



**VAJIRAM & RAVI**  
Institute for IAS Examination

# The Analyst

**CURRENT AFFAIRS Handout**

**16th June 2026**



# India introduces Producer Price Index



**CONTEXT:** India quietly began one of the biggest statistical reform in Indian economic history.

## The New Ruler Is Born

Ministry of Commerce & Industry



### PRESS RELEASE ON NEW SERIES OF WHOLESALE PRICE INDEX, AND PRODUCER PRICE INDICES WITH BASE YEAR 2022-23

प्रविष्टि तिथि: 15 JUN 2026 12:00PM by PIB Delhi

The Office of Economic Adviser, DPIIT is releasing the revised series of WPI with base year 2022-23. The new series will replace the existing series of WPI with base year 2011-12. In addition, the Office is also releasing new series of Output Producer Price Index (OPPI), Input Producer Price Index (IPPI), and Service Producer Price Index (Service PPI) of seven services, viz., Banking, Securities Transaction, Insurance, Management of Pension Funds, Railways, Air (Passenger), and Telecom with the same base year.

## Let's Start at Zero – What Is Inflation, Really?

***“Inflation is a measurement problem before it is an economic problem.”***

*“Are prices rising or falling?”*

*“For whom – producers, wholesalers, or consumers?”*

*“By how much?”*

*“And is that rise coming from energy?”*

*Food? Manufactured goods?”*



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## India Inflation Ecosystem – Who Measures What

### Window 1: WPI

<b>Full name</b>	Wholesale Price Index
<b>Compiled by</b>	Office of Economic Adviser (OEA), DPIIT, Ministry of Commerce & Industry
<b>Covers</b>	Goods only – no services
<b>Old basket</b>	697 items (Base Year 2011-12)
<b>New basket</b>	957 items (Base Year 2022-23)
<b>Major groups</b>	Primary Articles (22.76%) · Fuel & Power (14.11%) · Manufactured Products (63.13%)
<b>"Tax illusion problem."</b>	Wholesale/first transaction level – not what producers actually receive at the factory gate.

### Window 2: CPI – The Customers' View

<b>Full name</b>	Consumer Price Index
<b>Compiled by</b>	Ministry of Statistics & Programme Implementation (MoSPI)
<b>Covers</b>	Goods AND services – including rent, healthcare, education
<b>Key feature</b>	Food & Beverages = ~36.75% weight – highly sensitive to food inflation
<b>Used for</b>	RBI's monetary policy (inflation targeting at 4% ± 2%)
<b>Variants</b>	CPI-Rural / CPI-Urban / CPI-Combined (all India)

## What's WRONG With the Old WPI

### 1. Outdated Basket (2011-12 in 2025!)

200+ GW of renewable energy  
**Pharma exports** touch \$30 bn  
**Services** = 55% of GDP

India has officially surpassed its initial 200 GW milestone, with installed non-fossil fuel capacity now exceeding 283 GW as of March 2026 [www.pib.gov.in](https://www.pib.gov.in). This incredible surge in clean energy means that over 51% of India's total installed power generation capacity comes from non-fossil sources.



PIB  
<https://www.pib.gov.in/PressReleasePage>  
initiatives to improve ev sector

5 Aug 2025 — PM E-DRIVE aims to support electric vehicles including e-2W, e-3W, e-Trucks, e-buses, e-Ambulances, EV PCS and upgradation of testing agencies. [Read more](#)

### 2. Tax Illusion Problem

"Government policy decisions distorted the inflation reading"

ET The Economic Times

Centre ups diesel export duty to Rs 55.5/litre, raises excise to high-speed diesel to Rs 24 & infra cess to Rs 36; ATF duty up to Rs 42

**"Basic Price":** the price at the **factory gate**, before any taxes, trade margins, or transport are added.



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## What's WRONG With the Old WPI

### 3. Import Problem

India's domestic industries are performing perfectly.

**BUT** = war in West Asia



**US-Iran war impact: RBI likely sold \$12 billion gold reserves to shield foreign currency assets, says report**

TOI Business Desk / TIMESOFINDIA.COM / Jun 02, 2026, 12:41 IST

Comments Share Print AA



Amid the ongoing US-Iran conflict, the Reserve Bank of India may have sold some of its gold holdings to protect foreign exchange reserves from the economic fallout of the Middle East situation, according to a report.

According to an assessment by Bloomberg Economics, RBI sold gold worth around \$12 billion during the two...

India, the world's third-largest importer of crude oil, is facing mounting pressure on its foreign exchange resources as the conflict in the Middle East pushes up energy costs and weakens the domestic currency.

IRAN-ISRAEL, US CONFLICT

### Push to Save Energy Across Countries

Countries have deployed measures from cooling limits to transport curbs amid historic oil supply disruption

- Remote work
- Cooling caps
- Govt travel limits
- School restrictions
- Energy saving push
- Transport curbs



## The New WPI – 7 Key Changes

**Bigger basket: 697 → 957 items (+37%)**

**Energy restructuring – Solar, Wind, Nuclear added under 'Electricity' group**

**Crude Petroleum & Natural Gas shifted from 'Primary Articles' → 'Fuel & Power'**

**New weight methodology: Gross Value of Output (GVO) instead of Net Traded Value**

**Targeted Mean Imputation instead of Carry Forward**

**Better elementary index computation**

**Linking Factor provided: 1.53 for All Commodities**

**Old method:**  $GVO + Imports - Exports$

**New method:**  $GVO \text{ only} = \text{domestic production value}$

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## Window 3: PPI – The New Arrival (June 15, 2026)

This is the international standard. **US, EU, UK, Germany, Japan** – every advanced economy uses PPI. India finally joined the club.

### Input Producer Price Index

"What price does a producer **PAY** when they buy their inputs "

**Released:** Monthly, Trial basis (only Manufacturing sector, from March 2026)

**Price concept:** Purchaser's Price – what the industry actually pays in the market (+ taxes)

**Source weights:** National Accounts 2022-23

**May 2026 reading (Manufacturing):** 104.9

**OPPI - IPPI: Profit margin**

**When IPPI > OPPI: Cost-push inflation shock**

### Output Producer Price Index (OPPI)

"What price does a producer **RECEIVE** when they sell their output?"

**Released:** Monthly (alongside WPI)

**Covers:** Agriculture, Mining, Manufacturing, Electricity

**Price concept:** Basic Price – excludes taxes, transport, trade margins

**Source weights:** Supply Table of National Accounts 2022-23

**May 2026 reading:** All = 109.6

## Window 3: PPI – The New Arrival (June 15, 2026)

### Service Producer Price Index (Service PPI)

"How much are prices changing in the service industries that produce for other businesses?"

