for valuing gold and disbursing loans. Gold will be valued based on the price of 22-carat gold, using either the average of the previous 30 days, the closing price of the previous day, or the spot price from SEBI-regulated exchanges. Hallmarked gold will receive preferential treatment with adjusted margin and interest rates. The RBI also proposes limits on the weight of gold and silver ornaments (1 kg per borrower), and specific caps for gold (50 gm) and silver coins (500 gm) per borrower, with coins sold by banks being the only ones considered for valuation. Additionally, lenders are prohibited from extending loans if the ownership of the gold is uncertain.

Multiple loans?

No, the RBI specified eligible gold collateral irrespective of value cannot be used concurrently for extending loans meant for income generating purposes and for personal consumption. In fact, the regulator also proposes to specify that lender do not extend loans against re-pledged collateral. RBI seeks the borrowed money must be utilised for the purpose for which it was sought. This would help improve the paradigm for risk assessment for lenders and avert borrowers' over-leveraging of same collateral.

Loan size framework

The new framework introduces a notable specification that the loan-to-value (LTV) ratio for gold-backed loans cannot exceed 75% of the gold's value. This rule applies to all non-banking financial companies (NBFCs)

and requires the LTV ratio to be maintained throughout the loan's duration. Additionally, if the LTV ratio exceeds 75% at the loan's maturity, no renewal will be allowed.

Bad news for NBFCs?

Shares of all major NBFCs, such as Muthoot Finance, IIFL Finance and Manappuram Finance slid when the draft proposal was published last Wednesday. Concerns primarily emanated on two fronts, viz. increased cost of compliance and impact on assets under management (AUMs). For perspective, as per brokerage platform Groww, gold loans constitute a significant portion of the firms'' AUMs. For Muthoot Finance, it stands at 98%, Manappuram Finance 50% and IIFL Finance 21%.

Back to Russian gas? EU faces energy dilemma

International Relations

Three years after Russia's invasion of Ukraine, Europe's energy security remains fragile. U.S. liquefied natural gas (LNG) helped fill the gap left by Russian supplies during the 2022-2023 energy crisis, but reliance on the U.S. has become a concern due to deteriorating U.S.-Europe relations. As a result, some EU business leaders are now considering the possibility of importing Russian gas again, including from Gazprom, which would contradict the EU's pledge to stop Russian energy imports by 2027. Talks with Qatar for more gas have stalled, and while renewable energy deployment is accelerating, it's not happening fast enough to ensure security. Executives like Didier Holleaux from Engie suggest that, in the case of peace in Ukraine, Russia could supply 20-25% of Europe's energy needs, down from 40% before the war. Meanwhile, TotalEnergies' Patrick Pouyanne cautions against over-relying on U.S. gas, urging for diversification.

Trump factor

In 2023, U.S. liquefied natural gas (LNG) accounted for 16.7% of EU imports, behind Norway's 33.6% and Russia's 18.8%. Russia's share is expected to fall below 10% in 2024 due to Ukraine shutting pipelines. The EU plans to buy more U.S. LNG, but concerns are growing about relying on U.S. gas, especially as trade tensions with the U.S. increase. Experts like Tatiana Mitrova warn that U.S. LNG could become a geopolitical tool, and there are fears that the U.S. could withhold exports if the trade war escalates or if domestic gas prices rise due to industrial or AI demand. In response, the EU has delayed plans to phase out Russian gas imports by 2027.

Trump's policy uncertainty sends biotech sector into a slump

International Relations

Cuts across federal health agencies under the Trump administration have raised concerns in the biotech industry, which is already facing a downturn. The U.S. Food and Drug Administration's mass layoffs are particularly detrimental to small and mid-cap biotech firms with clinical trials but no market products. Additionally, a freeze on grant funding from the National Institutes of Health may discourage talent and resources from entering the sector. The S&P Biotech ETF index recently hit an 18-month low, down 20% this year, and nearly 30% of small and mid-cap biotech companies are trading at or below cash value, indicating a lack of confidence in their business or drug development pipelines.

The biotech sector is facing significant concerns due to mass layoffs at the U.S. Food and Drug Administration (FDA) and other health agencies, with executives and investors fearing that delays in drug approvals and feedback could impact future cash flows. Senior fund managers, like Linden Thomson, stress that the sector needs a predictable, science-driven regulator for stock valuations, as U.S. commercial sales are key to biotech business value. While U.S. Health Secretary Robert F. Kennedy Jr. defends the layoffs as a way to streamline bureaucracy, many in the industry worry that these changes will impair the FDA's ability to fulfill its mission. Recent delays in scheduling meetings and receiving feedback from the FDA have already raised concerns that approval deadlines might be missed. Overall, sentiment in the biotech industry is negative, with little optimism for improvement in the near future.

'Perilous time'

Trump's executive orders blocking funding from the NIH are negatively affecting small- and mid-cap biotech companies, which rely on early-stage research funding to develop new medicines and treatments. This has raised concerns about the future of biotech innovation. The biotech sector has already been under pressure from high interest rates and a decline in investment after the COVID-19 pandemic. The situation worsened after the resignation of senior FDA scientist Peter Marks, increasing uncertainty in the sector. Investors are closely watching FDA decisions on new drug approvals as an indicator of the agency's functionality and the industry's future prospects.

Head Office:
Vedhik IAS Academy
Mercy Estate,
MG Road, Ravipuram,
Ernakulam-682 015,

Corporate office:
Vedhik IAS Academy
Samkalp Bhawan, Plot No.15,
Sector 4, Rama Krishna Puram,
New Delhi,Delhi-110022

Regional office
Vedhik IAS Academy
202, Raheja Chambers, 12,
Museum Road. Bangalore -
560001. Karnataka, India.

GCC Office:
Bobscoedu,
Bobsco Educational Solutions WLL
Office No: 201, Floor: 2
AL RAYA SHOPPING CENTRE WLL
Bldg. 517, Road 2408, Area 324,
Al Fateh, Manama, Kingdom of Bahrain
www.bobscoedu.com