

# THE PALA CIVIL TIMES



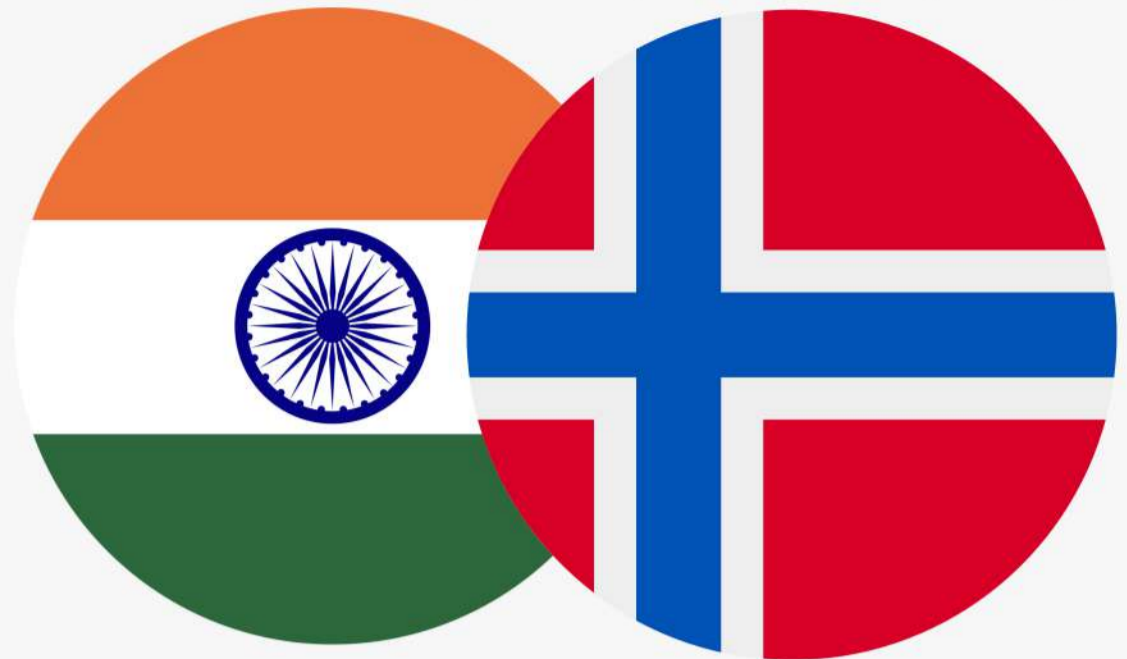
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## NATIONAL Page 2

