

**The Hindu Important News Articles & Editorial For UPSC CSE**

**Monday, 03 Feb, 2025**

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US President Donald Trump set high trade charges on Canada, Mexico, and China, citing security and trade issues.

# Trump slaps 25% tariff on imports from Canada, Mexico; additional 10% duty for Chinese goods

## Agence France-Presse

PALM BEACH

U.S. President Donald Trump on Saturday announced broad tariffs on trading partners Canada, Mexico and China, claiming a "major threat" from illegal immigration and drugs. The move sparked promises of retaliation. Canadian and Mexican exports to the U.S. will face a 25% tariff starting Tuesday, although energy resources from Canada will have a lower 10% levy.

Goods from China, which already face various rates of duties, will see an additional 10% tariff.

Mr. Trump's orders also suspended exemptions allowing low-value imports from the three countries to enter the U.S. duty-free.

Mr. Trump invoked the International Emergency

Economic Powers Act in imposing the tariffs, with the White House saying "the extraordinary threat posed by illegal aliens and drugs, including deadly fentanyl, constitutes a national emergency".

The aim is at holding all three countries "accountable to their promises of halting illegal immigration and stopping poisonous fentanyl and other drugs from flowing into our country", the White House added.

Mr. Trump said on Sunday that Americans may feel economic "pain" from his tariffs on key trading partners, but argued it would be "worth the price" to secure U.S. interests. "Will there be some pain? Yes, maybe (and maybe not!)" Trump wrote Sunday morning in all-caps on his Truth Social media



The U.S. President also suspended exemptions allowing low-value imports from the three countries to enter the U.S. duty-free. AFP

platform. "But we will Make America Great Again, and it will all be worth the price that must be paid."

China's Commerce Ministry said in a statement it would take "corresponding countermeasures" and file a claim against Washington at the World Trade Organization.

Mexican President Claudia Sheinbaum announced that her country would impose retaliatory tariffs.

Ms. Sheinbaum said she had told her Economy Minister "to implement Plan B that we have been working on, which includes tariff and non-tariff measures in defence of Mexico's interests."

Canadian Prime Minister Justin Trudeau – who spoke with Ms. Sheinbaum – separately said his country would hit back with 25% levies of its own on select American goods worth Can\$155 billion (US\$106.6 billion), with a first-round on Tuesday followed by a second one in three weeks.

"We are certainly not looking to escalate. But we will stand up for Canada, for Canadians, for Canadian jobs," he said, warning of a fracture in long-standing Canada-U.S. ties.

The European Union insisted Sunday it would retaliate "firmly" if U.S. President Donald Trump hit it with tariffs, as Brussels decried his sweeping measures against Canada, Mexico, and China.

**MORE REPORTS ON**  
» PAGES 14 & 15

## Analysis of the news:

- ➡ **Tariff Details:** Canadian and Mexican exports to the U.S. will face a 25% tariff, except for energy resources from Canada, which will have a 10% levy. Chinese goods will face an additional 10% tariff.
- ➡ **National Emergency Justification:** Trump invoked the International Emergency Economic Powers Act, stating that illegal immigration and drugs, including fentanyl, pose a national emergency.
- ➡ **Economic Impact on the U.S.:** Trump acknowledged that Americans might experience economic "pain" but justified it as necessary for securing U.S. interests.

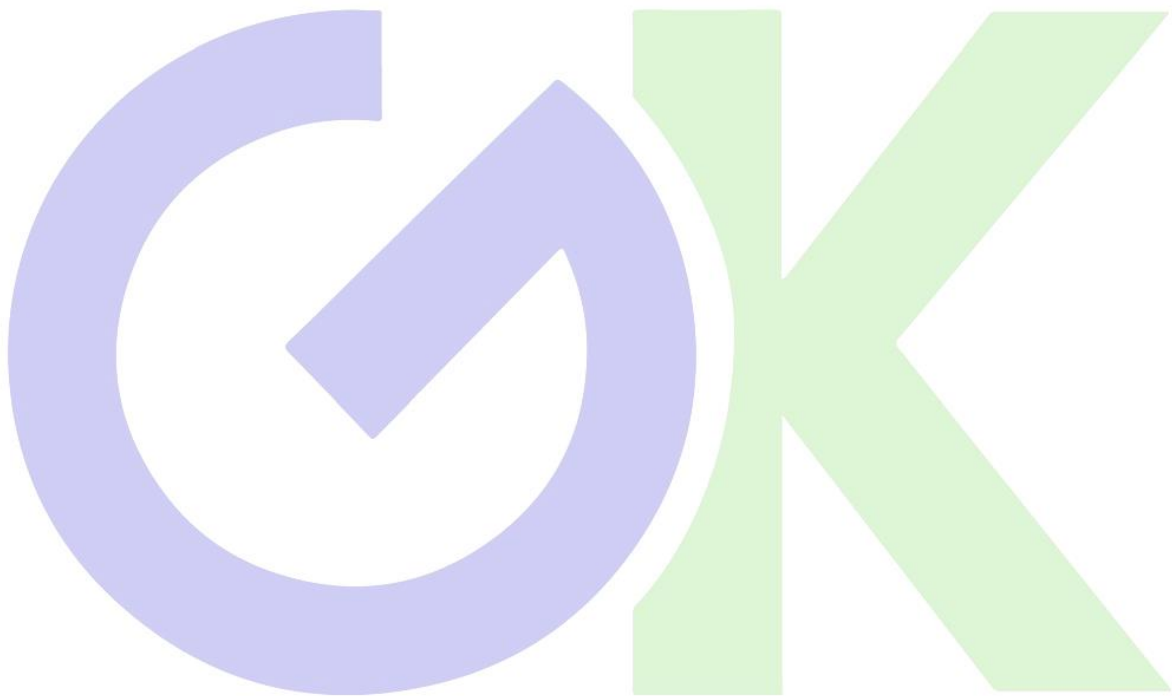
## Retaliation by Affected Countries:

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## Daily News Analysis

- China promised countermeasures and a WTO claim.
- Mexico announced Plan B, including tariffs and trade measures.
- Canada imposed 25% retaliatory tariffs on U.S. goods worth US\$106.6 billion.
- European Union's Response: The EU warned it would retaliate rmlly if Trump imposed tariffs on European goods.



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Scientists discovered six close relatives of cardamom, expanding its genus and potentially improving future spice production with new species.

# Green cardamom's new relatives include two newly identified species from Kerala

**Tiki Rajwi**

THIRUVANANTHAPURAM

Mention spices and invariably the first thing that springs to mind is the supremely aromatic, flavour-rich cardamom. But it now appears that the 'Queen of Spices' has several close, wild relatives and it is not the lone species of the genus *Elettaria* as previously thought.

An international team of researchers have identified six species that are close cousins to *Elettaria cardamomum*, better known as green cardamom. Of the six, four were previously placed in a separate genus, *Alpinia*, while the remaining two have been newly identified and described



A view of dried green cardamom in Kerala's Idukki district. JOMON PAMPAVALLEY

from Kerala's Western Ghats regions.

The findings have been published in a paper 'The cardamom conundrum resolved: Recircumscription and placement of *Elettaria* in the only pantropically distributed ginger lineage,' published in the journal *Taxon*. The international

seven-member team from Denmark, India, Colombia, Czech Republic, Singapore, Sri Lanka, and the U.K. included Mamiyil Sabu of the KSCSTE-Malabar Botanical Garden and Institute for Plant Sciences, Kozhikode.

## Seven in all

Following the reclassification, the genus *Elettaria* now has seven species, including *Elettaria cardamomum*, *E. ensal*, *E. floribunda*, *E. involucrata* and *E. rufescens* were earlier placed in the genus *Alpinia*. The remaining two are new species, *Elettaria facifera* and *Elettaria tulipifera*, the former described from Kerala's Periyar Tiger Reserve in Idukki district and

the latter from the Agasthyamalai hills in Thiruvananthapuram district and Munnar in Idukki by Dr. Sabu and Jana Leong-Skornickova of the Herbarium, Singapore Botanic Gardens.

These recent developments which highlight potentially overlooked genetic resources could play an important role in spice production in the future, Dr. Sabu said. Seed capsules of *Elettaria cardamomum* provide the commercial green cardamom.

The genus name is based on this spice's old Malayalam name, 'elletari' as used by Hendrik van Rheede in his 17th century botanical treatise *Hortus Malabaricus*.