India's services sector is 55% of GDP. Yet no index tracked service-sector inflation at the producer level

**Seven services covered in Phase 1 (quarterly, from Q4 FY2025-26)**

Service	Q3 2025-26	Q4 2025-26	Trend
Banking	102.2	100.9	📉 Slight cooling
Securities Transaction	89.2	91.7	📈 Recovery
Insurance	102.0	102.8	📈 Mild increase
Pension Funds Management	106.3	103.8	📉 Cooling
Telecom	112.2	112.2	➡ Stable – reflecting tariff hikes
Railways	102.6	103.3	📈 Rising (freight + passenger)
Air (Passenger)	107.3	106.9	📉 Slight easing

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## A Single Comparison Table

Feature	CPI	WPI (old)	WPI (new)	PPI (new)
What it measures	Consumer retail prices	Wholesale bulk prices	Same – revised basket	Factory-gate producer prices
Base Year	2012	2011-12	<b>2022-23</b>	<b>2022-23</b>
Includes services?	✓ Yes	✗ No	✗ No	✓ Output + Input + Services
Taxes?	✓ Yes	✓ Yes (problem!)	✓ Yes	✗ No – Basic Price only
Includes imports?	✓ Yes	✓ Yes (problem!)	Partially	✗ Domestic production only
Used for	RBI monetary policy	Contract escalation, GDP deflation	Same + transition	<b>Global standard; RBI future use</b>
No. of items	~299	697	<b>957</b>	Based on Supply-Use Tables
Released by	MoSPI	OEA, DPIIT	OEA, DPIIT	OEA, DPIIT
Frequency	Monthly	Monthly	Monthly	Monthly (OPPI); Quarterly (Service PPI)

## The Statistical Reform Ecosystem – WPI Is One Piece

Index	Old Base Year	New Base Year	Status
<b>GDP</b>	2004-05	2011-12	Done (2015); <b>Present?</b>
<b>CPI</b>	2010	2012	<b>Present?</b>
<b>IIP</b>	2004-05	2011-12	<b>Present?</b>
<b>WPI</b>	2011-12	<b>2022-23</b>	✓ Done – June 15, 2026
<b>PPI</b>	N/A	<b>2022-23</b>	✓ Launched – June 15, 2026



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## WPI → PPI Transition — India Joins the Global Standard

June 15, 2026 — **WPI (new) + PPI family** both launched simultaneously

↓  
[ **5 years of parallel running** — "give users time to migrate" ]

↓  
~2031 — **WPI discontinued.** PPI stands alone.

### Who needs to migrate?

- **Infrastructure contractors**
- **Exporters**
- **Economists**
- **Governments**

### World Uses PPI, Not WPI?

- **Tax Illusion**
- **Imported inflation bias**
- **G7 + IMF**
- **RBI**

## What the May 2026 WPI Numbers Tell Us

### 3 Drivers — Told Through Data

**Driver 1 — Fuel & Power: +30.33% YoY**  
(was 24.89% in April)

**Driver 2 — Primary Articles: +4.99% YoY**

- **Food articles: +3.60%**
- **Non-food articles: +9.49%**
- **Minerals: +4.91%**

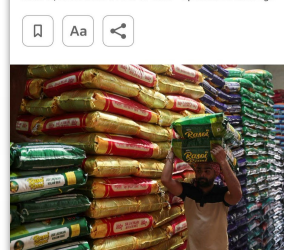
**Driver 3 — Mfg Products: +7.48% YoY**

- **Basic Metals: +12.30%**
- **Chemicals: +13.40%**
- **Textiles: +10.22%**
- **Electrical Equipment: +11.32%**

Component	May 2026 YoY %
Crude Petroleum & Natural Gas	+61.51%
Mineral Oils	+49.82%
Coal & Lignite	-2.26%
Electricity	-1.85%

India's May wholesale prices rise 9.68% year-on-year

By Reuters  
June 15, 2026 12:09 PM GMT+5:30 - Updated 30 mins ago



### Wholesale Food Inflation

Based on WPI Food Index, 2022-23=100



Figures for Apr & May 2026 are provisional  
KBK Infographics

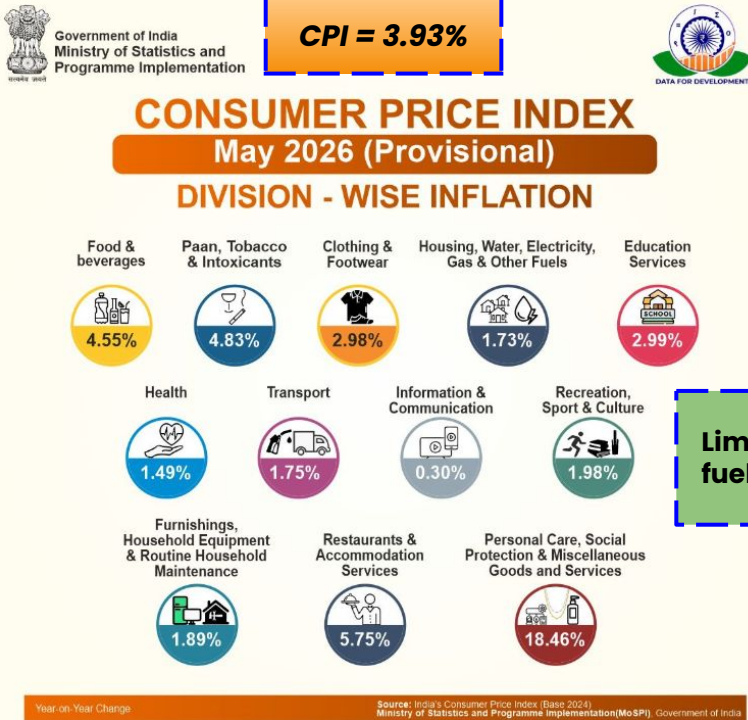


# India introduces Producer Price Index

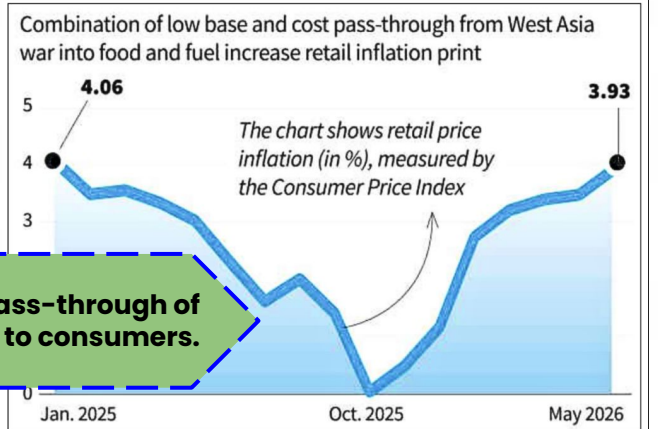


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## WPI-CPI Divergence – Most Interesting Story of 2026



The Hindu: WPI inflation rises to 9.68% in May as fuel, food, manufactured items see price spike



Limited pass-through of fuel costs to consumers.

