

DAILY CURRENT AFFAIRS (DCA)

Time: 45 Min

Date: 18-09-2025

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CAG TO DEPLOY AI-POWERED AUDITING SYSTEM FOR EFFICIENCY AND TRANSPARENCY

Context

- The Comptroller and Auditor General of India (CAG) is set to launch an AI-powered Large Language Model (LLM) to improve efficiency and consistency in public auditing.

Imperative for Digital Auditing

- Public auditing faces **growing volume and complexity** of government transactions, which makes traditional, field-heavy audits **time consuming and less scalable**.
- Many government systems now produce **rich digital records**; without automated analysis, large datasets remain under-used for oversight.
- Remote and hybrid audits can **reduce logistics costs** and enable auditors to focus field visits on genuinely high-risk issues.

Large Language Models (LLMs)

- A large language model (LLM) is a type of artificial intelligence (AI) algorithm that uses **deep learning techniques** and massively large data sets to understand, summarize, generate and predict new content.
- Deep learning involves the probabilistic analysis of unstructured data, which eventually enables the deep learning model to recognize distinctions between pieces of content without human intervention.
- It helps to understand how characters, words, and sentences function together.

Advantages of an AI-Enabled Audit System

- Improved efficiency:** Automated analysis of large datasets will **shorten time spent** on routine evidence gathering and document preparation.
- Greater consistency:** The LLM can surface precedent and standard approaches from decades of inspection reports, reducing variation across audit teams.
- Enhanced risk detection:** Pattern recognition and anomaly detection will help target high-risk transactions and programmes more accurately.
- Wider audit coverage:** Remote and hybrid methods permit audit offices to cover more auditees without proportional increases in staff travel.
- Faster feedback and resolution:** A unified digital portal will enable auditees to respond promptly and track the status of audit observations.

Prior Initiatives

- Remote audit pilots across receipts and expenditure domains**, including data-led GST audits and Telangana's remote compliance audit for the Stamps & Registration Department.
- Hybrid audit demonstration** in Public Works by PAG (Audit), **Haryana**.
- Paperless PRI certification** through West Bengal's Virtual Audit System integrated with AuditOnline.
- CAG-Connect portal** to provide nearly 10 lakh auditee entities with a unified digital interface.

What are the Challenges?

- Variable digital maturity:** Many departments and local bodies lack standardised, high-quality data.
- Data security and privacy risks:** Handling sensitive financial and personal data creates cybersecurity and legal concerns.
- AI reliability and explainability:** LLMs can produce incorrect outputs and lack transparent reasoning.
- Institutional and legal constraints:** Rules governing access to certain government databases may vary across states.

Way Ahead

- Institutionalise human oversight:** Mandate human review of all AI-generated findings and adopt explainable AI practices.
- Continuous evaluation:** Conduct periodic model audits, performance reviews and stakeholder feedback loops.
- Standardise data and APIs:** Establish common data formats and secure APIs for seamless access to state and central systems.

Comptroller and Auditor General of India (CAG)

- The CAG is the **supreme audit authority of India**, responsible for auditing government accounts and ensuring accountability in public finance management.
- Articles 148 to 151** of the Indian Constitution provide the framework for the appointment, duties, and reporting structure of the CAG.
- The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971**, determines the CAG's service conditions and prescribes the duties and powers of their office.

Source: TH

OUT-OF-POCKET HEALTH EXPENDITURE (OOPE) IN INDIA

Context

- Despite a sharp decline in **out-of-pocket expenditure (OOPE)** on health in India, closer scrutiny **reveals persistent concerns** associated with it.

About Out-of-Pocket Expenditure (OOPE)

- It refers to the direct payments individuals make for healthcare services — without reimbursement.
- It includes costs for doctor consultations, medicines and diagnostics, hospitalization and surgeries, transportation and informal care etc.
- In India, OOPE has **historically been one of the highest in the world**, often pushing families into poverty or debt due to medical expenses.

Recent Trends in OOPE in India

- According to the **National Health Accounts (NHA) Estimates**, India's OOPE as a share of **Total Health Expenditure** has declined from 64% in 2013-14 to 49% in 2017-18, and further down to 39% in 2021-22.