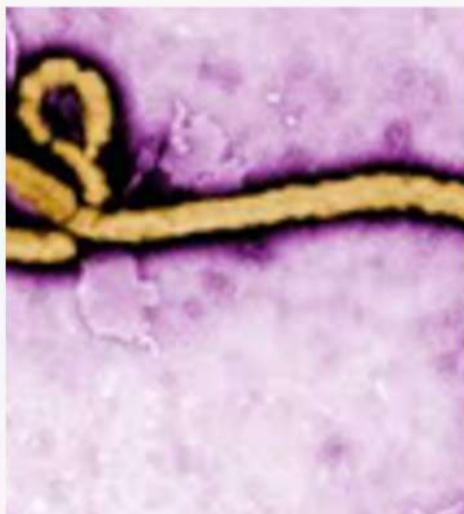


**Vande Mataram and the challenge to multicultural nationalism**

THE HINDU : 15-05-2026



## HEALTH Page 4



**Ebola outbreak in Congo is a global emergency, says WHO calls for quick detection and containment.**

THE HINDU : 18-05-2026

## Trade, energy, and global conflicts at top of agenda during PM's Norway visit

Prime Minister Narendra Modi arrived in Norway **for the first bilateral visit by an Indian Prime Minister in 43 years**, with trade, energy cooperation, technology, and geopolitical issues high on the agenda. Mr. Modi is expected to hold talks with Norwegian Prime Minister Jonas Gahr Støre and participate in the **third Nordic-India Summit** involving leaders of **Norway, Sweden, Finland, Iceland, and Denmark**. India and Norway are likely to sign MoUs related to health, digital infrastructure, and space cooperation. Discussions are focusing on LNG supplies, investments from Norwegian pension funds, green technology, climate cooperation, and sustainability. The visit comes amid major global geopolitical tensions, including the Russia-Ukraine war, the Gaza conflict, and tensions involving Iran, all of which are affecting global energy markets and the economy. During the visit, Mr. Modi also held talks with Swedish Prime Minister Ulf Kristersson and received **Sweden's 'Royal Order of the Polar Star'**.

## INTERNATIONAL Page 2



**U.S., China, and the search for stability**

THE HINDU : 18-05-2026

## ECONOMICS Page 7



**Capital flight and pressure on the rupee**

*How increasing fuel prices are causing foreign capital outflow and CAD in India.*

## EDITORIAL DECODED Page 9



**Diversification Gains**

*India needs to improve export competitiveness in terms of cost, quality*

THE HINDU : 18-05-2026



## Vande Mataram and the challenge to multicultural nationalism

The playing of both Vande Mataram and Tamil Thai Vaazhthu during the Tamil Nadu Chief Minister's oath-taking ceremony revived debates surrounding national symbols, secularism, cultural identity, and constitutional values. The discussion centres on the historical background of Vande Mataram, its role in the freedom movement, concerns regarding religious symbolism, and the constitutional balance between patriotism, cultural pluralism, and secular governance.

### 360° MAINS ANALYSIS

#### Historical and Cultural Dimensions

**Role in Freedom Movement :** Vande Mataram played a crucial symbolic role in India's anti-colonial struggle.

**Literary and Cultural Significance :** The song is regarded as an influential literary work in modern Indian nationalist history (It was taken from Bankim Chandra Chatterji's Bengali novel Anandamath, written in 1882)

**Regional Cultural Assertion :** Tamil Nadu's emphasis on Tamil Thai Vaazhthu reflects linguistic and regional identity within Indian federalism.

**Evolution of National Symbols :** Debates surrounding national symbols demonstrate how historical texts acquire new meanings in changing political and social contexts.

#### Constitutional and Legal Dimensions

**Secularism as a Constitutional Principle :** India's constitutional framework requires equal respect for all religions without privileging any particular faith.

**Balance Between Patriotism and Freedom :** The Constitution protects both respect for national symbols and individual freedoms of conscience and expression.

**Federal Cultural Space :** States may promote regional cultural symbols while remaining within the broader constitutional framework.

**Judicial Interpretation :** Courts have repeatedly emphasised that patriotism cannot be reduced to compulsory symbolic practices alone.

#### Debate Around Vande Mataram

**Concerns Regarding Religious Imagery :** Some debates arise from portions of the original text associated with religious symbolism and historical context.

**Restriction to Initial Stanzas :** During the freedom movement, political leaders supported singing only the first two stanzas to avoid controversy.

**Constituent Assembly Context :** While Vande Mataram received wide recognition, Jana Gana Mana was ultimately adopted as the National Anthem.

**Importance of Inclusive Nationalism :** Modern constitutional nationalism in India seeks to accommodate religious, linguistic, and cultural diversity.

#### Challenges and Concerns

**Politicisation of Cultural Symbols :** National symbols may become politically contested when linked with ideological debates.

**Risks of Cultural Exclusion :** Compulsory symbolic practices can create perceptions of exclusion among diverse communities.

**Historical Interpretation Challenges :** Historical texts may contain contexts that differ from contemporary constitutional values.

**Social Polarisation Risks :** Debates around identity and nationalism can intensify social and political divisions if not handled sensitively.

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. Which among the following events happened earliest? (2018)

- Swami Dayanand established Arya Samaj.
- Dinabandhu Mitra wrote Neel Darpan.
- Bankim Chandra Chattopadhyay wrote Anandmath.
- Satyendranath Tagore became the first Indian to succeed in the Indian Civil Services Examination.

