



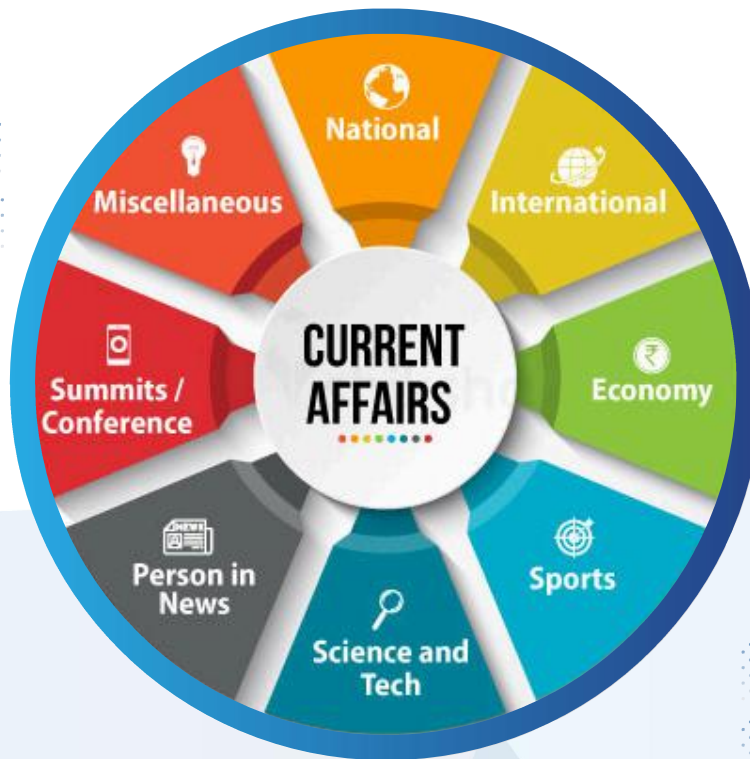
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**VIDHVATH IAS KAS ACADEMY**  
&  
**STUDY CENTRE**

# DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

**DATE: 26/05/2025 ( MONDAY )**



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## 1. India at BRICS Culture Ministers' Meeting 2025

- **India's Representation:**  
Union Minister of Culture and Tourism, **Shri Gajendra Singh Shekhawat**, will represent India at the **BRICS Culture Ministers' Meeting** on **26 May 2025** in **Brasília, Brazil**.
- **Significance of the Meeting:**  
The BRICS platform promotes **mutual cultural understanding**, **institutional collaboration**, and **joint cultural initiatives** among member countries—Brazil, Russia, India, China, and South Africa.
- **India's Focus Areas:**  
India will emphasize its commitment to **cultural diplomacy**, **heritage conservation**, **creative industries**, and **people-to-people exchanges**. Key areas include performing arts, visual arts, literature, and cultural festivals.
- **Strategic Cultural Diplomacy:**  
India will push for **enhanced multilateral cooperation** within the BRICS framework to promote **inclusive cultural growth** and **intercultural dialogue**, aligning with India's soft power strategy.
- **Bilateral Engagements:**  
The Indian delegation will also engage in **bilateral meetings** with other BRICS nations to discuss **exchange programs**, **joint cultural festivals**, and **capacity building**.
- **Legal & Constitutional Relevance:**  
Cultural affairs fall under the **Concurrent List** (Entry 42, Seventh Schedule) of the Constitution. India's international cultural cooperation is supported under **Article 51(c)** (promotion of international peace and cooperation) and through **soft power diplomacy** mechanisms.

### Additional Note for Mains:

This meeting reinforces India's efforts to build **cultural bridges globally**, positioning India as a global cultural leader through multilateral forums like BRICS, aligning with **India's foreign policy goals**.

## 2. National Writeshop on Panchayat Advancement Index (PAI) 2.0

- **Launch of PAI 2.0 for Data-Driven Panchayati Raj Governance:**  
The **Ministry of Panchayati Raj** is conducting a two-day National Writeshop (26–27 May 2025) in **New Delhi** to mark the **national rollout of Panchayat Advancement Index (PAI) 2.0** for FY 2023–24, aimed at empowering **Gram Panchayats** through **data-based monitoring, planning, and governance**.
- **Major Upgrades in PAI 2.0:**  
PAI 2.0 improves upon the earlier version (PAI 1.0, FY 2022–23) by reducing indicators from **516 to 147**, emphasizing **outcome-oriented and measurable indicators** aligned with **Localized Sustainable Development Goals (LSDGs)**. It integrates data from national portals and includes anomaly detection, user-friendly dashboards, and a Decision Support System for resource prioritization.





- **Nine LSDG-Themed Assessment Areas:**

The PAI framework assesses Gram Panchayats across nine critical areas: **poverty alleviation, health, education, water sufficiency, clean environment, infrastructure, governance, social justice, and women's empowerment**, aligning local planning with global SDGs.

- **Inter-Ministerial and Stakeholder Participation:**

The event is attended by senior officers from MoPR, MoSPI, NITI Aayog, and State/UT Panchayati Raj Departments. It includes collaboration with technical and development partners such as **UNICEF, UNFPA, TRI, and Piramal Foundation**, ensuring multi-stakeholder involvement in grassroots governance.