Reasons For Decline in OOPE

- Increased Government Health Expenditure:** From 1.13% of GDP in 2014–15 to 1.84% in 2021–22 and 1.9% in FY 2023-24.
 - However, the **National Health Policy (NHP) 2017** targets **2.5% of GDP by 2025**.
- Ayushman Bharat – PMJAY:** Targeting the bottom 40% of India's population — approximately 55 crore individuals across 12 crore families.
- Free Drugs & Diagnostics Initiatives:** Under the **National Health Mission**, the government rolled out:
 - National Free Drugs Service Initiative;
 - Free Diagnostic Service Initiative.
- Affordable Medicines Programs:** Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) and AMRIT Pharmacies.
- Infrastructure & Budget Expansion:**
 - The **Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)** strengthens primary and tertiary care systems.
 - The **Health Budget** increased by 85% from ₹47,353 crore in 2017–18 to ₹87,657 crore in 2024–25.
 - The **15th Finance Commission** allocated ₹70,051 crore in grants to local governments for health.

Concerns & Issues Surrounding OOPE

- Dependence on NSS Data:** NHA estimates heavily rely on the **National Sample Survey (NSS) 75th round (2017-18)**.
 - Any underreporting of ailments or reduced hospitalisation utilisation would artificially deflate OOPE estimates.
- COVID-19 Blind Spot:** The NHA framework fails to capture the massive distress during the pandemic, as **no NSS data were collected in this period**.
- Consumer Expenditure Survey (CES) 2022-23:** It shows OOPE as a share of household consumption expenditure has increased — from **5.5% to 5.9% in rural areas** and **6.9% to 7.1% in urban areas** between 2011-12 and 2022-23.
- CPHS-CMIE Data:** Indicates a '**V**'- shaped trend — steep decline in OOPE during COVID-19, followed by a sharp rise — completely missing from NHA trends.
- National Income Accounts (NIA):** It records a steady increase in household health spending as a share of GDP, **contradicting NHA's reported decline**.

Way Forward: Solutions to Reduce OOPE

- Strengthening Data Capture:**
 - Triangulation of Data Sources:** Complement NSS with CES, NFHS, LASI, CMIE, and private sector data.
 - Capturing Crisis Effects:** Incorporate pandemic-related shocks and post-pandemic recovery trends.
- Continuous Monitoring:** Develop a more dynamic, multi-source approach for tracking household health expenditure.
- Strengthening Primary Healthcare:** Investing in primary health centers, especially in urban and semi-urban areas, can reduce dependence on costly tertiary care.
 - Preventive services and early diagnosis are key to lowering long-term costs.
- Expand Insurance Coverage:** Include outpatient services, diagnostics, and essential medicines under public insurance schemes like AB-PMJAY.
- Promote Affordable Medicines:** Scale up initiatives like Jan Aushadhi Kendras and AMRIT pharmacies to ensure access to low-cost, quality generics across the country.
- Improve Budget Efficiency:** Ensure that health budgets are not only increased but also effectively utilized.
 - Greater transparency and accountability in fund allocation can enhance service delivery and reduce leakages.

- **Health Literacy & Behavior Change:** Educate citizens on preventive care, rational drug use, and the benefits of public health services.
 - ♦ Behavioral change campaigns can reduce unnecessary medical visits and promote healthier lifestyles.

Source: TH

PRIME MINISTER PUSHES FOR LOCAL PRODUCTION

Context

- PM Modi has urged Indians to buy **made in India products, to build a developed India by 2047.**
 - ♦ The Prime Minister laid the foundation for the **country's first PM Mega Integrated Textile Region and Apparel (PM MITRA) park** in Madhya Pradesh's Dhar district.

About

- The PM MITRA park in Dhar is **one of seven such establishments approved by the Union Ministry of Textiles.**
 - ♦ The other sites are Tamil Nadu's Virudhnagar, Telangana's Warangal, Gujarat's Navasari, Karnataka's Kalaburagi, Uttar Pradesh's Lucknow, and Maharashtra's Amravati.
- **Based on the 5F theme:** Farm to Fibre to Factory to Fashion to Foreign - the initiative aims to boost India's textile manufacturing and exports.

