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INDIA SLIPS TO SIXTH SPOT IN WORLD ECONOMY

Context

- According to the latest **World Economic Outlook (WEO)** released by the **International Monetary Fund (IMF),** India has slipped to the **6th-largest economy** in the world in nominal GDP terms.
  - India's GDP is estimated at $4.15 trillion in 2026, behind the United Kingdom and Japan.

How Global GDP Rankings Are Calculated

- The **IMF ranks economies based on nominal GDP in US dollar terms.**
  - It depends on GDP measured in local currency, and exchange rate vis-à-vis the US dollar.
- Any adverse movement in these variables can affect rankings even if real growth remains strong.

Rank	Country	GDP (USD trillion approx)
1	United States	30.8
2	China	19.6
3	Germany	4.7
4	Japan	4.4
5	United Kingdom	4.0-4.3
6	India	3.9-4.2

Reasons for India's Decline in Ranking

- **Revision of GDP Estimates:** India revised its GDP series with a **new base year** in 2026.
  - **Nominal GDP for 2025–26** was reduced from 357 lakh crore to ₹**345 lakh crore**, indicating earlier overestimation.
  - This revision **lowered India's GDP in dollar terms** from around $4.1 trillion to **$3.9 trillion.**
- **Depreciation of the Indian Rupee:** The Indian rupee depreciated significantly against the US dollar in the past year.
  - Since **GDP rankings are calculated in dollar terms**, currency depreciation reduces India's relative economic size.
- **Exchange Rate Asymmetry:** The British pound and Japanese yen strengthened relative to the rupee, widening the gap between India and economies such as the United Kingdom and Japan.
  - This led to both countries overtaking India despite modest or even declining growth in their own economies.
- **Close Clustering of Major Economies:** After the United States and China, the next four economies are closely clustered around the **$4 trillion mark.** Small changes in data or exchange rates can easily alter rankings within this group.

Implications of the Ranking Shift

- **Limited Impact on Economic Fundamentals:** The decline in global ranking does not indicate any structural weakness in the Indian economy.
  - India's growth trajectory remains strong, as reflected in its real **GDP growth projections of 7.4% in FY26** (domestic estimates) and **6.5% for FY27** as projected by the International Monetary Fund,
- **Impact on Perception and Global Positioning:** Global GDP rankings play an important role in **shaping investor sentiment** and international confidence.
  - A lower ranking may create a **temporary perception of relative economic slowdown**, even when fundamentals are stable.
- **Delay in Strategic Economic Milestones:** India's transition to becoming one of the top three global economies may take longer than previously anticipated.
  - India is projected to **overtake Germany by 2031**, thereby becoming the **third-largest** economy in the world.

GDP, current prices (Billions of U.S. dollars)	Germany	Japan	United Kingdom	India
2019	3,960	5,246	2,877	2,776
2020	3,938	5,189	2,726	2,612
2021	4,358	5,226	3,195	3,085
2022	4,204	4,448	3,193	3,250
2023	4,564	4,385	3,422	3,501
2024	4,684	4,190	3,695	3,761
2025	5,048	4,435	4,003	3,916
2026	**5,453**	**4,379**	**4,265**	**4,153**
2027	5,642	4,562	4,466	4,579
2028	5,819	4,744	4,675	5,059
2029	6,003	4,873	4,898	5,599
2030	6,178	5,002	5,148	6,173
2031	6,352	5,128	5,403	6,792
Source: IMF				

KEY ECONOMIC CONCEPTS

Gross Domestic Product (GDP)

- GDP is the **total monetary value of all final goods and services** produced within a **country's domestic territory** during a specific period (usually a quarter or a year).
- **Current base year** used 2022-23 (Updated in 2026; earlier 2011–12)
- **Released By:** National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI).

Nominal Vs Real GDP

- **Nominal GDP** measures a country's economic output at current market prices, thereby **incorporating the effects of inflation** and making it useful for assessing the economy's size in present-value terms.
- **Real GDP** adjusts for inflation by **valuing output at constant base-year prices,** providing a more accurate measure of actual growth in production over time.

What is Base Year?

- A base year is a **benchmark year** used for comparison in **economic and statistical calculations.**
- It provides a **reference point** against which current values of indicators like GDP, CPI, and IIP are measured to track real changes over time.
- Significance:
- It allows us to remove **the effect of inflation** and see real growth.
- Ensures that the data reflects the **current structure of the economy,** consumption patterns, and prices.

