

The Hindu Important News Articles & Editorial For UPSC CSE

Saturday, 01 Feb, 2025

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—It's about quality—

The Economic Survey 2024-25 highlights India's growth prospects, investment challenges, and the need for deregulation.

Economy's fundamentals robust amid 'strong downsides': Survey

Urban demand trends mixed; green shoots seen in capital formation'

Survey prescribes deregulation, and ways to bridge trust deficit

It says estimated growth will not suffice for Viksit Bharat aspiration

Vikas Dhoot
NEW DELHI

India's economy is expected to grow in the range of 6.3% and 6.8% in 2025-26 from an estimated 6.4% this year, according to the Economic Survey for 2024-25, tabled in Parliament on Friday. It noted that the fundamentals of the domestic economy remain robust, with upsides to investment, output, and disinflation in the coming year, peppered by "equally strong, prominently extraneous, downsides".

While conceding that urban demand remains uncertain, with "mixed trends" even in the third quarter of this year, and that government capex has slowed down, the Survey attributed "subdued" private sector investment growth so far this year to the "domestic political timetable, global uncertainties and overcapacities". However, it asserted that the slowdown in investment activity is "likely temporary", claiming that "green shoots" are visible in capital formation.

Noting that its growth estimates are in line with the International Monetary Fund's projection of about 6.5% growth for India between 2025-26 and 2029-30, the Survey acknowledged that this will not suffice for the aspiration to become a developed country by 2047.

The goal of a 'Viksit Bharat' in the 100th year of independence, the Survey's authors emphasised, will require about 8% growth for at least a decade – with

Slow but still steady

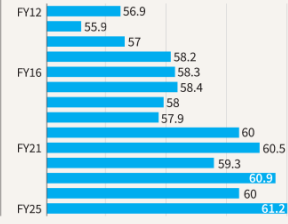
The Economic Survey expects rural demand will stay strong, it says investment slowdown is "likely to be temporary"

India unperturbed
Despite global uncertainty, the Economic Survey expects India's growth to remain close to its decadal average



Private consumption to peak

Private consumption as a % of GDP is estimated to increase to 61.8% in FY25 (full year), the highest since FY03. Graph shows data only for first half of each year



An indictment Centre's policies, says Congress

NEW DELHI
The Economic Survey is a "powerful indictment" of the economic policies pursued by the Narendra Modi-led Union government, Congress leaders said on Friday. Congress president Mallikarjun Kharge said the survey had shown the "mirror of truth" to the government. » PAGE 5

the investment rate rising from the current rate of 31% of GDP to 35% of GDP – and laid out a policy action agenda to exceed the current growth trajectory.

Deregulation stimulus
Stressing that globalisation is in retreat with a reversion to Cold War-era geopolitics, the Survey called for a greater focus on the domestic drivers of the economy as the external trade tides that have been lifting emerging economies in recent decades begin to ebb.

Indigenisation an 'urgent task' for India's EV sector

NEW DELHI
India will need to focus on indigenisation of raw materials and technology as an "urgent task" and be cautious over imports to achieve transition to electric mobility, even as the global automobile industry looks to reduce its dependence on China, the Economic Survey said. » PAGE 6

Raising India's growth average in the next two decades will require reaping the demographic dividend through a deregulation stimulus, Chief Economic Adviser V. Anantha Nageswaran said in his preface to the Survey, invoking the Spartans' apparent belief that "the more you sweat in peace, the less you bleed in war" as a clarion call for urgent action.

"This Economic Survey is all about that, or so we would like to believe," he noted, cautioning that a 'business as usual' ap-

'Work culture in office affecting mental health'

NEW DELHI
The Economic Survey 2024-25, tabled by Finance Minister Nirmala Sitharaman, highlighted that overwork, hostile work cultures, and lifestyle factors like social media and lack of exercise are worsening mental health, affecting productivity and economic growth. » PAGE 7

proach carries a high risk of economic growth stagnation, if not economic stagnation, for the country.

The Survey's prescription for the government to achieve this entails 'getting out of the way' and allowing businesses to focus on their core mission, terming this a compulsion and not an option.

'Stop micromanaging'

It also advises governments to foster ways to bridge the 'trust deficit' between authorities and the people at large, and

among India's close-knit and kinship-based communities.

"The most effective policies governments – Union and States – in the country can embrace is to give entrepreneurs and households back their time and mental bandwidth. That means rolling back regulation significantly. That means vowing and acting to stop micromanaging economic activity and embracing risk-based regulations," Mr. Nageswaran averred, adding that the operating principle of regulations must move from 'guilty until proven innocent' to 'innocent until proven guilty'.

