

CURRENT AFFAIRS

UPSC CSE 2026



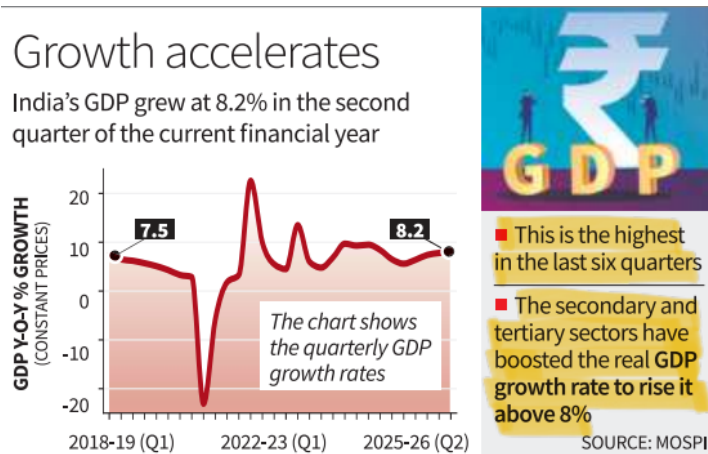
**DAILY CURRENT
AFFAIRS NOTES**

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India posts 8.2% Q2 GDP growth, tops six quarters

- Data released by the **Ministry of Statistics and Programme Implementation** shows that although **real GDP growth** has been higher than expected, the **nominal growth rate of 8.7%** indicates that **economic activity is still subdued**.
- The **sharply higher-than-expected 2Q FY26 GDP** was broad-based but came on the back of a **very low deflator**. **Single-digit nominal GDP growth** continues to signal **tepid underlying activity**.
- The **lower nominal GDP growth** would make it more difficult for the government to achieve its **fiscal deficit target of 4.4%**, which had been pegged to a **nominal growth of 10.1%**.
- The GDP figures are **disappointing** due to the performance of **capital investment** and the use of a **low GDP deflator**. There has been **no upswing in Gross Fixed Capital Formation**, and high GDP growth rates are **not sustainable** without renewed momentum in **private investment**.
- The **unrealistically low GDP deflator**, implying **inflation of only 0.5%**, is at complete variance with the experience of households facing **crushing price rise**.
- **Index of Industrial Production** and **Consumer Price Index** both have a **base year of 2011-12**. IMF said India's **CPI received a grade 'B' instead of 'A'** due to outdated base year. **Outdated base year** and high **weightage of food in CPI** have prevented India from accurately capturing **price movements**, impairing the **RBI's monetary policy**.
- The biggest issue with national accounts statistics is the **inability to accurately capture the informal sector**. The **informal sector** is difficult to quantify because it consists of **unregistered and cash-based entities**.
- A more accurate estimate of the informal sector would materially impact the **growth rate**, the **size of the economy**, and provide insight into **how the bulk of India's population is doing**.
- India's national accounts estimation has improved, with the **2011-12 series** including granular data from the corporate sector via the **MCA-21 database**, replacing the Annual Survey of Industries. The proposed **inclusion of GST data** in GDP estimation in next year's series is described as a **welcome improvement**.



India's disaster response, a slippery slope for federalism

- India's **disaster-response financing framework**, established under the **Disaster Management Act, 2005**, faces concerns of **central control**, **outdated norms**, **ambiguity**, and **procedural delays**, highlighted recently through the **Wayanad episode**.

Two-tier Disaster-Response Financing Structure

- **State Disaster Response Fund (SDRF)**, financed jointly by the Centre and States in a **75:25 ratio, 90:10** for Himalayan and north-eastern States, provides **immediate relief** for shelter, food, medical care and compensation.
- **National Disaster Response Fund (NDRF)**, fully funded by the Union government, supplements SDRF when a calamity is **classified as severe**. In practice, the framework has **drifted towards central control**.

Key Flaws in the System

- **Relief norms are outdated and rigid**: Compensation ceilings — **₹4 lakh** for each life lost and **₹1.2 lakh** for a fully damaged house — have barely changed in a decade. These amounts meet **subsistence needs** but not **reconstruction costs**, leaving States fiscally exposed.
- **Ambiguity in classification**: The Act does **not define** what constitutes a **'severe' disaster**, allowing wide discretion in eligibility for NDRF aid.
- **Aid releases are procedural, not automatic**: Depend on sequential clearances, State memorandum, central assessment and high-level approval, causing delays when **urgency matters the most**.