Manufacturing Sector of India

- India's manufacturing sector is currently contributing **17% to India's GDP.**
- India has a goal to achieve the target of **25% GDP share for the manufacturing sector.**
- **India is focussing on 14 identified sunrise sectors** like semiconductors, renewable energy components, medical devices, batteries and labour intensive industries, including leather and textile, to enhance the share of manufacturing in GDP
- **Growth and Performance:** According to the **Annual Survey of Industries (ASI) for 2022-23**, the manufacturing sector registered a robust **growth rate of 21.5%** in output, with a **Gross Value Added (GVA) growth of 7.3%.**
 - ♦ Key sectors such as basic metal manufacturing, coke and refined petroleum products, food products, chemicals, and motor vehicles **collectively contributed 58% to the total manufacturing output.**
- **Employment Generation:** The manufacturing sector has also been a significant source of

employment, adding approximately 22 lakh jobs in 2022-23.

- ♦ Major states like Maharashtra, Gujarat, Tamil Nadu, Karnataka, and Uttar Pradesh have been leading contributors to the sector's GVA and employment.

Challenges Faced by India's Manufacturing Sector

- **Infrastructure Bottlenecks:** High logistics cost, poor port connectivity, and power shortages leads to low output.
- **Low R&D and Innovation:** India invests less than 1% of GDP in R&D, limiting high-tech manufacturing.
- **Import Dependence:** Heavy reliance on imports for semiconductors, electronics components, and defence equipment.
- **Skill Gaps:** There is a major Mismatch between workforce skills and industry requirements.
- **Low Productivity:** Due to the outdated machinery, small-scale fragmented units, and limited automation productivity remains low.
- **Global Competition:** Countries like Vietnam, Bangladesh, and China offer cheaper production and better ecosystems making Indian products less competitive.
- **Environmental Concerns:** Rising pressure for sustainable and green manufacturing with high compliance costs.

Major Initiatives Taken to Enable Make in India



Recent Achievements of Manufacturing Sector of India

- **Ease of Doing Business:** In the World Bank's Doing Business Report (DBR) 2020 India was ranked **63rd** up from 142nd rank in 2014.

- **Production of Vaccine:** India achieved COVID-19 vaccination coverage in record time but also became a major exporter to many developing and underdeveloped countries across the world.
 - ♦ India supplies **nearly 60% of the world's vaccines**, meaning every second vaccine globally is proudly made in India.
- **Vande Bharat Trains:** It is India's first indigenous semi-high-speed trains, and are a shining example of the success of the 'Make in India' initiative.
 - ♦ As of now, 102 Vande Bharat train services (51 trains) are operational across Indian Railways.
- **INS Vikrant:** It is the first domestically made aircraft carrier.
 - ♦ In 2023-24, defence production soared to 1.27 lakh crore, with exports reaching over 90 countries, showcasing India's growing strength and capability in this critical area.
- **Electronics:** Production nearly **doubled from USD 48 billion in FY17 to USD 101 billion in FY23**, driven primarily by mobile phones, which now constitute 43% of total electronics production.
 - ♦ India is the **second-largest mobile manufacturer** in the world and now manufactures 99% domestically.
- **Indian bicycles** have gained international acclaim, with exports to the UK, Germany, and the Netherlands soaring.
- **Made in Bihar' boots** are now part of the Russian Army's equipment, marking a significant milestone for Indian products in the global defence market.
- **Amul** has expanded its presence by launching its dairy products in the US promoting Indian dairy on the world stage.
- **The textile industry** has created a staggering 14.5 crore jobs across the country, significantly contributing to India's employment landscape.

Conclusion

- The 'Make in India' initiative has had a **transformative impact on the heavy industries and engineering sector.**
- By fostering technological advancements, increasing domestic production, enhancing competitiveness, and generating employment, the initiative has played a pivotal role in strengthening India's industrial base.
- With sustained policy support and continued investment, **the sector is poised for further growth in the coming years.**

Source: TH

GLOBAL INNOVATION INDEX (GII) 2025

Context

- The **18th edition** of the **Global Innovation Index (GII) 2025**, was released by the **World Intellectual Property Organisation's (WIPO)**.
 - ♦ **GII established** in 2007, it is **published annually** and provides **performance metrics and ranks around 140 economies** on their **innovation ecosystems**.

