

The Hindu

Front Page

Earthquake kills over 1,000 in east Afghanistan (Page no. 1)

(GS Paper 1, Geography)

The death toll from an earthquake in Afghanistan on Wednesday hit 1,000, disaster management officials said, with more than 600 injured and the toll expected to grow as information trickles in from remote mountain villages.

Houses were reduced to rubble and bodies swathed in blankets lay on the ground, photographs on Afghan media showed.

Helicopters were deployed in the rescue effort to reach the injured and fly in medical supplies and food.

The death toll is likely to rise as some of the villages are in remote areas in the mountains and it will take some time to collect details.

It struck about 44 km from the southeastern city of Khost, near the border with Pakistan, the U.S. Geological Survey (USGS).

\$1-trn scope for digital economy: PM (Page no. 1)

(GS Paper 3, Economy)

India's digital economy and the infrastructure sector has a total potential for \$2.5 trillion. Addressing a meeting of the BRICS Business Forum, Mr. Modi said the digital transformation unfolding in India had never been seen before on the world stage.

China's President Xi Jinping, who is the host of this year's BRICS summit, referred to the crisis in Ukraine and cautioned against "bloc confrontation".

There are more than 100 unicorns in over 70,000 start-ups in India, and their number continues to grow. There are investment opportunities of \$1.5 trillion under our National Infrastructure Pipeline.

The value of the Indian digital economy will reach \$1 trillion by 2025... Transformative changes are taking place in every sector in the emerging New India.

Mr. Modi presented opportunities emerging in areas such as space, blue economy, green hydrogen, clean energy, drones and geo-spatial data.

Four new corals recorded from Indian waters. (Page no. 1)

(GS Paper 3, Environment)

Scientists have recorded four species of corals for the first time from Indian waters. These new species of azooxanthellate corals were found from the waters off the Andaman and Nicobar Islands.

The azooxanthellate corals are a group of corals that do not contain zooxanthellae and derive nourishment not from the sun but from capturing different forms of planktons.

They are deep-sea representatives with the majority of species being reported from depths between 200 metres and 1,000 metres. They are also reported from shallow waters unlike zooxanthellate corals that are restricted to shallow waters.

The details of the new species have been published in *Thalassas: An International Journal of Marine Sciences*. The Zoological Survey of India (ZSI) scientist behind these new findings, Tamal Mondal, said all the four groups of corals are from the same family, Flabellidae.

Truncatoflabellum crassum (Milne Edwards and Haime, 1848), *T. incrustatum* (Cairns, 1989), *T. aculeatum* (Milne Edwards and Haime, 1848), and *T. irregulare* (Semper, 1872) under the family Flabellidae were previously found in Japan, the Philippines and Australian waters, while only *T. crassum* was reported with the range of Indo-West Pacific distribution.

States

Protest against move to 'shift' proposed heritage park in Manipur (Page no. 5)

(GS Paper 3, Environment)

Members of seven youth clubs, people from all walks of life and women activists in the villages surrounding the Keibul Lamjao National Park (KLNK) in Manipur have now taken up the cudgels to ensure that the BJP-led government does not shift the proposed heritage park from the government-approved site.

The villagers took out a demonstration near the KLNP, 53 km away from Imphal in Bishnupur district, opposing the plan to shift the site elsewhere.

The KNLP is home to the endangered brow-antlered deer (Sangai) in the KNLP.

The government has set aside ₹46 crore for the construction of the heritage park. There will be traditional thatched houses of the different communities in this park.

It was expected that the museum of the Indian National Army (INA), which hoisted the first Indian flag near the Loktak lake, and the heritage park will attract tourists from the country and abroad.

It is deplorable that politics has spoiled the atmosphere. Without giving any credible and acceptable explanation, the government has decided to shift the site to a place six km away from the KLNP.

The proposed site has no connection with efforts to save the endangered Sangai deer. On the other hand, the people in surrounding villages have been doing everything possible to protect the deer.

Editorial

The role of caste in economic transformation (Page no. 6)

(GS Paper 3, Economy)

India has been in a phase of jobless growth for at least two decades now, coupled with rising poverty and discontent in rural areas.