India's communities have a high trust quotient 'within but low without', which inhibits scale and also gives rise to elaborate verification, compliance, and reporting requirements, the CEA remarked.

He added that a large chunk of complicated red tape is also driven by some businesses working to keep their competition out at the cost of the economy.

"But, 'get out of the way' and trust people, we must, for we have no other choice... Yes, trust is a two-way street and the non-government actors in the economy have to vindicate the trust reposed... Nonetheless, wiping out the trust deficit in the country is imperative and government agencies have to set the agenda," the CEA's preface underlined.

A PRAGMATIC PICTURE

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Economic Growth Projections

- ▶ India's economy is expected to grow between 6.3% and 6.8% in 2025-26, slightly higher than the estimated 6.4% this year.
- ▶ The Economic Survey acknowledges strong economic fundamentals but also highlights external risks affecting investment and output.
- ▶ Private sector investment growth has been subdued due to political uncertainties, global challenges, and overcapacity in some industries.

Challenges in Achieving 'Viksit Bharat'

- ▶ India aims to become a developed nation (Viksit Bharat) by 2047, but achieving this requires a consistent 8% GDP growth for at least a decade.
- ▶ The investment rate must increase from the current 31% of GDP to 35% of GDP to sustain high growth.

Focus on Domestic Growth Drivers

- ▶ With global trade slowing due to geopolitical tensions, India must rely more on domestic economic drivers.
- ▶ The Survey suggests that deregulation is crucial for boosting investment and economic expansion.

Reducing Government Control

- ▶ The government should reduce excessive regulations and micromanagement to create a business-friendly environment.
- ▶ Simplifying compliance processes and reducing bureaucratic delays will help businesses focus on growth.

Building Trust in the Economy

- ▶ The Survey emphasizes the need to bridge the trust gap between government authorities, businesses, and citizens.
- ▶ Excessive regulations often favor big businesses, creating unfair competition and harming overall economic progress.
- ▶ The government must trust businesses and individuals to drive economic activities effectively.

A 40-million-year-old whale ancestor fossil was stolen from Meghalaya, prompting police investigation and concerns over its preservation.

40-million-year-old whale fossil stolen in Meghalaya; hope to retrieve it soon: CM

The Hindu Bureau

GUWAHATI

Meghalaya Chief Minister Conrad K. Sangma on Friday hoped a portion of a 40-million-year-old bone of a whale ancestor stolen a few days ago would be retrieved soon.

The residents of Tolegre village in the State's South Garo Hills district reported the theft from the cave where it was discovered and filed a first information report at the local police station on January 27.

"It is unfortunate that this has happened. The police are conducting an inquiry and we hope the piece of the fossil, a significant palaeontological discovery, is retrieved soon," the Chief Minister said, admitting that the govern-



The fossil was cut and removed from a cave. SPECIAL ARRANGEMENT

ment faced challenges in taking control of the area for better protection and management of the fossil.

"The land is under the Nokma (custodian of Garo tribal clan land) and the government would have been blamed for using force had we pressed harder. We provided security in the area to a certain extent. We hope the villagers cooperate after this incident and

let the Geological Survey of India (GSI) specialists continue excavating and examining the fossil," he said.

'Serious loss'

The area falls under the Rongara-Siju Assembly constituency represented by Meghalaya's Education Minister, Rakkam A. Sangma. "The fossil was cut and removed from the cave deep in the jungle. This is a

serious loss for the State and the country," he said.

Three speleologists of the non-profit Core Geo Expeditions - Tudor Tamas, Milton Sangma, and Salban Manda - announced the discovery of the fossil belonging to an evolutionary ancestor of the modern whale in February 2024.

The fossil is believed to belong to either of the two genera of Palaeogene whales - Rodhocetus or Ambulocetus.

This was discovered less than a year after researchers from the Geological Survey of India's (GSI) Palaeontology Division identified fossilised bone fragments of sauropod dinosaurs dating back to about 100 million years from Meghalaya's West Khasi Hills district.

Analysis of the news:

- ➔ The fossil is believed to be around 40 million years old and belongs to an ancestor of modern whales.
- ➔ It was discovered in a cave in Tolegre village, located in Meghalaya's South Garo Hills district.

- The fossil is thought to belong to either Rodhocetus or Ambulocetus, both genera of Palaeogene whales.
- The discovery was announced in February 2024 by three speleologists from Core Geo Expeditions.
- It represents an important palaeontological find, shedding light on the evolution of whales.
- The Meghalaya government aims to protect and study the fossil with Geological Survey of India (GSI) specialists.
- The fossil was stolen in January 2024, leading to a police investigation..