Major Finding

- **Decline of R&D:** Growth fell to 2.9% in 2024, a slowdown from the 4.4% increase in the year prior and the lowest growth since the financial crisis of 2010.
 - ♦ Growth is projected by WIPO to slow further in 2025 (2.3%).
- **Top Nations:**

Global rankings

1. Switzerland (Number 1 in 2024)
2. Sweden (2)
3. United States of America (3)
4. Republic of Korea (6)
5. Singapore (4)
6. United Kingdom (5)
7. Finland (7)
8. Netherlands (Kingdom of the) (8)
9. Denmark (10)
10. China (11)

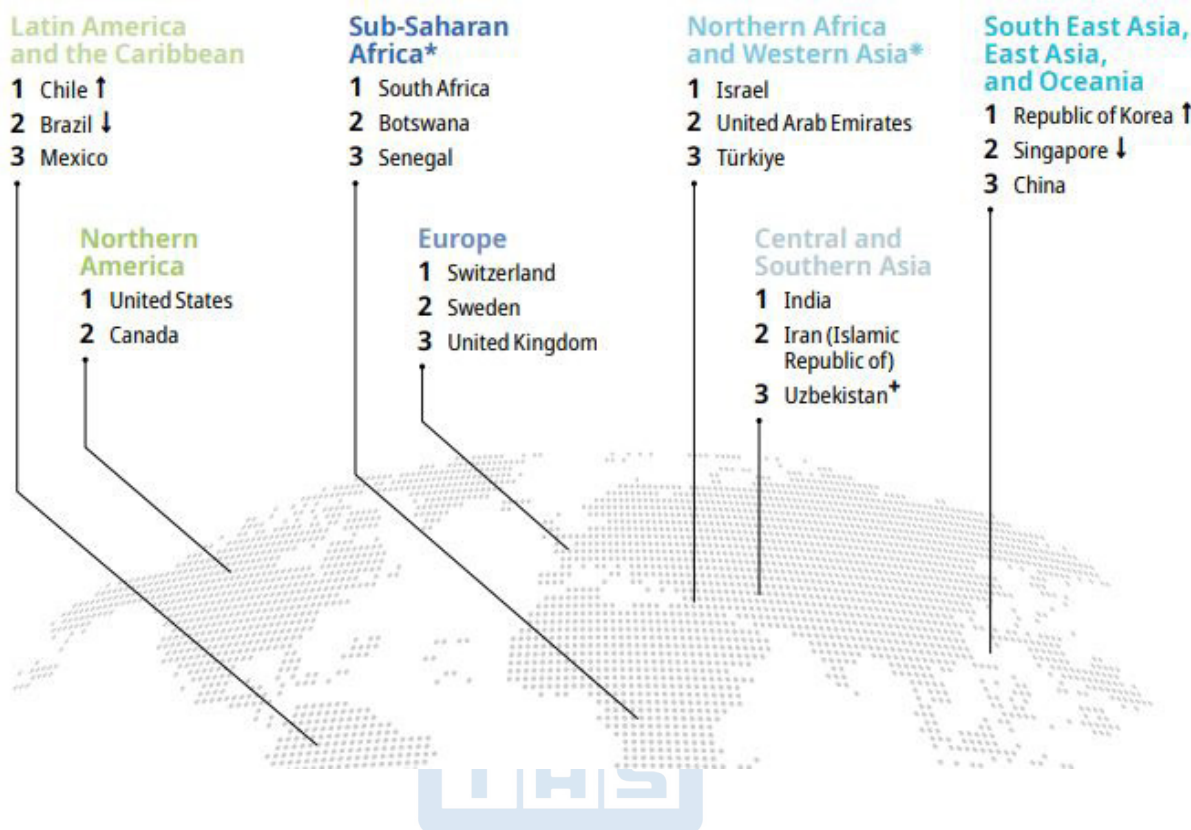
- **India:** India has made a steady climb **from #48 in 2020 to #38 in 2025**, and importantly, holds the **#1 spot among lower-middle-income economies** and in the **Central and Southern Asia region**.
 - ♦ India performs best in **Knowledge & Technology Outputs (#22)** and **Market Sophistication (#38)**, while its weakest rankings are in **Business Sophistication**

(#64), Infrastructure (#61), and Institutions (#58).

- ♦ **India stands out for its ICT services exports**, a vibrant VC landscape, late-stage VC and startup financing, unicorns and intangible assets - reflecting tech-driven growth.