- **Finance Commission's allocation criteria are weak:** Use of **population** and **total geographical area** ignores actual hazard patterns. Disaster vulnerability is **proxied by poverty** rather than a disaster-risk index, producing **misaligned allocations**.

Wayanad Episode and Broader Issues

- Centre cited Kerala's **unspent SDRF balance of ₹780 crore** and an earlier **₹529 crore interest-free loan** to justify cutting aid. These balances often reflect **committed works**, not idle funds.
- SDRF instalments arrive **late in the fiscal year**, while disasters are seasonal, creating **temporary balances**. SDRF rules restrict spending to **immediate relief**, forcing States to retain reserves.
- Centre **delayed classifying** the Wayanad landslides as a **severe disaster**, limiting access to higher NDRF support.
- States such as **Himachal Pradesh, Uttarakhand, and Assam** received larger packages for comparable calamities.
- Similar mismatches marked **Tamil Nadu after Cyclone Gaja (2018)** and **Karnataka during the 2019 floods**.
- Reveals **procedural rigidity**, slow approvals, and widening gaps between losses and aid where **cooperative federalism** yields to **bureaucratic negotiation**.

Learning from Global Practices

- Many countries use **data-driven, transparent disaster financing**:
 - **FEMA (United States)** applies per capita damage thresholds.
 - **Mexico's FONDEN** released funds automatically when rainfall or wind limits were exceeded.
 - **Philippines** triggers quick-response funds through rainfall and fatality indices.
 - **African and Caribbean insurance facilities** use satellite data for rapid payouts.
 - **Australia** links federal aid to a state's relief spending relative to revenue.
- These systems replace **discretion with clear rules**, showing relief can be **swift and accountable**.
- India could adopt objective triggers such as **rainfall intensity, fatalities per million, or loss-to-GSDP ratio**.

Rebuilding the Federal Spirit

- The **Sixteenth Finance Commission** can update **relief norms**, revise **allocation criteria** using a vulnerability index, and ensure assistance remains **grant-based** rather than **debt-based**.
- States must have **operational control** over their disaster funds, with the Union's role confined to **post-audit verification** instead of prior approval.
- A **rules-based** system will serve governments and citizens better than one mired in **procedural red tape**.

Tense waters

- China has claimed that **Japan is planning to deploy missiles on Yonaguni island near Taiwan**, calling it "**an extremely dangerous move**".
- **Chinese Coast Guard vessels** are patrolling the waters around the **Diaoyu/Senkaku Islands** in the East China Sea, which Japan says **violate its territorial waters**.
- China has warned that **any Japanese military intervention in Taiwan would be treated as an act of aggression**.
- Japan's **colonial legacy** still casts a long shadow over the region. From **1895 to 1945**, Taiwan lived under **Japanese occupation** following the **Treaty of Shimonoseki**.
- Japan's **brutal occupation of parts of China** left wounds that remain raw in **Chinese collective memory**.
- Taiwan was **returned to Chinese control** after Japan's defeat in the Second World War.
- Taiwan became a **separate administrative entity** when the Kuomintang retreated there after the **communist revolution of 1949**.
- Although Taiwan has been **self-ruled ever since**, China considers it a **core sovereignty issue**, a position acknowledged by most countries, including the U.S., under the **One-China policy**. For decades, the **status quo** helped preserve the Taiwan Strait.

India launches 'Operation Sagar Bandhu' to provide relief supplies to Sri Lanka

- India launched "**Operation Sagar Bandhu**" to assist **Sri Lanka** in its hour of crisis, with the first tranche of relief materials transported by **INS Vikrant** and **INS Udaygiri**.

- Guided by India's **Neighbourhood First policy** and **Vision MAHASAGAR**, India continues to stand firmly with Sri Lanka in its hour of need.
- PM had announced **MAHASAGAR (Mutual And Holistic Advancement for Security and Growth Across Regions)** during his visit to Mauritius in March.
- **INS Vikrant**, India's first indigenous aircraft carrier, and **INS Udaygiri**, the latest indigenous stealth frigate, are in Sri Lanka to participate in a **three-day International Fleet Review (IFR)**.