## Analysis of the news:

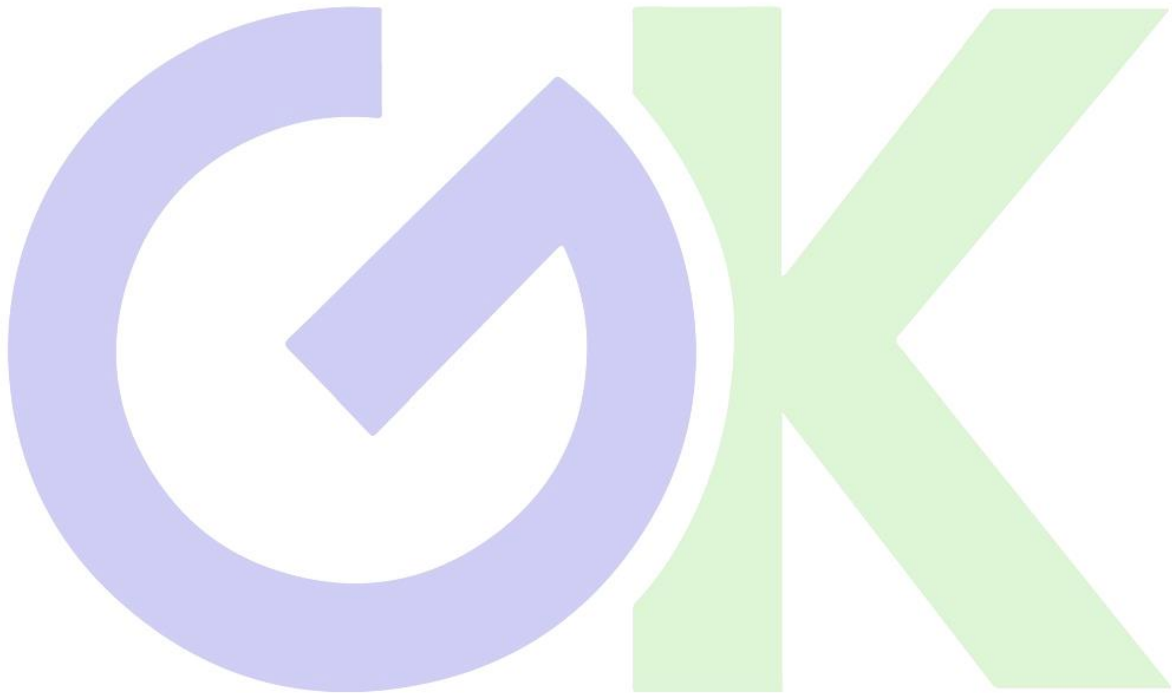
- ➡ Cardamom, known for its strong flavor and aroma, has six close relatives, not just one as previously thought.
- ➡ An international team of scientists discovered these relatives, four of which were previously classified under a different group called *Alpinia*.
- ➡ Two new species of cardamom were identified in Kerala's Western Ghats, specifically from the Periyar Tiger Reserve and Agasthyamalai hills.

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## Daily News Analysis

- ▶ The findings, published in the journal Taxon, now place seven species under the Elettaria genus, including the widely known green cardamom, Elettaria cardamomum.
- ▶ This discovery could potentially improve spice farming in the future, as these related species may have overlooked genetic resources useful for production.



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Assam police destroyed poppy plantations worth ₹27.2 crore in Goalpara, part of a broader anti-drug drive amidst regional tensions.

## After Manipur, Assam destroys poppy plantations

**The Hindu Bureau**  
GUWAHATI

After Manipur, Assam has begun destroying poppy plantations. On Sunday, the police in Goalpara district of western Assam used tractors to destroy poppy plants on more than 56 acres of a sandbar in the Brahmaputra. The destroyed crop of the opium-producing plant was worth ₹27.2 crore.

People living on some sandbars or *chars*, which are usually difficult to reach, have been known to grow cannabis. Officials said this was one of the first instances that poppy cultivation was reported from sandbars.

Taking to social media platform X, Chief Minister Himanta Biswa Sarma equated the local poppy cultivators with Pablo Escobar, a Colombian drug lord who was killed in 1993. "Dear Local Pablo Escobars, sorry to spoil your planned Uda Assam party! Because @Goalpara Police destroyed 170 Bighas of poppy cultivation in the Char (sandbar) areas worth ₹27.20 crore in January. So next time you think of drugs, think of @assam-police first," he wrote. Manipur Chief Minister Nong-



Poppy plantations being destroyed in Assam.  
X/@HIMANTABISWA

thombam Biren Singh was quick to respond to the post.

"My deep appreciation for the decisive measures taken in Assam, under the leadership of Hon'ble Chief Minister Shri @himantabiswa ji, in addressing the challenges posed by the cultivation of poppy," he wrote. "We stand together and remain resolute in our shared goal of building a future where every northeast youth is protected, nurtured, and allowed to thrive free from the shadow of drugs," Mr. Singh added.

The anti-drug drive that entailed burning acres of cannabis and poppy plantations was said to be one of the factors behind the ethnic conflict between the Kuki-Zo and Meitei communities since May 2023.

