



VAJIRAM & RAVI
Institute for IAS Examination

The Analyst

CURRENT AFFAIRS Handout

13th July 2026



Manufacturing Sector in India

CONTEXT: While India has successfully emerged as the "world's office" through Global Capability Centres (GCCs), it has not achieved comparable success in manufacturing.

Manufacturing Sector in India: Current Status

Share in GDP

- Around 16–17% of GDP
- Stagnant for nearly two decades.
- Compare
 - China → ~26–27%
 - Vietnam → ~24%
 - South Korea → ~25%

Employment

- Around 11–12% of India's workforce.
- Despite having one of the world's largest labour forces,
 - Agriculture employs 45% population.
 - Services employs 29%.

Government Target

- National Manufacturing Policy:
- 25% contribution to GDP (yet to be achieved)

1 What is it?



Government of India policy announced in 2011



Designed to boost manufacturing growth and competitiveness



Encourages industrial development in partnership with states

2 Main Policy Targets



Raise manufacturing share in GDP to **25%** within a decade



Create **100 million** additional jobs



Support faster manufacturing growth of about **12 to 14%**



Promote skill development and technology depth

Why Manufacturing is Important for India? Employment Generation

- Unlike GCCs, labour-intensive sectors like:
 - Textiles
 - Leather
 - Footwear
 - Food Processing
- can employ millions of semi-skilled workers.

Demographic Dividend

- India adds nearly one crore youth to the labour force annually.
- Manufacturing is essential to absorb them.

Export Competitiveness

- China and Vietnam built export-led growth through manufacturing.

Regional Development

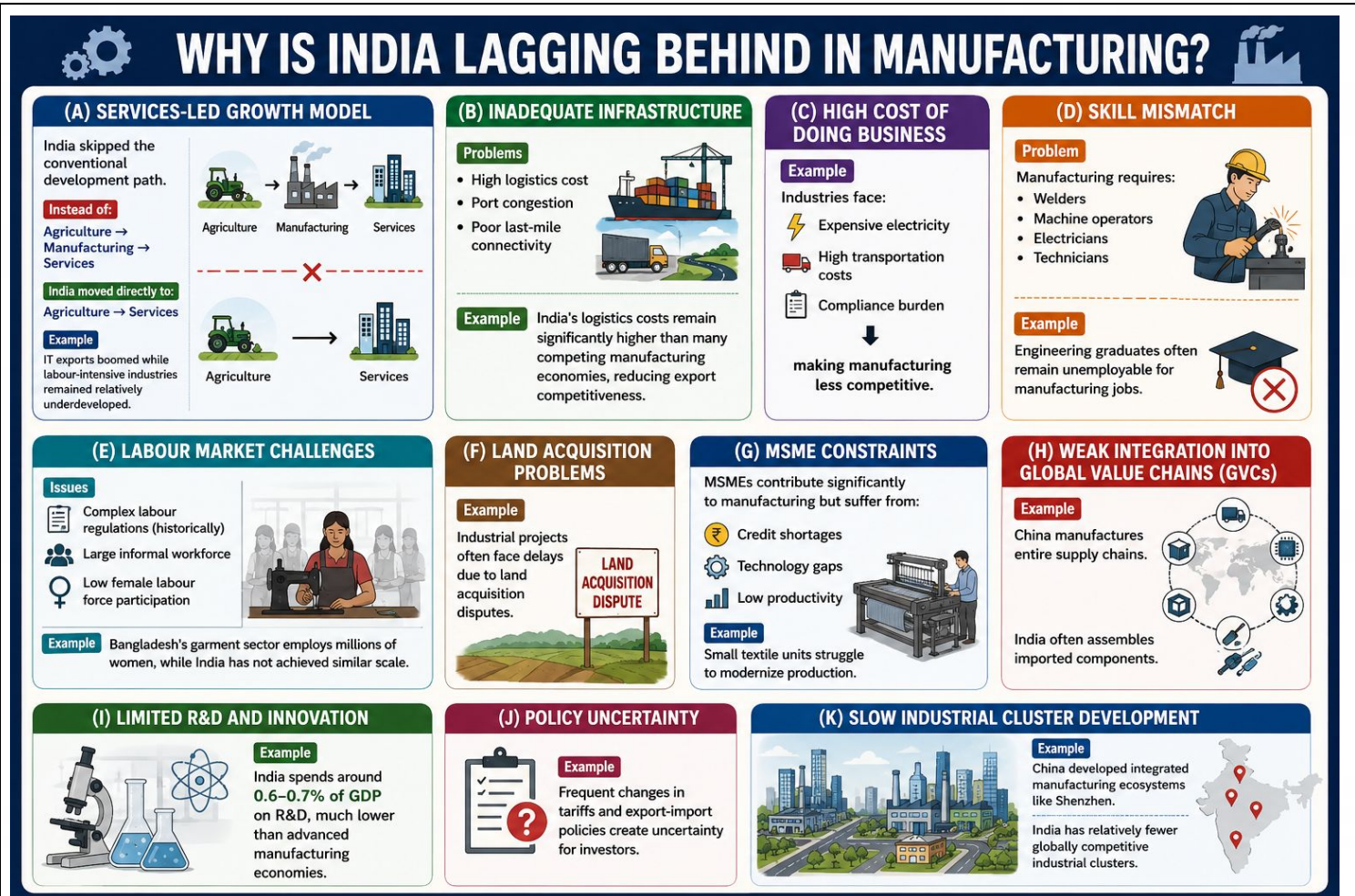
- Factories can be established in Tier-II, Tier-III and rural regions unlike GCCs that remain concentrated in Bengaluru, Hyderabad, Pune and NCR.

