

Today's Prelims Topics

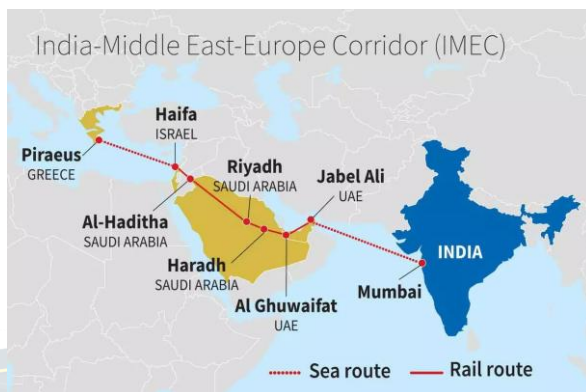
IMEC

Context

Amid rising trade tensions and **U.S. tariffs on Indian goods**, the **U.S. is sending White House adviser Ricky Gill to Delhi for talks and the IMEC (India-Middle East-Europe Economic Corridor) conference.**

About IMEC (India-Middle East-Europe Economic Corridor)

- **Purpose:** A strategic connectivity initiative aimed at enhancing trade and infrastructure integration between India, the Middle East, and Europe through ports, railways, roads, pipelines, and sea routes.
- **Announcement:** Launched in **2023** on the sidelines of the **G20 Summit in New Delhi**, through an MoU signed by:
 - **European Union**
 - **India**
 - **United States**
 - **Saudi Arabia**
 - **United Arab Emirates (UAE)**
 - **France**
 - **Germany**
 - **Italy**
- **Corridor Structure:**
 - **Eastern Corridor:** Links **India** to the **Arabian Gulf**.
 - **Northern Corridor:** Connects the **Arabian Gulf** to **Europe**.
- **Key Transport Links:**
 - Shipping route from **Mumbai** and **Mundra (Gujarat)** to **UAE**.
 - Rail link from **UAE → Saudi Arabia → Jordan → Israel's Haifa Port**.
 - Sea route from **Haifa (Israel)** to **Piraeus (Greece)**, further connecting to **European ports**.
- **Supplementary Infrastructure:**
 - Integrated **railways, roadways**, and **shipping** systems.
 - Additional infrastructure for:
 - **Electricity grids**
 - **Optical fiber cables** for digital connectivity
 - **Pipelines** for transporting **hydrogen gas**
- **Goals:**
 - Boost trade and logistics efficiency
 - Lower transportation costs
 - Strengthen regional supply chains
 - Foster economic and political cooperation
 - Promote job creation
 - Reduce greenhouse gas emissions
- **Support:** Backed by the **Partnership for Global Infrastructure and Investment (PGII)** — a U.S.-led initiative to fund infrastructure in developing nations.



Source: [TheHindu](https://www.thehindu.com)

Bluebird Satellite

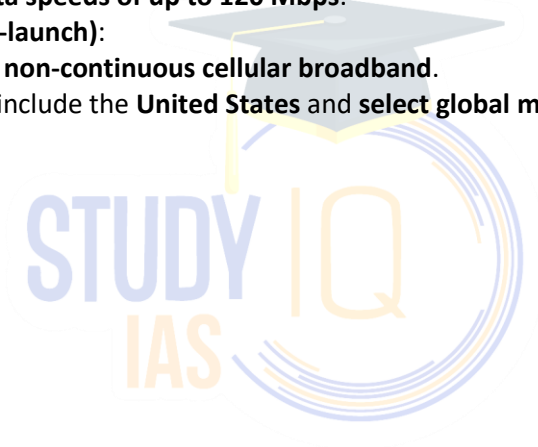
Context

ISRO is planning to launch the **Block 2 BlueBird communication satellite**—developed by **AST SpaceMobile**, a U.S.-based company—**within the next 3 to 4 months**.

About BlueBird Satellite

- **Type:** Advanced American **communications satellite**.
- **Developer:** Created by **AST SpaceMobile**, a U.S.-based company.
- **Unique Feature:**
 - Enables **direct smartphone-to-satellite connectivity**, allowing users to make phone calls and access broadband **without ground-based towers**.
- **Key Technology:**
 - Equipped with a **64-square meter antenna**.
 - Weighs approximately **6,000 kg**.
 - Operates in **Low Earth Orbit (LEO)** for faster and closer communication with mobile devices.
- **Data & Speed Capabilities:**
 - Supports up to **40 MHz bandwidth**.
 - Offers **peak data speeds of up to 120 Mbps**.
- **Service Coverage (Post-launch):**
 - Aims to deliver **non-continuous cellular broadband**.
 - Target regions include the **United States** and **select global markets**.