### About Poppy Plant:

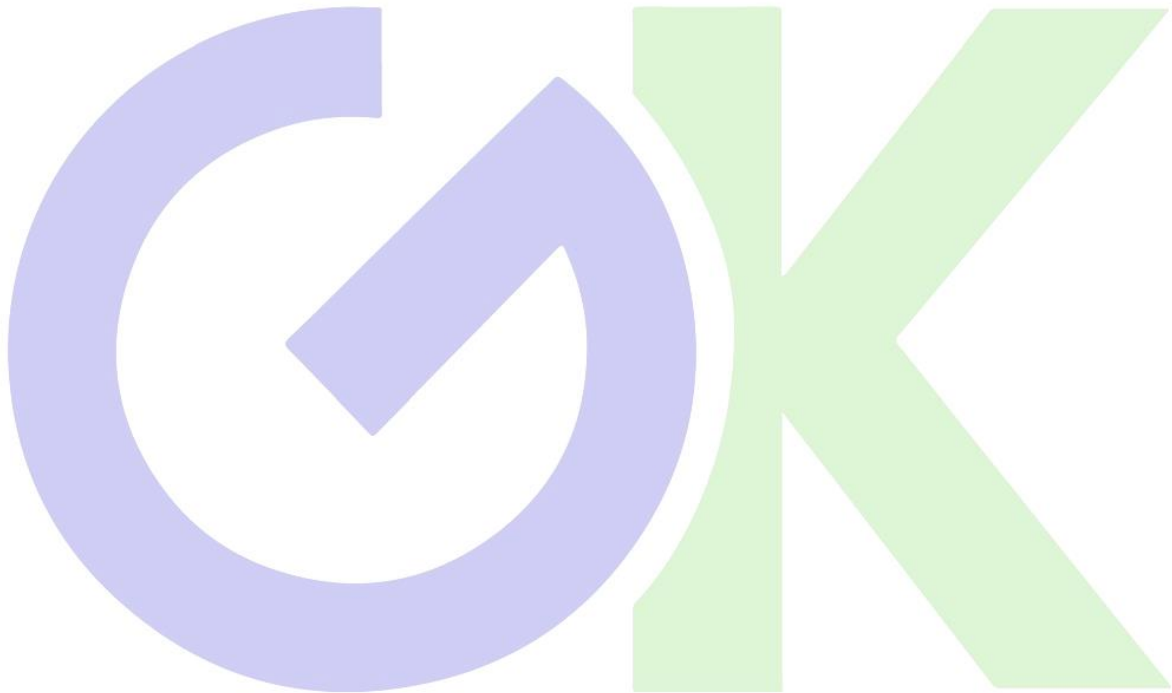
- ▶ Poppy is a flowering plant of the genus *Papaver*, most commonly associated with *Papaver somniferum*.
- ▶ The plant is widely cultivated for its seeds, which are used in cooking, and for its latex, which produces opium.
- ▶ Opium is processed to create narcotics such as morphine and heroin.
- ▶ Poppy cultivation is illegal in many countries due to its connection to drug production.

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## Daily News Analysis

- ▶ In some regions, poppy farming is a major issue, contributing to the illegal drug trade.
- ▶ The plant requires specific growing conditions, such as well-drained soil and a moderate climate.
- ▶ Poppy cultivation is banned in most countries due to its illicit drug potential.



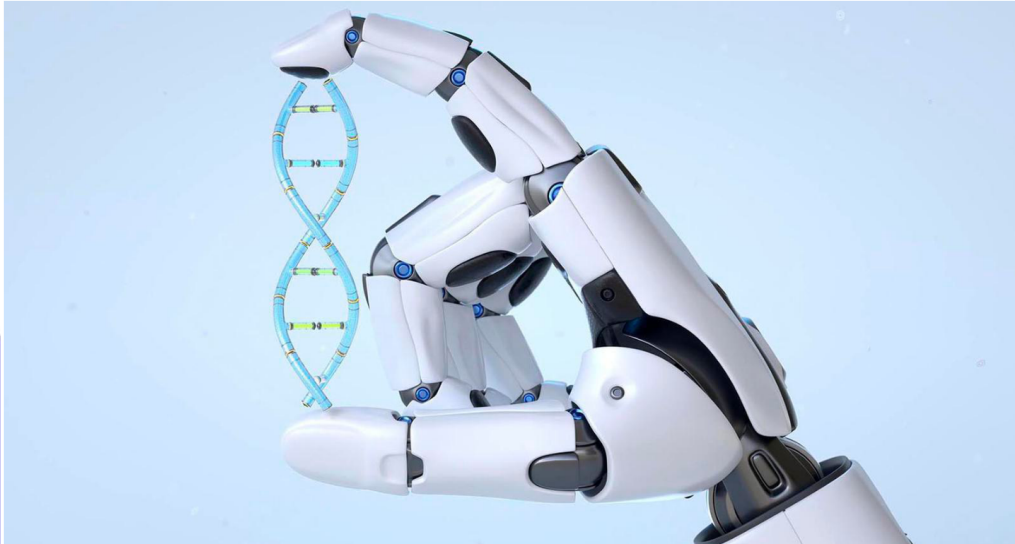
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➔ The article discusses how AI is transforming genomics, enhancing genetic research, and personalizing healthcare, while also highlighting ethical and data security concerns.