### STATIC CORE LINKAGE

**Jana Gana Mana :** National Anthem

**Vande Mataram :** National Song

**Tamil Thai Vaazhthu :** State Anthem/Song of Tamil Nadu

#### Constitutional Provisions

**Article 14 :** Equality before law

**Article 19(1)(a) :** Freedom of expression

**Article 25 :** Freedom of conscience and religion

**Article 29 :** Protection of cultural interests

**Fundamental Duties (Article 51A) :** Respect for national symbols and heritage

### Historical Background of Vande Mataram

**Author :** Bankim Chandra Chattopadhyay

**Origin :** Featured in the novel Anandamath

**Historical Context :** Linked to anti-colonial nationalism during British rule

**National Movement Role :** Became a slogan during the freedom struggle

**Constitutional Position :** Recognised as National Song, not National Anthem

### RELEVANCE

**GS I :** Modern Indian history from about the middle of the eighteenth century until the present- significant events, personalities, issues.

## Building a preventive health culture in India

*"A healthy population is not merely a social objective but the foundation of sustainable economic and national progress."*

India has significantly expanded its healthcare infrastructure and treatment capacity over recent decades, yet the growing burden of non-communicable diseases (NCDs) highlights a major structural challenge - excessive focus on treatment rather than prevention. Rising cases of diabetes, cardiovascular diseases, cancer, and lifestyle-related disorders have renewed attention on preventive healthcare, early diagnosis, lifestyle modification, and public health awareness as essential components of long-term national development.

### 360° MAINS ANALYSIS

#### Why NCDs Matter

**High Mortality Burden** : Non-communicable diseases have become the leading cause of death in India.

**Economic Impact** : Chronic diseases reduce workforce productivity and increase long-term healthcare expenditure.

**Silent Progression** : Many NCDs remain asymptomatic in early stages, delaying diagnosis and treatment.

**Demographic Challenge** : Lifestyle diseases increasingly affect younger working-age populations.

#### Socio- Economic Dimensions

**Lifestyle Transformation** : Dietary habits, reduced physical activity, tobacco use, and stress have increased disease vulnerability.

**Importance of Family-Level Health Practices** : Health outcomes are strongly influenced by household habits and social behaviour.

**Self-Stewardship of Health** : Preventive healthcare requires individuals to actively take responsibility for long-term wellbeing.

**Productivity Losses** : NCDs reduce labour participation and economic efficiency during prime working years.

**Rising Healthcare Expenditure** : Long-term disease management significantly increases household and public health costs.

**Poverty and Health Linkages** : Catastrophic health expenditure can push vulnerable households into poverty.

#### Factors Behind the Rising NCD Burden

**Urban Lifestyle Changes** : Rapid urbanisation has increased sedentary lifestyles, unhealthy dietary patterns, and stress-related health risks.

**Lack of Preventive Health Culture** : Healthcare systems and individuals often prioritise treatment after illness rather than preventive health practices.

**Low Health Awareness** : Many individuals remain unaware of early symptoms and risk factors associated with chronic diseases.

**Delayed Screening and Diagnosis** : Routine health check-ups and early screening remain limited among large sections of the population.

#### Challenges and Concerns

**Unequal Healthcare Access** : Preventive healthcare services remain uneven across rural and urban regions.

**Low Screening Coverage** : Large share of individuals remain undiagnosed until diseases reach advanced stages.

**Healthcare Infrastructure Gaps** : Existing systems lack sufficient personnel, diagnostics, and outreach capacity.

**Cultural Focus on Curative Care** : Public perception still focus on treatment rather than prevention.

### PYQ Compass

*UPSC questions previously asked from the themes discussed on this page.*



Q. "Besides being a moral imperative of Welfare State, primary health structure is a necessary pre-condition for sustainable development." Analyze. (GS II - 2021)