The ongoing protests against the Agnipath programme, agitations against farm laws a year before, and agitation for reservation by agriculture castes are all arguably an outcome simmering discontent due to this jobless economic growth. Why could India not generate a pattern of growth that produces jobs and inclusive development in the way most of the East Asian countries have done?

Caste, which is mostly confined to politics, could be among the answers, a structural factor that impedes economic transformation in India.

Indeed, there is a link between economic transformation and caste in India, which is often missed by academics. In contemporary literature too, caste enters as a post-facto category in understanding inequalities in economic and social outcomes when the fact is that caste is central to economic transformation itself.

Caste through its rigid social control and networks facilitates economic mobility for some and erects barriers for others by mounting disadvantages on them.

Caste also shapes the ownership pattern of land and capital and simultaneously regulates access to political, social, and economic capital too.

Heal the nation before healing the rest of the world (Page no. 6)

(GS Paper 2, Health)

Bolstering health human resources has been a prime focus of many of the Union government's recent initiatives and policy pronouncements.

The Union health Budget 2022 made handsome appropriations for the same, much in line with the Fifteenth Finance Commission's recommendations, which laid a conspicuous emphasis on utilizing existing capacities at the district and sub-district levels to train different cadres of health-care personnel.

Much to the ecstasy of public health advocates, the Health Ministry recently released a set of implementation guidelines for a long over-due Indian public health cadre.

A more recent announcement, however, raises concerns over the coherence of India's vision with respect to health human resources.

The Centre under the Ayushman Bharat Digital Mission and the "Heal by India" initiative is reportedly developing an exhaustive online repository of all categories of health-care professionals in the country.

Though such an innovation is much needed because of the currently fragmented nature of such data, one of its proposed primary purposes is to aid external stakeholders, viz. foreign employers and patients in finding a right Indian match for their respective needs.

It is an atavistic return to the widely shunned principles of liberalisation in health care, which is not only gratuitous today but also menacing.

OPED

Towards a single low tax regime (Page no. 7)

(GS Paper 3, Economy)

In December 2018, the late Finance Minister, Arun Jaitley, announced that the 28% GST slab, which he called the “dying slab”, would be phased out, except for luxury items.

India, he said, would eventually have just two slabs: 5% and a standard rate between 12% and 18% (apart from exempt items). Tragically, he passed away less than a year before fulfilling his assurances.

Simplicity is not easy to achieve. Great sages, artists and designers have preached simplicity. It was the mantra of Henry David Thoreau, who influenced Mahatma Gandhi.

The introduction of a uniform GST was a watershed moment in India since the country’s earlier regime of taxes and cesses, both at the Centre and the States, was a big barrier to free trade and economic growth and was a cesspool of corruption.

However, GST is still a complicated tax regime with different slabs. It is not easy to comprehend or comply with, and is open to interpretation, harassment and avoidable litigation.

To simplify it, Finance Ministry officials must be reminded of KISS. KISS (Keep It Simple, Stupid) is a well-known acronym and an accepted credo in business.

Attributed to Lockheed aircraft engineer Kelly Johnson, it was meant to urge engineers to keep aircraft design so simple that even a stupid person would be able to repair the aircraft with ordinary tools on the combat field.

Bureaucracy, the world over, is usually oblivious to the KISS principle. An Amazon ad boasts that it sells more than a crore of different products, besides myriad services.

More categories are added every day. In this context, asking bureaucrats to identify and categorise all products and services for differential tax slabs in the GST regime is the surest way to get into a muddle.

Crypto came tumbling after (Page no. 7)

(GS Paper 3, Economy)

The precipitous downturn of the crypto market has brought cryptocurrencies back in the news. People wonder if this is the end of the crypto boom. The answer is ‘no’. Cryptocurrency is not really a currency.

It is an asset that allows people to keep their money outside the formal financial system and make it accessible so that it can be used anywhere in the world.

In today’s world, such an asset would be in great demand until some other asset innovation allows owners to achieve this objective in a more efficient way.

Crypto assets like Bitcoin have been subject to wide fluctuations in their prices since their inception. The current downturn is not the first of its kind. There have been similar fluctuations in the past.

The phenomenal rise in the price of Bitcoin in recent years has dwarfed the fluctuations in its price in the past. The popularity of Bitcoin is obvious from the price differentials with Ethereum and Litecoin.