Source: IE

1969 BANK NATIONALISATION

In News

- The nationalisation of banks in India is widely regarded as one of the most consequential economic decisions taken since Independence in 1947.

Background and Need

- Banking in India was mainly concentrated in urban areas, leaving rural and semi-urban regions largely unserved until the 1960s.
- As a result, sectors such as agriculture, small-scale industries, and self-employment had limited access to banking and credit facilities.
- This led to the perception that private banks were profit-driven and not socially responsible, as they avoided diversifying loans due to higher costs.
- Therefore, the 1969 bank nationalisation was carried out to align banking with planned development, ensure credit to priority sectors, and reduce wealth concentration.

The Bank nationalisation of 1969

- The 1969 bank nationalisation, led by Prime Minister Indira Gandhi, was a major economic reform in which 14 large private banks were brought under government control to align banking with socialist and developmental goals.
- It built on earlier reforms like the 1955 nationalisation of the State Bank of India and aimed to strengthen and stabilise India's banking system by consolidating and regulating the sector.

Positive Implications

- **Financial inclusion:** Expanded branch networks into rural and semi-urban areas, increasing access to banking services.
- **Credit to priority sectors:** Agriculture, small industries, and weaker sections received institutional credit.
- **Social equity:** Reduced dominance of industrial houses over banking, aligning finance with national development goals.
- **Economic growth support:** Enabled financing of the Green Revolution and rural development programmes.
- **Public trust:** Enhanced confidence in banks as state-backed institutions.

Negative Implications

- **Operational inefficiency:** Public ownership led to a "bureaucratic" culture characterized by red-tapism, slow decision-making, and a lack of customer-centricity.
- **Political interference:** Loan disbursement often influenced by political considerations rather than commercial viability.
- **Decline in profitability:** Banks moved from profit focus to social goals, which weakened their finances and led to repeated government recapitalisation.
- **Stifled innovation:** Lack of competition reduced incentives for technological and service improvements.

Conclusion and Way Forward

- The 1969 bank nationalisation expanded access to credit and promoted inclusive growth, but also led to inefficiency and political interference.
- Therefore, reforms should focus on stronger governance, digital banking, financial literacy, and regulatory oversight, while balancing social

goals with efficiency and considering greater bank autonomy or privatisation for better performance.

Source: IE

INDIAN SPACE SITUATIONAL AWARENESS REPORT 2025 (ISSAR-2025)

Context

- Recently, the **Indian Space Situational Awareness Report for 2025 (ISSAR-2025)** was **released by ISRO** during the inaugural session of the 2nd international conference on **Spacecraft Mission Operations (SMOPS-2026)** at Bengaluru.

Key Findings of ISSAR-2025

- **Rising Space Congestion:** Around 1.6 lakh close approach alerts globally, with over 1.5 lakh alerts for Indian satellites.
  - Growth of mega-constellations (Starlink, Kuiper, etc.) likely to further increase collision risks.
- **Collision Avoidance Measures (CAMs):** Total CAMs for Indian satellites include 14 manoeuvres (including NISAR mission) in Low Earth Orbit (LEO), 4 manoeuvres in Geostationary Orbit (GEO), and 2 special adjustments for Chandrayaan-2 Orbiter.
  - **Orbit manoeuvre optimisation** used to avoid dedicated CAMs wherever possible.
  - It reflects growing dependence on **Space Situational Awareness (SSA)** systems.
- **Record Space Activity in 2025: 328 launch attempts** (highest ever), and **315 successful launches;**
  - **4,198 operational satellites added;** and **total 4,651 new space objects added**
  - These show exponential increase in **space utilisation and commercialization**.
- **Atmospheric Re-entries: 1,911 objects re-entered** Earth's atmosphere in 2025 that include 1,002 spacecraft, 657 debris, 108 rocket bodies, and 144 unidentified.
  - It is lower than 2024 due to reduced de-orbiting, and lower solar activity.
- **Growth of Satellite Constellations:** Large constellations (e.g., **Starlink, Kuiper**) rapidly expanding. By the end of 2025, **9,396 Starlink satellites are still in orbit.**
  - **Active satellites may outnumber space debris**, increasing coordination complexity.
- **Solar Activity Impact:** Peak of **Solar Cycle 25** caused higher orbital decay rates, and increased early-year re-entries.