Q. Appropriate local community-level healthcare intervention is a prerequisite to achieve 'Health for All' in India. Explain (GS II - 2018)

### STATIC CORE LINKAGE

**National Health Mission** : Strengthening healthcare access

**Ayushman Bharat** : Expanding healthcare coverage

**Health and Wellness Centres** : Focus on primary & preventive healthcare

**National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS)** : NCD prevention and screening.

**Major Non-Communicable Diseases in India**

**Cardiovascular Diseases** - Obesity, hypertension, smoking

**Diabetes** - Sedentary lifestyle, unhealthy diet

**Cancer** - Tobacco, pollution, lifestyle factors

**Stroke** - High blood pressure, metabolic disorders

### RELEVANCE

**GS II : Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.**

## Ebola outbreak in Congo is a global emergency, says WHO

The World Health Organization declared the Ebola outbreak in the Democratic Republic of the Congo and Uganda a Public Health Emergency of International Concern (PHEIC) under the International Health Regulations (2005). The outbreak is linked to the rare Bundibugyo virus variant, for which no approved vaccine or treatment currently exists. The declaration highlights concerns regarding cross-border transmission, global health preparedness, disease surveillance, and international coordination without categorising the outbreak as a pandemic emergency.

### 360° MAINS ANALYSIS

#### Factors Behind the Outbreak

**Zoonotic Spillover** : Human interaction with infected wildlife in rainforest ecosystems increases the probability of zoonotic transmission.

**Weak Health Infrastructure** : Fragile health systems in conflict-prone regions reduce early detection and containment capacity.

**Cross-Border Mobility** : Frequent movement between Congo and Uganda raises the risk of regional transmission.

**Limited Medical Countermeasures** : The absence of approved vaccines or therapeutics for Bundibugyo virus complicates outbreak control.

#### Significance

**Global Health Security Concern** : The PHEIC declaration reflects the importance of coordinated international disease surveillance and response.

**Test of WHO Mechanisms** : The outbreak evaluates the effectiveness of International Health Regulations after lessons from COVID-19.

**Importance of One Health Approach** : The outbreak demonstrates the interconnectedness of human, animal and environmental health.

#### Surveillance and Contact Tracing

**Rapid identification and monitoring of contacts** : remain central to outbreak containment.

**Community Participation** : Public trust and local engagement are essential for successful disease-control measures.

**Health-System Preparedness** : Outbreaks expose deficiencies in emergency medical infrastructure and laboratory capacity.

#### Challenges and Concerns

**Absence of Approved Vaccines** : No licensed vaccine exists for Bundibugyo virus disease despite recurrent outbreaks.

**Delayed Detection** : Remote geography and weak surveillance systems may allow silent transmission chains.

**Urban Spread Risk** : Detection of cases in Kinshasa raises concerns regarding rapid spread in densely populated areas.

**Misinformation and Fear** : Rumours and distrust can weaken public cooperation with health authorities.

#### Way Forward

- Strengthening One Health Systems
- Expanding Vaccine Research
- Building Public Health Capacity
- Enhancing International Cooperation
- Community-Centric Governance

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. What is the basic principle behind vaccine development? How do vaccines work? What approaches were adopted by the Indian vaccine manufacturers to produce COVID-19 vaccines? (GS III - 2022)

Q. Which of the following statements is / are correct? (2013)

1. Viruses lack enzymes necessary for the generation of energy.
  2. Viruses can be cultured in any synthetic medium.
  3. Viruses are transmitted from one organism to another by biological vectors only.
- Select the correct answer using the codes given below.
- (a) 1 only  
 (b) 2 and 3 only  
 (c) 1 and 3 only  
 (d) 1, 2 and 3

### STATIC CORE LINKAGE

**Ebola disease** is a severe viral haemorrhagic fever caused by viruses of the **Orthoebolavirus genus** of the **filoviridae family**.

