



Date: (17-06-2026)

1. Stalled Monsoon and El Niño Impact: Geographic and Economic Contours

Context:

- Over a week past its normal schedule, the Southwest Monsoon's northward progress has stalled, failing to cover Maharashtra and Central India. This delay has triggered a nationwide rainfall deficit of 35%, raising significant concerns for the ongoing Kharif agricultural season.

Current Meteorological Status

- Regional Deficits: Central India (-61%) and East/NE India (-43%) face severe shortfalls, while NW India has excess rain.
- Pessimistic Outlook: The IMD downgraded its seasonal forecast to 90% of the Long Period Average (LPA).

Geographical Context

- The El Niño Factor: Forecasters warn of a looming 'Super El Niño' event this year. El Niño involves abnormal warming of the equatorial Pacific Ocean, which disrupts the Walker Circulation and weakens the Indian monsoon.
- Historical Trend: Early-season deficits during El Niño years (like 2009 and 2014) strongly correlate with eventual droughts.

Government Interventions & Agriculture

- Contingency Planning: The government is enforcing crop-wise contingency plans across 150-200 priority districts.
- Crop Shifting: Farmers are encouraged to shift to drought-resilient Kharif crops like cotton and pulses.
- Buffer Stocks: Current reservoir storage (30.4%) is higher than previous El Niño averages, offering a temporary buffer.





Macroeconomic Implications

- Food Inflation: Erratic sowing impacts agricultural output, driving up food prices.
- Inflation Risks: ICRA estimates this disruption could add 0.4 percentage points to retail food inflation, a major RBI concern.

2. India at G7 Summit: Navigating Trust Deficits and Bilateral Realignments

Context:

- Prime Minister Narendra Modi participated in the G7 Summit outreach session in Evian, France. He emphasized that the global community suffers from a "shortage of trust" rather than resources, advocating for equal partnerships over traditional donor-recipient paradigms, especially for the Global South.

Key Highlights

- Selective Alignments: India backed G7 initiatives on Ebola and cancer but abstained from the communique on restructuring development finance.
- Championing the Global South: India highlighted its capacity-building efforts in Africa (water, agriculture, energy) to underscore South-South cooperation.
- India-Canada Ties: Moving past the 2024 diplomatic freeze over extremism allegations, ties with PM Mark Carney are advancing via an upcoming FTA and a CAD \$2.6 billion uranium supply agreement.
- India-UK FTA: Bilateral talks with UK PM Keir Starmer focused on adding momentum to ties and operationalizing the Free Trade Agreement signed in July 2025.





- **India-US Frictions:** Meeting US President Trump comes amidst strained ties due to visa restrictions, delayed trade deals, and the recent death of Indian sailors in a US strike.
- **Diaspora Security:** PM Modi thanked UAE's leadership for protecting Indian expatriates amidst the ongoing West Asia conflicts involving Iran.

About G7:

- **Composition:** An informal coalition comprising seven advanced economies (Canada, France, Germany, Italy, Japan, the UK, and the US) along with the EU, dedicated to the coordination of global economic and security matters.
- **Population Share:** Encompasses around 780 million individuals, which constitutes just under 10% of the entire global populace.
- **Nominal GDP:** Represents approximately 44% of the global nominal GDP, marking a significant decrease from over 60% in the 1980s.
- **Purchasing Power Parity (PPP):** Accounts for roughly 28% to 30% of the global GDP when measured in PPP terms, indicative of the swift economic growth observed in emerging markets.
- **Global Wealth:** In spite of its diminishing proportion of the global population and total economic output, this bloc retains nearly 50% of the world's nominal net wealth.
- **Core Purpose:** Annual forum for global coordination on economy, security, energy, and transnational challenges.
- **Nature of Decisions:** No charter or secretariat; outcomes are political commitments via joint communiqués.
- **Rotational Leadership:** Presidency shifts yearly; host nation sets agenda.
- **Evolving Mandate:** From 1970s economic crises to health, climate, and geopolitical issues today.





3. U.S.-Iran MoU: Geopolitical Realignments and Strategic Shifts

Context:

- The June 14 Memorandum of Understanding (MoU) establishes a 60-day negotiation period between the U.S. and Iran. It offers a fragile window for diplomacy following intense regional hostilities, maritime blockades, and mutual economic attrition.

Key Issues and Deal-Breakers

- Core Friction: Negotiations involve lifting U.S. sanctions, releasing over \$100 billion in frozen assets, and addressing the Lebanon crisis.
- Non-Negotiable Elements: Iran's nuclear uranium enrichment and its asserted sovereignty over the Strait of Hormuz remain critical red lines.
- Transactional Diplomacy: A \$300 billion reconstruction fund using U.S. companies is reportedly being leveraged as a negotiating tool.