GETTY IMAGES

## The various challenges associated with AI-driven genetic testing

As genetic information can be processed faster with Artificial Intelligence (AI), the amount of personal data going under the scanner to be analysed has also increased. This, in turn, increases the potential of plausible data security risks and leaks

**Poulomi Chatterjee**

**T**he Human Genome Project, launched in 1990 and concluded in 2003, enabled the documentation and analysis of the building blocks of human DNA, revealing patterns that could indicate the likelihood of developing rare diseases or carrying genetic abnormalities. Initially, predictive tests were limited to exceptional cases due to their high cost. For instance, expecting mothers could undergo tests to detect fetal cells with chromosomal defects potentially associated with Down's Syndrome or cancer patients could have their tumours examined to determine the most effective treatment options.

### How has AI changed genomics?

As genetic information can be processed faster with Artificial Intelligence (AI), the amount of data going under the scanner has also increased.

In March 2024, John Hopkins University researchers revealed how genetic code sequences, which were previously ignored, were found to be associated with tumours. Using machine learning techniques, they were able to analyse more than 1,200 distinct types of "junk DNA" elements from tumours to deepen research around new therapies, new diagnostics and new screening methods for cancer.

Bootstrapped healthcare startup, Gene Box, leverages AI primarily to process vast amounts of genetic data swiftly and accurately, uncovering patterns and insights that would be nearly impossible to identify manually.

Their AI-driven algorithm helps predict genetic predispositions, interpret

complex gene-environment interactions, and provide personalised recommendations based on individual genetic profiles. Moreover, their systems are designed to incorporate inputs from published, highly rated scientific evidence.

"By continuously updating our models with the latest research findings, we ensure that our analyses are not only accurate but also grounded in the most current and reliable scientific knowledge," said Mr. Pranav Anam, founder, and CEO of the healthcare startup.

### What are the potential pitfalls?

When it comes to predicting whether a child will get through an elite school or how likely is she in landing a high-paying job, these testing tools can hardly offer a straightforward answer. "These aren't as simple as a 'yes' or 'no' question. It is a well-known fact that genetics is only 30% of the contributing factor," Mr. Anam said.

There are other caveats. For instance, a diagnosis could change in the future or may not present the full picture, often falling under the grey zone of significance. "These are known as 'variations of unknown significance'. Sometimes, other members of the family could be required to be tested to draw conclusive results," said Ms. Gayatri Iyer, a scientist at the Tata Institute for Genetics and Society.

For example, research has linked about 80 genes to Alzheimer's. While genetic testing can identify the risky genes, that doesn't mean the patient is bound to get it. The tests simply assess the genetic risk by identifying certain genetic variations that are associated with Alzheimer's. Consequently, a patient can also develop Alzheimer's without having any of the

associated genes. "There are a bunch of questions we need to deal with. What if the tests found something that the patient wasn't looking for at all? How do you handle predictions of mental health diseases," Ms. Iyer noted.

"When dealing with sensitive cases, such as determining genetic predispositions for conditions like depression or heart disease, we adhere to strict ethical guidelines," Mr. Anam said. "Our goal is to provide insights that can guide proactive health measures, not to make definitive diagnoses."

Apart from genes, factors like environment, diet and schooling play equally important roles in a child's development.

### Why should users remain cautious?

Nucleus, a genetic testing startup founded in 2020 by 23-year-old college dropout Kian Sadeghi has promised to analyse cancer, depression, longevity, or how extroverted a person might be, among many other diseases and traits, better than any other firm of its kind. The startup received \$14 million in funding from some of the most eminent names in Silicon Valley such as VC firms led by PayPal co-founder Peter Thiel and Reddit co-founder Alexis Ohanian.

In a promotional video posted on X, Sadeghi said its only "an inevitability that every single person has their entire human genome on their iPhone." If that sounds like a data security risk waiting to happen, that's because there's a similar case that is fresh in public memory.

The once popular consumer genetic testing company, 23andMe was at the receiving end of a data security breach in October 2023, after hackers gained access to personal data including family trees,

birth years and geographic locations, of 6.9 million users and sold it on the dark web. The company was directed to pay a \$30 million fine in September and provide three years of security monitoring to settle the lawsuit. It's been a dramatic fall for a company that was considered as pioneering, and valued at around \$6 billion in 2021.

In the following months, most of the company's board resigned en masse leaving co-founder Anne Wojcicki as the sole member who has been contemplating delisting the company from Nasdaq. In November, it fired 40% of its workforce.

As the company implodes, the looming question around, "What happens to the DNA data of its 15 million customers?" becomes a pushing worry. Customers have scrambled to delete or withdraw their genetic data before the firm goes bust or ownership changes hands, but there are a couple of caveats. If users opted in to have their genetic data analysed, the information can't be withdrawn (A company spokesperson said about 80% had opted in).

Additionally, companies like 23andMe don't fall under Health Insurance Portability and Accountability Act (HIPAA) which has federal laws protecting consumer data. Although Ms. Wojcicki has promised users that the firm will stand guard over their data, there's little that inspires confidence right now.