Strategic Autonomy

- COVID exposed India's dependence on imported APIs, semiconductors and electronics.



CONTEXT: While India has successfully emerged as the "world's office" through Global Capability Centres (GCCs), it has not achieved comparable success in manufacturing.



Consequences of Weak Manufacturing

(A) Jobless Growth

- GDP rises without proportional employment generation.

(B) Merchandise Trade Deficit

- India exports software but imports electronics and machinery.

(C) Regional Imbalance

- Services concentrate in metros while rural regions receive fewer quality jobs.

(D) Import Dependence

- Example
- Semiconductors
- Solar cells
- Electronics

(E) Missed Demographic Dividend

- Large youth population without sufficient productive employment.



Manufacturing Sector in India



CONTEXT: While India has successfully emerged as the "world's office" through Global Capability Centres (GCCs), it has not achieved comparable success in manufacturing.

Government Initiatives

Make in India

- Promote domestic manufacturing.

Production Linked Incentive (PLI) Scheme

- Example
 - Electronics
 - Semiconductors
 - Automobiles
 - Pharmaceuticals

PM Gati Shakti

- Integrated infrastructure planning.

National Logistics Policy

- Reduce logistics costs.

Industrial Corridors

- Examples:
 - Delhi-Mumbai Industrial Corridor (DMIC)
 - Chennai-Bengaluru Industrial Corridor (CBIC)

Skill India Mission

- Industry-oriented skilling.

Other Initiatives announced in Union Budget 2025-2026 for manufacturing Sector



Credit Cards for Micro Enterprises: ₹ 5 lakh limit for enterprises registered on Udyam portal



Focus Product Scheme for Footwear & Leather Sectors: Employ 22 lakh persons, generate turnover of ₹ 4 lakh crore.



Measures for Toy Sector: Create an ecosystem to represent the 'Made in India' brand.



Support for Food Processing: Establish a National Institute of Food Technology, Entrepreneurship and Management in Bihar



Manufacturing Sector in India

CONTEXT: While India has successfully emerged as the "world's office" through Global Capability Centres (GCCs), it has not achieved comparable success in manufacturing.

Case Studies

-  China – The World's Factory
 - Integrated manufacturing clusters, export orientation, and infrastructure investment transformed China.
-  Vietnam
 - Attracted electronics giants like Samsung through stable policies, competitive labour costs, and integration with global supply chains.
-  Apple Manufacturing in India
 - Foxconn, Tata Electronics, and Pegatron have expanded iPhone production in Tamil Nadu and Karnataka under the PLI Scheme.
- Lesson: India can succeed where policy, infrastructure, and global demand align.



WAY FORWARD FOR MANUFACTURING SECTOR IN INDIA



A BUILD LABOUR-INTENSIVE MANUFACTURING



Example Focus on:

- ✓ Textiles
- ✓ Footwear
- ✓ Furniture
- ✓ Toys



B STRENGTHEN INDUSTRIAL CLUSTERS



Example Develop manufacturing ecosystems similar to Shenzhen.



C INTEGRATE WITH GLOBAL VALUE CHAINS



Example Leverage the China+1 strategy.

D INVEST IN SKILLS



Example Industry-linked vocational training and apprenticeships.



E REDUCE LOGISTICS COSTS



Example Expand Dedicated Freight Corridors and multimodal logistics.



Rail



Road



Port



Air

F STABLE INDUSTRIAL POLICY



Example Predictable tax, tariff, and export policies to improve investor confidence.

G PROMOTE INDUSTRY 4.0



Example AI, robotics, IoT, and advanced manufacturing technologies.



AI



Robotics



IoT



3D Printing



FOCUS: Competitiveness • Job Creation • Exports • Sustainable Growth • Self-Reliant India



Manufacturing Sector in India



CONTEXT: While India has successfully emerged as the "world's office" through Global Capability Centres (GCCs), it has not achieved comparable success in manufacturing.

MAINS PRACTISE QUESTION

Ques. "India has emerged as the world's office but not the world's factory." Critically examine the structural factors responsible for the underperformance of the manufacturing sector in India.