Global leaders in innovation, 2025

Top three innovation economies by region



Significance for India

- India's steady climb shows strength in the digital economy, startups, ICT exports.
- But gaps in infrastructure, institutions, business sophistication highlight areas needing reform.

Key Indian Initiatives for Innovation

- **Startup India (2016):** Launched by DPIIT; offers tax exemptions, Fund of Funds, credit guarantee, and ease of compliance to nurture startups.
- **Atal Innovation Mission (AIM):** NITI Aayog initiative; promotes innovation through Atal Tinkering Labs (schools), Incubation Centres (startups), and New India Challenges (solutions to national problems).
- **National Initiative for Developing and Harnessing Innovations (NIDHI):** DST programme; supports innovators via PRAYAS (idea to prototype), Entrepreneur-in-Residence (fellowships), and incubation support.

- **Digital Public Infrastructure (UPI, Aadhaar, ONDC, DigiLocker):** Creates scalable platforms that enable innovation across fintech, commerce, and governance.
- **Production Linked Incentive (PLI) Schemes:** Incentivises R&D and manufacturing in sectors like electronics, semiconductors, EVs, pharma.

World Intellectual Property Organization (WIPO)

- It is a **self-funding agency of the United Nations**, that serves the world's innovators and creators, ensuring that their ideas travel safely to the market and improve lives everywhere.
- **Members:** The organization has **194** member states including both developing and developed nations like India, Italy, Israel, Austria, Bhutan, Brazil, China, Cuba, Egypt, Pakistan, the U.S. and the U.K.
- **Headquarters:** Geneva, Switzerland.

Source: IE

STUBBLE-BURNING: STAND OF GOVERNMENT AND JUDICIARY

In News

- Recently, the Supreme Court and the Union government clashed over how to address **stubble-burning** by farmers.

Stubble burning

- Stubble (parali) burning is a method of removing paddy crop residues from the field to sow wheat.
- It is a process of setting on fire the straw stubble, left after the harvesting of grains, like paddy, etc.

Occurrence

- Paddy stubble burning is practised mainly in the Indo-Gangetic plains of Punjab, Haryana, and UP to clear the fields for rabi crop sowing.
- The paddy crop is harvested between the first and last weeks of October in Punjab and Haryana.

Causes

- The major reason behind the stubble burning is the short time available between rice harvesting and sowing of wheat as delay in sowing wheat affects the wheat crop.
- stubble burning is considered **one of the cheapest methods to clean the field after the harvesting season.**

Impacts

- Pollution:** Stubble burning emits toxic pollutants in the atmosphere containing harmful gases like Carbon Monoxide (CO), methane (CH₄), carcinogenic polycyclic aromatic hydrocarbons, volatile organic compounds (VOC).
 - These pollutants disperse in the surroundings and eventually affect air quality and people's health by forming a thick blanket of smog.
- Soil fertility:** Soil becomes less fertile and its nutrients are destroyed when the husk is burned on the ground
- Heat penetration:** Stubble burning generates heat that penetrates into the soil, causing an increase in erosion, loss of useful microbes and moisture.

Recent View of Judiciary

- Chief Justice B.R. Gavai suggested reintroducing criminal prosecution or creating a new law to deter the practice, arguing that some strict action is needed to send a strong message.
- The court stated that farmers deserve respect, they must also take responsibility for environmental protection.

- It suggested the central government create a uniform policy involving all states and it may issue a mandamus (legal order).

Stand of Government

- The Centre opposed criminalising farmers, saying its policy is to work with farmers rather than jail them, and noted that farmers had been exempted under the Commission for Air Quality Management Act.
- The government insisted its stance was policy-based, not influenced by vote-bank politics.
 - The Centre agreed to file a detailed status report on Punjab, Haryana, and Uttar Pradesh.

Related Steps in India

- The Department of Agriculture and Farmers Welfare (DA&FW) has been implementing the **Crop Residue Management Scheme** since 2018-19 to curb stubble burning in **Punjab, Haryana, Uttar Pradesh, and Delhi** by promoting both in-situ and ex-situ solutions.
 - Under the scheme, **financial assistance of 50%** is provided to farmers for purchasing crop residue management machinery, and **80% to rural entrepreneurs**, FPOs, cooperatives, and panchayats for setting up Custom Hiring Centres (CHCs).
 - It also supports **65% of the capital cost (up to ₹1.5 crore)** for establishing paddy straw supply chains for biomass and biofuel industries.
- Indian Space Research Organisation (ISRO)** has developed standard protocols for monitoring stubble burning, while the **Commission for Air Quality Management (CAQM)** has issued various directives to states and power plants for both in-situ and ex-situ straw management.