Ebola is a rare but highly fatal zoonotic disease

First Identified in 1976

Different Orthoebolaviruses identified over time :

- Ebola virus (EBOV) causing Ebola virus disease (EVD)
- Sudan virus (SUDV) causing Sudan virus disease (SVD)
- Bundibugyo virus (BDBV) causing Bundibugyo virus disease (BVD).

**Origin of Name** - after the **Ebola River** in DR Congo

**Natural Host** : Fruit bats of **Pteropodidae** family

**Transmission** : Direct contact with infected bodily fluids, contaminated surfaces, infected animals

**Incubation Period** : 2–21 days

**Fatality Rate** : Average ~50%; historically 25–90%

**Diagnosis** : RT-PCR, ELISA, antigen detection tests

**Treatment** : Supportive care; monoclonal antibodies available only for Ebola virus disease.

**Vaccines** : Approved vaccines available only for Ebola virus disease (EBOV)

### RELEVANCE

**GS II** : Issues relating to development and management of Health

**GS III** : Achievements in science & technology; indigenization of technology;

## Uneasy truce in Beijing as Trump and Xi discuss trade, Taiwan

Recent talks between Donald Trump and Xi Jinping in Beijing highlighted both cooperation and deep strategic rivalry between the world's two largest powers. While both sides signalled willingness to maintain dialogue and stabilise ties, major disagreements persist over Taiwan, trade restrictions, semiconductors, rare earths, and the broader balance of power in the Indo-Pacific region.

### STATIC CORE LINKAGE

**Strategic Competition** : Long-term rivalry between major powers

**Trade War** : Use of tariffs and trade restrictions in geopolitical rivalry

**Technology War** : Restrictions on technology transfer and advanced manufacturing

**Strategic Stability** : Maintenance of balance to avoid military conflict

### Why Taiwan Matters

**China's Position** : China considers Taiwan a part of its sovereign territory under the "One China Policy".

**U.S. Position** : The U.S. is presently maintaining unofficial relations and defence support for Taiwan.

**Strategic Importance** : Taiwan lies at the centre of Indo-Pacific maritime and security dynamics.

**Semiconductor Hub** : Taiwan hosts some of the world's most advanced semiconductor manufacturing industries.

### U.S - China Trade War

The U.S.-China trade war began during Donald Trump's first presidency in 2018 with tariffs aimed at reducing economic dependence on China, intensified after his return to office in 2025 through retaliatory tariff escalations by both countries, and later moved toward limited stabilisation with a temporary trade-war truce announced during the APEC Summit 2025 in Busan.

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. "The USA is facing an existential threat in the form of China, that is much more challenging than the erstwhile Soviet Union." Explain. (GS II - International Relations - 2021)

Q. 'China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia'. In the light of this statement, discuss its impact on India as her neighbour. (GS II - International Relations - 2018)

### 360° MAINS ANALYSIS

#### Economic Dimensions

**Ongoing Trade War** : Both countries continue imposing trade restrictions and tariffs on strategic sectors.

**Technology Competition** : Semiconductors, AI, and advanced technologies have become central areas of rivalry.

**Export Controls** : The U.S. has imposed restrictions on high-end semiconductor exports to China.

**Rare Earth Dependency** : China's dominance in rare earth supplies creates concerns for U.S. industries.

#### Geopolitical Dimensions

**Shift in Global Power Balance** : China's rise has altered the traditional global power structure dominated by the United States.

**Indo-Pacific Competition** : Both countries seek influence over trade routes, technology networks, and strategic partnerships.

**Military Signalling** : Frequent naval and military activities increase tensions in the region.

**Strategic Distrust** : Deep differences persist despite diplomatic engagement.

#### Impact on India

##### \*Strategic Dimensions

**Indo-Pacific Security** - India closely monitors tensions in the Taiwan Strait and South China Sea.

**Balancing Relations** - India continues engagement with both the U.S. and China while preserving strategic autonomy.

**QUAD & Regional Security** - Rising U.S.-China rivalry strengthens Indo-Pacific strategic groupings like the QUAD.

##### \*Economic Dimensions

**Supply Chain Diversification** - Global efforts to reduce dependence on China may benefit India's manufacturing sector.