(10 marks, 150 words)



Flash Floods



CONTEXT: Recent cloudburst-induced flash floods in Pahalgam (J&K) damaged hotels, houses, roads, and tourist infrastructure.

What is Flash Flood ?

- As per USA's National Oceanic & Atmospheric Association (NOAA): Flash flood is rapid rise of water along a stream or low-lying urban area.
- It may be due to:
 - Extremely heavy rainfall, cloudbursts, dam failures, or glacial lake outburst floods.
- **Major Categories**
 - Rapid onset
 - Short duration
 - High velocity
 - Highly destructive
 - Difficult to predict

India

Dozens missing after flash floods and landslides in Himachal Pradesh

Hundreds of homes, bridges and roads washed away in north Indian state after unusually heavy rainfall

100+ deaths & 300 crore loss in Himachal Pradesh in July 2025

"Worst flood affected country in the world after Bangladesh"

Ministry of Jal Shakti: \$12 Billion GDP Loss due to Flash floods in 2024

184 flash floods events in 2022 across the country (MoJS)



CONTEXT: Recent cloudburst-induced flash floods in Pahalgam (J&K) damaged hotels, houses, roads, and tourist infrastructure.



CAUSES OF FLASH FLOODS IN INDIA

Natural Factors + Human Activities + Climate Change = Increasing Flash Flood Risk



A. NATURAL CAUSES



Cloudbursts



Steep Himalayan Topography



Glacial Lake Outburst Floods (GLOFs)



Sudden Dam Failure / Reservoir Releases



B. HUMAN-INDUCED CAUSES



Unplanned Urbanisation



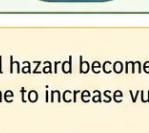
Encroachment of Floodplains & River Channels



Deforestation & Hill Cutting



Unsustainable Tourism



Poor Urban Planning



C. CLIMATE CHANGE-INDUCED CAUSES



Increase in Extreme Rainfall Events



Accelerated Glacier Melting



Erratic Monsoon Patterns



Changing Himalayan Climate



KEY MESSAGE:

Natural hazard becomes a disaster when human actions and climate change combine to increase vulnerability.



Why are Himalayan Regions More Vulnerable?

- **Young Fold Mountains**
 - Steep slopes accelerate runoff.
- **Fragile Geology**
 - Frequent landslides.
- **Glacier Melt**
 - Formation of unstable glacial lakes.
- **Unplanned Infrastructure**
 - Road widening under hill-cutting.
 - Hydropower projects.
- **High Tourism Pressure**
 - Char Dham region.
 - Pahalgam.
 - Shimla.



CONTEXT: Recent cloudburst-induced flash floods in Pahalgam (J&K) damaged hotels, houses, roads, and tourist infrastructure.

Impacts of Flash Floods

- **Loss of Human Lives**
 - Pahalgam cloudburst.
 - Kedarnath disaster.
- **Infrastructure Damage**
 - Roads, Hotels, Bridges and Hydropower projects
- **Ecological Damage**
 - River channel alteration.
 - Forest degradation.
- **Economic Losses**
 - Tourism sector suffers.
 - Agriculture affected.
- **Livelihood Disruption**
 - Local communities dependent on tourism lose income.

Flash Floods

- **Encroachment of Flood Channels**
 - Hotels reportedly constructed near natural drainage channels.
- **Commercialisation of Tourism**
 - Unchecked hotel construction.
- **Violation of Environmental Norms**
 - Construction in ecologically fragile zones.
- **Weak Enforcement**
 - Poor monitoring of illegal construction.
- **Climate Change**
 - Extreme rainfall intensity.

Natural Hazard + Governance Failure = Disaster

Government Initiatives

- Disaster Management Act, 2005
- NDMA Guidelines on Flood Management
- Flood Forecasting by CWC
- National Mission for Sustaining Himalayan Ecosystem
- National Disaster Response Force (NDRF)

Way Forward

- **Localized Planning:**
 - Adaptation strategies based on regional factors like topography and soil, not solely based on rainfall intensity.
- **Zoning Declaration:**
 - Designate vulnerable areas as official flash flood zones + Adapt in response to changing rainfall patterns.
- **Proactive Readiness:**
 - Improve localized EWS and disaster preparedness mechanisms for timely response.
- **Resilient Infrastructure:**
 - Recognise emerging flash flood hotspots & invest in resilient infrastructure.
- **Controlled Breaching protocols:**
 - To safely reduce the water volume → pumping or siphoning out excess water, or excavating a controlled drainage channel based on satellite inputs.



Flash Floods



CONTEXT: Recent cloudburst-induced flash floods in Pahalgam (J&K) damaged hotels, houses, roads, and tourist infrastructure.

- **Regional Approach:**

- IMD's Regional Centre for the South Asia Flash Flood Guidance System (SAsiaFFGS) provides real-time flood risk and threat warnings for over 30,000 watersheds across India, Bhutan, Nepal, Sri Lanka, and Bangladesh.

