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DAILY CURRENT AFFAIRS



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SUCCESSFUL TESTING OF INDIGENOUSLY BUILT CRUISE MISSILE

TAG: GS Paper III- **Science and Technology**

Why in the news?

- ❖ The DRDO executed a fruitful trial of a lengthy subsonic cruise missile, showcasing its ability to navigate waypoints and skim over the sea during a flight near the Odisha coast.

Additional Information:

- ❖ The DRDO accomplished a flight trial of a long-range subsonic cruise missile from the Integrated Test Range situated in Chandipur, Odisha.
- ❖ During the test, the missile showcased its ability to navigate waypoints and fly at a very low altitude over the sea, adhering to the predetermined trajectory.
- ❖ DRDO's statement confirms that all subsystems performed as anticipated during the trial. Although specific details or specifications of the missile were not disclosed, its characteristics resemble those of the Nirbhay subsonic cruise missile.
- ❖ This test marks a significant stride forward in indigenous cruise missile technology and highlights India's expanding prowess in defense research and development.

Subsonic cruise missile:

- ❖ A subsonic cruise missile is a missile that travels at speeds slower than the speed of sound (approximately 343 meters per second at sea level).
- ❖ Typically, these missiles maintain subsonic speeds, usually ranging from approximately 0.8 to 0.9 times the speed of sound.
- ❖ Subsonic cruise missiles are engineered for precise long-range strikes against ground targets, naval vessels, or specific objectives.
- ❖ They are recognized for their capacity to fly at low altitudes, often skimming terrain or the sea surface, enabling them to avoid detection by enemy radar systems.
- ❖ These missiles rely on turbofan engines for sustained propulsion throughout their flight.
- ❖ Subsonic cruise missiles can be equipped with various warhead types, such as high-explosive, penetrating, or submunitions, tailored to the target and mission objectives.
- ❖ They incorporate sophisticated navigation systems, including GPS, inertial navigation, and terrain contour mapping, ensuring precise targeting.
- ❖ Subsonic cruise missiles offer several benefits, including long-range capabilities, stealthy flight profiles, and the ability to engage targets with precision, making them invaluable assets in contemporary warfare scenarios.



"INFECTIOUS RESPIRATORY PARTICLES" BY WHO

TAG: GS Paper II- **Social Justice – Health, GS3 – Science and Technology.**

Why in the news?

- ❖ The World Health Organization (WHO) has introduced the term "infectious respiratory particles" (IRPs) to establish a standardized way of communicating about the transmission of airborne pathogens.

Additional Information:

- ❖ The World Health Organization (WHO) has introduced the term "infectious respiratory particles" (IRPs) to describe pathogens transmitted through the air.
- ❖ This addresses the challenge of lacking a common terminology for airborne pathogen transmission, which was evident during the COVID-19 pandemic.
- ❖ The announcement follows extensive consultations conducted by the WHO between 2021 and 2023.
- ❖ Previously, varying terminologies for airborne pathogen transmission hindered effective public communication and disease control efforts.
- ❖ IRPs encompass a wide range of pathogens transmitted through respiratory droplets or aerosols, including viruses like influenza, SARS-CoV-2, and bacteria like Mycobacterium tuberculosis.
- ❖ The adoption of a standardized term facilitates clearer communication among healthcare professionals, policymakers, and the public regarding preventive measures and transmission risks.
- ❖ This initiative reflects the WHO's commitment to improving global health preparedness and response strategies against infectious diseases.





CARBON PRICE FALL DEPRIVES EUROPE'S GREEN FUNDS

TAG: GS Paper II- **International Relations.**

Why in the news?

- ❖ A decrease in the carbon price within the European Union is affecting a significant green technology fund, potentially jeopardizing projects aimed at reducing carbon emissions.
- ❖ Impact of Decreasing EU Carbon Prices on Green Technology Funding

Carbon Price Decline and Project Vulnerability

- ❖ The decrease in EU carbon prices may diminish funding for green technologies, posing a risk to low-carbon initiatives.
- ❖ EU carbon permit values dropped significantly from over €100 per tonne of CO₂ in 2023 to nearly half by February 2024 due to reduced emissions.

Reduction in Potential Revenues

- ❖ The drop resulted in a loss of €4.1 billion in potential revenues for Europe's low-carbon investment budget in 2024.
- ❖ While lower emissions indicate progress towards climate goals, they also lead to reduced revenue for EU green transition funds and member states' climate efforts.

