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Headlines:

- India's LPG Price Cuts Reflect Global Stability
- India's GST Surge Masks Structural Fault Lines
- World Bank Drops Climate Finance Targets, Sparks Global Debate
- VIJAY Roadmap: Future-Ready Indian Army
- CRS 2024: India Nears Universal Birth & Death Registration



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1. India's LPG Price Cuts Reflect Global Stability

Context:

Following the easing of West Asian conflicts and the stabilization of global supply routes, public sector OMCs have reduced commercial LPG and aviation fuel prices, though domestic LPG rates remain unchanged to shield households from market volatility.

LPG & Pricing Dynamics in India

- LPG is bifurcated into domestic (regulated pricing) and commercial (market-determined pricing) segments.
- Free Trade LPG (FTL) provides accessible, smaller cylinders specifically catering to migrant populations.
- Public Sector OMCs manage nationwide distribution and execute periodic benchmark-linked price revisions.
- Domestic LPG pricing is strategically shielded from immediate global volatility to protect household budgets.

Geopolitics & Import Vulnerabilities

- India exhibits high import dependence on Gulf nations to meet its escalating LPG consumption.
- The Strait of Hormuz remains a critical maritime chokepoint vital for India's energy security.
- West Asian conflicts disrupt regional supply chains, forcing reliance on distant markets like Australia.
- Rerouting shipments drastically increases transit times, maritime freight rates, and war-risk insurance premiums.

Macroeconomic & Sectoral Impacts

- Elevated global energy prices directly widen India's Current Account Deficit (CAD) and deplete forex.
- Supply-side bottlenecks import inflation, thereby increasing the overall domestic cost of living.
- Reductions in commercial LPG prices lower input costs for the hospitality and food processing industries.
- Cuts in Aviation Turbine Fuel (ATF) prices reduce logistics costs and boost the aviation sector.

Strategic Measures & Way Forward

- Expanding Strategic Petroleum Reserves (SPRs) is crucial to buffer against sudden global supply shocks.
- Proactively diversifying energy import sources reduces dependency on volatile Middle Eastern geographies.

- Accelerating domestic natural gas exploration minimizes external vulnerabilities and enhances national self-reliance.
- Transitioning towards clean energy alternatives ensures long-term economic stability and sovereign climate resilience.

2. India's GST Surge Masks Structural Fault Lines

Context:

India's recent GST revenue growth has reached a 13-month high, predominantly driven by a surge in import taxes rather than domestic transactions. As GST completes nine years, experts highlight the urgent need to address persistent structural bottlenecks to sustain economic growth.

GST Framework & Institutional Setup

- GST is a destination-based, dual-structure (CGST, SGST/UTGST, IGST) indirect taxation system.
- It embodies cooperative fiscal federalism, guided by the constitutional mandate of the GST Council.
- The GST Network (GSTN) acts as the centralized IT backbone driving digital compliance.

Achievements of the GST Regime

- It successfully forged a unified national market by dismantling complex inter-state trade barriers.
- The system largely eliminated the cascading effect of taxes, optimizing supply chain efficiencies.
- Mandatory digital invoicing has structurally expanded the tax base and accelerated economic formalization.

Revenue Trends & Economic Implications

- Recent data indicates import-based GST is growing at a much faster pace than domestic revenues.
- This surge partially reflects robust domestic manufacturing demanding imported raw materials and intermediates.
- Conversely, it exposes India's strategic vulnerability to global commodity inflation and high import dependence.

Manufacturing Perspective & Strategic Needs

- Persistent reliance on imports challenges the core self-reliance objectives of Atmanirbhar Bharat.
- Unutilized Production-Linked Incentive (PLI) outlays should be strategically redirected to scale domestic manufacturing.

- Policy interventions must focus on bridging supply chain gaps to boost import substitution.

Key Structural Challenges

- An inverted duty structure traps Input Tax Credit (ITC), severely impacting manufacturers' working capital.
- Excluding key sectors like petroleum (ATF, natural gas) and real estate restricts the overall tax base.
- Firms face elevated compliance burdens due to multiple state-wise registrations and protracted dispute resolution.