A study highlights India's tiger population growth by 30% over 20 years, driven by effective conservation strategies, legislative support, and socio-economic factors.

'India's tiger population rose 30% over two decades'

Hemanth C.S.
BENGALURU

A new study found that the tiger population in India had increased by 30% over the past two decades.

The study, published in *Science*, was led by senior scientist Yadvendradev Jhala and colleagues. It explored the socio-ecological factors that had enabled tiger recovery and persistence despite high human densities and economic challenges amid rapid urbanisation.

Meticulous balance
"They found that the tiger population in India has in-

creased by 30% over the past two decades. This demonstrates the remarkable success achieved through a meticulous balance of scientific strategies and a strategic blend of land-sharing and land-sparing," the National Centre for Biological Sciences (NCBS) said.

It added that despite harbouring the highest human population residing in economically diverse regions, India has achieved significant success in conserving wildlife, even as global wildlife populations have declined by 73%.

"Protected areas, devoid of humans, through



land sparing have allowed sustenance of 85% of breeding populations. These source populations facilitated through corridors and sustainable land-use practices have enabled tigers to disperse and expand into multi-use for-

ests. Tigers now coexist with over 66 million people, proving coexistence possible," said Mr. Jhala.

Legislative framework
The study stated that India's tiger recovery has strengthened due to a

strong legislative framework, including the Wildlife Protection Act, Forest Conservation Act, and the National Tiger Conservation Authority.

"Beyond ecological factors, economic prosperity and cultural values have influenced tiger persistence, recovery and colonisation. Regions with lower dependence on forest resources and better socio-economic conditions have witnessed higher tiger recolonisation rates. Conversely, areas with high poverty, and armed conflict such as in Naxal-affected parts of Chhattisgarh, and Jharkhand – have experienced

tiger decline," it added. "While India's tiger recovery is an extraordinary achievement, challenges remain. Large tracts of potential tiger habitat – spanning 157,000 sq km – are still devoid of tigers due to socio-political instability and habitat degradation," it said.

As per government data released on July 26, 2024, India is home to 70% of the world's wild tiger population.

As per this data, the tiger population in 2006 was 1,411, it increased to 1,706 in 2010 and to 2,226 in 2024. In 2018, the tiger population was 2,967.

Analysis of the news:

- ▶ A new study found that India's tiger population has increased by 30% over the past two decades.
- ▶ Despite high human densities and economic challenges, India achieved remarkable success in tiger conservation.
- ▶ Protected areas and land-sparing strategies have allowed 85% of breeding populations to thrive.
- ▶ Tigers now coexist with over 66 million people, demonstrating successful coexistence.
- ▶ Legislative frameworks like the Wildlife Protection Act, Forest Conservation Act, and National Tiger Conservation Authority contributed to the recovery.
- ▶ Economic prosperity and cultural values have influenced tiger persistence, with lower poverty regions seeing better recolonization rates.
- ▶ Naxal-affected areas in Chhattisgarh and Jharkhand have experienced declining tiger populations.

Tiger Population in India

- ▶ India is home to 70% of the world's wild tiger population. Government data from July 2024 reports 2,226 tigers in 2024, up from 1,411 in 2006.

The economic survey discusses challenges and government initiatives to support and formalize MSMEs in India.

'Regulatory framework holding back MSMEs, limiting growth, innovation'

M. Soundariya Preetha
COIMBATORE

Micro, Small and Medium-scale Enterprises (MSMEs) that employ 23.24 crore people in the country continue to face challenges in the regulatory environment, the Economic Survey noted.

"Regulatory compliance burden holds back formalisation and labour productivity, limits employment growth, chokes innovation and depresses growth," it said.

MSMEs create a large number of jobs at relatively low capital costs and hence play a crucial role, second only to agriculture. They drive economic growth, employment generation, and innovation.

Yet, there is an "observed tendency for firms in India to remain small". So, they lose access to institutional capital, skilled talent, and technology infusion and often operate outside the formal supply chains. This creates a parallel, informal economy and contributes to low labour productivity, the Survey noted.



The Survey notes that MSMEs employ 23.24 crore people at relatively low capital costs, second only to agriculture. FILE PHOTO

"The logic for staying small often is to remain under the regulatory radar and steer clear of the rules and labour and safety laws. Ironically, the biggest casualties are employment generation and labour welfare, which most regulations were originally designed to encourage and protect, respectively," the Survey said.