Source :TH

NEWS IN SHORT

GUSSADI DANCE

Context

- Members of the Raj Gond Tribe from Adilabad district of Telangana are going to perform **Gussadi dance** for the **78th Hyderabad Liberation Day**.

Gussadi Dance

- Gussadi is a traditional dance of the Raj Gond tribe, especially from Adilabad (Telangana), as well as parts of **Maharashtra**.
- The dance is performed **by men**, organized into groups called **Dandari**, and smaller groups within them called **Gussadi**.

- They dress in **saffron and turmeric-colored clothes** and wear bandages around their legs and waist.
 - ♦ During the Dance, the **performers wear vibrant attire**, including **turbans studded with peacock feathers**, deer horns, and goat skins.
- They use **instruments like** Dappu, Tudumu, Pipri, and Kolikammu.
- The famous exponent **Kanaka Raju**, from the Raj Gond community, was awarded the **Padma Shri in 2021** for his role in preserving/teaching the Gussadi dance.

Source: TH

INDIA TO START PILOT PROJECTS IN VENEZUELA

Context

- India and Venezuela have agreed to collaborate on pilot projects in priority sectors such as agriculture, pharmaceuticals, and digital public infrastructure.

Cooperation between India-Venezuela

- **Bilateral Trade between India and Venezuela**
 - ♦ **Total Trade:** \$1.8 billion
 - ♦ **Indian Exports:** \$216 million
 - ♦ **Indian Imports:** \$1.6 billion
- **Pharmaceuticals and Health Cooperation:** Pharmaceuticals form the backbone of India's exports to Venezuela, meeting about **40%** of the country's annual requirement.
 - ♦ India supplied **\$110 million** worth of pharma products to Venezuela in **2024–25**, alongside vaccines and essential medicines on grant.

About Venezuela

- Venezuela, is located at the northern end of **South America**.
- **Venezuela is bounded by the Caribbean Sea** and the **Atlantic Ocean to the north**, **Guyana** to the east, **Brazil** to the south, and **Colombia** to the southwest and west.
- **Orinoco Belt:** This is a vast region in Venezuela rich in heavy crude oil, making up a large part of the country's total reserves.
- **Lake Maracaibo** of Venezuela is the largest lake in Latin America and one of the oldest water bodies on the planet.
- **Angel Falls**, located in Venezuela's **Canaima National Park**, is the world's highest uninterrupted waterfall.



Source: TH

OZONE HOLE GROWTH

In News

- The ozone hole over Antarctica has grown to 20 million sq km—larger than average but still within the decade's normal range, according to NASA.

What is Ozone?

- Ozone (O_3) is a gas made of three oxygen atoms, found **naturally** in the **atmosphere**.
- In the stratosphere (10–50 km above Earth), it forms the **“good ozone” layer that protects life by absorbing harmful ultraviolet (UV) radiation**.
 - ♦ This ozone is created and destroyed through natural processes but is being damaged by human-made chemicals like CFCs, leading to ozone depletion and increased UV exposure.
- In contrast, **“bad ozone” at ground level (in the troposphere) is formed by pollution from vehicles and industries reacting with sunlight**.
 - ♦ It is harmful to humans and the environment, causing respiratory problems and worsening conditions like asthma.

Ozone Hole

- It is not a literal hole but a region of severely **depleted ozone in the stratosphere over Antarctica**, occurring during the **Southern Hemisphere spring** (Aug–Oct).
- It was **first detected in 1985** and is caused by harmful substances like chlorofluorocarbons

(CFCs) and hydrochlorofluorocarbons (HFCs) that thin the ozone layer, increasing harmful UV radiation on Earth.

- **Factors** like polar stratospheric clouds, volcanic eruptions (e.g., Hunga Tonga in 2023), and climate change (which strengthens the polar vortex) influence ozone depletion.
 - ♦ Phytoplankton habitats in the Arctic are shifting due to changing UV exposure, affecting marine ecosystems

Montreal Protocol

- The **Montreal Protocol (1987)** is pivotal in reducing ozone-depleting substances (ODS), preventing millions of skin cancer cases and avoiding a 0.5°C rise in global temperatures.
 - ♦ However, variations in ozone healing continue, with the ozone layer expected to recover by 2066 in Antarctica, 2045 in the Arctic, and 2040 in the tropics.