Source: [TheHindu](#)



GBU-57 Massive Ordnance Penetrator (MOP)

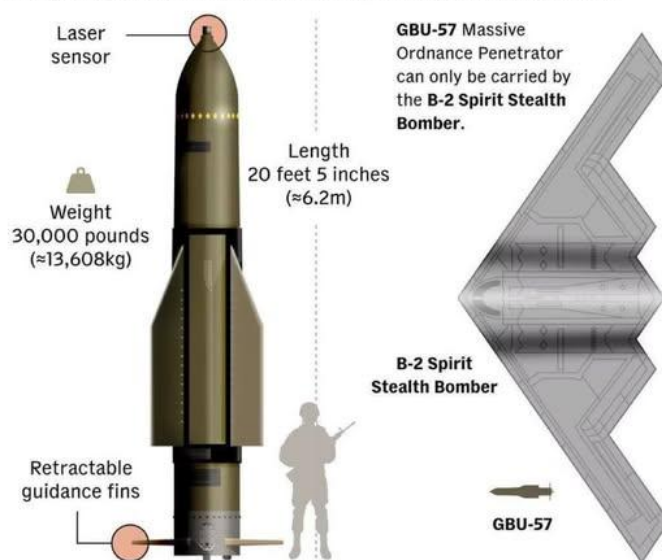
Context

India's successful test of a new bunker-buster missile has alarmed Pakistan due to its ability to target deeply buried military installations with high precision.

About GBU-57 (Massive Ordnance Penetrator - MOP)

A look at the US' bunker-buster bomb

Officially known as the **GBU-57 Massive Ordnance Penetrator**, the bomb is designed to target deeply buried and fortified facilities, including bunkers and tunnels.



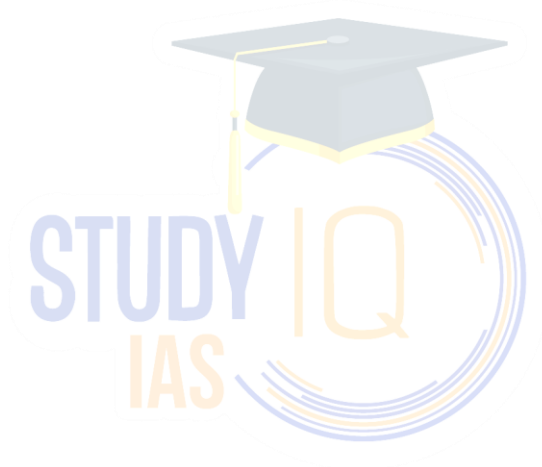
- **Type:** A powerful, **GPS-guided, earth-penetrating bomb** designed for deeply buried and fortified targets.
- **Nickname:**
 - Known as the “**Massive Ordnance Penetrator (MOP)**”.
- **Purpose:**
 - Specifically built to destroy **hardened underground facilities**, such as **bunkers housing weapons of mass destruction (WMDs)**.
- **Developer & User:**
 - Manufactured by **Boeing**.
 - Operated by the **United States Air Force**.
- **Key Features**
 - **Length:** 20.5 feet
 - **Diameter:** 31.5 inches
 - **Weight:** 14,000 kg (approx.)
 - **Warhead Casing:** Made from a **high-performance steel alloy** capable of penetrating **up to 200 feet of concrete**.
 - **Delivery Platform:** Carried by the **B-2 Spirit stealth bomber**, with capacity to carry **two MOPs at once**.
 - **Fuse Mechanism:** Equipped with a **delayed-action fuse** that ensures the bomb detonates **only after it has penetrated deep underground**.

India's Bunker-Buster Missile (Under Development)

- **Agency:** DRDO (Defence Research and Development Organisation)
- **Purpose:** Target **hardened underground military installations**, command bunkers, and nuclear silos across difficult terrain like **LoC** and **LAC**.