**Semiconductor Expansion** - India is promoting domestic semiconductor production amid global tech competition.

**Trade & Investment Risks** - Geopolitical instability can affect exports, investments, and energy imports. Technology & Strategic Minerals

**Semiconductor Competition** - Advanced chips have emerged as critical strategic assets.

**Rare Earth Importance** - Control over critical minerals increasingly influences geopolitical power.

**Technological Self-Reliance** - India is focusing on strategic technologies and domestic manufacturing capabilities.

### RELEVANCE

GS II : Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

## India, Netherlands upgrade bilateral ties, sign 17 pacts

India and Netherlands elevated their bilateral relationship to a Strategic Partnership during Prime Minister Narendra Modi's 2026 visit to the Netherlands. The two countries signed multiple agreements across semiconductors, defence, water management, renewable energy, critical minerals, agriculture, cybersecurity, maritime cooperation, and health. The development reflects India's growing engagement with Europe amid global geopolitical shifts, supply-chain diversification, Indo-Pacific cooperation, and green-energy transition.

### STATIC CORE LINKAGE

**Strategic Partnership** : Structured long-term cooperation involving political, economic, technological, security, and people-to-people dimensions.

**Indo-Pacific Oceans Initiative (IPOI)** - India-led initiative for maritime cooperation in Indo-Pacific.

**Global Biofuel Alliance** - India-led initiative launched during G20 Presidency.

**'Strategic Roadmap on a Green and Digital Sea Corridor'** - aims at developing an environmentally sustainable, digitally integrated and economically efficient maritime corridor between India and the Netherlands.

### PYQ Compass

*UPSC questions previously asked from the themes discussed on this page.*



Q. 'The West is fostering India as an alternative to reduce dependence on China's supply chain and strategically to counter China's political and economic dominance.' Explain this statement with examples. (GS II - 2024)

Q. India is one of the founding members of the International North-South Transport Corridor (INSTC), a multimodal transportation corridor, which will connect (2025):

- India to Central Asia to Europe via Iran
- India to Central Asia via China
- India to South-East Asia through Bangladesh and Myanmar
- India to Europe through Azerbaijan

### 360° MAINS ANALYSIS

#### Key Areas of Cooperation

**Semiconductors** : Fabrication, talent mobility, R&D collaboration

**Energy** : Green hydrogen, renewable energy, biofuels

**Water Management** : Namami Gange, wastewater reuse, urban water resilience

**Defence** : Defence industrial cooperation, cyber security

**Agriculture** : Agri-tech, dairy, horticulture, food systems

**Maritime** : Green and Digital Sea Corridor

**Health** : One Health, AMR, digital health

#### Factors Behind the Partnership

**Supply Chain Diversification** : Global disruptions and geopolitical tensions have accelerated efforts to create resilient supply chains in semiconductors, energy, and critical minerals.

**India-EU Convergence** : India and European countries increasingly cooperate on technology, green transition, maritime security, and strategic autonomy.

**Energy Transition Imperatives** : Both countries seek collaboration in green hydrogen, biofuels, and renewable technologies to meet climate commitments.

#### Economic Dimensions

**Trade and Investment Expansion** : The Netherlands serves as a major gateway for Indian exports into Europe through advanced logistics networks.

**Semiconductor Ecosystem Development** : Partnerships involving ASML and Tata Electronics can strengthen India's domestic semiconductor manufacturing capabilities.

**Green Economy Collaboration** : Cooperation in circular economy, hydrogen energy, and renewable infrastructure supports sustainable growth.

#### Technological Dimensions

**Semiconductor Collaboration** : Joint research, fabrication projects, and talent exchange can reduce India's dependence on concentrated global chip supply chains.

**Emerging Technologies** : Cooperation in AI, quantum systems, and digital infrastructure reflects strategic technology alignment.