What more needs to be done?

- Experts stress the need for stronger global cooperation, scientific innovation, and policy action to fully restore the ozone layer and combat climate change.

Source :IT

EAST AFRICAN CRUDE OIL PIPELINE (EACOP)

In News

- The East African Crude Oil Pipeline (EACOP) faces strong opposition from environmental activists.

The East African Crude Oil Pipeline Project (EACOP)

- It is a **1,443-km oil pipeline** that will transport oil produced from Uganda's Lake Albert oilfields to the port of Tanga in Tanzania where the oil will then be sold onwards to world markets.
- It is backed by TotalEnergies, China's CNOOC, and the governments of Uganda and Tanzania.

Criticism

- The pipeline cuts through 44 protected areas and 7 key biodiversity zones, endangering species and local livelihoods.
- Critical habitats are being fragmented, opening landscapes to poaching, logging, and encroachment.
- The project will emit over 34 million tons of CO annually, threatening global climate goals and local ecosystems.

Source :DTE

THE IMPLICATIONS OF OIL AND GAS FIELD DECLINE RATES: REPORT

Context

- The **International Energy Agency (IEA)** has released a report **warning that global oil and gas fields are declining faster than before.**

Major Highlights

- **Faster Decline Rates of Oil & Gas Fields:** Global oil and gas fields are depleting faster than before, especially because more production is coming from shale and deep offshore fields which have much steeper decline curves than conventional onshore supergiant fields.
- **Investment Mostly Maintaining Current Supply, Not Growth:** Nearly 90% of upstream oil & gas investment is now being used just to offset natural declines, rather than increasing production.
 - ♦ Without fresh investments, global oil output could shrink by 5.5 million barrels/day every year; for natural gas, a drop of 270 billion cubic meters (bcm) annually, both significantly higher than in 2010.
- **Risks & Implications for India:**
 - ♦ **India is heavily import-dependent:** over 85% of its crude oil is imported; about 45% of its gas demand is met through imports.
 - ♦ Faster decline in global production and delays in new projects could therefore **increase supply, price risks for India.**
 - ♦ **The IEA recommends** that India diversify its sources, expand domestic exploration, build strategic reserves, and invest in cleaner alternatives such as green hydrogen and biofuels to reduce dependence.

Source: DTE

50% US TARIFF ON INDIAN DIAMONDS AND GEMS

Context

- The US currently has a **50% tariff** on Indian diamonds and gems, which took effect on August 27, 2025.

About

- **Exports by India's diamond industry** have already **hit a two-decade low** on weak Chinese demand, and now higher tariffs under the US.
 - ♦ **The US accounts for nearly a third** of annual shipments of gem and jewellery.

- In Surat, where **more than 80% of the world's rough diamonds are cut** and polished, orders have started drying up.
- Some bigger players **plan to shift part of their operations to countries like Botswana**, which faces a lower 15% US tariff.

Gems and Jewellery Sector of India

- In FY 2023–24, India's gems and jewellery exports stood at US\$ 22 billion, projected to reach US\$ 100 billion by 2027.
- The gems and jewelry sector contributes **7% of India's GDP** and employs about **5 million workers**.
- **About 33%** of India's gems and jewelry exports went to the U.S. in fiscal year 2025.
- **India is the top global exporter of diamonds** and the **largest consumer of gold**.
- **Surat, Jaipur and Mumbai** are the major hubs of Gems and Jewellery in India.
- **The United States** is the largest export market, followed by the UAE and Hong Kong.

Source: TM

INDIA-ILO MOU ON OCCUPATIONAL CLASSIFICATION TO BOOST GLOBAL JOB OPPORTUNITIES

Context

- The Union government has signed a Memorandum of Understanding (MoU) with the **International Labour Organisation (ILO)** to advance the **International Reference Classification of Occupations (IRCO)**.