Most of the fluctuations in the price of Bitcoin are brought about by changes in the demand side as the asset’s supply moves very slowly given the enormous cost of mining an additional Bitcoin at this stage.

The rise in the price of crypto assets began at the onset of the pandemic as people with excess funds parked them in crypto assets. This made sense given the lack of investment opportunities on account of the uncertainty arising from lockdowns.

As the COVID-19 spread slowed down, people may have wanted to move their funds out of crypto assets and into more lucrative real investment opportunities arising from a recovering economy.

This led to the eventual decline in prices. The halt in withdrawal by Celsius especially led to panic among investors as this company is supposed to be one of the biggest crypto lenders.

Explainer

Understanding bird strikes and aviation safety (Page no. 8)

(Miscellaneous)

On June 19, a SpiceJet Boeing 737-800 on the Patna-Delhi sector (SG723) with 185 passengers was in the climbout phase (the period immediately after take-off during which the aircraft climbs to a predetermined cruising altitude) when it suffered a bird hit in its left engine.

Ensuing visuals showed flame streaks. The engine was shut down and the flight returned to Patna about 20 minutes later. The same day, an Indigo Airbus A320N (6E-6394, Guwahati-Delhi) was taking off when it experienced a bird hit in the left engine.

The aircraft returned to Guwahati about 15 minutes after its departure. In both incidents, some of the engine blades were damaged or had fractures.

India's civil aviation regulatory body, the Directorate General of Civil Aviation (DGCA), has ordered an inquiry. Further, in a directive to all airport operators, it has asked all airports to "review their wildlife hazard management plans" for "within and outside the airfield".

Being the monsoon season with heightened wildlife activity, this would include grass trimming, runway inspections, garbage disposal in operational areas and ensuring water drainage.

News

Modi to attend G-7 summit in Germany (Page no. 12) (GS Paper 2, International Relation)

As the world's most developed economies meet for the G-7 summit this weekend to discuss their next move against Russia, Prime Minister Narendra Modi will fly to the German Alpine resort of Schloss Elmau as a special invitee to the meeting on June 26 and 27.

New Delhi is preparing for more pressure from the G-7 countries, including Canada, France, Germany, Italy, Japan, the U.K., the U.S. and the EU, which have unitedly imposed sanctions on Russia since it invaded Ukraine.

They want India to cooperate in restricting its purchase of Russian oil, not circumvent the sanctions by using a rupee-rouble mechanism, and in lifting the ban on the export of wheat, all requests that the Modi government has turned down.

The Prime Minister is expected to speak in two sessions that include environment, energy, climate, food security, health, gender equality and democracy," the MEA said, announcing that the PM would hold bilateral meetings on the sidelines of the summit.

Business

India reports FY22 CAD of 1.2% as trade deficit widens (Page no. 14) (GS Paper 3, Indian Economy)

India recorded a current account deficit (CAD) of 1.2% of GDP in 2021-22 against a surplus of 0.9% in 2020-21 as the trade deficit widened to \$189.5 billion from \$102.2 billion a year earlier, according to data released by the Reserve Bank of India.

The current account balance recorded a deficit of 1.2% of GDP in 2021-22 as against a surplus of 0.9% in 2020-21 as the trade deficit widened to \$189.5 billion from \$102.2 billion a year ago.

Net Foreign Direct Investment (FDI) inflows at \$38.6 billion in 2021-22 were lower than \$44 billion in 2020-21. Net Foreign Portfolio Investment (FPI) recorded an outflow of \$16.8 billion in 2021-22 as against an inflow of \$36.1 billion a year earlier.

For the January-March 2022 quarter, the CAD narrowed on a sequential basis to \$13.4 billion, or 1.5% of GDP, against \$22.2 billion, or 2.6% of GDP, in the December 2021 quarter.

The CAD printed well below our forecast of \$16 billion in Q4 FY2022 benefiting from higher-than-expected secondary income.

On a year-on-year basis, although gold imports halved, and the services trade surplus rose, this improvement was dwarfed by the widening of the merchandise trade deficit led by imports of commodity inputs such as crude oil, coal and fertilisers, as well as electronic goods.