MSN: RBI MPC 2026: Gov Malhotra raises FY27 inflation projection by 50 bps to 5.1%

### Mains Practise Question

**The PPI will eventually allow RBI to distinguish between domestic cost-push inflation and imported price shocks. Discuss.**  
 (15 Marks, 250 words)

### India To Replace WPI With A New Inflation Index

Producer Price Index (PPI) Framework Launches From June 15

**WPI Will Be Phased Out Over The Next 5 Years**

**WHAT'S CHANGING?**

- Government will introduce a new Producer Price Index (PPI)
- Existing Wholesale Price Index (WPI) will continue temporarily
- WPI will eventually be discontinued after a 5-year transition period
- New framework launches on June 15

<p><b>CURRENT SYSTEM</b></p> <p>Wholesale Price Index (WPI)</p> <ul style="list-style-type: none"> <li>Tracks wholesale-level price changes</li> <li>Current base year: 2011-12</li> </ul>	<p><b>NEW SYSTEM</b></p> <p>Producer Price Index (PPI)</p> <ul style="list-style-type: none"> <li>Tracks prices across production and supply chains</li> <li>New base year: 2022-23</li> </ul>
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**NEW PPI FRAMEWORK INCLUDES**

- Output PPI
- Input PPI
- Services PPI

**WHY IS THIS IMPORTANT?**

- Gives a broader picture of inflation
- Tracks both input and output prices
- Helps businesses monitor cost pressures
- Supports better policy decisions
- Aligns India with global standards

**The New System Will Track Inflation Across Goods, Inputs And Services More Effectively**

**COUNTRIES ALREADY USING PPI**

United States, China, Japan, Germany, France

**India's Biggest Inflation Measurement Reform In Years**

Source: National Herald



# War, Deal, and the New Middle East



**CONTEXT:** US and Iran have finalised a memorandum of understanding.

## Sirens. Then silence. Then fire.

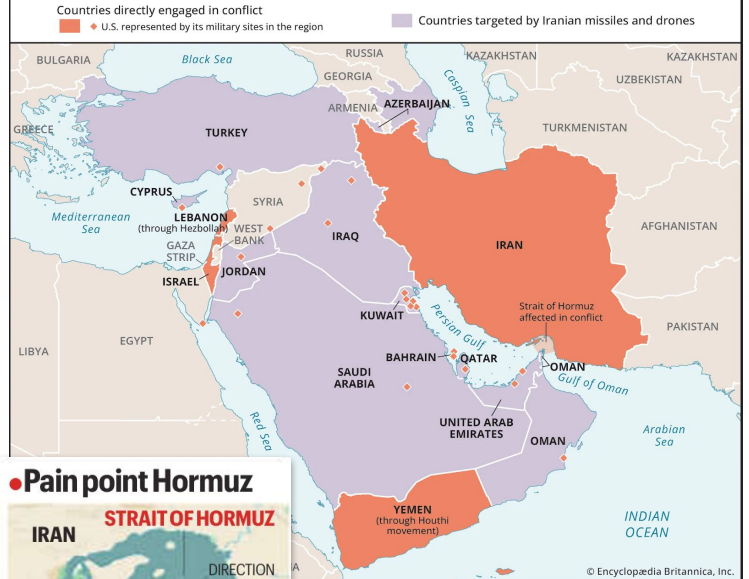
### IRAN-US CONFLICT: KEY EVENTS TIMELINE (2026)

<b>WAR OUTBREAK</b> Feb 28 Operation Epic Fury. Joint US-Israeli strikes. Strait of Hormuz closed.	<b>CEASEFIRE</b> Apr 8 Pakistan-brokered truce. Extended for diplomatic talks.
<b>TRUCE EROSION</b> Jun 7 Israel airstrikes in Beirut. Iran direct missile barrage.	<b>HELICOPTER CRASH</b> Jun 9 U.S. AH-64 Apache helicopter crashes during Strait of Hormuz patrol.
<b>U.S. COUNTER-STRIKES</b> Jun 10 Trump authorizes retaliatory airstrikes. Targets IRGC naval bases, radar on Qeshm Island.	<b>REGIONAL EXPANSION</b> Jun 10 Iran attacks targets in Bahrain, Jordan, and Kuwait. Further escalates regional conflict.



The Deal with the Islamic Republic of Iran is now complete. Congratulations to all! I hereby fully authorize the toll free opening of the Strait of Hormuz, and, simultaneously herewith, authorize the immediate removal of the United States Naval blockade. Ships of the World, start your engines. Let the oil flow! President DONALD J. TRUMP

### 2026 IRAN WAR



## MoU – What We Know

### What's in the Draft Iran Deal

Issue	Draft MOU	Who Benefits?
Nuclear program	Iran commits not to pursue a nuclear weapon; agrees to negotiation on nuclear enrichment over 60 days	US
Sanctions	US commits to temporarily waiving sanctions; agrees to incremental sanctions relief	Iran
Frozen assets	US commits to releasing some frozen assets	Iran
Strait of Hormuz and US blockade	Iran agrees to reopen the Strait without tolls but on its terms; US agrees to lift blockade within 30 days	US and Iran
Missiles and proxies	Not included	Iran
US military presence	US agrees to withdraw forces from the vicinity of Iran and cap force levels	Iran
Ending war on all fronts	US agrees and includes Lebanon, but Israel not party to the MOU or talks	Iran

Note: Draft MOU based on various reports. Sources: Bloomberg Economics

Bloomberg Economics

### 60-Day Negotiation Window

#### STRAIT OF HORMUZ & BLOCKADE OF IRAN PORTS

- US President Donald Trump said the Strait of Hormuz would be reopened Friday and he had ordered a lifting of the blockade on Iranian ports.
- A senior Iranian official said the strait would be reopened "to all commercial vessels" once the MoU is signed.
- Iran's semi-official Fars news agency reported that under the MoU, marine traffic through the strait would be regulated by Iran in coordination with Oman.



# War, Deal, and the New Middle East



**CONTEXT:** US and Iran have finalised a memorandum of understanding.

## The Cost – India in the Crossfire

### The Diaspora at Risk

- 9-million-strong
- 38% to remittance
- \$51.4 billion/\$135.4 billion in FY2025

₹ Swarajyamag

PM Modi Holds Separate Calls With Three Middle East Leaders, Emphasises Urgent Need For De-Escalation As Conflict Widens

Global oil supply loss per day, in barrels

1970s  
~ 5 million barrels  
1973 Arab-Israeli War  
1979 Iranian Revolution



2026  
~ 11 million barrels  
US-Israel war on Iran



### The Energy Shock

### The Chabahar Port

## Opposition – Three Capitals, Three Objections

● **Israel –**  
*Iran's regional influence + Regime change*

- **Tehran – Hard-Line**
- Sanctions, 2025-26 wars & reconstruction
  - Previous truce(s)

● **Washington**  
**Nuclear = PROMISE**  
*"repeats the perceived mistakes of JCPOA"*

### The network of pro-Iranian militant groups

◆ Areas where Iranian-backed armed groups operate



Source: Council on Foreign Affairs

# War, Deal, and the New Middle East



**CONTEXT:** US and Iran have finalised a memorandum of understanding.

## Joint Comprehensive Plan of Action and Why It Failed

### Iran's Obligations

- Reduce uranium stockpile by **98%**
- Cap enrichment at **3.67%** (bomb needs ~90%)
- Reduce centrifuges from **~20,000** → **6,104**
- Redesign Arak reactor (no weapons-grade plutonium)
- Allow **IAEA unfettered inspections**

### What Iran Got

- Sanctions lifted — **\$100 billion** in frozen assets released
- UN arms embargo to be lifted after 5 years
- Access to global banking system
- Economic reconstruction investment
- Re-entry into global trade

### Why It Collapsed

- Flaw 1** — Sunset Clauses
- Flaw 2** — Domestic Political Vulnerability in the US