But since the AI cat is out of the bag, the fledgling sector of AI-infused genomics has been drawing more interest. "Investors recognise the long-term value and impact of these technologies, particularly as the demand for personalised healthcare solutions rises," Mr. Anam said.



## Introduction to the Human Genome Project

- ➔ The Human Genome Project, completed between 1990 and 2003, helped document human DNA and its building blocks.
- ➔ It revealed patterns that could predict the likelihood of genetic diseases or abnormalities.
- ➔ Initially, predictive tests were costly and available in limited cases like detecting Down's Syndrome in fetuses or identifying effective cancer treatments.

## AI's Impact on Genomics

- ➔ AI has greatly enhanced the ability to process genetic information faster and in larger amounts.
- ➔ For instance, in March 2024, researchers identified important genetic code sequences linked to tumours, revealing new opportunities for cancer research and treatment.
- ➔ Startups are leveraging AI to process genetic data efficiently, uncover patterns, and predict genetic predispositions, offering personalized recommendations based on individual profiles.

## Challenges in Genetic Predictions

### Data Privacy and Security

- ➔ AI-driven genetic testing involves handling sensitive personal information, raising concerns about data breaches.
- ➔ Cases like 23andMe's 2023 data breach highlight the risks associated with storing genetic data. Without strict regulations, personal genetic information can be misused or sold.

### Ethical Issues

- ➔ Genetic testing raises ethical questions, especially around predicting mental health conditions or complex diseases.
- ➔ Ethical guidelines are essential to ensure that AI technologies are not misused for making life-altering decisions without informed consent.
- ➔ AI predictions might not always be accurate or complete, leading to potential harm.

### Interpretation of Results

- ➔ AI tools can analyze large amounts of data but may struggle with interpreting complex genetic variations accurately.
- ➔ Some genetic variations may not have a clear significance, leading to "grey zones" in diagnosis.

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- ➡ Misinterpretation could lead to unnecessary stress or false assurance for patients.

### Over-Reliance on Genetics

- ➡ Genetics is just one factor in health, and over-relying on AI-driven genetic testing can neglect environmental and lifestyle factors.
- ➡ A person's health or future should not be determined solely by genetic tests.
- ➡ Relying too much on AI predictions may lead to decisions that do not account for the full picture.

### Accessibility and Cost

- ➡ AI-driven genetic testing can be expensive and may not be accessible to everyone.
- ➡ There are concerns that only wealthy individuals or developed regions will benefit from such technologies, widening healthcare inequality.

### Conclusion

- ➡ AI in genetic testing offers great potential but comes with challenges.
- ➡ Ethical guidelines, data protection, and ensuring comprehensive healthcare approaches are necessary for its responsible use

### UPSC Mains Practice Question

Ques : Introduce the concept of Artificial Intelligence (AI). How does AI help clinical diagnosis? Do you perceive any threat to privacy of the individual in the use of AI in healthcare? **(150 words/10m)**

**In News : World Wetlands Day**

Recently, the Union Ministry of Environment, Forest and Climate Change (MoEFCC) organised the World Wetlands Day 2025 celebrations at the Parvati Arga Ramsar Site.

# World Wetlands Day



## About World Wetlands Day:

- It is celebrated annually on February 2. This date marks the adoption of the Ramsar Convention in 1971.
- It aims to spread awareness about conserving the wetlands, one of the most critical ecosystems on the planet.
- This year, the theme was "Protecting Wetlands for Our Common Future".
- India has been a party to the Convention since 1982, designating 89 Ramsar sites.

## What are wetlands?

- Wetlands are regions covered by water either perennially or seasonally, such as marshes and lakes.

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### ➡ Significance of Wetlands:

- They are vital reservoirs of biodiversity, aid water conservation and provide habitat for numerous migratory birds, aquatic species, and plant life. They also help recharge groundwater, control floods and support fisheries and local communities.
- From the point of view of climate change mitigation, wetlands are important carbon sinks, meaning they absorb more carbon from the atmosphere
- The major threats to wetlands, in general, are due to man-made factors, leading to habitat degradation and declining biodiversity..



# A Budget that is forward-looking and growth-oriented

The Union Budget 2025-26 is in line with the government's sustained efforts over the past few years to bolster economic growth and development. The provisions of the Budget indicate the continuation of the government's strategic approach toward economic expansion, fiscal prudence, and sectoral growth.

## The multiplier effects of the IT cuts

One of announcements in the Budget that has been most widely welcomed is the significant cut in personal income-tax, with complete exemption extended to individuals earning up to ₹12 lakh per year. This limit will be ₹12.75 lakh for salaried tax-payers because of the standard deduction of ₹75,000. This is a major relief for the middle class, and is expected to have a multiplier effect on the economy.

