

FINDER

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Reforms 3.0 — towards the Bharat rate of growth

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 3
Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

1. Why is AI considered India's next major growth opportunity?

- AI is **projected to help India achieve 8%+ annual GDP growth**, similar to the impact of the 1991 economic liberalisation.
- India has **already demonstrated digital transformation through Aadhaar (1.38 billion enrollments), UPI (250 billion annual transactions worth \$3.4 trillion) and Reliance Jio's affordable data revolution.**
- AI **can replicate the success of Digital Public Infrastructure (DPI)** by making AI tokens as affordable as mobile data.
- India currently **spends only 0.65% of GDP on R&D, much lower than China (2.4%), the US (3.5%), South Korea (4.9%) and Israel (5.4%).**
- AI is viewed as a strategic investment capable of transforming productivity, innovation, and economic growth.

2. What measures are proposed to make AI widely accessible in India?

- Subsidise AI tokens for leading research institutions, universities, and schools.**

AI tokens are the basic units of text processed by Large Language Models (LLMs) and are used to measure AI computing (inference) usage.

- Finance AI access through subsidy reallocation.**

- Use cross-subsidisation from enterprise AI services** to support free educational access.
- Establish public-private partnerships with AWS, Google and Microsoft** in exchange of power incentives and data sovereignty assurances.
- Create a regulatory environment** that reduces AI costs.
- Promote AI literacy and research through free AI access.

3. Why is sovereign AI infrastructure and open-source AI important?

- India **should host and operate its own Large Language Models (LLMs) instead of relying solely on foreign Application Programming Interface (APIs).**

- Application Programming Interface:** It allows different software applications to communicate with each other. In AI, APIs let users access AI models hosted by companies without running the models themselves.
- Large Language Model:** A type of artificial intelligence model trained on vast amounts of text to understand and generate human-like language (e.g., GPT, Llama, Qwen, DeepSeek).

- Reduces dependence on foreign AI platforms.**
- Strengthens data sovereignty** and national security.
- Enables AI models tailored to Indic languages** and local needs.
- Improves transparency** through open-source models.
- Builds domestic expertise in hosting** and operating large language models.

4. What is the proposed way forward for India's AI ecosystem?

- Announce a National AI Token Policy** with implementation over 24 months.

- Initially **provide AI tokens** to the top 20 IITs and IISc, then expand to 500 startups, 100 universities, and 500 schools across 10 States.
- Expand AI deployment to healthcare, agriculture, judiciary, education, and all 22 scheduled languages**, with full rollout across 5,000 schools.
- Position India among the global top five AI token consumers**, develop globally competitive AI models and enable the growth of 10,000+ AI-native startups.

Preparing India for China's missile challenge

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 3
Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology and issues relating to intellectual property rights.

1. Why is China's missile superiority a concern for India?

- China **has deployed 200+ conventional missile launchers** opposite India.
- Missiles **can cripple critical infrastructure without a full-scale war**.
- China **uses missiles for political coercion as well as war-fighting**.
- Missile **strikes could force India to fight a border war and a deep-strike campaign simultaneously**.
- Long-range missiles reduce the strategic advantage of the Himalayas**.

2. What are China's key missile capabilities?

- Missile bases at **Korla and Kunming can target India**.
- DF-15B, DF-16 & DF-21C are China's ballistic missile series meant for border military targets. (DF – Dong Feng, meaning "East Wind").
- DF-100 & CJ-1000 are hypersonic missiles. (CJ – Chang Jian, meaning "Long Sword").
- The **PLA Rocket Force integrates missiles for strategic and operational warfare**.
- China has reliable long-range strike capability across Tibet.

3. Why does India need a Rocket Force?

- India **currently has no dedicated Rocket Force**.
- It **would create mutual vulnerability**, strengthening deterrence.
- It **can target the PLA Western Theatre Command (WTC)**.
- It should function under the Chief of Defence Staff (CDS).
- It **requires expansion of Agni variants, MRBMs/IRBMs, and hypersonic missiles**.

4. What reforms and interim measures are needed?

- Adopt a counter-value conventional missile strategy** and unified target list.
- Increase private sector participation** alongside DRDO.
- Invest in indigenous propulsion systems, semiconductors**, and advanced materials.
- Disperse** and harden IAF airbases.
- Strengthen air-defence deployment**.
- Expand satellite surveillance and long-range strike capability** against DF-26 launchers and targets in Tibet/Xinjiang.