**Trump's Rationale:** President Trump declared the JCPOA defective, citing that **it did not permanently block Iran's nuclear enrichment**, failed to address its ballistic missile program, and did not curb regional aggression. ■ Baker Institute +2

**Iran then progressively stepped up enrichment — crossing 60%, then 90% threshold by late 2024.**

## How the 2026 MoU Differs from JCPOA

Feature	JCPOA 2015	2026 MoU
Scope	Nuclear only	<b>Nuclear + Strait + Regional stability + Economic reconstruction</b>
US domestic status	<b>Executive agreement</b>	<b>MoU → ??</b>
Iran's enrichment at signing	~20%	Reported <b>near-weapons grade</b> post-strikes
Sunset clauses	Yes (10–15 years)	<b>TBD in 60-day negotiations</b>
Inspection mechanism	IAEA + Joint Commission	<b>TBD</b>
Iran's military posture	Intact	Severely degraded post-2025–26 strikes
Regional context	Iran at peak proxy influence	Iran's proxies <b>significantly weakened</b>
Israel's position	Opposed but not decisive	<b>Opposed AND blindsided</b>

# War, Deal, and the New Middle East



**CONTEXT:** US and Iran have finalised a memorandum of understanding.

## "New Middle East" – A Dream With a History of Disappointment

Year	Event	Promise	Reality
1990s	<i>Oslo Peace Process</i>	Two-state solution, regional normalisation	<b>Collapsed by 2000. Second Intifada.</b>
2003	<i>US invasion of Iraq</i>	Democracy spreads across the region	Iraq War: 200,000+ dead, ISIS emerged
2011	<i>Arab Spring</i>	Democratic revolutions topple dictators	<b>Syria civil war, Libya chaos, Egypt military coup</b>
2020	<i>Abraham Accords</i>	Israel-Arab normalisation; Gulf-Israel cooperation	Hamas October 7 attack shattered the framework

### What Is Genuinely Different This Time

- Iran's **military** is genuinely **degraded**
- **Saudi Vision 2030, UAE diversification**
- The **"forever wars" fatigue**

## Big Picture – What Kind of New Middle East?

■ **Scenario 1 – Genuine Reset (Best Case)**

■ **Scenario 2 – New "managed tension" (Most Likely)**

● **Scenario 3 – Collapse and Third War**

### India: Lessons That Must Be Learned

1. No Strategic **LPG** Reserves
2. **Import** Source
3. **Diplomacy**

### What Could Still Go Wrong?

1. **Enrichment**
2. **Strait** Mechanism
3. **Sanctions** Architecture
4. **Israel's** Veto Power

**CONTEXT:** US and Iran have finalised a memorandum of understanding.

## Mains Practise Question

**The recent Middle East confrontation took place after years of rising tension over Iran's nuclear programme, its ballistic missiles, and its military reach across the Middle East. Discuss the pathways for a deal.**

(15 Marks, 250 words)

### • HORMUZ TRANSIT BY INDIAN SHIPS

**CARRYING LNG** for India's largest LNG importer Petronet LNG, the Malta-flagged Disha had been stranded in the Persian Gulf for over three months amid the war

**WITH DISHA** crossing the strait, the number of Indian vessels in the Persian Gulf, which is to the west of the Strait of Hormuz, now stands at 13

**SINCE EARLY** March, a total of 10 Indian vessels — of which nine were also India-flagged — have



crossed the narrow waterway that connects the Persian Gulf with Gulf of Oman and the Arabian Sea



# Older persons are increasingly bearing the brunt of climate change, finds study

**The Hindu Bureau**

BENGALURU

Older persons in rural India are increasingly bearing the brunt of climate change, with heatwaves, floods and droughts compounding existing challenges of poor health, financial insecurity, and social isolation, according to a study released by **HelpAge India** on Monday.

The report, **Climate Resilient Ageing- Ensuring Care, Dignity and Agency**, released in Bengaluru on **World Elder Abuse Awareness Day**, surveyed 2,224 elderly persons across 20 districts in 10 States.

It found that **78% of respondents had experienced**



Pension was the primary source of income for 49% of respondents, 16% reported not having any source of income. FILE PHOTO

**at least one climate-related hazard in the last three years, with heatwave (45%), flood (27%) and drought (20%) being the most commonly reported events. More than one-third of those affected said climate events had a mod-**

**erate to severe impact on their lives.**

The study noted that older persons living alone, widows, those aged over 80 years, and individuals with cognitive, communication or mental health difficulties faced dispro-

tionately higher risks.

Heat stress emerged as a major concern. Nearly 60% of respondents said their homes were not fully safe during extreme heat conditions. While 90% reported staying indoors, 74% experienced illness, and 44% reported worsening of existing health conditions.

The study highlighted significant health and economic vulnerabilities. **More than half (52%) said they were unable to afford essential medicines.**

While pension was the primary source of income for 49% of respondents, 16% reported having neither employment nor any source of income.



# A.P. to partner with Google to create AI-cloud task force

**The Hindu Bureau**

VIJAYAWADA

Andhra Pradesh Chief Minister N. Chandrababu Naidu held a series of high-level meetings with global technology, logistics, urban development and academic institutions on Monday, the first day of his two-day visit to Singapore, seeking investments and strategic partnerships for the State's development.

A key outcome of the visit was an agreement between the Andhra Pradesh government and Google to establish a special task force to explore cooperation in artificial intelligence (AI), cloud computing and digital governance.

During his meeting with Google Asia-Pacific president Karan Bhajwa, the



N. Chandrababu Naidu

Chief Minister outlined his vision of transforming Andhra Pradesh into a major hub for AI, data centres and digital infrastructure. He invited Google to partner with the State in strengthening digital governance and real-time governance systems through advanced cloud technologies.

Mr. Naidu also sought Google's support for large-

scale skill development programmes in AI, machine learning and cloud computing.

## Logistics parks

The Chief Minister also met representatives of YCH Logistics Group and discussed the establishment of logistics parks and a modern supply chain city in Andhra Pradesh. In another meeting, Mr. Naidu invited UN-Habitat Executive Director Anacláudia Rossbach to establish a Centre of Excellence in Andhra Pradesh.

The visit forms part of Andhra Pradesh's efforts to attract global investments and position the State as a leading destination for technology, education, logistics and sustainable urban development.



# Social media, video platforms surpass traditional outlets as leading news sources: report

**The Hindu Bureau**  
CHENNAI

Trust in news is at its lowest level globally since 2015, as interest in news dwindles; at the same time, more people around the world are accessing news through third-party platforms, such as social media and video networks, rather than through websites and television channels of established news brands, according to the 15<sup>th</sup> edition of the Reuters Institute's Digital News Report.

The report, produced in collaboration with the Asian College of Journalism, Chennai, is based on an online survey of nearly one lakh people across 48 markets worldwide.

Consumption patterns have changed, the study found, with audiences' growing disengagement with news; even so, trust in established news brands

and support for the idea of impartial news persist.

However, globally, social media and video networks – Facebook, Instagram, TikTok, and YouTube – have overtaken news organisations' own websites and apps as the most widely used means of accessing news.

The proportion of people using social media and video networks as their primary source of news has also risen; while this trend is more evident among younger audiences, it is prevalent across all age groups, the study found.