Way Forward

- Undertake comprehensive rate rationalization to permanently resolve the inverted duty structure anomaly.
- Initiate a phased inclusion of low-hanging fruits like ATF and natural gas into the GST network.
- Establish efficient, centralized appellate tribunals to streamline dispute resolution and enhance business ease.

3. World Bank Drops Climate Finance Targets, Sparks Global Debate

Context:

In response to opposition from the United States, the World Bank Group has declared that it will abandon its target of allocating 45% of its climate finance under the Climate Change Action Plan, opting instead to focus on development outcomes rather than input targets.

World Bank & Climate Change Action Plan (CCAP)

- As a leading Multilateral Development Bank (MDB), the WBG is central to financing global sustainable development and poverty reduction.
- The CCAP integrates climate adaptation and mitigation into development, previously utilizing mandated financing targets to drive the global green transition.

Climate Finance & Governance Linkages

- Predictable climate finance—comprising public, concessional, and blended finance—is vital for developing nations to balance economic growth with ecological resilience.
- The policy shift reflects a tension between the UNFCCC's principle of Common But Differentiated Responsibilities (CBDR-RC) and donor-driven MDB agendas.
- Without binding MDB targets, achieving the Paris Agreement, Sustainable Development Goals (SDGs), Net Zero commitments, and Nationally Determined Contributions (NDCs) becomes harder.

Reasons Behind the Policy Shift

- The U.S. argued that rigid climate targets breed inefficiency and distort the core mandate of poverty reduction and economic growth.
- This underscores a broader geopolitical debate concerning the balance between immediate development financing and long-term climate financing.

Implications for Developing Countries & India

- The absence of dedicated quotas may disrupt funding for climate-resilient infrastructure, biodiversity conservation, and sustainable agriculture in the Global South.
- For India, vital initiatives spanning green hydrogen, renewable energy expansion, groundwater management, and disaster risk reduction could face funding uncertainties.

Challenges & Way Forward

- The primary challenge is bridging the widening climate finance gap amid uncertain international funding and shifting geopolitical influences on MDBs.
- There is an urgent need to reform MDB governance to ensure equitable access to predictable, outcome-oriented climate finance.
- Enhancing South-South cooperation, mobilizing private capital, and ensuring climate action complements inclusive economic development are critical for long-term resilience.

4. VIJAY Roadmap: Future-Ready Indian Army

Context:

General Dhiraj Seth, upon assuming charge as the 31st Chief of the Army Staff, unveiled the "VIJAY" roadmap. This strategic blueprint aims to transform the Indian Army into a future-ready, technology-enabled force capable of multi-domain operations.

Vision & Objective

- **VIJAY Framework:** Represents Vigilance, Innovation, Jointness, Atmanirbharta, and Yodha First.
- **Strategic Blueprint:** Seeks to build an agile, technology-driven military architecture capable of effectively deterring hybrid, conventional, and multi-domain threats.

Adapting to Modern Warfare

- **Multi-Domain Operations:** Focuses on seamlessly integrating cyber, space, electronic warfare, and information operations alongside conventional kinetic forces.
- **Emerging Technologies:** Emphasizes the deployment of AI-enabled warfare, autonomous systems, and advanced counter-drone networks to dominate grey-zone conflicts.

- **Network-Centric Warfare:** Upgrades integrated sensor-to-shooter intelligence links for real-time, data-driven decision-making on the contemporary battlefield.

Jointness & Atmanirbharta (Self-Reliance)

- **Civil-Military Synergy:** Promotes a Whole-of-Nation approach and structural integration among the Army, Navy, and Air Force under the CDS.
- **Integrated Theatres:** Lays the operational groundwork for integrated theatre commands and joint logistics to amplify combat efficiency.
- **Indigenous R&D:** Leverages Defence Acquisition Procedure (DAP), iDEX, and private sector defense corridors to eliminate critical import dependencies.