Geopolitical and Strategic Implications

- Limits of Hyperpower: The conflict exposed the limits of U.S. military dominance against Iran's smart, cost-effective asymmetric warfare strategies.
- Energy Security Shifts: High volatility and supply disruptions threaten to hasten the "peak oil" scenario and transition toward clean energy.
- GCC Realignment: Diminished U.S. credibility as a security provider is forcing Gulf nations to individually recalibrate ties with Iran.
- Deterrence Paradigm Shift: Iran may pivot its primary deterrence from nuclear latency to active, disruptive control of the Strait of Hormuz.
- Non-State Actors: The weakening of Iran and its proxies could inadvertently empower Sunni extremist groups like ISIS and Al-Qaeda.



Key points to remember:

- Strait of Hormuz: A vital maritime chokepoint connecting the Persian Gulf to the global ocean; essential for global energy security.
- JCPOA (2015): The Joint Comprehensive Plan of Action, a nuclear accord dismantled by the U.S. in 2018, triggering the current crisis.
- Asymmetric Warfare: Conflict between belligerents whose relative military power differs significantly, relying on unconventional tactics to bridge the gap.

Implications for India

- Energy Security: Stabilizes global crude oil prices and secures India's vital energy imports passing through the Strait of Hormuz.
- Diaspora Safety: Enhances the physical security and stability of the massive Indian expatriate workforce residing across the GCC region.
- Strategic Infrastructure: Reduces diplomatic and sanction risks impacting India's investments in the Chabahar Port and the INSTC corridor.
- Maritime Trade: Minimizes drone and missile threats to Indian commercial shipping lines navigating critical West Asian chokepoints.
- Strategic Balancing: Eases the geopolitical tightrope for New Delhi in managing concurrent, ***vital ties with the U.S., Iran, and Arab nations.***



4. Dynamics of India's Textile Exports: FY26 Overview

Context:

- India's textile and apparel sector, a vital pillar of merchandise exports, recorded a 2% year-on-year decline in FY2025-26, closing at \$35.80 billion. Despite global supply chain disruptions, a rapidly depreciating rupee provided a crucial survival buffer for export volumes.

Key Export Trends (FY26)

- Stagnant Trajectory:** The sector registered a meager 1.78% CAGR from FY15 to FY26, failing to sustain its FY22 peak of over \$37 billion.
- Currency Cushion:** The Rupee's steep slide from ₹86.60 to ₹94.83 per USD helped maintain export volumes, masking the drop in total dollar revenues.
- Geographical Pivot:** A drop in U.S. orders due to tariff threats was partially balanced by improved demand from China, Bangladesh, and Sri Lanka.
- Sectoral Stress:** Stagnating growth and a sharp 12.98% contraction in May apparel shipments have disproportionately impacted vulnerable MSME exporters.

Core Concepts

- Currency Depreciation:** A weaker domestic currency makes exports cheaper and highly competitive in global markets, often boosting volume during slowdowns.
- Free Trade Agreements (FTAs):** Legally binding treaties between nations that reduce tariffs and quotas, essential for bypassing protectionist barriers.





Future Outlook

- **Market Diversification:** The Apparel Export Promotion Council (AEPC) is targeting EU markets, banking heavily on upcoming FTA implementations.
- **Geopolitical Relief:** Exporters anticipate a strong global demand revival linked to the end of the U.S.-Iran conflict and stabilizing West Asian markets.

5. Tackling Nipah Outbreaks: Lessons in Pandemic Preparedness

Context

- Kerala's swift containment of a recent Nipah virus case highlights the region's ecological vulnerability. Simultaneously, it underscores the critical importance of a robust, protocol-driven public healthcare system in averting potential zoonotic pandemics.

Ecological and Static Interlinkages

- **Zoonotic Spillover:** Nipah is a severe zoonotic virus; its natural reservoir is the large fruit bat (*Pteropus* species).
- **Anthropogenic Triggers:** Human encroachment into traditional forest habitats facilitates virus transmission via bat-contaminated fruits or water sources.
- **Priority Pathogen:** The World Health Organization (WHO) flags Nipah due to its high case-fatality rate and ability to cause Acute Encephalitis Syndrome (AES).





Historical Vulnerability and Transmission

- **Recurrent Outbreaks:** India has faced multiple outbreaks, notably in West Bengal (2001, 2026) and repeatedly in Kerala since the deadly 2018 cluster.
- **Human-to-Human Spread:** While originating from animals, rapid person-to-person transmission poses severe containment risks, particularly endangering frontline healthcare workers.

Strategic Lessons for National Preparedness

- **One Health Approach:** Effective disease control mandates integrating human, animal, and environmental health, moving beyond an isolated medical response.
- **Grassroots Surveillance:** Empowering primary and secondary healthcare centers to maintain a high "index of suspicion" for atypical fever clusters.
- **Rapid Protocol Deployment:** Kerala's containment success relies on immediate clinical efficiency, aggressive contact tracing, and strict isolation protocols.
- **Bio-Disaster Readiness:** Decentralized healthcare vigilance acts as the first and most crucial line of defense against emerging global pandemic threats.



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