It also found that the younger generations are unlikely to acquire the news habits of their parents, such as reading a newspaper.

In fact, older audiences are moving towards the consumption habits of younger audiences, the study found.

There has also been a

rise in the use of AI chatbots as a means of accessing news, the study found, with 10% of respondents globally now using them. This is especially true among audiences below 35 years of age.

## Less trust in news

Paradoxically, while traditional news sources decline amid the emergence of platforms, people are also more concerned about misinformation and put less trust in the news they come across.

There has been a marked rise in the consumption of online news videos. The study found that 77% of its global sample consume online news videos every week.

These people are, however, consuming them not on news websites or apps but on third-party platforms such as YouTube, Instagram, TikTok, and Facebook.



## Centre issues alert on potential drone attacks on vital installations

**S. Vijay Kumar**  
CHENNAI

The Union government has warned of possible rogue drone attacks targeting vital installations along the borders, prompting security agencies to work on deploying counter-drone technology systems to safeguard critical assets across the country.

According to official sources, the Marine Security Wing of the Ministry of Ports, Shipping and Waterways issued the alert on the emerging drone threat at Vital Assets and Vital Installations (VAVIs) located around the land and sea borders. It was stated that the current geo-political

situation across the world had demonstrated that hostile drones could disrupt operations of critical VAVIs. "There is an urgent need to take concrete steps to safeguard our assets, especially those located near the borders from rogue drones by installing Anti-Drone Systems," the communication said.

The Ministry of Home Affairs had constituted the Anti Rogue Drone Technology Committee in the Border Security Force for evaluation and certification of new technology systems.

The Central Industrial Security Force had also formed a Sub-Committee Board of Officers to carry out surveys of VAVIs.

### "Vital Assets" and "Vital Installations"

#### **Thoothukudi Port Model**

- **1st seaport in India** to officially implement an advanced, active **Anti-Drone System**.
- **Collaboration:** Central Electronics Limited (Department of Scientific and Industrial Research)
- **System Architecture:** integrated RF + radar-based detection setup + omnidirectional jamming systems

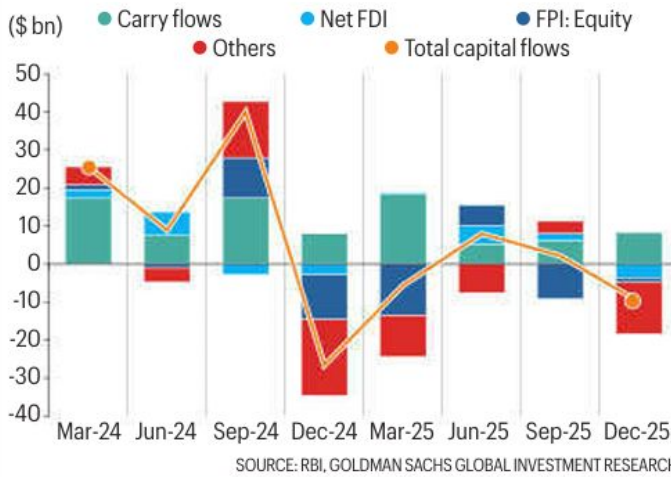


# Mains Value Addition

## GS : Economy Data

### Managing India's external financing needs

The persistent West Asia shock has pressured India's external balances, lifting oil prices 40% above pre-conflict levels and pushing the projected CY26 current account deficit to 2.0% of the GDP, according to a report by Goldman Sachs.



- Alongside subdued capital inflows, India faces a likely third consecutive year of balance of payments deficit, estimated at 1.5% of GDP for CY26.
- Capital flows have remained subdued over the last one and a half years. Foreign equity flows have been weighed down by India's elevated valuations and softer earnings expectations

relative to the region, while weaker trade-related credit flows have also dragged down overall capital accounts.

- These downward pressures were partially offset by resilient FPI debt and ECB flows, driven by index inclusion milestones and market-specific domestic liquidity factors.

SOURCE: GOLDMAN SACHS

### Marginal increase in unemployment rate in May

The Hindu Bureau  
NEW DELHI

The unemployment rate (UR) in the country increased by 0.3 percentage points to 5.5% in May compared with April, according to the Periodic Labour Force Survey (PLFS), released by the Ministry of Statistics and Programme Implementation in New Delhi on Monday.

While rural unemployment increased from 4.6% in April to 5.1% in May, urban unemployment decreased marginally from 6.6% in April to 6.4% in May. The unemployment rate among rural males of 15 years and above was 5.2% during May. For rural females in the same age group, it was 4.7%. In urban areas, the unemployment rate among females was 8.2% compared with 5.9% observed for males. The Labour Force Participation Rate for persons aged 15 years and above stood at 54.4% in May. It was 55% in April.

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## India's goods exports hit record high of \$45.2 billion in May; trade deficit widens

T.C.A. Sharad Raghavan  
NEW DELHI

India's merchandise exports have jumped to a record high of \$45.2 billion in May 2026, 18% higher than \$38.3 billion in May last year, according to official data. Services exports rose 13.2% during the same period, to \$36.8 billion in May 2026.

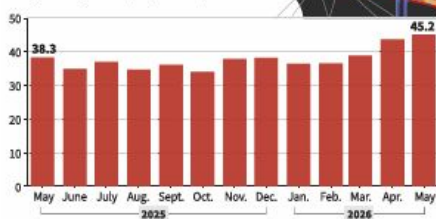
However, despite this, India's overall trade deficit widened to \$10.5 billion, from \$6.8 billion in May last year, due to a sharper growth in imports of both goods and services.

#### Broad-based increase

The data released by the Ministry of Commerce and Industry show that India's merchandise exports rose in May, due to higher shipments to Singapore, China, the U.K., Tanzania, Bangladesh, Germany, and South Africa, among others. This increase was also relatively broad-based in terms of sectors, with both petroleum and several non-petroleum sectors seeing strong growth in exports.

### Outbound expansion

Merchandise exports rose to an all-time high in May 2026 (In \$ billion)



Within merchandise exports, the electronic goods sector saw exports growing 11.6% to \$5.1 billion in May 2026.

The organic and inorganic chemicals sector similarly saw exports grow by 12.7% to \$2.7 billion during the same period.

Notably, the engineering goods category saw exports jumping 24.5% in May 2026 to \$12.3 billion. The gems and jewellery sector, too, saw a growth in exports of 6.7% to \$2.5 billion in May 2026.

Overall, the data show India's non-petroleum exports grew 10.5% to \$70.7 billion in the first two months of this financial year.

Imports grew faster

India's merchandise imports jumped 22.1% to \$73.4 billion in May 2026. As a result, the merchandise trade deficit stood at \$28.2 billion in May this year, 25% higher than in May 2025.

Services imports, too, grew 14.1% in May 2026 to \$19.1 billion.