- **Expected Features:**
 - **High-penetration warhead** (likely modeled after GBU-57 capabilities)
 - Can be launched from **fighter jets or missile platforms**
 - Designed to **operate in high-altitude and mountainous terrain**
 - Likely to use **GPS + inertial guidance** for high precision
 - Intended to **neutralize enemy WMD storage, underground bunkers, and command-and-control nodes**

Source: [TimesOfIndia](https://timesofindia.indiatimes.com)



Anti Defection

Context

The Supreme Court has questioned the Telangana Speaker for delaying action on the **disqualification of BRS MLAs who defected to Congress, highlighting concerns over constitutional duties and anti-defection law.**

Anti-Defection Law

- **Defection:** It refers to an elected representative **switching allegiance** from one political party to another or becoming independent, often for personal gain or political advantage.
- **Origin of Anti-Defection Law in India**
 - **Introduced:** By the **52nd Constitutional Amendment Act, 1985**
 - **Inserted in:** **Tenth Schedule** of the Constitution
 - **Purpose:** To curb political defections and bring **political stability, party discipline, and accountability.**

Key Provisions of the Tenth Schedule

- **Disqualification Grounds:**
 - **Voluntary resignation** from a party by an elected member.
 - **Voting/abstaining against party directions** (whip) without prior approval and not being condoned within 15 days.
 - **Independent members:** Disqualified if they join any political party after the election.
 - **Nominated members:** Disqualified if they join a political party after **6 months** from taking their seat.
- **Exceptions:**
 - **Merger Provision:** If **2/3rd members** of a party agree to merge with another, it is not considered defection.
 - **Presiding Officers:** Exempted if they resign from their party after being elected **Speaker/Chairman**, and rejoin after leaving office.

Authority to Decide Defection

- **Who decides?:** The **Speaker/Chairman** of the House
- **Rule-making Power:** The presiding officer can frame rules to implement the Tenth Schedule.
- **Trigger for Action:** Requires a formal **complaint by a House member** to initiate proceedings.

Role of Whip in Anti-Defection

- **Whip:** A directive issued by political parties to ensure members vote in line with party positions.
- **Defiance:** Violating a whip may lead to disqualification under the Tenth Schedule.

- **Article 122:** Courts cannot inquire into the validity of parliamentary proceedings.
- **Article 212:** Similar protection for state legislatures — courts cannot question procedural irregularities.

Judicial Interpretations & Key Cases

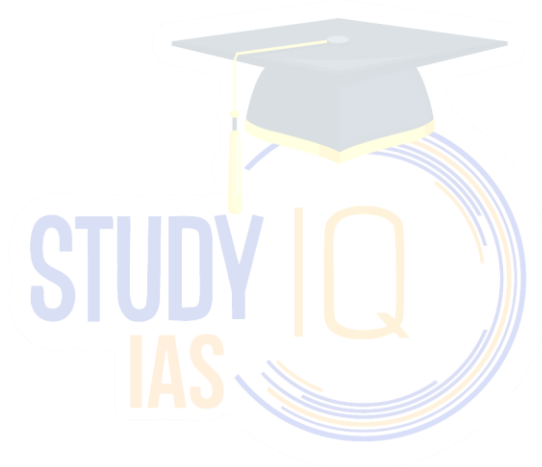
- **Kihoto Hollohan v. Zachillhu (1992):** Upheld constitutional validity of the Tenth Schedule.
 - However, ruled that **Speaker's decision is subject to judicial review** on grounds of **malafide or perversity.**
- **Ravi S. Naik v. Union of India (1994):** Even implicit resignation from a party (voluntarily giving up membership) can lead to disqualification.
- **G. Viswanathan v. Speaker, Tamil Nadu Assembly (1995):** Validated Speaker's authority in defection cases; decision cannot be questioned in court unless proven biased.

- **Supreme Court (2020 Judgment):** Directed that **defection petitions must be decided within 3 months** to prevent indefinite delays.

91st Constitutional Amendment Act, 2003 – Key Changes

- **Ministerial Cap:** Total ministers (including PM/CM) limited to **15%** of the House strength.
- **Disqualification of Ministers:** Disqualified defectors cannot be appointed as ministers or hold remunerative political posts.
- **No Split Provision:** The **one-third split clause** was removed. Only a **two-thirds merger** is now valid.

Source: [IndianExpress](https://www.indianexpress.com)



PMLA

Context

Since 2015, the **Enforcement Directorate (ED)** registered **5,892 PMLA cases** but secured only **15 convictions**, raising questions in Parliament about the agency's low conviction rate.