- **Nature-Based Solutions**

- Afforestation.
- Wetland restoration.

MAINS PRACTISE QUESTION

Examine the factors responsible for the increasing incidence of flash floods in India. Suggest measures to build climate-resilient and sustainable mountain ecosystems.

(10 Marks, 150 words)



Five crore Indians wait when the courts take a break

Undertrial Prisoners

- Around 3 out of every 4 prisoners in India are undertrials.
- Many remain imprisoned for periods longer than the sentence they would have received if convicted.

Court Working Days

- SC effectively sits for about 190 days annually.
- Summer vacation roughly June 1 – July 12.

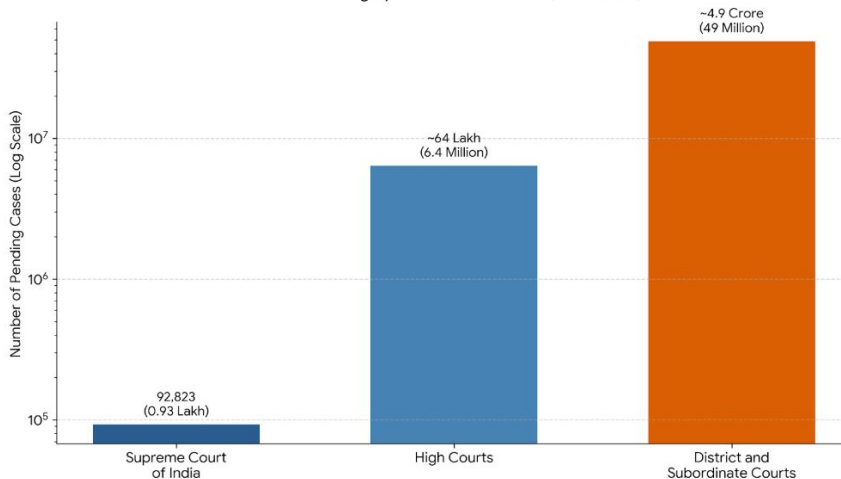
Judge Vacancies

- Up to one-third of High Court posts remain vacant.

Lok Adalats

- Over 23.5 crore cases settled through Lok Adalats in the last three years.

Case Backlog by Judicial Tier in India (As of 2026)



Why vacations are criticised

- Article argues:
 - Entire court system slows simultaneously.
 - Backlog keeps increasing.
 - Litigants wait longer.
- Quote: "Justice is not on vacation."