What is Space Debris?

- **Space debris** refers to **non-functional, human-made objects in outer space** that no longer serve any useful purpose but continue to orbit the Earth.
- It includes defunct satellites, spent rocket stages, fragments from collisions or explosions, and tiny particles (paint flakes, metal pieces, etc.).

Key Features

- Found mainly in **Low Earth Orbit (LEO)** and **Geostationary Orbit (GEO)**
- Travels at **very high speeds (≈7–8 km/s)**
- Even small fragments can **damage operational satellites**

Indian Space Scenario

- Total **144 Indian spacecraft launched** till 2025.
  - Operational satellites: 22 in LEO; and 31 in GEO
  - Active deep space missions: Chandrayaan-2 Orbiter; and Aditya-L1
- 5 launches from Sriharikota in 2025; NASA-ISRO (NISAR) successfully launched; PSLV-C61 failure (suborbital anomaly); SpaDeX mission demonstrated docking capability.

Implications for India and the World

- **Increasing Space Traffic Management Needs:** More satellites lead to higher collision probability, and active satellites **may outnumber debris.**
- **Threat to Critical Infrastructure:** Satellites support communication, navigation (NavIC), weather forecasting, and defence.
  - Any collision can disrupt essential services.
- **Kessler Syndrome Risk:** Increasing congestion may lead to **space traffic management challenges** and risk of **Kessler Syndrome**.
  - Cascade of collisions leading to **unusable orbital zones.**

India's Response and Preparedness

- **ISRO's Space Situational Awareness (SSA) Initiatives:** Network for Space Object Tracking and Analysis (NETRA) for continuous monitoring and risk mitigation.

- ISRO System for Safe and Sustainable Space Operations Management **(IS4OM)** as nodal SSA body.
- Indigenous radar & telescope systems under development.
- **Debris Free Space Mission (DFSM)** target: **debris-free missions by 2030**

- **Efficient Manoeuvre Planning:** Adjusting routine orbit corrections to avoid separate **Collision Avoidance Measures (CAMs)**; and optimizing fuel and mission life.
- ISRO engages with private actors, in synergy with the **Indian National Space Promotion and Authorisation Centre (IN-SPACe)**, for handholding and experience sharing for best practices related to spaceflight safety.
- **International Collaboration:** Data sharing with global agencies (e.g., US Space Command)
  - India participates in **Inter-Agency Space Debris Coordination Committee (IADC),** and UN space sustainability initiatives
  - Coordination with international agencies for **space safety**

Source: TH

NEWS IN SHORT

HARIVANSH SECURES THIRD TERM AS RS DEPUTY CHAIRMAN

In News

- Harivansh was elected unopposed as the Deputy Chairman of the Rajya Sabha for the third consecutive term.

Deputy Chairperson

- The Deputy Chairman is a constitutional position created under Article 89 of the Constitution, which specifies that Rajya Sabha shall choose one of its MPs to be the Deputy Chairman as often as the position becomes vacant.
  - The office becomes vacant either by resignation or removal from office or when the Rajya Sabha member's term gets over.
- **Procedure**: Any Rajya Sabha MP can nominate another member for Deputy Chairperson by moving a motion, which must be seconded by another MP. The nominee must also give written consent to serve if elected.
  - Each MP can move or second only one motion, and nominations must be submitted by the deadline.
- **Role**: The Deputy Chairperson of the Rajya Sabha is elected only by its members and is an important position that presides over the House in the absence of the Chairperson and helps ensure its smooth functioning.

Source :Air

GOVERNMENT EXPANDS COVERAGE OF RELIEF SCHEME

In News

- The Government has expanded the RELIEF scheme under the Export Promotion Mission to support Indian exporters affected by rising freight costs, insurance premiums, and maritime disruptions in West Asia.

Resilience & Logistics Intervention for Export Facilitation(RELIEF) Scheme

- The Government launched RELIEF in March 2026 to support Indian exporters facing higher freight costs, insurance premiums, and war-related trade disruptions in West Asia.
- It is implemented through ECGC and it provides insurance support, risk coverage, and reimbursement assistance, especially for MSME exporters, covering both past and future shipments.
- It covers consignments meant for delivery or trans-shipment to countries including the UAE, Saudi Arabia, Kuwait, Qatar, Oman, Bahrain, Iraq, Iran, Israel and Yemen.