Human Resource & Modernisation

- **Yodha First:** Prioritizes soldier-centric welfare, technological upskilling, leadership development, and structural support for veterans and Veer Naris.
- **Force Modernisation:** Balances rapid force restructuring, agile logistics modernisation, and continuous operational readiness along volatile border frontiers.

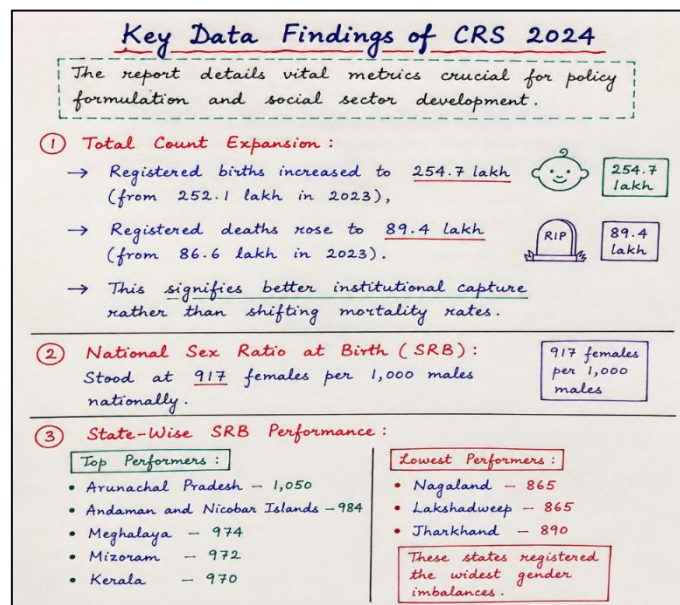
Challenges & Way Forward

- **Key Hurdles:** Overcoming inherent budgetary constraints, persistent interoperability issues, cyber vulnerabilities, and technological gaps in niche advanced weaponry.
- **Strategic Imperative:** Accelerating civil-military-industrial collaboration, strengthening indigenous R&D, and promoting adaptive ecosystems to ensure long-term sovereign deterrence and national security.

5. CRS 2024: India Nears Universal Birth & Death Registration

Context:

The latest Civil Registration System (CRS) 2024 report indicates that India has achieved near-universal registration of births and deaths, alongside an encouraging improvement in the Sex Ratio at Birth (SRB), although regional disparities persist.



Civil Registration System (CRS) & Framework

- The CRS operates under the Registration of Births and Deaths (RBD) Act, 1969, making the recording of vital events legally mandatory.
- The Registrar General of India (RGI) oversees this unified, continuous, and compulsory official vital statistics mechanism.

Significance of Vital Registration

- Comprehensive registration guarantees a legal identity, acting as the foundational documentation for citizenship and welfare access.
- It facilitates targeted public health planning, social security disbursements, disaster compensation, and real-time electoral roll updates.

Demographic Trends & Sex Ratio at Birth (SRB)

- The 2024 SRB of 917 females per 1,000 males reflects a gradual course-correction from historically skewed son-preference dynamics.
- Approaching the biological SRB norm indicates a decline in sex-selective practices, promoting structural gender equality.
- Expanded coverage comprehensively captures India's demographic transition, including urban-skewed stillbirth data essential for maternal healthcare planning.

Governance Impact & Challenges

- Robust vital statistics provide the empirical backbone for Sustainable Development Goal (SDG) monitoring and evidence-based resource allocation.
- Key challenges include addressing inter-state registration disparities, data quality issues, and lingering socio-cultural barriers in vulnerable regions.

Way Forward

- Strengthen interoperable digital registration platforms to eliminate reporting delays and improve data quality.
- Intensify grassroots gender sensitization initiatives like Beti Bachao Beti Padhao to permanently eradicate the legacy of son preference.
- Leverage granular CRS data to bolster targeted maternal and child healthcare, ensuring adaptive and predictive demographic governance.

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