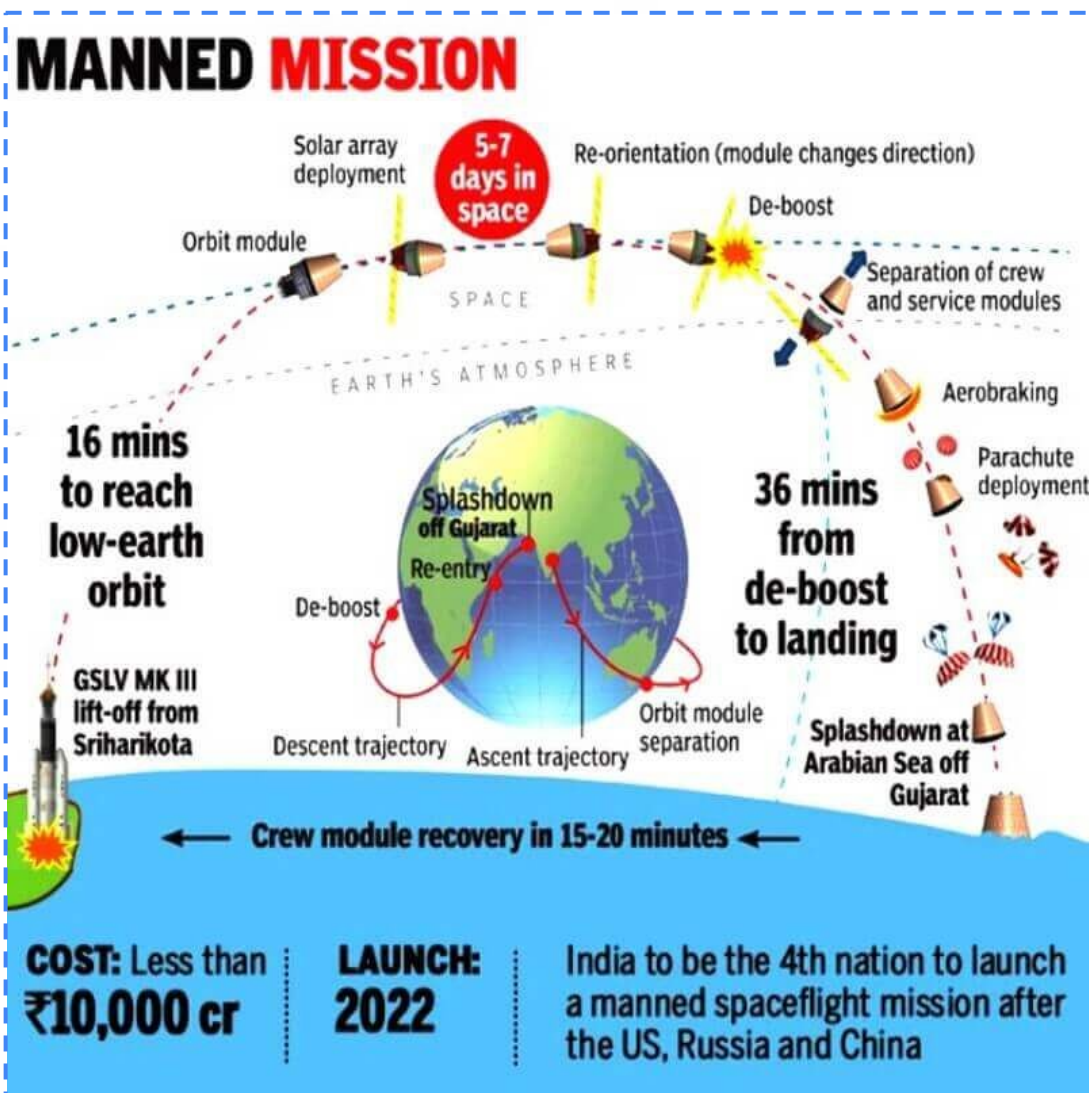
Counter-Argument

- Article also acknowledges:
- Judges are not lazy.
- Reasons: Indian judges are among the most overworked globally.
- Recess helps judges:
 - write reserved judgments
 - recover from continuous workload
 - prepare pending orders.

SYLLABUS: Prelims: Science & Technology
Newspaper : The Hindu, **Page No : 14**

Gaganyaan Mission

- **India's first** indigenous **human spaceflight** mission.
- Developed By: **ISRO**
- Approved By:
 - Gol in **2018**.
- Objective:
 - Demonstrate India's capability to send humans to **Low Earth Orbit (LEO)** and safely bring them back.
- Mission Profile:
 - Carry **3 astronauts** (Gaganyatris) into LEO (~400 km) for about 7 days, followed by safe splashdown in the sea.
- Launch Vehicle:
 - **Human-rated LVM3** (Launch Vehicle Mark-3)



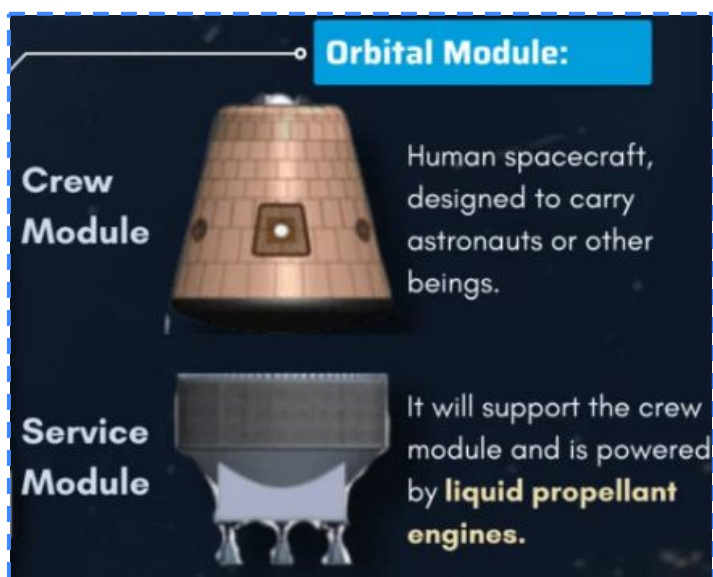
SYLLABUS: Prelims: Science & Technology
Newspaper : The Hindu, **Page No : 14**

Gaganyaan Mission

- Recovery:
 - **Splashdown in the Indian Ocean** with recovery by the Indian Navy.
- Test Missions:
 - TV-D1 (2023) successfully demonstrated the **Crew Escape System**.
 - Uncrewed Gaganyaan missions will precede the crewed mission.
- **Vyommitra:**
 - Female humanoid robot to fly on the uncrewed test mission.
- **Astronaut Training:**
 - Gagarin Cosmonaut Training Center (Russia).
- India will become the **4th country** (after Russia, USA and China) to send humans to space.

Exam Traps

- Gaganyaan aims to send astronauts to the Moon → WRONG
- The mission uses PSLV as the launch vehicle → WRONG
- Vyommitra is India's first woman astronaut → WRONG
- Gaganyaan is a joint mission with NASA → WRONG
- The mission is planned for Geostationary Orbit → WRONG



SYLLABUS: Prelims: History

Newspaper : The Hindu, **Page No : 13**

All India Forward Bloc (AIFB)

- Founded By: **Subhas Chandra Bose**
- Founded On: 3 May **1939**
- Background:
 - Formed **after Bose resigned** as Congress President following differences with the Gandhian leadership after the **Tripuri Session (1939)**.
- Initially:
 - Formed as a **left-wing faction** within the Indian National Congress, not as a separate party.
- Objective:
 - Unite all left-wing, socialist and anti-imperialist forces to intensify the freedom struggle.



