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1. India's Growth Mirage: Structural Faultlines Ahead

Context:

Despite projections of India as a rapidly growing economic powerhouse, underlying structural vulnerabilities—from heavy energy import reliance to lagging technological innovation—pose significant long-term risks to macroeconomic stability.

Energy & External Sector Vulnerabilities (GS-3)

- **Import Dependency:** Importing ~90% of crude oil and ~50% of LNG makes the economy highly susceptible to global price shocks.
- **Macroeconomic Impact:** Fuel price surges widen the Current Account Deficit (CAD), fuel inflation, and necessitate massive RBI interventions, depleting forex reserves.
- **Fertilizer Security:** Domestic urea production relies heavily on imported LNG, directly linking energy security to agricultural stability.

Rural Economy & Climate Risks

- **Monsoon Dependency:** Sub-par monsoons suppress rural incomes and consumption, fueling food inflation and increasing the fiscal subsidy burden.
- **Safety Nets:** Effective implementation and adequate funding of schemes like MGNREGA remain crucial to absorbing rural economic shocks.

Remittances & Future of Work

- **Remittance Shifts:** While remittances (\$135 billion in FY24-25) support the CAD, reliance is shifting from West Asia to advanced economies facing anti-immigration policies.
- **AI Disruption:** Artificial Intelligence threatens to automate software and data processing, traditionally strong employment sectors for Indian professionals.

Manufacturing & Technological Sovereignty

- **Lagging Core Tech:** Unlike Taiwan (semiconductors) or the US/China (AI), India relies heavily on imported tech and capital equipment.
- **Startup Limitations:** India's vibrant startup ecosystem focuses largely on digital intermediation (e-commerce, ride-hailing) rather than foundational technological innovation.

Achieving a true "Viksit Bharat" requires transitioning from a service-led growth model to achieving technological sovereignty in critical sectors like semiconductors and AI, alongside building robust resilience against external macroeconomic shocks.

2. India–NZ FTA: From Modest Trade to Modern Strategy

Context:

The India-New Zealand Free Trade Agreement (FTA) aims to exponentially grow their current, relatively modest \$1.3 billion bilateral trade footprint. It signifies India's pragmatic shift towards a modern, facilitation-led trade policy, carefully balancing global market integration with domestic protection.



Key Provisions & Economic Impact

- **Export Competitiveness:** Secures 100% duty-free access to New Zealand, offering a crucial pricing advantage for labour-intensive Indian textiles and leather.
- **Strategic Shielding:** India cautiously excluded sensitive sectors, notably dairy, protecting domestic industries from aggressive foreign competition.
- **Services Growth:** Ensures wider market access and mobility for Indian professionals in technology, healthcare, consulting, and education.
- **Capital Inflow:** Includes a significant proposed investment commitment of \$20 billion over the next 15 years.

Regulatory Framework & Facilitation

- **Rules of Origin (RoO):** Mandates strict product-specific rules and traceability to prevent third-party transshipment and agreement misuse.
- **Tackling Non-Tariff Barriers:** Streamlines regulatory approvals to boost exports in pharmaceuticals, agriculture, and food processing.
- **Operational Ease:** Implements digital certification and faster customs clearances to reduce inventory costs and improve supply chain certainty.

Strategic Takeaways:

- **Evolving Trade Policy:** Modern FTAs now prioritize reduced transaction costs, compliance, and predictable regulations over mere tariff reductions.
- **Compliance as a Catalyst:** Preferential access requires businesses to master Harmonised System (HS) classifications and maintain absolute supply-chain visibility.
- **Balanced Diplomacy:** Reflects India's contemporary geoeconomic strategy: opening new market vistas without compromising vulnerable domestic livelihoods.

3. India's Twin Narco Fronts: Myanmar's Opium, Pakistan's Drones

Content:

The NCB's 2026 Annual Report highlights a strategic shift in India's narco-security landscape, driven by Myanmar's emergence as the primary opium supplier following Afghanistan's 2022 ban. This dual-front challenge threatens internal security through the porous East and the technologically evolving West.



Eastern Border: The Myanmar Axis

- **Production Surge:** Myanmar's opium cultivation grew by 56%, creating a massive poly-drug hub for heroin and meth in Shan State.
- **Transit Corridors:** Manipur (NH-102) and Mizoram (Champhai) have transitioned from peripheral transit zones to active hinterland distribution grounds.
- **Structural Loopholes:** Unfenced, porous borders and the Free Movement Regime (FMR) actively facilitate unchecked cross-border smuggling into India.
- **High Seizures:** Highlighting the vulnerability, Mizoram alone accounted for 1,477 kg of India's total amphetamine seizures in 2025.