The efforts of the government in the last 10 years focused on improving access for the MSMEs to finance, enhancing technological capabilities, providing market linkages, and addressing structural

challenges. In a move to formalise the informal micro enterprises, the government in collaboration with SIDBI, introduced the Udyam Assist Platform (UAP) in 2023. More than 2.39 crore informal micro enterprises have been formalised through the platform.

Goa, T.N. example

The launch of TReDS aims to help the MSMEs realise their receivables in a time-bound manner at a relatively lower financing cost. The governments of Goa and Tamil Nadu have set an example by adopting

the TReDS platform. Goa, which is largely reliant on tourism, leveraged TReDS during the COVID-19 disruption to enhance supplier liquidity, facilitating payments for more than 250 MSMEs since October 2020, with invoice discounts. Tamil Nadu joined TReDS in 2022 under the Raising and Accelerating MSME Performance (RAMP) programme, supporting MSMEs in significant numbers.

To provide equity funding to MSMEs with the potential to scale up, the government launched the Self-Reliant India (SRI) Fund with a corpus of ₹50,000 crore. The fund has a provision of ₹10,000 crore from the government and ₹40,000 crore through private equity/venture capital funds.

The government is also implementing the Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) across the country. Under this, Common Facility Centres (CFCs) are developed to address common issues, such as improvement of technology, skills, quality, etc.

Challenges Faced by MSMEs

- Micro, Small, and Medium Enterprises (MSMEs) employ 23.24 crore people in India but face challenges in the regulatory environment.
- Regulatory compliance burdens hinder formalization, reduce labor productivity, limit employment growth, stifle innovation, and depress overall growth.

Importance of MSMEs

- MSMEs play a crucial role in the economy, second only to agriculture, by creating jobs at low capital costs.
- They drive economic growth, employment, and innovation but often stay small to avoid regulatory scrutiny.
- Remaining small limits their access to capital, skilled labor, technology, and formal supply chains, contributing to low labor productivity and an informal economy.

Government Efforts to Support MSMEs

- The government has focused on improving MSMEs' access to finance, enhancing technological capabilities, providing market linkages, and addressing structural challenges.
- In 2023, the Udyam Assist Platform (UAP) was launched in collaboration with SIDBI to formalize informal micro-enterprises.
- Over 2.39 crore informal micro-enterprises were formalized through the platform.
- The TReDS platform aims to help MSMEs receive payments in a timely manner with lower financing costs.

Funding and Development Programs

- The Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) focuses on improving technology, skills, and quality through Common Facility Centres (CFCs).
- The government launched the Self-Reliant India (SRI) Fund with ₹50,000 crore to provide equity funding to MSMEs with scaling potential.

In News : Axiom-4 Mission (Ax-4)

Shubhanshu Shukla, an Indian Air Force (IAF) officer and ISRO astronaut, was recently named the pilot for Axiom Mission 4 (Ax-4).



About Axiom-4 Mission (Ax-4):

- ▶ Ax-4 is the fourth private astronaut mission to the International Space Station (ISS).
- ▶ It is organized by Axiom Space in collaboration with
- ▶ The Ax-4 crew will launch aboard a SpaceX Dragon spacecraft to the ISS from NASA's Kennedy Space Center in Florida.
- ▶ Once docked, the private astronauts plan to spend up to 14 days aboard the ISS.
- ▶ During their time aboard the ISS, the crew will conduct scientific experiments, perform technology demonstrations, and engage in educational outreach.
- ▶ Research areas include materials science, biology, Earth observation and more, with the potential to yield groundbreaking discoveries and innovations.

Daily News Analysis

- The mission will send the first Indian astronaut to the station as part of a joint effort between NASA and the Indian space agency.
- The private mission also carries the first astronauts from Poland and Hungary to stay aboard the ISS.



Page : 08 Editorial Analysis

A pragmatic picture

The Economic Survey sets out challenges to India's growth

Parliament's Budget session has begun amid a significantly changed backdrop. India's growth is seen faltering after four years of healthy post-pandemic growth, the stock markets are tumbling, the rupee is losing ground faster than expected, and the major drivers that have been spurring the economy – domestic demand and public sector capex – are sputtering, while private investments remain insipid. For context, the five years from 2019-20 to 2023-24 have seen government capex increase at a compounded annual growth rate of 16%, household investments by 12%, while corporate outlays were up only 6%, despite a steep tax rate cut for them. A slowdown in the well-moving economic levers is, thus, a cause for concern. That the new U.S. administration seems determined to upend global trade and taxation arrangements, is also unsettling. The Economic Survey 2024-25, has warned that, with globalisation in retreat, India must focus on domestic factors to spur growth higher while becoming more competitive *vis-à-vis* rival markets looking to attract foreign investors.