All India Forward Bloc (AIFB)

- **Ideology:**
 - Left-wing nationalism
 - Socialism
 - Anti-imperialism
- First Plenary Session:
 - **Nagpur (June 1940)**
 - Declared the Forward Bloc a socialist political party.
- Important Demand:
 - Immediate Complete Independence (**Purna Swaraj**) and a mass struggle against British rule.
- Post-Independence:
 - Continued as an independent political party, with its major support base in West Bengal.

Exam Traps

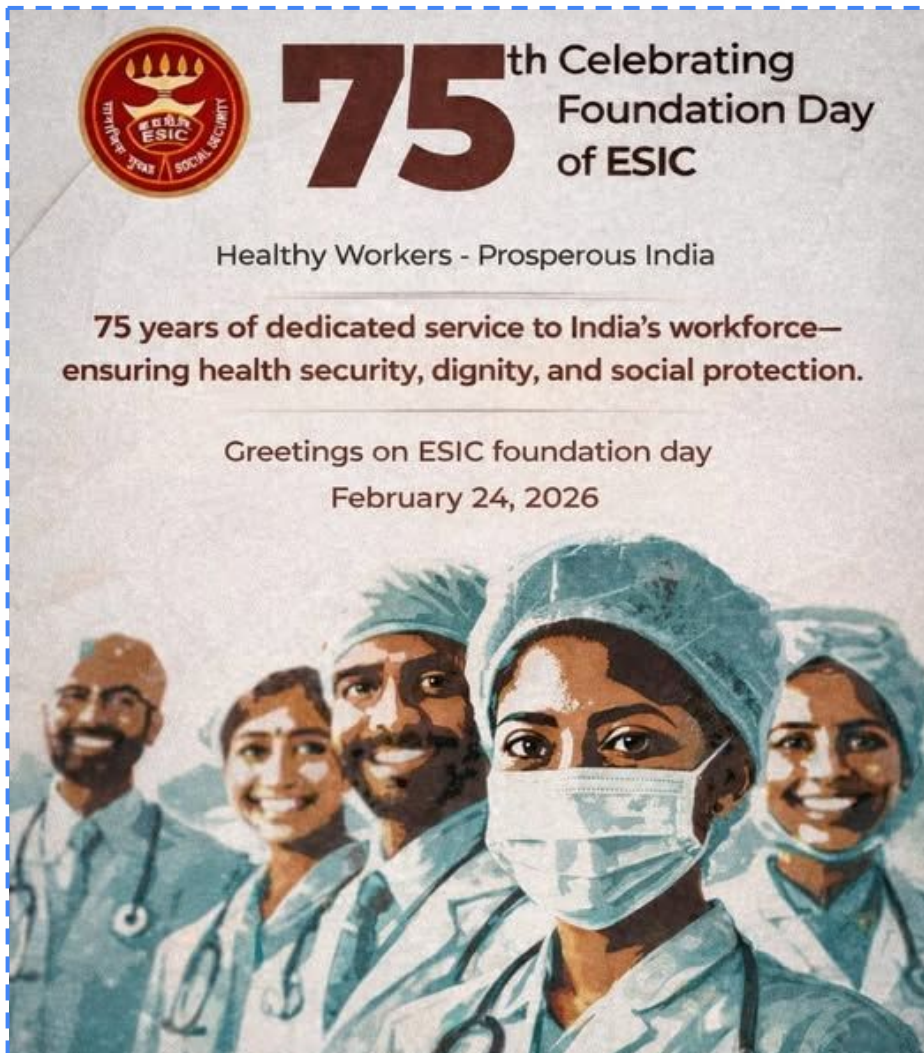
- Forward Bloc was founded in 1942 → **WRONG**
- It was founded by Jawaharlal Nehru → **WRONG**
- It was initially an independent political party outside the Congress → **WRONG**
- It was formed after the Lahore Session (1929) → **WRONG**
- It advocated cooperation with the British during World War II → **WRONG**



SYLLABUS: Prelims: Health and Social Justice
Newspaper : The Hindu, **Page No : 14**

Employees' State Insurance Corporation (ESIC)

- **Statutory body** established Under:
 - Employees' State Insurance Act, 1948
- Established In: **1952**
 - Implemented from 24 February 1952
- Under **Ministry of Labour and Employment**
- Objective:
 - Provide **social security** and **health insurance** to workers in the **organised sector**.
- Coverage:
 - Primarily covers **private employees** earning wages up to the prescribed ceiling (revised by the Government from time to time).
 - **Monthly wage not exceeding Rs. 21,000**
 - Rs. 25,000 for PWD.