Higher disposable income can trigger a virtuous cycle of higher consumption, increased demand, and improved business performance. This, in turn, will result in higher indirect tax collections and further economic expansion. Specifically, greater consumer spending will benefit industries such as retail, real estate, and automobile manufacturing, boosting employment opportunities.

Another key highlight of the Budget is the allocation of ₹11.2 lakh crore for capital expenditure for 2025-26, marking an increase of nearly 10% from the actual expenditure in the current fiscal year. This enhanced spending can drive infrastructure development, boost employment generation, and catalyse economic activity across sectors. And, of course, it strengthens the nation's logistical and industrial backbone, ensuring long-term sustainable growth.

In a major thrust to manufacturing, the Finance Minister, Nirmala Sitharaman, has also announced the establishment of a National Manufacturing Mission. The aim is to promote the 'Make in India' initiative by covering small, medium, and large industries, providing policy support, execution road maps, and governance frameworks in collaboration with central Ministries and States. The mission is expected to



**Vijay Sankar**

is Vice President,  
The Federation of  
Indian Chambers of  
Commerce and  
Industry (FICCI)

There is every indication that the approach toward economic expansion, fiscal prudence and sectoral growth will continue

enhance domestic capabilities, reduce import dependency, and encourage foreign investment. While the finer details are yet to be examined, it appears to be a well-conceived initiative. By streamlining regulatory processes, offering incentives, and creating an enabling business environment, this initiative has the potential to position India as a global manufacturing hub.

## Focus on labour-intensive sectors

In consonance with the government's commitment to job creation, the Budget is focused on labour-intensive sectors such as tourism, food processing and leather. These industries have historically been major employment generators and contribute substantially to India's export earnings. By providing targeted incentives and streamlining regulations, the Budget aims to enhance productivity, improve competitiveness, and create new job opportunities in these sectors.

On the infrastructure side, we see the Budget focus on the maritime sector through the announcement of a new Maritime Development Fund. This will give a boost to the marine economy, especially in the coastal States of the country, creating growth opportunities for both trade and the blue economy-related segments. The Federation of Indian Chambers of Commerce and Industry (FICCI) has also noted with interest the plan for flight connectivity to 120 new destinations under a modified Ude Desh ka Aam Naagrik (UDAN) scheme as this too will enable new economic opportunities in newly connected regions of the country as emerging growth centres.

The Budget has introduced the Prime Minister Dhan-Dhaanya Krishi Yojana, a targeted initiative designed to enhance agricultural productivity and improve rural livelihoods. The programme will cover 100 districts with low productivity, moderate crop intensity, and below-average credit access, in partnership with State governments.

This initiative aims to promote crop diversification and sustainable agricultural practices, enhance post-harvest storage infrastructure, improve irrigation facilities, and

facilitate access to credit. With an estimated 1.7 crore farmer-beneficiaries, this has the potential to transform the agricultural landscape, increase rural incomes, and drive economic activity in India's hinterlands. Higher rural purchasing power will indirectly benefit the corporate sector, particularly those involved in consumer goods and agricultural supply chains.

Another commendable aspect of the Budget is the government's resolve to reduce the fiscal deficit from 4.8% in 2024-25 to 4.4% in 2025-26. This move is critical as sound public finance management is a *sine qua non* for sustained economic growth. A lower fiscal deficit will help stabilise inflation, increase investor confidence, and create a more robust macroeconomic environment.

## A boost to ease of doing business

Rationalisation of the duty structure and simplification of the tariff framework by removing an additional seven tariff rates is a noteworthy announcement. While this may sound simple, it is a major step towards simplification and enhancing ease of doing business for industry. The rationalisation of cess by ensuring that no more than one cess or surcharge would be levied is a crucial step toward ensuring a fairer and more predictable taxation regime, benefiting both industry and consumers. The Budget has also addressed the issue of inverted duty structure for some products, which is a welcome step. This would enhance trade competitiveness and encourage greater participation of domestic firms in global supply chains.

The continued focus on capital expenditure, manufacturing, and labour-intensive sectors, combined with fiscal prudence and income-tax relief, sets the stage for robust growth in the years ahead.

While the finer details of various schemes and policies will need closer examination, the overarching framework of the Budget suggests a proactive, forward-looking, and growth-oriented strategy. As businesses and stakeholders begin to analyse and adapt to the new measures, the true impact of Budget 2025-26 will unfold in the next few months.

**GS Paper 03 : Indian Economy – Government Budgeting**

**UPSC Mains Practice Question :** Discuss the impact of the Union Budget 2025-26 on economic growth, with a focus on income tax cuts, capital expenditure, and support for labour-intensive sectors. **(250 Words /15 marks)**

**Context :**

- ➔ The Union Budget 2025-26 is a continuation of the Indian government's sustained efforts to strengthen economic growth and development.
- ➔ Through strategic measures such as income tax cuts, increased capital expenditure, and a focus on manufacturing and labour-intensive sectors, the budget aims to stimulate economic activity, generate employment, and enhance ease of doing business.
- ➔ While its full impact will unfold over time, the budget's framework suggests a proactive, forward-looking approach to national economic planning.