EU Innovation Fund and Revenue Deficiency

- ❖ The EU Innovation Fund, aimed at nurturing emerging technologies like hydrogen and carbon capture, might not achieve its €40 billion target this decade due to lower-than-anticipated carbon prices.
- ❖ Current prices averaging around €70 per tonne fall short of the required €75/t to fulfill the fund's objectives.

Effect on Energy Transition and Industries

- ❖ Diminished carbon revenues hamper support for energy transition projects, affecting industries striving for eco-friendly transformation.
- ❖ European industries, facing competitiveness challenges, may redirect investments to regions like the U.S. offering cleaner technology subsidies.

Industry Perspectives and Innovation Fund's Role

- ❖ Companies such as Holcim recognize the Innovation Fund for driving low-carbon investments, highlighting projects across Europe.
- ❖ Funding uncertainty poses a threat to projects considered risky by investors but vital for achieving climate objectives.

Market Outlook and Analyst Projections

- ❖ Analysts expect a rebound in carbon prices despite short-term dampening influences, foreseeing a gradual increase over the decade.
- ❖ However, forecasts have been adjusted downwards, indicating market volatility.

Short-term Factors and EU Policy Implications

- ❖ Recent EU measures, like additional carbon permit sales to support transitions away from Russian gas, contribute to price suppression.
- ❖ The European Commission maintains its €75/t carbon price estimate for the Innovation Fund despite market fluctuations.



Challenges in Funding and Project Viability

- ❖ The Innovation Fund supports projects lacking private investment due to perceived risks, crucial for scaling up low-carbon technologies.
- ❖ Funding uncertainties lead projects to vie for EU support amidst oversubscription, causing delays in crucial investments.





IMF'S RECOMMENDATIONS TO TAP DEMOGRAPHIC DIVIDEND IN INDIA:

TAG: GS Paper II- **Indian Economy, Issues Relating to Development and Employment.**

Why in the news?

- ❖ IMF's report suggests that India should focus on substantial investments in education and healthcare to guarantee sufficient employment opportunities for its expanding youthful demographic.

Additional information:

- ❖ The IMF advises India to heavily invest in education and healthcare to ensure employment opportunities for its growing young population.
- ❖ Previously, the World Bank warned that India and other South Asian countries were not capitalizing on their demographic dividend effectively.
- ❖ With 15 million people joining the labor force annually, India must prioritize education and health investment to benefit from its youthful workforce.
- ❖ Krishna Srinivasan of the IMF stresses the need to prioritize spending in education and health, given that 65% of Indians are under 35 years old.
- ❖ To tackle challenges like artificial intelligence (AI), the workforce needs to acquire the right skills.
- ❖ Despite high youth unemployment, India's projected economic growth for FY25 stands at 6.8%.
- ❖ India's growth is mainly fueled by public investment and private consumption, though the IMF questions if public spending might be crowding out private investment.
- ❖ Recent increases in private investment signal a positive future outlook, alongside rising consumption and a slowdown in inflation.

Important stats for Mains:

- India spends less than 3.5% of its GDP on education. This falls significantly below the target outlined in the National Education Policy 2020, which aspired for India's education budget to be at 6 percent of the GDP.
- According to the Economic Survey 2022-23, the proportion of total expenditure allocated to education in India has decreased from 10.4% to 9.5% over the last seven years.
- As per a recent report by Knight Frank, India needs an additional 2.4 million hospital beds to reach the recommended ratio of 3 beds per 1,000 people.
- Projections suggest that India's preventive healthcare sector is on track to reach a substantial USD 197 billion by 2025, boasting a commendable CAGR of 22%.
- According to the 'India Ageing Report 2023' India's aging population is expected to double by 2050 to 20.8% of the total population.

Key Budget provisions related to India's healthcare sector (2024-2025):

- ❖ Total Healthcare Expenditure: Total expenditure on health has been increased from ₹79,221 crore in 2023-24 to ₹90,171 crore in 2024-25.
- ❖ PMABHIM: Allocation for Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM) increased from ₹2,100 crore in 2023-24 to ₹4,108 crore in 2024-25.
- ❖ Livestock Health and Disease Control Program: Allocation increased from ₹1,500 crore in 2023-24 to ₹2,465 crore in 2024-25.
- ❖ Ayushman Bharat-PMJAY: Allocation to Ayushman Bharat (PMJAY) increased from ₹7,200 crore in 2023-24 to ₹7,500 crore in 2024-25.