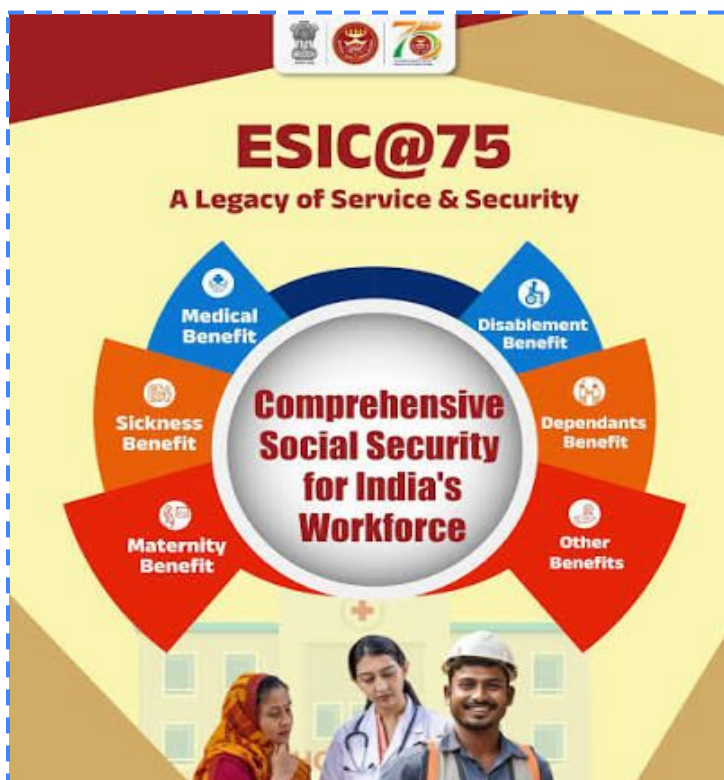
SYLLABUS: Prelims: Health and Social Justice
Newspaper : The Hindu, **Page No : 14**

Employees' State Insurance Corporation (ESIC)

- Funding (**Self financing model**):
 - Employer and employee contributions.
 - **4% of salary** goes into ESIC pool.
- Headquarters:
 - New Delhi
- **Healthcare Network:**
 - ESIC hospitals,
 - Dispensaries and
 - Tie-up hospitals across India.
- **Significance:**
 - One of India's largest self-financing social security and health insurance schemes.

Exam Traps

- ESIC is a constitutional body → WRONG
- ESIC was established under the Factories Act, 1948 → WRONG
- ESIC functions under the Ministry of Health & Family Welfare → WRONG
- ESIC covers only Central Government employees → WRONG
- ESIC is funded entirely by the Central Government → WRONG