Overview of PMLA, 2002

- Enacted in January 2003 to prevent money laundering and related offences.
- **Aims to:**
 - Prevent and control money laundering in India.
 - Confiscate/seize property acquired through laundered money.
 - Address other related matters.
- **Definition of Money Laundering (Section 3):** Any person who:
 - Directly or indirectly attempts, assists, or is involved in handling “proceeds of crime”,
 - And projects it as untainted property,
 - Is guilty under this section.

Major Provisions

- **Obligations on Financial Institutions:** Banks, financial institutions, and intermediaries must:
 - Verify client identity
 - Maintain records of transactions and identities.
- **Role of Enforcement Directorate (ED):** Investigates money laundering cases.
 - Can attach properties linked to proceeds of crime.
 - Functions as an economic law enforcement and intelligence agency.
- **Adjudicating Authority:** Confirms attachment and confiscation of properties.
- **Appellate Tribunal:** Hears appeals against orders of the Adjudicating Authority.
- **Special Courts:** Designated Sessions Courts try offences under PMLA.
- **International Cooperation:** Central Government may enter agreements with foreign nations to implement PMLA provisions.

Bail Provisions – Section 45

- **Stringent Bail Conditions (also called Twin Conditions):**
 - Prima Facie Innocence: Court must believe the accused is not guilty.
 - No Future Offence: Court must believe accused won't reoffend or tamper with evidence.
- **Non-Bailable Offence:**
 - Bail is not a right, but subject to court's discretion.
- **Controversy & Supreme Court Ruling:**
 - In *Nikesh Tarachand Shah v. Union of India* (2017), SC struck down twin conditions as unconstitutional.
 - However, 2018 Amendment reintroduced them.

Amendments to PMLA

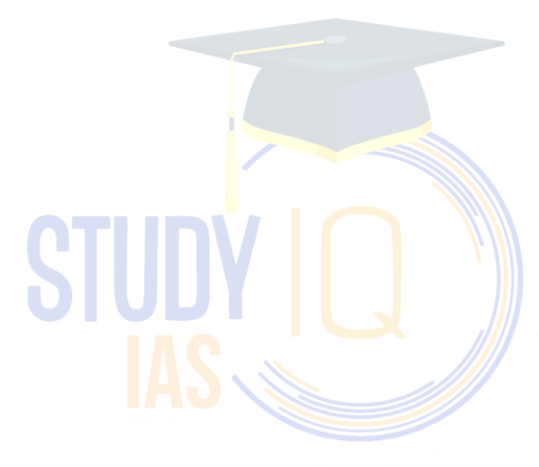
- **2013 Amendment:** Brought several offences under PMLA's ambit (like IPC crimes, NDPS Act violations).
 - Empowered ED to arrest without warrant.
- **2018 Amendment:** Allowed ED to **confiscate equivalent assets abroad** if proceeds of crime are located outside India.
 - Expanded definition of proceeds of crime.
- **2019 Amendment:** Made PMLA a **standalone offence** (i.e., separate action even without conviction in predicate offence).
 - Empowered ED to **share information** with other agencies.

- Included "concealment", "possession", "acquisition" and "use" of proceeds of crime under money laundering.

Powers of ED under PMLA

- **Summons & Statements:** ED can summon individuals, record statements which are admissible as evidence in court.
- **Search & Seizure:** Can search premises and seize property/documents without prior court approval.
- **Arrest Powers:** Can arrest individuals suspected of money laundering (with reasons recorded in writing).
- **Provisional Attachment:** Can attach property of accused to prevent its disposal before court order.
- **Filing ECIR (Enforcement Case Information Report):** Equivalent to FIR for ED cases, though not shared with the accused (upheld in *Vijay Madanlal Choudhary case*, 2022).
- **International Cooperation:** Can act on requests from foreign countries and send requests for attachment abroad.

Source: [IndianExpress](https://www.indianexpress.com)



Purchasing Managers' Index (PMI)

Context

India's manufacturing sector Purchasing Managers' Index (PMI) rose to a 16-month high of 59.1, up from 58.4 in June, despite global uncertainties and US tariffs, according to data released by S&P Global.