Expansion

- The scheme has been expanded to include Egypt and Jordan as eligible destinations.
- It also clarifies that exporters with new ECGC Whole Turnover Policies from 16 March 2026 are eligible for support under Component II.

Source :PIB

NATIONAL FLOOR LEVEL MINIMUM WAGE (NFLMW)

In Context

- Recent factory worker unrest in Noida's industrial belt has accelerated Union Government efforts to revise India's **long-stagnant National Floor Level Minimum Wage (NFLMW)**, with proposals of ₹350–₹450/day currently under deliberation.

About National Floor Level Minimum Wage

- The NFLMW is a baseline wage threshold **set by the Union Government**, below which **no state can legally fix its minimum wage.**
- States must set their own rates at or above this floor, accounting for local skill levels, geography, and occupation.
- The concept originated from the **National Commission on Rural Labour (NCRL)**, **chaired by Jhinabhai Darjee (1991)**, which initially recommended it on a voluntary basis to reduce interstate wage disparities.
- The **Code on Wages, 2019 upgraded** it from an advisory guideline to a legally binding statutory floor.

Source: ET

INDIA'S FIRST WATER NEUTRAL COACHING DEPOT

News

- The Kankaria Coaching Depot in Ahmedabad has become India's first water-neutral railway depot by adopting innovative wastewater treatment and reuse systems.

Kankaria Coaching Depot : India's first water-neutral railway depot

- It saves around 1.60 lakh litres of water daily and about 5.84 crore litres annually, reducing dependence on freshwater.
- It uses **phytoremediation**, where plants help purify wastewater, followed by wetland treatment, carbon and sand filtration.
- The water is further cleaned using filtration and UV disinfection, making it safe for reuse in operations instead of being discharged.

Importance

- It reduces water consumption and operational costs while promoting environmental sustainability, serving as a model for greener and more efficient railway infrastructure in India.

Phytoremediation

- It is a process in which plants are used to clean contaminated soil, water, or groundwater by absorbing or breaking down pollutants like metals, pesticides, explosives, and oil.
- It works best in areas with low contamination, as high pollution levels can slow plant growth.

Source :DD

STATE OF INDIA'S BATS, 2024-25 REPORT

Context

- The first-ever national assessment titled *"State of India's Bats, 2024–25"* has been released by the Nature Conservation Foundation, in collaboration with Bat Conservation International, World Wide Fund for Nature, and the Centre for Wildlife Studies, highlighting the status, diversity, and threats to bats in India.

Key Findings

- **Geographical Distribution:** India hosts around 135 bat species. West Bengal leads with 68 bat species, followed by 66 in Meghalaya, 52 in Uttarakhand 41 each in Kerala and Karnataka and 43 in Sikkim, denoting diversity.
  - Among cities, Delhi had 15 bat species, despite pressures of urbanisation.
- Endemism & Threat Status:
  - 16 species are endemic to India
  - 7 species are listed as threatened by the IUCN
  - 35 species are either Data Deficient or not assessed
- **Major Threats:** Urbanisation, deforestation, land-use change and climate change impacts.
- The report has also recommended stepping up surveillance of pathogens in Northeast India and Western Ghats to prevent zoonotic disease outbreaks, and called for more studies on the impacts of environmental pollution on bats.

Key Facts about Bats

- Bats are mammals belonging to the **order Chiroptera and are the only mammals capable of sustained powered flight**, with wings made of stretched skin over elongated finger bones.

- There are over 1,400 species of bats worldwide, constituting about **20% of all mammal species.** They inhabit almost every continent except Antarctica, thriving mainly in tropical regions.
- Bats are **crucial for ecosystems as pollinators** for many plants, agents of seed dispersal, and natural controllers of insect populations, including agricultural pests.
- **Most bats use echolocation**—high-frequency sound waves—for navigation and hunting in the dark, a unique adaptation that allows them to exploit nocturnal ecological niches effectively.
- **Unlike birds, bats cannot take off from the ground easily**; they hang upside down to launch into flight. They rest during daytime, often in caves or hollow trees, forming colonies that can range widely in size.
- The **Indian flying fox (Pteropus giganteus) is among the largest bats in India** and a critical species for pollination and ecosystem health.
- Bats are known **reservoirs of numerous viruses**, including coronaviruses, Nipah virus, and Ebola, yet they exhibit remarkable immunity and longevity which is a subject of scientific research.

Source: IE

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