Delay in getting syntactic foam hits Samudrayaan

- A crucial set of tests on the **Samudrayaan**, India's **first manned-submersible dive**, is likely only mid-next year due to a **delay in procuring syntactic foam cladding from France**.
- The Samudrayaan consists of a **sphere capable of plunging to 6,000 metres** into the ocean.
- Only a **handful of countries** have dived to comparable depths.
- A **crew of three** will man the submersible, which will **descend to the ocean floor**, scour it, and collect **soil and rock samples**.
- The mission is pivotal to India's **future exploration plans to mine precious metals from the high seas**.
- Scientists from the **National Institute of Ocean Technology (NIOT), Chennai**, have built a **steel replica** of the submersible to be used as a **simulator** for all required tests before the final mission.
- The Ministry of Earth Sciences said the syntactic foam **should be delivered by the end of the year**. Once these tests are done, the **final titanium hull** will make the **6,000-metre dive**.
- The **Indian Space Research Organisation** is making **two titanium hulls** for NIOT.

Navy to hold International Fleet Review in Visakhapatnam in Feb.

- The exercise seeks to reinforce the themes of being **"United through Oceans"** and strengthening **"Bridges of Friendship"**.
- Commander at **INS Agrani**, said India last conducted an **IFR in 2001** to mark **50 years of the Republic**, and the **2026 edition coincides with the 75th anniversary**.
- He said the **maritime domain** had become central to India's **foreign policy and strategic outreach**.
- With threats such as **piracy, climate change, illegal fishing, and economic inequality** growing, **multilateralism** had become indispensable to **collective security and sustainable growth**.
- Maritime challenges **transcend borders**, making **collaboration essential**.
- India has positioned the **Navy as a key architect of multilateral engagement**.
- India's efforts to strengthen **regional maritime capacities** include gifting platforms such as a **corvette to Vietnam, fast interceptor craft to Mozambique, and commissioning a Maritime Rescue Coordination Centre in Sri Lanka**.
- Navy participates in **nearly 20 bilateral exercises** including **SIMBEX, Varuna, and CORPAT**, and multilateral engagements such as **QUAD, MILAN, Malabar, and Konkan**.
- Institutions such as the **Indian Ocean Naval Symposium**, launched in **2008**, have evolved into platforms for **dialogue, coordination, and cooperative security planning**.

WHO calls on countries to make fertility care safer and affordable

- The **World Health Organization (WHO)** has called on countries to make **fertility care safer, fairer, and more affordable for all** in its **first-ever global guideline** for the prevention, diagnosis, and treatment of infertility.
- The guideline includes **40 recommendations** to strengthen the **prevention, diagnosis, and treatment** of infertility.
- It promotes **cost-effective options** at every stage and advocates for the **integration of fertility care into national health strategies, services, and financing**.
- It stresses the need to tackle **leading risk factors** for infertility, including **untreated sexually transmitted infections and tobacco use**.
- **Lifestyle interventions** such as **healthy diet, physical activity, and tobacco cessation** are recommended for individuals and couples planning or attempting pregnancy.

- In some settings, a **single round of IVF can cost double the average annual household income**. Guidelines provide guidance on **effective clinical management of infertility** and call for **increased investment in prevention measures**.
- Prevention measures include dissemination of **information on fertility and infertility** in **schools, primary healthcare, and reproductive health facilities**.
- The guidelines emphasise the need to ensure **ongoing access to psychosocial support** for all those affected.

RBI issues final norms for digital banking channels

- The **Reserve Bank of India (RBI)** issued **final guidelines for digital banking channels**, making it mandatory for banks to obtain **explicit customer consent** for providing digital banking services, which must be **recorded/documented**.
- Banks **cannot make it mandatory** for customers to opt for any **digital banking channel** to avail facilities like **debit cards**.
- It is clarified that banks can continue to **obtain and record mobile numbers** of customers to send **transaction alerts** and for **KYC requirements**.
- Banks must put in place **risk mitigation measures** such as **transaction limits** (per transaction, daily, weekly, monthly), **transaction velocity limits**, and **fraud checks**, depending on their risk perception.
- Banks shall ensure continuous compliance with instructions issued by **DPSS under the Payment and Settlement Systems Act, 2007**.