About Purchasing Managers' Index (PMI)

- It provides insights into the business conditions of the manufacturing and services sectors of an economy.
- It is calculated based on monthly surveys of private sector companies.
- The index offers information about new orders, production, employment, supplier deliveries, and inventory levels.
- **S&P Global**, a leader in financial information and analytics, **releases PMI data for India**.
 - **Previously, IHS Markit** issued this data before merging with S&P Global.
- **Methodology:** Derived from qualitative questions sent to manufacturing firms.
 - Consider **five key aspects** with assigned weights: new orders (30%), output (25%), employment (20%), suppliers' delivery times 15%), and stock of items purchased (10%).
- **Conducted monthly.**
- **How is PMI Interpreted?:**
 - A PMI above 50 indicates expansion in the sector it measures.
 - A PMI below 50 suggests contraction.
 - The further away from 50, the greater the degree of change.
- **Types of PMI:**
 - **Manufacturing PMI:** Focuses on conditions within the manufacturing sector.
 - Reflects the health of the manufacturing industry and is often used to gauge factory output.
 - **Services PMI:** Represents the services sector.
 - Useful for understanding the performance of services industries like finance, IT, hospitality, and others.

Significance

- Released earlier than most official industrial, manufacturing, and GDP growth data.
- Acts as a leading economic activity indicator.
- Used by central banks for interest rate decisions.
- Indicates corporate earnings, influencing investor and bond market interest.
- A strong PMI can enhance a country's economic attractiveness compared to others.

Source: [DD News](#)

Places in News

El Salvador



News? El Salvador extends the presidential term to 6 years.

- **Location:** Central America
- **Bordering Countries:** Honduras & Guatemala.
- It is the **smallest and most densely populated** of the **seven** Central American countries.
- It was the First country to **adopt Bitcoin** as legal tender (2021).

Source: [Indian Express](#)

Editorial Summary

Is India's economy 'dead' as Donald Trump claimed?

Context

After imposing 25% tariff on India, Donald Trump posted on social media that he did not care if India and Russia "take their dead economies down together"

Status of the Indian Economy

- India is **among the fastest-growing major economies**, expected to become the **3rd largest economy** globally in a few years.
- Its GDP in 2025 is **nearly 12 times** what it was in 1995.
- India contributes to around **16% of global growth** (IMF data).
- It has moved from being in the "Fragile Five" to being seen as a "**bright spot**" by global financial institutions.
- Exports and manufacturing** have increased, though not uniformly across sectors.

Is India's Economy 'Dead' as Trump Claimed?

- No.** The claim is **politically charged and factually incorrect**.
- From 1995 to 2025, India's economy has **grown more rapidly than the US, UK, Germany, and Japan**.
- In 1995, India's economy was **less than 5% the size of the US**; by 2025, it is nearly **14% of the US economy**.
- Only **China, India, and Russia** have grown relative to the US; America's key allies have shrunk in comparison.
- Compared to Japan — whose economy is smaller in 2025 than in 1995 — India has made **substantial economic progress**.

WORLD ECONOMIES: WHAT THE NUMBERS SHOW

	GDP current prices*		GDP in 2025 relative to GDP in 1995	GDP in 1995 as %age of US GDP in 1995	GDP in 2025 as %age of US GDP in 2025
	1995	2025			
Argentina	288	684	2.4	3.8%	2.2%
China	738	19,232	26.1	9.7%	63%
Germany	2,595	4,745	1.8	34%	15.6%
India	360	4,187	11.6	4.7%	13.7%
Japan	5,546	4,186	0.8	72.6%	13.7%
Pakistan	99	373	3.8	1.3%	1.2%
Russian Federation	336	2,076	6.2	4.4%	6.8%
UK	1,345	3,839	2.9	17.6%	12.6%
US	7,640	30,507	4	100%	100%

Pakistan data available up to 2024. Source: IMF, The Indian Express Research *Billions of US dollars

Concerns for India

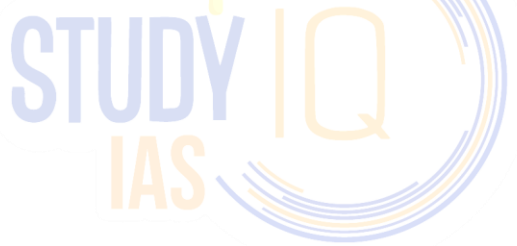
- Slower growth post-2011-12**, now averaging around 6%.
- Manufacturing underperformance**: CAGR of 4.04% since 2019–20 vs 4.72% for agriculture.