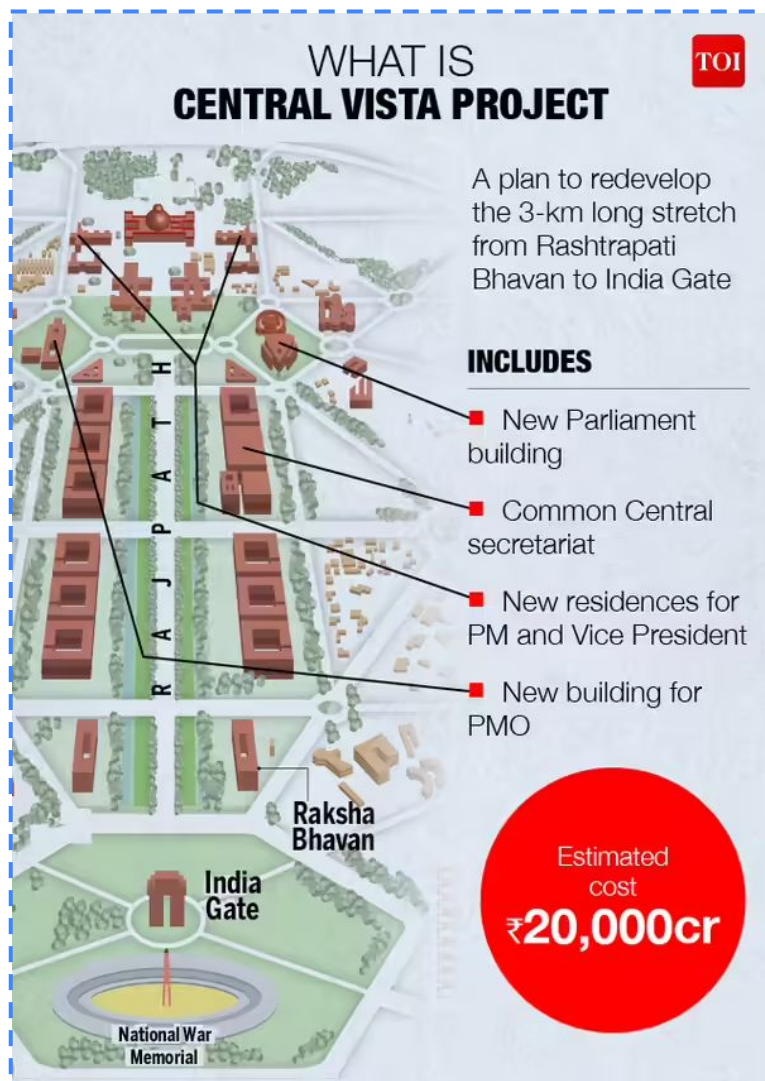


SYLLABUS: Prelims: Governance

Newspaper : The Indian Express, **Page No : 5**

Central Vista

- The Central Vista Complex is the **Centre of administration of India** as well as famous tourist attraction.
- Location:
 - Extends from **Rashtrapati Bhavan to India Gate along Kartavya Path** (formerly Rajpath).
- Designed By:
 - Sir Edwin Lutyens and Sir Herbert Baker
- Developed During:
 - Construction of New Delhi (1911–1931) as the capital of British India.
- Central Vista Redevelopment Project:
 - Approved in **2020**.
- Nodal Ministry:
 - **Ministry of Housing and Urban Affairs (MoHUA)**



SYLLABUS: Prelims: Governance

Newspaper : The Indian Express, **Page No : 5**

Central Vista

- Implementing Agency: **CPWD**
- Major Components:
 - New Parliament Building
 - Common Central Secretariat
 - Redeveloped Kartavya Path
 - New Vice-President's Enclave
 - New Prime Minister's Office & Residence
 - Executive Enclave
- New Parliament Building:
 - Inaugurated in 2023.
- **Kartavya Path:**
 - Rajpath renamed as Kartavya Path in 2022.
- Architect (Redevelopment Project):
 - Bimal Patel

Exam Traps

- Central Vista extends from Parliament to Red Fort → **WRONG**
- Central Vista was designed by Le Corbusier → **WRONG**
- Rajpath was renamed Janpath → **WRONG**
- Central Vista project is implemented by NITI Aayog → **WRONG**
- Central Vista was developed after Independence → **WRONG**



The infographic features three sections with images and text. The top section shows a model of the New Parliament Building with a large Ashoka Chakra on top. The middle section shows a wide, landscaped Kartavya Path with green lawns and a central canal. The bottom section shows an aerial view of the Vice President's Enclave with various buildings and green spaces.

New Parliament Building

Foundation stone for new Parliament building was laid on 10 December 2020 and officially inaugurated on 28 May 2023 by Prime Minister Narendra Modi. It features spacious legislative chambers, ample seating, central lounges, and an open-air courtyard, designed to support modern legislative functions.

Kartavya Path Redevelopment

Inaugurated by Prime Minister Narendra Modi on 08 September 2022, the revamped stretch features landscaped lawns, green spaces, refurbished canals, amenity blocks, better signage, pedestrian underpasses, enhanced parking, and upgraded lighting to improve public experience.

Vice President's Enclave

The Vice President's Enclave includes secretariat building, residence, guest house, sports facility, staff quarters and ancillary buildings. Hon'ble VP shifted on to this complex April 03, 2024.

Source: Ministry of Housing and Urban Affairs



Q1. With reference to the Gaganyaan Mission, consider the following statements:

1. It is India's first indigenous human spaceflight mission.
2. Its objective is to demonstrate India's capability to send humans to Geostationary Orbit and bring them back safely.
3. India will become the second country after the USA to send humans to space.

How many of the above statements is/are correct?

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

Answer: a

Q2. With reference to the All India Forward Bloc, consider the following statements:

1. It was formed after Subhas Chandra Bose resigned as Congress President following the Tripuri Session.
2. Its objective was to unite left-wing, socialist, and anti-imperialist forces.
3. It was founded in 1942 by Jawaharlal Nehru.

How many of the above statements is/are correct?

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

Answer: b

Q3. With reference to the Employees' State Insurance Corporation, consider the following statements:

1. It was established under the Factories Act, 1948.
2. It functions under the Ministry of Labour and Employment.
3. It provides social security and health insurance only to workers in the unorganised sector.

Which of the statements given above is/are correct?

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

Answer: c

Q4. With reference to the Central Vista, consider the following statements:

1. It extends from Rashtrapati Bhavan to India Gate along Kartavya Path.
2. It was designed by Le Corbusier.
3. It was developed during the construction of New Delhi between 1911 and 1931 as the capital of British India.

Which of the statements given above are correct?

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

Answer: a

Q5. With reference to the manufacturing sector in India, consider the following statements:

1. It contributes around 16–17% to India's GDP and has remained largely stagnant for nearly two decades.
2. Its share in employment is about 11–12% of the workforce.
3. The share of manufacturing in GDP is higher in China, Vietnam, and South Korea compared to India.

Which of the statements given above are correct?

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

Answer: d





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