**Space Applications** : Use of satellite technologies for climate, water, and food-security challenges broadens scientific cooperation.

#### Environmental and Sustainability Dimensions

**Climate-Resilient Water Management** : Dutch expertise in delta and water management aligns with India's climate adaptation needs.

**Circular Economy Initiatives** : Waste-to-value and sustainable urban systems are central to bilateral sustainability cooperation.

**Clean Energy Transition** : Green hydrogen and renewable energy cooperation contribute to decarbonisation efforts.

### RELEVANCE

**GS II** : Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

## Capital flight and pressure on the rupee

Amid rising geopolitical tensions in West Asia, increasing oil prices, and uncertainty in global financial markets, India is witnessing pressure on its external sector through capital outflows, rupee depreciation, and a widening Current Account Deficit (CAD). The situation has revived concerns regarding India's dependence on volatile foreign capital flows, imported energy, and the influence of global monetary policy — particularly U.S. interest rates — on emerging economies.

### STATIC CORE LINKAGE

**Current Account Deficit (CAD)** : Situation where imports exceed exports in goods, services, and transfers

**Capital Flight** : Rapid withdrawal of foreign capital from an economy

**Rupee Depreciation** : Decline in value of rupee relative to foreign currencies

**Quantitative Easing (QE)** : Central bank purchase of assets to increase liquidity

**Taper Tantrum** : Market panic following expectation of reduced U.S. monetary stimulus in 2013. In 2013, expectations that the U.S. Federal Reserve would reduce quantitative easing caused massive capital outflows from emerging markets. Current capital flight reflects market uncertainty and expectations regarding future monetary tightening in advanced economies. Global capital flows are often driven not only by actual policy changes but also by anticipated future actions.

### PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q. With reference to the international trade of India at present, which of the following statements is/are correct? (2020)

1. India's merchandise exports are less than its merchandise imports.
2. India's imports of iron and steel, chemicals, fertilisers and machinery have decreased in recent years.
3. India's exports of services are more than its imports of services.
4. India suffers from an overall trade/current account deficit. Select the correct answer using the code given below:
  - a) 1 and 2 only
  - b) 2 and 4 only
  - c) 3 only
  - d) 1, 3 and 4 only

### 360° MAINS ANALYSIS

#### Why Emerging Economies Face Vulnerability

**Dependence on Foreign Capital** : Emerging economies rely heavily on foreign portfolio investments to finance growth and deficits.

**Exposure to Global Interest Rates** : Changes in U.S. and European interest rates affect capital flows into emerging markets.

**Currency Risk** : Depreciation reduces returns for foreign investors holding domestic assets.

**Inflationary Pressures** : Higher import costs, especially oil, increase inflation and weaken macroeconomic stability.

#### Factors Behind the Current External Sector Stress

**Rising Oil Prices** : Geopolitical instability in West Asia and disruptions around the Strait of Hormuz have increased crude oil prices and India's import bill.

**Capital Flight from Emerging Markets** : Foreign investors tend to shift capital toward safer assets during periods of global uncertainty.

**Rupee Depreciation Pressures** : Large-scale dollar outflows and rising import costs have weakened the rupee against major global currencies.

**Dependence on Imported Energy** : India's heavy dependence on imported crude oil makes its external sector highly vulnerable to global shocks.

**Expectations of Future Interest Rate Hikes** : Markets may anticipate future increases in U.S. and U.K. interest rates, leading to pre-emptive withdrawal of capital.

#### Economic and Monetary Dimensions

**Link Between Interest Rates and Capital Flows** : Foreign investors compare returns between Indian and developed-country assets while accounting for currency and inflation risks.

**Constraints on Monetary Policy** : Emerging economies often face pressure to raise domestic interest rates to prevent capital outflows and currency depreciation.

**Impact on Domestic Investment** : Higher domestic interest rates can reduce borrowing, investment, and economic growth.