The Survey's prognosis that real GDP growth may be in the range of 6.3% to 6.8% in 2025-26, from the 6.4% pace estimated for this year, acknowledges that economic momentum may slip further in the face of new headwinds. That the Survey's authors have posited that anything short of a growth pace of around 8% over at least a decade would make it tough to realise India's aspiration to be a developed nation by 2047, is significant, along with their warning that a 'business as usual' approach risks fomenting economic stagnation. While lauding recent reforms, the Survey has cautioned they will not deliver their desired goals without deregulation. The Survey has some refreshing plainspeak in this context, emphasising it is critical for the government to 'get out of the way' of businesses by undoing regulations that are tantamount to micro-management, and bridging the 'trust deficit' between authorities and citizens, as well as within the nation's close-knit communities. Pushing for a refresh of the ease of doing business drive, it has made an impassioned plea to minimise controls that distort markets and adopt a 'minimum necessary, maximum feasible' approach to regulations, while seeking the same accountability from regulators that they stipulate for their constituents. The pitch to empower small firms, enhance economic freedom and ensure a level-playing field, holds weight too. For a government that has been recently infatuated by a spate of 1970s'-style bad ideas such as import curbs, production-linked incentives and questionable taxation misadventures, this is pertinent advice. Whether the government has bothered to listen, without prejudice, the Budget will tell.

GS Paper 03 : Indian Economy

UPSC Mains Practice Question: How can deregulation and economic freedom enhance India's investment climate and long-term growth prospects? Suggest policy measures to balance regulation with economic efficiency. **(250 Words /15 marks)**

Context :

- ▶ India's economic growth is slowing, with investment trends weakening, global uncertainties rising, and regulatory challenges persisting.
- ▶ The Economic Survey 2024-25 emphasizes deregulation, economic freedom, and structural reforms to sustain long-term growth.

Introduction

- ▶ The Budget session of Parliament has begun at a time when India's economic growth is slowing down after four years of steady post-pandemic recovery.
- ▶ Stock markets are declining, the rupee is weakening faster than expected, and key drivers of economic growth, such as domestic demand and public sector capital expenditure, are losing momentum.

Investment Trends Over the Last Five Years

- ▶ From 2019-20 to 2023-24, government capital expenditure (capex) grew at a compounded annual growth rate (CAGR) of 16%.
- ▶ Household investments increased by 12%, while corporate investments lagged behind at just 6%, despite a significant corporate tax rate reduction.
- ▶ The slowdown in economic growth drivers is a major concern, especially since private investments remain weak.

Global Economic Uncertainty and its Impact on India

- ▶ The new U.S. administration appears determined to change global trade and taxation policies, which adds to economic uncertainty for India.

- The Economic Survey 2024-25 has warned that with globalization in retreat, India must focus on domestic factors to drive economic growth and remain competitive in attracting foreign investors.

GDP Growth Projections and Concerns

- The Economic Survey projects that India's real GDP growth for 2025-26 may be between 6.3% to 6.8%, slightly lower than the 6.4% estimate for 2024-25.
- The Survey states that for India to achieve its goal of becoming a developed nation by 2047, the economy must grow at 8% annually for at least a decade.
- A "business as usual" approach could lead to economic stagnation, making significant reforms essential.

Need for Economic Deregulation and Reform

- While recent economic reforms have been praised, the Economic Survey stresses that they will not yield the desired results unless regulations are reduced.
- The government is advised to minimize unnecessary regulations and reduce micro-management of businesses.
- There is a call to bridge the trust deficit between the government and citizens, and within business communities.

Ease of Doing Business and Market Reforms

- The Economic Survey suggests that the government should focus on improving the ease of doing business by reducing market distortions caused by excessive controls.
- The report emphasizes the need for a "minimum necessary, maximum feasible" approach to regulations.
- It also suggests that regulators should be held accountable, just as they expect businesses to comply with regulations.

Empowering Small Businesses and Economic Freedom

- The Survey highlights the importance of empowering small businesses and ensuring economic freedom with a level-playing field for all enterprises.
- It criticizes some of the government's recent policy decisions, such as import restrictions, production-linked incentives (PLI), and unpredictable taxation measures, which resemble 1970s-style economic policies.

Conclusion – Key Takeaway for the Budget

- The Economic Survey provides clear advice to the government: reduce unnecessary controls, trust businesses, and focus on long-term economic freedom.
- Whether the government will listen and implement these recommendations will be revealed in the upcoming Budget..