# Do heat waves increase ozone levels?



**SYLLABUS :GS 3 :** Pollution, and degradation **Prelims:** Secondary pollutants, urban air quality  
**Newspaper:** The Hindu **Page Number :** 14

## How Heatwaves Cook Up Surface Ozone (SO)

### TYPES OF OZONE

Depending on where it is found in the atmosphere, ozone can be either helpful or harmful

#### STRATOSPHERIC

- Naturally occurring
- Protects the earth from the sun's ultraviolet radiation

**GOOD Ozone**

50 km

#### TROPOSPHERIC

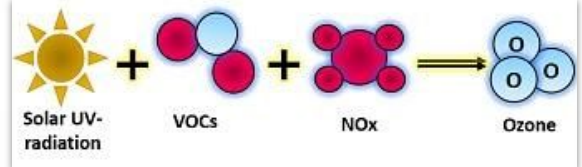
- Created by chemical reactions between man-made emissions
- Powerful greenhouse gas
- Air pollutant that harms human health, crop production and ecosystems

**BAD Ozone**

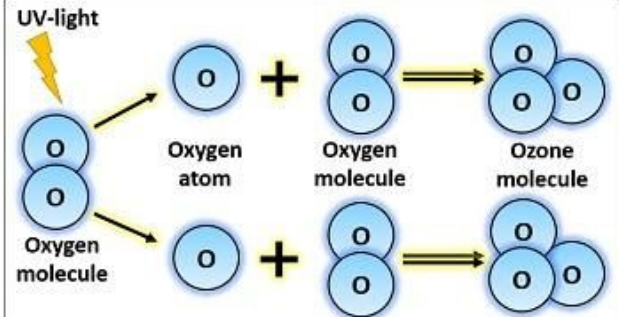
10 km

### How is SO Created?

- **Secondary pollutant**



**Sunlight + scorching temperatures**



FORMATION OF STRATOSPHERIC OZONE

## National study in *Nature Portfolio npj Clean Air*

Parameter	The WHO Safety Guideline 🌐	Northern India During Heatwaves 🌊
<b>Ozone Concentration</b>	70 micrograms per cubic metre	85 to 110 micrograms per cubic metre.
<b>Ischaemic Heart Disease (IHD) Toll</b>	490 additional / excess deaths directly caused by the heatwave ozone spike.	
<b>Chronic Obstructive Pulmonary Disease Toll</b>	342 additional / excess deaths directly caused by the heatwave ozone spike.	

**El Niño Multiplier Effect** 🌊

**Western Himalayas**

**Micro-Statistical Modeling Challenge**



# Why social media ban for teens?

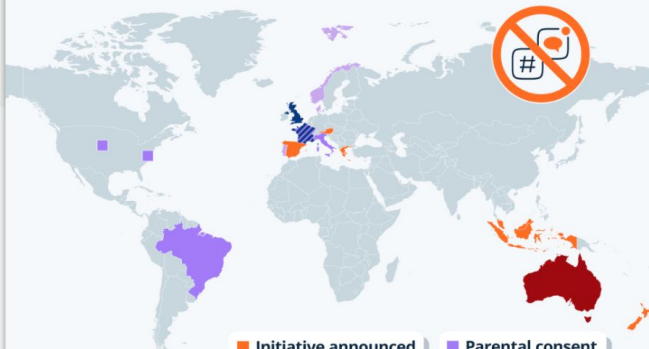


**SYLLABUS : GS 3 :** Role of social networking sites **Prelims:** Global Child Safety Regulations  
**Newspaper:** The Indian Express **Page Number :** 12

## What is the Ban?

### More Nations Are Mulling Social Media Bans for Teens

Countries which passed/introduced/are planning laws banning or restricting social media for minors



**Enacted**

Australia (under 16 y/o)

**Passed single parliament chamber**

France (under 15 y/o)  
UK (under 16 y/o)

**Initiative announced by leadership**

Austria (under 14 y/o)  
Greece (under 15 y/o)  
Malaysia (under 16 y/o)  
Spain (under 16 y/o)  
Indonesia (under 16 y/o)  
New Zealand (under 16 y/o)

**Parental consent required**

Italy (under 15 y/o)  
France (under 16 y/o)  
Brazil (under 16 y/o)  
Nebraska, Virginia (U.S.) (under 18 y/o)

Denmark (planned, under 16 y/o)  
Norway (planned, under 15 y/o)  
Portugal (planned, under 16 y/o)

Implementation might differ. Brazil: In effect Mar. 2026.  
Virginia: One hour/day allowed  
Source: Media reports



**'A total ban on social media for all children under the age of 16'**

### Platforms must take "reasonable steps" to

- Find and deactivate existing accounts of under-16s.
- Prevent the opening of new accounts.
- Block "workarounds"

**10 massive platforms:** TikTok, Instagram, Snapchat, YouTube, Facebook, X, Threads, Twitch, Kick, Reddit

### Who is Exempt?

Educational sites, e-commerce, music streaming, and primary messaging utilities like WhatsApp and Signal

## UK's War on Big Tech



### How the ban will work?

- **Age-Gating**
  - Selfie Estimation
  - ID Checks
  - Age Inference

**Targeting the Enforcers**

**The Timeline:** by Spring 2027.

# Why social media ban for teens?

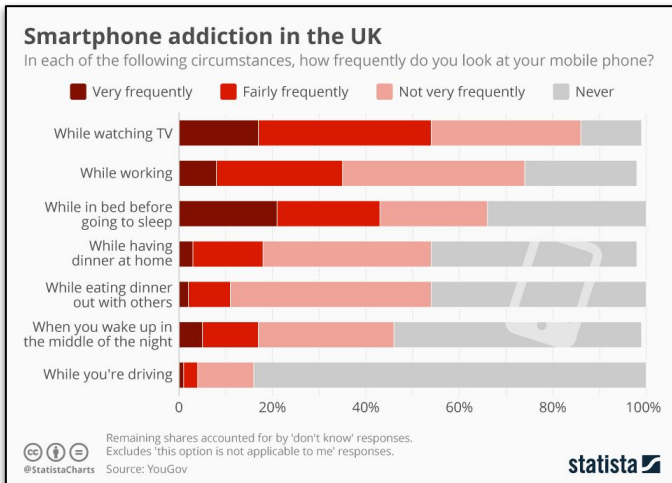


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## Why the Government is Acting Now

### Break "Dopamine Loop"

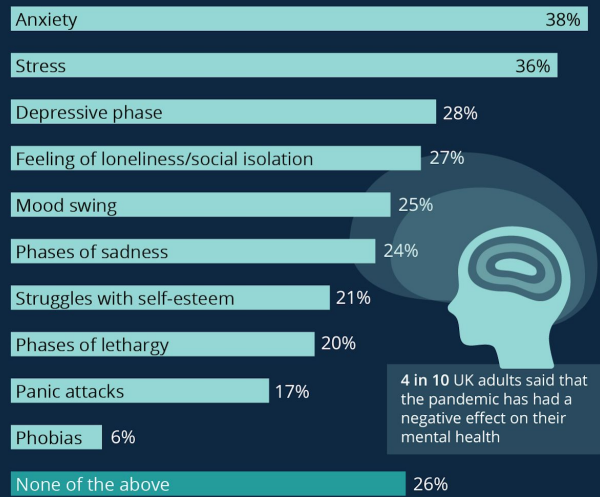
- "Design features" (algorithms)
- De-addiction



- Mental Health
- Safety & radicalization/ violence

### Majority of UK Adults Have Experienced Mental Health Issues

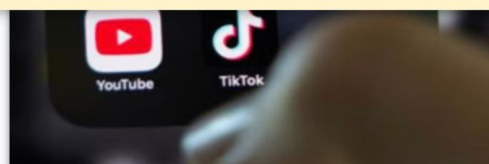
% of UK respondents who have experienced the following mental health issues in the past 12 months



Based on an online survey of 2,087 UK adults conducted between 30 July and 9 August 2021  
 Source: Statista Global Consumer Survey

## Big Tech's Defense

- **YouTube** - forcing kids to use the site *without* an account; removes safety filters + parental controls.
- **Meta** - "inefficient"
- **Snapchat** - less safe, unmonitored "dark" apps
- **X (Twitter)** - "Human Rights"; freedom of expression.
- **Australian Human Rights Commission** - right to free speech for young people.