On the delay in India-U.S. trade deal

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 2
Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

1. Why was the BTA (Bilateral Trade Agreement) delayed?

- India and the U.S., led by Narendra Modi and Donald Trump, announced a **BTA in February 2025**, aiming for completion by **Fall 2025(Autumn season in the U.S.)**, but expectations shifted to only a **first tranche**.
- Talks intensified after the U.S. announced '**Liberation Day**' **reciprocal tariffs** (later paused for 90 days).

'Liberation Day' : term used by the U.S. administration to describe a policy move announcing reciprocal tariffs on imports to "liberate" American trade from perceived unfair practice

- Major sticking points:
 - India's reluctance to **open agriculture and dairy sectors**.
 - India's **continued Russian oil imports**.
- In **July-August 2025**, the U.S. imposed **25% tariffs**, later increased to **50%**, freezing talks until **October 2025**.

2. What is the interim deal?

- In **February 2026**, both sides signed a **framework agreement** (not the final deal).
- Piyush Goyal (Minister of Commerce and Industry of India) expressed confidence of completion by **April-early May 2026**.
- Key provisions:
 - U.S. to **reduce tariffs to 18%** on Indian imports.
 - Preferential market access** in key sectors.

3. Why has the interim deal been delayed?

- The **U.S. Supreme Court** invalidated the **reciprocal tariff system** (a system where countries impose matching tariffs on each other's imports), ruling that:
 - The **International Emergency Economic Powers Act (IEEPA)** does not authorize such tariffs.
 - This **undermined the legal basis** of the negotiations.
- Policy uncertainty increased:
 - A **10% flat tariff** (Trade Act, 1974) was introduced temporarily.
 - Proposed increase to **15% was not implemented**.
- The **U.S. Court of International Trade** termed these tariffs illegal, but an **appeals court stay** prolonged uncertainty.

4. What fresh investigations added uncertainty?

- In **March 2026**, the **U.S. Trade Representative (USTR)** initiated **Section 301 investigations** under the Trade Act.
- Two major investigations involving India:
 - (a) Excess Capacity Investigation**
 - Target: **16 economies including India**.
 - Objective: Examine whether countries are **exporting excess manufactured goods** harming U.S. industries.
 - (b) Forced Labour Investigation**
 - Target: **60 countries including India**.
 - Objective: Assess whether countries have taken **adequate steps to block imports of goods made using forced labour**.
- In **June 2026**, the U.S. proposed a **12.5% tariff on 54 countries**, including India, for not adequately preventing imports made using forced labour (not a direct accusation).
- India remains committed but insists on **clear tariff advantage and resolution of uncertainties** before finalising the deal.
- A **stable and legally consistent U.S. tariff regime, along with mutual flexibility on sensitive sectors, is essential to conclude a balanced and time-bound trade agreement**

What India's 12 'operationally deployed' nuclear warheads really mean

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 3
Science and Technology- developments and their applications and effects in everyday life.

1. What did the SIPRI report say about India's nuclear arsenal?

- The **Stockholm International Peace Research Institute (SIPRI)** Yearbook (June 2026) reported that **12 out of India's 190 nuclear warheads are now operationally deployed**.
- "Operationally deployed" means warheads are **mated with delivery systems and positioned with active forces**.

- This is the **first time SIPRI has classified part of India's arsenal as deployed**.
- However, this does **not indicate a shift to first use or lowering of nuclear threshold**, but reflects **greater operational readiness**.

2. What is India's nuclear doctrine and NFU policy?

- India follows a **'No First Use' (NFU)** doctrine, reaffirmed by diplomat Sibi George at the UN in **September 2025**.
- NFU means India will **not initiate a nuclear strike**, but will **retaliate massively if attacked**.
- It is based on **credible minimum deterrence**.
- Core requirement: **Second-strike capability**
 - ➔ Ability to **survive a first nuclear attack and retaliate effectively**.
- Despite some internal debates, **India has not shifted to a first-use posture**.

3. What is the difference between stockpile and deployment?

- **Stockpile:**
 - ➔ Total number of nuclear warheads possessed.
 - ➔ India traditionally kept warheads **de-mated (separate from delivery systems)**.
 - ➔ Ensures **safety, civilian control, and restraint**.
- **Deployment:**
 - ➔ Warheads are **mated with missiles/aircraft/submarines and kept ready**.
 - ➔ Enables **faster launch if authorised**.
- SIPRI's finding means:
 - ➔ A **small portion (12 warheads)** is now in **ready-to-use configuration**.
 - ➔ Linked to:
 - ✍ Nuclear triad maturation
 - ✍ Arihant-class nuclear submarines
 - ✍ Canisterised Agni missiles (pre-fuelled, quick launch)

4. Why is this development significant (India & global context)?

- Strengthens India's **second-strike capability**, especially via **sea-based deterrence (SSBNs)**.