- **Low export share:** Just 1.8% of global goods exports; 4.5% in services.
- **Persistent rural distress:** Majority of farmers live at **subsistence levels**.
- **Widening inequality and high poverty:** ~24% below World Bank poverty line.
- **Low female labour participation**, and **poor quality of jobs** for women.
- **Education-employment mismatch:** Higher education often leads to higher unemployment.
- **Weak human development:** Health and education outcomes remain poor.

Way Forward

- **Boost Manufacturing:** Strengthen PLI schemes, support MSMEs.
 - E.g., Apple & Samsung expanding under PLI.
- **Expand Exports:** Sign trade deals, improve logistics.
 - E.g., India–UK CETA.
- **Strengthen Rural Economy:** Support agri-processing, FPOs, cold chains.
 - E.g., PM-FME (Formalisation of Micro Food Processing Enterprises) helps rural food units grow.
- **Tackle Inequality:** Enhance DBT schemes, reform taxes.
 - E.g., MGNREGA cushioned rural distress.
- **Empower Women:** Encourage female skilling & entrepreneurship.
 - E.g., 70% of MUDRA ‘Shishu’ loans go to women.
- **Align Education with Jobs:** Revamp curriculum, industry tie-ups.
 - E.g., Skill India Mission and PMKVY (Pradhan Mantri Kaushal Vikas Yojana) trains youth in market-ready skills.
- **Invest in Health & Education:** Raise public spending, improve access.
 - E.g., Ayushman Bharat Digital Mission expands care.

Source: [Indian Express](#)



Compromises made in Digital sector Through Comprehensive Economic and Trade Agreement (CETA)

Context

India–UK FTA (CETA) lauded by the Union Commerce and Industry Minister, Piyush Goyal, as the ‘gold standard’ has sparked concern for overlooking digital sovereignty.

Key Issues in the Agreement

- **Source Code Disclosure Concession:** India, in the FTA, agreed to **forgo its sovereign right** to demand ex ante access to source codes of foreign digital goods or services, even those that may impact critical sectors.
 - Under the agreement, source code can only be demanded ex post for investigation purposes, which is far weaker than the proactive regulatory right India had insisted upon at the WTO.
 - In contrast, the US itself withdrew similar clauses from its own trade treaties last year, acknowledging domestic security and regulatory needs.
- **Open Government Data Access:**
 - India agreed to grant **equal and non-discriminatory access to U.K. parties for Open Government Data**, which traditionally referred to public statistical transparency.
 - In the present context, however, data is a strategic resource, crucial for AI innovation and national competitiveness.
 - Allowing open access to foreign entities undermines India’s ability to develop sovereign AI solutions and exposes the nation to security risks.
- **Free Flow of Data and Data Localisation:** While India broadly retained its data localisation stance, it committed to **future consultations with the UK if it grants similar concessions elsewhere**, creating vulnerabilities.
 - Such clauses weaken India’s negotiating power in the future and could dilute the nation’s data sovereignty ambitions.

Broader Concerns

- Digital trade agreements effectively shape the **global rules for the emerging digital ecosystem**. Unlike goods trade, digital rules are hard to roll back once agreed, and tend to cement a global architecture dominated by Big Tech.
- India risks becoming a **digital colony** — dependent on external systems, with limited regulatory control over its own data and digital infrastructure.
- There is no clear or coordinated digital industrialisation policy to guide trade negotiators, leaving India reacting to demands rather than shaping the agenda.
- The lack of a strong political constituency for “digital sovereignty” within India means negotiators have limited pressure to safeguard these interests, unlike in agriculture or textiles where pressure groups are vocal.

Way Forward

- **Formulate a Comprehensive Digital Sovereignty Strategy:** India should urgently develop a clear, actionable policy on digital sovereignty and “digital industrialisation,” with clear red lines for trade talks.
- **Empower Trade Negotiators with Expertise:** Include domain experts on digital sovereignty and cybersecurity in negotiating teams, backed by high-level political will.
- **Protect National Data as a Strategic Resource:** Classify key categories of national data as sovereign assets, to be shielded from free or non-discriminatory global access.
- **Benchmark Best Practices:** Draw lessons from how countries like the US, after initially pushing free flow of data, have revised their stand in recognition of security concerns.

- **Institutional Coordination:** Create a cross-ministry mechanism linking MEITY, Ministry of Commerce, and the National Security Council to vet all future digital trade provisions.

Source: [The Hindu](#)