### Due to laws in Australia, people under 16 will no longer be able to use social media

This means that soon, you won't be able to use Facebook, and your profile won't be visible to you or others. When you turn 16, your profile and all your posts and activity will be available again. [Learn more](#)

#### What you can do

- Review your birthday** >  
Let us know if you're 16 or over.
- Go to Messenger** >  
You can still use Messenger to connect with friends and family.
- Download your information** >  
Save a copy of your posts, activity and messages.
- How we'll contact you**
- (\*\*\*\*) \*\*\* 8190** >  
Update your phone number
- j\*\*\*s@gmail.com** >  
Update your email

OK

# Why social media ban for teens?



**SYLLABUS : GS 3** : Role of social networking sites **Prelims:** Global Child Safety Regulations  
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## Practical problems & risks

### Technical

**Accuracy & bias**  
**Bypassing the Gate**  
**Data security**

### Legal / rights

Freedom of **expression**  
**Facial age estimation AI**

 MediaNama

#### Teens Move High Court Against Australia's Social Media Ban for Under-16s

A rights group along with two teens has challenged Australia's social media ban in court for violating the right to political communication.

1 week ago

### Social

**Displacement** to less safe spaces  
**Inequality**  
**Marginalised** communities

## How might a ban be implemented?

Tech companies will be required to determine how old their users are in order to prevent under-16s from accessing social media.

This already happens under the UK's Online Safety Act, which requires major tech platforms to prevent under-18s from accessing harmful content.

That is done through a set of approved ways tech companies can use to verify their users are old enough including facial age estimation and email-based age analysis.



# What latest Global Trends Report say?



**SYLLABUS :GS 2:** Important International institutions, agencies (UNHCR), and their mandates.  
**Prelims:** 2025 UNHCR Global Trends  
**Newspaper:** The Hindu **Page Number :** 09

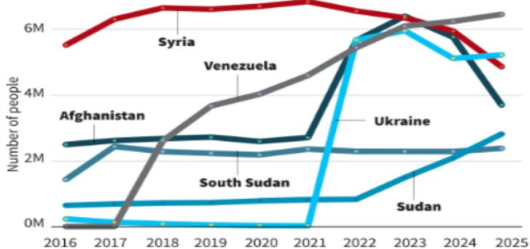
## 2025 Global Refugee Snapshot



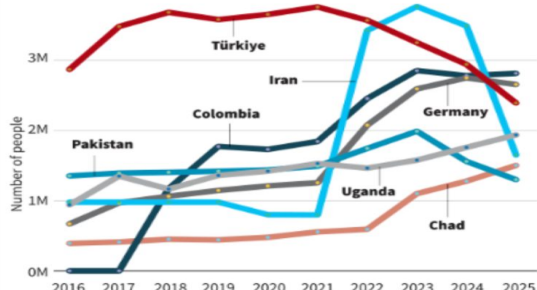
Category	2025	Trend / Observation
<b>Total Global Refugees</b>	<b>4.16 Cr</b>	A marginal decline of <b>3%</b> compared to the previous year.
<b>Palestinian Refugees</b>	<b>60 L</b>	Represents <b>15%</b> of the total global refugee population.
<b>Homecoming (Returns)</b>	<b>1.47 Cr</b>	The 2nd highest number of returns recorded since the UNHCR began reporting in 1965.
<b>Top Asylum Destination</b>	<b>USA</b>	Remains the primary destination for individuals seeking protection.
<b>Top Origin of Asylum</b>	<b>Ukraine</b>	Remains the leading country of origin for asylum applications.

## Rising Crisis Zones

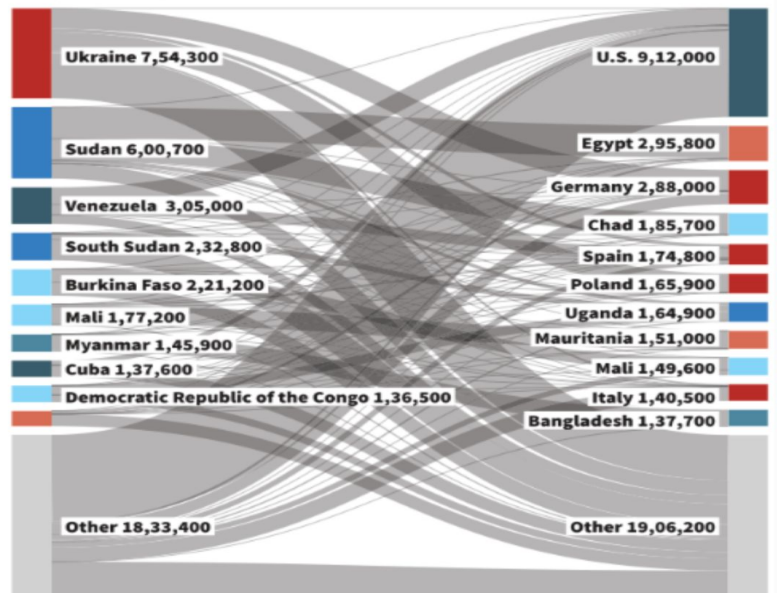
**CHART 1:** Refugees, people in a refugee-like situation, and other people in need of international protection by country of origin (2016-2025)



**CHART 2:** Refugees, people in a refugee-like situation and other people in need of international protection by country of asylum (2016-2025)



**CHART 3:** Number of people registering new individual asylum applications, recognised on a group basis or granted temporary protection in 2025



# What latest Global Trends Report say?



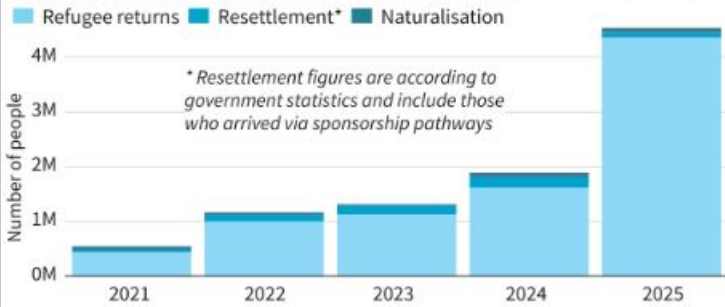
**SYLLABUS :GS 2:** Important International institutions, agencies (UNHCR), and their mandates.