About

- The IRCO, developed by the ILO, is a system that classifies occupations based on job functions, tasks and duties.
- It classifies occupations based on job functions, tasks, and duties, providing a universal framework.
- It enables cross-country comparison of occupational data and supports:
 - ♦ International migration management.
 - ♦ Vocational training and skilling policies.
 - ♦ Labour market analysis and workforce planning.
- By adopting the IRCO framework, India aims to streamline its skill ecosystem, facilitate mutual recognition of qualifications, and position Indian workers more competitively in global labour markets.

International Labour Organisation (ILO)

- It is an United Nations Agency established in **1919** as part of the Treaty of Versailles that ended World War I, and it became the **first specialized agency of the UN in 1946**.
- India became a founding member of the ILO in **1919**, even before gaining independence.
- It has **187 Member states**.
- It **sets labour standards, develops policies** and devises programmes promoting decent work for all women and men.
- It is the **only tripartite U.N. agency** that brings together governments, employers and workers.
- It is headquartered in **Geneva, Switzerland**.

Source: BL

ED HAS SECURED OVER 94% CONVICTION RATE IN PMLA CASES

In News

- The Enforcement Directorate (ED) has achieved a 94% conviction rate in PMLA cases.

Directorate of Enforcement (ED)

- It is a multi-disciplinary organization mandated with investigation of the offence of **money laundering and violations of foreign exchange laws**.
- It plays a central role in financial crime enforcement, asset recovery, and safeguarding India's economic sovereignty.

Mandate and Functions

- Its key functions include enforcing the following laws:
 - ♦ **The Prevention of Money Laundering Act, 2002 (PMLA):** A criminal law to combat money laundering.
 - ED investigates, attaches properties derived from crime, and ensures prosecution and confiscation by special courts.
 - ♦ **The Foreign Exchange Management Act, 1999 (FEMA) :** A civil law regulating foreign exchange.
 - ED investigates violations, adjudicates cases, and imposes penalties.
 - ♦ **The Fugitive Economic Offenders Act, 2018 (FEOA) :** Targets fugitive economic offenders abroad.

- ED attaches and confiscates their properties for the central government.
- ♦ **Sponsoring agency under COFEPOSA:** Under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA), this Directorate is empowered to sponsor cases of preventive detention with regard to contraventions of FEMA.

Source :TH

PUBLIC FINANCIAL ASSET MANAGEMENT (PFAM) PROGRAM

Context

- **Vivekanand Gupta, the Regional Provident Fund Commissioner of EPFO** has been selected in the **Public Financial Asset Management (PFAM) Program 2025–26**.
- He was the sole participant from India and the **first-ever representative from EPFO to be selected for the PFAM cohort**.

About the PFAM Program

- PFAM is a **prestigious initiative** jointly organised by the **World Bank and the Milken Institute**.
- It is a globally recognised **leadership initiative** aimed at **equipping senior professionals** with cutting-edge expertise in capital markets, governance frameworks, and strategic asset management.
- **The 2025–26 cohort** consists of **16 participants from 13 countries, including 11** from Central Banks, three from Sovereign Wealth Funds, and two from Pension Funds.
- Selection brings India into this elite circle of **global financial professionals for the first time under this initiative**.

Employees' Provident Fund Organisation (EPFO)

- EPFO is a **statutory body** under the **Ministry of Labour and Employment**.
- It administers the **Employees' Provident Fund and Miscellaneous Provisions Act, 1952**.
- **Objectives:** To ensure financial security and social welfare of employees post-retirement.
 - ♦ To promote voluntary savings among employees.
 - ♦ To regulate and supervise provident fund, pension, and insurance schemes.

Source: PIB

MACHU PICCHU

Context

- Around 900 tourists have been left stranded near **Peru's ancient Inca citadel of Machu Picchu** after passenger train services were suspended due to protests.

About Machu Picchu

- Machu Picchu is a 15th-century Inca citadel located in the Eastern Cordillera of southern Peru, perched at **2,430 meters** above sea level.
- Often called the **"Lost City of the Incas"**, it is one of the most iconic symbols of the **Inca civilization**.
- **Constructed in classical Inca style** with finely crafted dry-stone walls, its notable structures include the **Temple of the Sun**, the **Temple of the Three Windows**, and the **Intihuatana stone**.
- **Recognitions:**
 - ♦ Declared a National Historic Sanctuary by Peru in **1981**.
 - ♦ Inscribed as a **UNESCO World Heritage Site** in **1983**.

Source: FP