SSBN - Ship Submersible Ballistic Nuclear refers to a **nuclear-powered submarine equipped with ballistic missiles carrying nuclear warheads**.

- Submarines are **hard to detect**, ensuring survivability compared to land-based missiles.
- With **3 operational SSBNs**, India can keep **at least one on patrol**, closing NFU vulnerability.
- SIPRI global context:
 - ➔ About **12,187 nuclear warheads worldwide (2026)**.
 - ➔ **China: 620 warheads**, fastest growing arsenal.
- India's focus on **long-range systems targeting China**, while also deterring Pakistan.
- **India should continue strengthening credible minimum deterrence while actively supporting global arms-control efforts and confidence-building measures to reduce nuclear risks.**

KEYWORDS

Leader of the Opposition in the Rajya Sabha

- Leader of the Opposition in the Rajya Sabha is the **leader of the largest opposition party in the House that is formally recognized by the Chairman of the Rajya Sabha** (the Vice-President of India).
- The **post has statutory status under the Salary and Allowances of Leaders of Opposition in Parliament Act, 1977** and enjoys the rank of a Cabinet Minister.
- The **LoP plays a key role in scrutinising government policies, leading opposition debates, and ensuring executive accountability in the Rajya Sabha**.
- By convention, the **opposition party should have at least 10% of the total strength of the House for its leader to be recognized as the LoP**.

Producer Price Index (PPI)

- India released Producer Price Index (PPI) data for goods and services for the first time, initiating a 5-year phase-out of the Wholesale Price Index (WPI).
- Producer Price Index (PPI) measures the average change in prices received by producers for goods and services sold in domestic and export markets.
- It is released by the Office of the Economic Adviser (OEA) under the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, with 2022–23 as its base year.
- PPI includes both Output PPI (prices of goods/services leaving production) and Input PPI (prices of inputs entering production).
- It measures producer-level inflation by excluding indirect taxes, trade margins, and transportation costs from the price.
- It provides an early indication of inflationary pressures before higher production costs are passed on to consumers.

Fully Accessible Route (FAR)

- The Fully Accessible Route (FAR) is in the news following recent policy discussions aimed at deepening India's bond market, including measures such as tax-related incentives on specified Government securities to attract foreign inflows.
- Introduced by the RBI, the FAR allows non-resident investors (FPIs) to invest in specified Government of India dated securities (G-Secs) without any quantitative investment ceilings.
- FAR provides unrestricted access (no caps on investment amount) for eligible sovereign securities, making them fully open to global investors.
- FAR is exclusively applicable to Government of India dated securities and does not extend to corporate bonds, which remain under separate FPI regulatory limits.
- It supports the internationalisation of the Indian rupee, enables global bond index inclusion, and helps reduce government borrowing costs by widening the investor base.

Species in News**White-rumped Vulture**

- The White-rumped Vulture (*Gyps bengalensis*), also known as the Indian White-backed Vulture, is a small Old World vulture native to South and Southeast Asia.
- It is a scavenger that feeds mainly on animal carcasses and locates food by soaring high and observing other scavengers.
- The species is found across Pakistan, India, Bangladesh, Nepal, Bhutan, Myanmar, Thailand, Laos, Cambodia, and southern Vietnam, inhabiting mainly plains, villages, and cultivated areas.
- Its population has crashed from several million in the 1980s to fewer than 6,000 mature individuals, primarily due to poisoning from the veterinary drug diclofenac.
- The White-rumped Vulture is listed as Critically Endangered on the International Union for Conservation of Nature Red List.



Places in news

Tsamkani (Chamkani/Samkani)

- The district recently witnessed **deadly cross-border military strikes by Pakistan**, reportedly causing **civilian casualties and militant deaths**, drawing international attention.
- Tsamkani is a district and its main town in **Paktia Province, eastern Afghanistan**, situated along the **Durand Line**.
- Located at about **1,700 meters elevation** in the **Hindu Kush foothills**, the rugged terrain limits agriculture and state control while offering natural cover for **non-state actors**.
- The region is mainly inhabited by the **Chamkani Pashtun tribe**, part of the **Ghilzai confederation**, with strong **cross-border kinship ties** and adherence to **Pashtunwali**, often overriding state authority.
- It is a **security flashpoint in Afghanistan-Pakistan relations**, with Pakistan alleging militant presence targeting its territory, while Afghan authorities **reject these claims**.