**Union Budget FY26 Notable Announcements**

➔ **IT Cuts and Its Multiplier Effects**

- One of the most notable announcements in the budget is the reduction in personal income tax, which provides complete exemption for individuals earning up to ₹12 lakh annually, with an additional benefit for salaried taxpayers due to the standard deduction.
- This is a significant relief for the middle class and is expected to create a multiplier effect on the economy.
- Higher disposable income will likely increase consumer spending, leading to greater demand across various industries such as retail, real estate, and automobiles.
- This surge in consumption will, in turn, boost business performance, create employment opportunities, and increase indirect tax collections, further strengthening economic expansion.

➔ **Capital Expenditure and Infrastructure Development**

- Another crucial aspect of the budget is the allocation of ₹11.2 lakh crore for capital expenditure, reflecting a nearly 10% increase from the previous year.
- This investment is expected to accelerate infrastructure development, creating employment and strengthening the country's logistical and industrial foundations.

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## Daily News Analysis

- Enhanced infrastructure will improve transportation efficiency, reduce business costs, and attract private investment, contributing to sustainable economic growth.

### ➔ **Manufacturing and the National Manufacturing Mission**

- A significant push has been given to the manufacturing sector through the launch of the National Manufacturing Mission.
- This initiative aligns with the 'Make in India' campaign and aims to support small, medium, and large industries by offering policy support, execution roadmaps, and governance frameworks in collaboration with central ministries and state governments.
- By reducing import dependency and encouraging foreign investment, this mission could establish India as a global manufacturing hub.
- The initiative's success will depend on the effectiveness of its regulatory reforms, incentives, and implementation strategies.

### **Targeted Initiatives for Key Sectors**

#### ➔ **Focus on Labor-Intensive Sectors**

- Recognising the importance of employment generation, the budget prioritises labour-intensive industries such as tourism, food processing, and leather.
- These sectors have historically been major contributors to both employment and export earnings.
- By offering targeted incentives and streamlining regulations, the government aims to enhance productivity and global competitiveness while creating new job opportunities.

#### ➔ **Focus on Maritime and Aviation Sector**

- Additionally, the maritime sector has been given a boost through the establishment of a Maritime Development Fund, which is expected to benefit coastal states and support the growth of the marine economy.
- The expansion of flight connectivity to 120 new destinations under the modified UDAN scheme is another significant measure that will help unlock economic opportunities in previously underserved regions, focusing regional development.

#### ➔ **Agricultural Reforms and Rural Development**

- The budget introduces the Prime Minister Dhan-Dhaanya Krishi Yojana, a targeted initiative designed to improve agricultural productivity and rural livelihoods.
- Covering 100 districts with low productivity and limited credit access, this scheme will focus on crop diversification, post-harvest infrastructure, irrigation improvements, and credit facilitation.

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## Daily News Analysis

- With an estimated 1.7 crore farmer-beneficiaries, this initiative has the potential to transform India's agricultural sector by increasing rural incomes and driving economic activity in the hinterlands.
- A rise in rural purchasing power will indirectly benefit industries related to consumer goods and agricultural supply chains.

### The Strategic Announcements of FY26 Budget

#### ➡ Fiscal Prudence and Economic Stability

- A commendable aspect of the budget is the government's commitment to reducing the fiscal deficit from 4.8% in 2024-25 to 4.4% in 2025-26.
- A lower fiscal deficit is crucial for maintaining macroeconomic stability, controlling inflation, and enhancing investor confidence.
- By maintaining fiscal discipline, the government is ensuring a strong foundation for long-term economic sustainability.

#### ➡ Ease of Doing Business and Trade Competitiveness

- The budget emphasises improving the ease of doing business by rationalising the duty structure and simplifying the tariff framework.
- The removal of additional tariff rates and the limitation of cess or surcharges to a single instance per product are steps toward creating a more predictable taxation system.
- Additionally, addressing the inverted duty structure for certain products is expected to enhance trade competitiveness and encourage greater participation of domestic firms in global supply chains.

### Conclusion

- ➡ The Union Budget 2025-26 presents a well-structured approach to economic growth by focusing on capital expenditure, manufacturing, labour-intensive industries, and rural development, while maintaining fiscal prudence.
- ➡ The significant tax relief for the middle class, infrastructure investments, and business-friendly policies set the stage for robust economic progress.
- ➡ While the success of various initiatives will depend on their implementation, the overall direction of the budget signals a strategic and growth-oriented vision for India's future.

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