**Prelims:** 2025 UNHCR Global Trends

**Newspaper:** The Hindu **Page Number :** 09

## Story Behind the Numbers

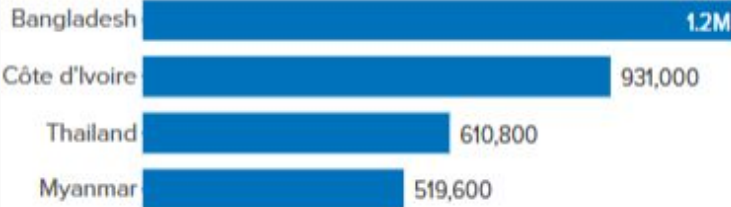
**CHART 4:** Refugees attaining "solutions" for their predicaments, a majority of which involved returns to their countries of origin, often due to adverse conditions



### Fragile Homecoming

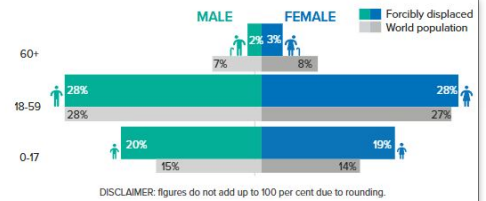
- **1.47 crore people returned**
- **Afghanistan Case Study: "Push" vs. "Pull"**
- **Venezuela, South Sudan and Ukraine**

**7 in 10** STATELESS PEOPLE LIVE IN JUST FOUR COUNTRIES



**39% ARE CHILDREN**

Children account for 29 per cent of the world's population, but 39 per cent of refugees, people in a refugee-like situation and other people in need of international protection.<sup>7</sup>



### Rohingya ARE THE WORLD'S LARGEST STATELESS GROUP

1.8 million Rohingya constituted 41 per cent of the reported global stateless population at end-2025. Of the 1.8 million, approximately 1.2 million are hosted as refugees in Bangladesh, having fled persecution in Myanmar.



# India-Slovakian Comprehensive Partnership

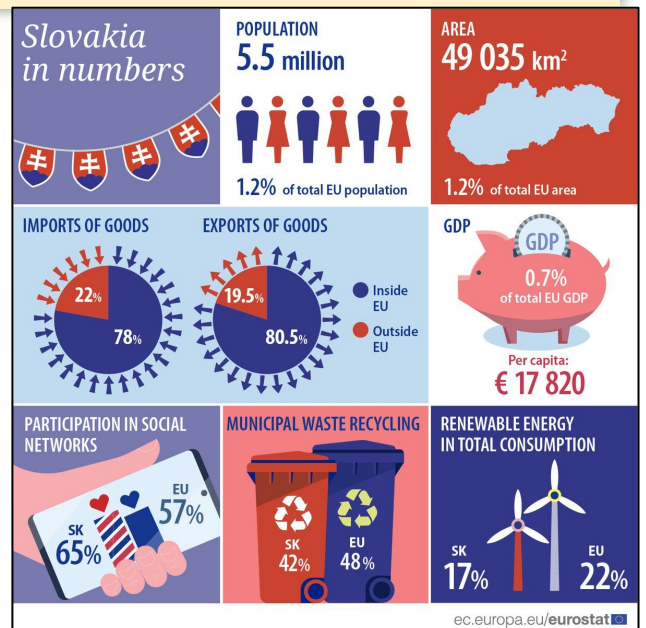


**SYLLABUS : GS 2 :** Bilateral agreements, India-EU relations **Prelims:** Mapping aspects  
**Newspaper:** The Hindu **Page Number :** 01



## Why Slovakia?

Slovakia is a manufacturing powerhouse in Central Europe, particularly in the automotive and defense sectors. 🚗 By securing a "Comprehensive Partnership," India secures a friendly voice within the EU and a strategic partner in the **Visegrad Group (V4)**.




# India-Slovakian Comprehensive Partnership



**SYLLABUS : GS 2 :** Bilateral agreements, India-EU relations **Prelims:** Mapping aspects  
**Newspaper:** The Hindu **Page Number :** 01

## What is the "Comprehensive Partnership"?

Key Pillar	Outcome & Significance 
<b>Diplomatic Status</b>	Elevated to <b>Comprehensive Partnership</b> , symbolizing shared beliefs and strategic convergence.
<b>Defense</b>	Finalized a <b>Letter of Intent</b> on defense cooperation to boost joint defense industrial production.
<b>Trade</b>	Explicit commitment to the earliest implementation of the <b>India-EU Free Trade Agreement</b> .
<b>Technology</b>	Recognition of India's dominance in <b>AI and Digitalization</b> , outpacing many advanced nations.
<b>Historical</b>	First PM visit in 33 years; follows President Murmu's 2025 visit and President Pellegrini's 2026 visit to India.

### ● OUTCOMES OF PM MODI'S VISIT

- MoU on cooperation in the field of labour migration
- Letter of Intent promoting cooperation in the defence field
- MoU on digital technologies
- MoU on cooperation in the field of higher education and research
- MoU on audio-visual creation
- Establishment of first-ever ICCR Chair in AI at Technical University of Kosice
- MoU between National Institute of Naturopathy, Pune, Ministry of Ayush, and Slovak Health Spa Piestany
- Agreement between IIT Delhi and Slovak Technical University for student exchange programmes, scholarships, research collaboration
- Tourism cooperation between association of tour operators
- Agreement on scientific cooperation between INSA and the Slovak Academy of Sciences
- MoU in the field of quantum communication and critical infrastructure protection



**Q1. With reference to atmospheric ozone, consider the following statements:**

1. Heatwaves can aggravate the formation of surface ozone under intense sunlight and high temperatures.
2. Stratospheric ozone is considered harmful because it acts as a greenhouse gas and adversely affects human health.

**Which of the statements given above is/are correct?**

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

**Answer: a**

**Q2. Consider the following countries:**

1. Poland
2. Austria
3. Slovenia
4. Hungary
5. Ukraine
6. Romania

**Which of the countries given above shares a land boundary with Slovakia?**

- a) 1, 2, 4 and 5 only
- b) 1, 2, 4, 5 and 6 only
- c) 2, 3, 4, 5 and 6 only
- d) 1, 3, 4 and 6 only

**Answer: a**

**Q3. With reference to the proposed Producer Price Index (PPI) in India, consider the following statements:**

1. PPI measures prices received by producers at the factory gate.
2. Unlike WPI, PPI excludes taxes and is based on basic prices.
3. PPI includes only goods and excludes services.

**How many of the statements given above is/are correct?**

- a) Only One
- b) Only Two
- c) All Three
- d) None

**Answer: b**

**Q4. Which one of the following ports became the first seaport in the country to officially implement an advanced, active Anti-Drone System?**

- a) Jawaharlal Nehru Port
- b) Visakhapatnam Port
- c) Paradip Port
- d) V.O. Chidambaranar Port

**Answer: d**

**Q5. With reference to inflation indices in India, consider the following statements:**

1. The Wholesale Price Index (WPI) covers only goods, whereas the Consumer Price Index (CPI) covers both goods and services.
2. The Consumer Price Index is compiled by the Ministry of Statistics and Programme Implementation (MoSPI).
3. The Reserve Bank of India uses WPI as the nominal anchor for its inflation-targeting framework.

**How many of the statements given above is/are correct?**

- a) Only One
- b) Only Two
- c) All Three
- d) None

**Answer: b**





# **VAJIRAM & RAVI**

## **Institute for IAS Examination**

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