**Inflationary Risks** : Higher energy prices increase transportation and production costs, contributing to inflation.

**Imported Inflation** : Rupee depreciation makes imports costlier, increasing domestic inflationary pressure.

#### Governance and Policy Dimensions

**RBI Interventions** : The RBI has attempted to stabilise the currency through regulatory and foreign exchange.

**Import Duty Measures** : The government increased gold import duties to reduce pressure on foreign exchange reserves and the CAD.

**Limitations of Moral Suasion** : Appeals to reduce gold and fuel consumption may have limited impact without broader structural reforms.

**Need for External Sector Resilience** : Long-term stability requires reducing dependence on volatile capital inflows and imported commodities.

### RELEVANCE

**GS III : Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.**

## Diversification Gains

India's merchandise exports grew nearly 14% in April 2026 to \$43.6 billion despite disruptions caused by the West Asia crisis. Growth was driven by diversification of export destinations, resilience in key manufacturing sectors, and rising non-oil exports, although exports and imports with West Asia declined significantly. The development highlights India's evolving trade strategy, the growing importance of services exports, and the need to enhance long-term export competitiveness amid geopolitical uncertainty.

### STATIC CORE LINKAGE

**Merchandise Exports** : Export of physical goods such as petroleum products, engineering goods etc.

**Services Exports** : Export of intangible services including IT, finance, consulting, and business services.

**Trade Deficit** : Excess of imports over exports in goods and services trade.

**Non-Oil Exports** : Exports excluding petroleum products to assess underlying export strength.

**Export Diversification** : Expansion into new products and markets to reduce concentration risk.

**Supply Chain Resilience** : Ability to sustain production and trade during disruptions.

### PYQ Compass

*UPSC questions previously asked from the themes discussed on this page.*



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- Select the correct answer using the code given below:
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  - b) 2 and 4 only
  - c) 3 only
  - d) 1, 3 and 4 only

### 360° MAINS ANALYSIS

#### Factors Behind Export Growth

**Market Diversification** : Indian exporters expanded into newer destinations such as Tanzania, Sri Lanka, Vietnam, and Bangladesh to offset disruptions in traditional markets.

**Resilient Supply Chains** : Key sectors such as engineering goods, electronics, and pharmaceuticals maintained production and export continuity despite geopolitical disruptions.

**Rise in Commodity Prices** : Higher international prices contributed partly to the increase in export values.

**Services Sector Expansion** : India's growing services exports, especially IT and business services, strengthened the external sector.

#### Significance

**Reduced Dependence on Traditional Markets** : Export diversification reduces vulnerability arising from regional conflicts and economic shocks.

**Emerging Trade Competitiveness** : Growth in non-oil exports reflects improving manufacturing and industrial capability.

**Strengthening India's Global Trade Position** : Sustained export growth supports India's aspiration to become a major global manufacturing and services hub.

#### Economic Dimensions

**Narrowing Trade Deficit** : The fall in the overall trade deficit indicates relatively stronger export performance compared to imports.

**Importance of Non-Oil Exports** : Growth in non-oil exports demonstrates broader structural strength beyond petroleum-related trade.

**Gold Import Concerns** : Sharp growth in gold imports increases pressure on the current account and foreign exchange outflows.

**Services Sector Dependence** : The rising share of services exports increases India's exposure to disruptions in the global digital economy.

#### International Dimensions

**Impact of West Asia Crisis** : Conflict in West Asia disrupted trade flows, especially with the UAE and regional energy markets.

**Geopolitical Trade Realignment** : Global firms increasingly seek diversified supply chains beyond conflict-prone and concentrated regions.

**FTA-Led Market Expansion** : India's ongoing trade agreements are helping exporters access newer markets.

#### Technological Dimensions

**Digital Services Competitiveness** : India's IT and knowledge-based exports remain central to services export growth.

**AI-Related Risks** : Rapid advances in Artificial Intelligence may reduce India's traditional labour-cost advantages in IT services.

**Manufacturing Modernisation** : Electronics and engineering exports reflect gradual integration into global value chains.

## RELEVANCE

**GS II** : *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*