Western Border: Drones & Legacy Threats

- **Afghan Legacy:** Despite a 93% cultivation drop, 13,200 tonnes of pre-ban Afghan narcotics continue to flood western pipelines.
- **Drone Trajectory:** Pakistan-backed drone smuggling surged 100-fold over five years, heavily targeting Punjab with heroin and methamphetamine.
- **Maritime Blindspots:** Traffickers increasingly utilize coastal craft along Gujarat and Maharashtra, operating below standard maritime surveillance detection thresholds.

Security Imperatives (GS-3)

- **Border Infrastructure:** Accelerating smart fencing and reassessing the FMR mechanism along the Indo-Myanmar frontier is critical.
- **Anti-Drone Deployment:** Upgrading and deploying counter-UAV technology across Punjab and Rajasthan to neutralize evolving aerial networks.
- **Coastal Vigilance:** Strengthening inter-agency maritime intelligence to intercept non-traditional smuggling via localized fishing vessel syndicates.

4. Detect, Disrupt, Destroy: India's New Drug Control Vision

Context:

The Ministry of Home Affairs has unveiled the 'Vision Document on Drug Control (2026-2029)', outlining a comprehensive roadmap to revamp the Narcotic Drugs and Psychotropic Substances Act (NDPS Act). Built on the strategy of "detect, disrupt and destroy", this policy aims to dismantle transnational narcotics networks while adopting a reformative stance on addiction.

Policy Framework & Legal Reforms

- **NDPS Act Upgradation:** Amending the Act to fix operational loopholes and integrate a reformative approach toward drug victims.
- **Exclusive NDPS Courts:** Establishing dedicated courts to expedite judicial trials and secure speedy convictions in major drug syndicates.
- **Asset Interdiction:** Strengthening evidence-based legal tools and modern technology to freeze, seize, and completely eliminate illicit financial proceeds.

Operational Strategy & Tech Integration

- **Network-Centric Enforcement:** Shifting focal strategy from low-level drug couriers to completely dismantling complete, end-to-end global trafficking networks.
- **AI-Enabled Interdiction:** Deploying artificial intelligence for profiling and monitoring vulnerable land, maritime, and aerial smuggling routes.
- **Global Extractions:** Utilizing CBI and Red Corner Notices to actively target international drug traffickers and hiding gangsters.

Governance & Security (GS-2/3)

- **Multi-Sectoral Synergy:** Combining forty ministries and civil societies under a unified national framework, boosting cooperative federalism.
- **Pragmatic Criminal Justice:** Balancing iron-fisted enforcement against cross-border organized crime with a compassionate, health-first reformative model for consumers.
- **Asymmetric Threats:** Recognizing drug abuse as a potent non-traditional security challenge necessitating absolute supply-chain disruption by 2029.

5. Rationalizing Food Security: Per-Capita vs Household Entitlements

Context:

The Union Food and Public Distribution Department has proposed critical amendments to the National Food Security Act (NFSA), 2013, restructuring entitlements under the Antyodaya Anna Yojana (AAY). Currently open for public feedback, the draft attempts to rationalize welfare distribution while navigating complex federal, demographic, and political sensitivities.

Proposed Allocation Shift

- Transitions AAY entitlement from a flat 35 kg per household to 7 kg per person monthly.
- Maintains a maximum upper limit of 35 kg per household, provided entirely free of charge.

Government's Objective

- Resolves intra-category inequity, ensuring larger vulnerable families do not suffer from lower per-capita grain availability.
- Better aligns India's public food distribution metrics with actual individual nutritional requirements.

Federal and Demographic Friction

- Sparks fears of a "North-South divide," heavily penalizing southern states that successfully stabilized population growth.
- States like Kerala oppose the policy, warning it structurally reduces their historical state-level welfare allocations.

Civil Society Concerns

- The prolonged Census delay means the AAY beneficiary list ignores recent population growth, excluding millions.
- Right to Food activists demand holistic nutrition, pushing for pulses and cooking oil to meet ICMR baselines.

Per-Capita Equity vs Household Safety Nets

- Illustrates the policy tension between per-capita rationalization and protecting established household welfare safety nets.
- Highlights how outdated demographic data directly cripples the efficacy of the Targeted Public Distribution System (TPDS).

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