- ❖ PLI scheme: Allocation to Production linked incentive scheme increased from ₹4,645 crore in 2023-24 to ₹6,200 crore in 2024-25.
- ❖ Medical colleges: Government to set up more medical colleges by utilizing the existing hospital infrastructure.
- ❖ Cervical cancer vaccination: To encourage vaccination for girls in age group of 9 to 14 years for the prevention of cervical cancer.
- ❖ Maternal and child health: Schemes for maternal and child care to be brought under comprehensive program for synergy in implementation.
- ❖ Anganwadi upgradation: Upgradation under Saksham Anganwadi and Poshan 2.0 for improved nutrition delivery, early childhood care and development.
- ❖ U-WIN: U-WIN platform for managing immunization and intensified efforts of Mission Indradhanush to be rolled out throughout the country.
- ❖ Ayushman Bharat: Healthcare cover under Ayushman Bharat scheme to be extended to all ASHA workers, Anganwadi Workers and Helpers.
- ❖ Biotechnology Research and Development: Allocation increased from ₹500 crore in 2023-24 to ₹1,100 crore in 2024-25.
- ❖ Sustainable manufacturing: New scheme of bio-manufacturing and bio-foundry to be launched with the objective is to provide environment-friendly alternatives such as biodegradable polymers, bio-plastics, bio-pharmaceuticals and bio-agri inputs.



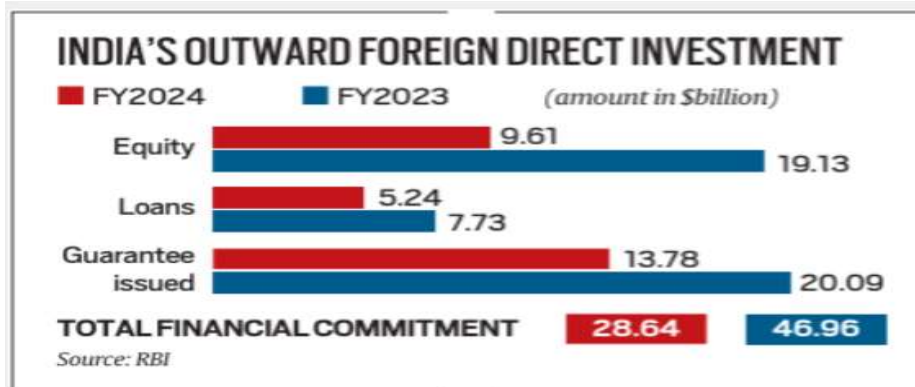


INDIA'S OUTWARD FOREIGN DIRECT INVESTMENT (OFDI) PLUMMETS

TAG: GS Paper III- **Indian Economy.**

Why in the News?

- ❖ India's outbound foreign direct investment (OFDI) experiences a sharp decline of 39%, falling to \$28.64 billion due to global economic uncertainties.



Comparative Analysis with Previous Years:

- ❖ **Contrast in Outward FDI Trends:** The fiscal year ending March 2023 saw a higher outward FDI of \$46.96 billion, contrasting with a notable decrease in OFDI commitments in the subsequent year.
- ❖ **Broad-Based Reduction:** The decline in OFDI commitments is evident under both the automatic and approval routes, indicating a broad-based reduction in overseas investment activities.

Composition of Outward FDI Commitments:

- ❖ **Equity Investments Decline:** Equity investments declined to \$9.62 billion in fiscal year 2024 from \$19.13 billion in fiscal year 2023, constituting approximately 34 percent of total financial commitments.
- ❖ **Decrease in Loan Commitments:** Loan commitments decreased from \$7.73 billion in fiscal year 2023 to \$5.24 billion in fiscal year 2024, reflecting a cautious approach towards leveraging external financing for overseas ventures.

Factors Influencing Outward FDI Trends:

- ❖ **Limited Investment Opportunities:** Economists attribute the decline in outward FDI to limited investment opportunities amidst global economic flux, dissuading Indian companies from large-scale overseas acquisitions.

Month-wise Trends and Observations:

- ❖ **Peak in March 2024:** March 2024 marked the highest outward FDI for the fiscal year, with commitments amounting to \$3.92 billion, reflecting a surge in overseas investment activities towards the end of the fiscal year.
- ❖ **Record Equity Commitments:** Equity commitments in March 2024 reached \$2.03 billion, the highest recorded for the year, signaling a notable uptick in equity-based overseas investments.
- ❖ **Rise in Loan Commitments:** Loan commitments in March amounted to \$1.05 billion, with guarantees issued standing at \$839.17 million, indicating increased overseas investment activity in the final month of the fiscal year.

As Indian companies deal with uncertain markets, their careful approach to investing abroad shows the importance of smartly evaluating opportunities and managing risks internationally.