- **Capacity Building through Hands-On Training:**

The Writeshop includes **technical sessions, portal demonstrations, and group exercises** on configuring PAI portals, entering validated data, and using insights to improve **Gram Panchayat Development Plans (GDPs)**. States/UTs will also present field learnings and strategies.

- **Inclusivity and Accessibility Measures:**

To promote **linguistic diversity and national participation**, the event is being **livestreamed in 11 Indian languages**, ensuring wide access across regions.

### **Constitutional and Legal Provisions Relevant to PAI 2.0**

- **73rd Constitutional Amendment Act (1992):**

Empowers Gram Panchayats as institutions of local self-government under **Part IX**, ensuring democratic decentralization and participatory governance.

- **Article 243G:**

Mandates the preparation of plans for **economic development and social justice**, and implementation of schemes in the areas listed in **Eleventh Schedule**, aligning with LSDGs.

- **Article 243ZD:**

Provides for **District Planning Committees** to consolidate Panchayat and Municipal plans, a key in integrating PAI outcomes into state-level planning.

### **Conclusion**

PAI 2.0 represents a transformative step toward **evidence-based rural governance**, empowering Panchayats to identify development gaps, improve transparency, and align their activities with both **national priorities and global SDG targets**. It reflects India's commitment to **localizing governance**, enhancing **cooperative federalism**, and strengthening **grassroots democracy**.

### **3. Khelo India Northeast Games & Sports Ecosystem Enhancement – Key Points**

- **Annual Khelo India Northeast Games Initiative:**

The **Government of India** will organize **Khelo India Northeast Games annually** in one of the eight Northeastern states—Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura—to **harness regional sports talent**, promote traditional games, and build a robust sports culture.

- **Massive Talent Identification Drive through NSRS Portal:**

The **National Sports Repository System (NSRS)** will enable **citizens to upload athlete performance videos** for talent scouting. If found suitable, athletes will be inducted into **Khelo India Centres (KICs)** or **National Centres of Excellence (NCOEs)**, enhancing **inclusive and tech-driven grassroots scouting**.



- **Rapid Sports Infrastructure Development in Northeast:**  
Under **Khelo India Scheme**, **Rs. 439 crore sanctioned for 64 sports projects** in the Northeast, including **synthetic turfs, multipurpose halls, swimming pools, and hostels**. Currently, **86 projects** are operational, significantly boosting regional sports capacity.
- **Institutional Network and Athlete Training:**  
The Northeast hosts **250 Khelo India Centres (KICs)** training over **8,000 athletes**, **8 Khelo India State Centres of Excellence (KISCEs)**, and **3 NCOEs** (Guwahati, Itanagar, Imphal), offering world-class training to **600 athletes**, creating a strong pipeline of talent.
- **Women Empowerment through Sports – ASMITA League:**  
Around **13,000 girls from the Northeast** participated in the **ASMITA League**, showcasing growing gender inclusion in sports and the **region's emerging role as a talent nursery** for national women athletes.
- **Vision for Global Sporting Events:**  
With ambitions to host the **Commonwealth Games in 2030** and **Olympics in 2036**, the government envisions India—especially the diverse Northeast—as an ideal year-round destination for **international sports competitions**, aligning with the vision of **‘Play in India’** like **‘Make in India’**.



### Constitutional and Legal Provisions Relevant to Sports and Regional Development

- **Article 51A(f) (Fundamental Duties):**  
Promotes the spirit of **excellence** in individual and collective activity, particularly relevant to **sports development**.
- **Article 371 (Special Provisions for Northeast States):**  
Enables **region-specific development initiatives**, such as focused sports infrastructure and talent development in NE states.
- **State List – Entry 33 of Seventh Schedule:**  
Sports fall under the **State List**, but **cooperation between Centre and States** through schemes like **Khelo India** promotes **cooperative federalism**.
- **National Sports Policy & Khelo India Scheme:**  
Legal backing for grassroots development, infrastructure creation, and athlete support systems.

### Conclusion

The **Khelo India Northeast Games** and related initiatives signify a strategic shift toward **regional inclusion, grassroots empowerment, and sports-led development** in the Northeast. By combining **infrastructure, digital tools, gender inclusion, and policy support**, the government is unlocking the region's immense sports potential and integrating it into India's broader ambition of becoming a **global sporting powerhouse**.



#### 4. 10th Governing Council Meeting of NITI Aayog – Key Takeaways

- **Theme: "Viksit Rajya for Viksit Bharat @2047"**

The Prime Minister emphasized that the **vision of a developed India (Viksit Bharat) by 2047** can be realized only when **each State, district, and village actively contributes** to development. The goal is **not party-centric**, but a collective **national aspiration** of 140 crore Indians.

- **Economic Growth, Investment & Skilling Focus**

The PM stressed leveraging India's **top-five global economic position** and urged States to attract global investors. He announced that NITI Aayog will develop an **'Investment-Friendly Charter'** and encouraged States to align with the **Manufacturing Mission**. A **₹60,000 crore skilling scheme** was highlighted, with focus on emerging technologies like **AI, semiconductors, and 3D printing**, pushing India towards becoming the **Skill Capital of the world**.

- **Urbanization & Tourism Development Strategy**

With **rapid urbanization**, PM called for **planned growth in Tier 2 and Tier 3 cities** and announced a **₹1 lakh crore Urban Challenge Fund**. He urged each State to **develop one global-standard tourist destination**, leveraging India's G20 momentum to **boost local economies and global appeal**.



- **Water Management and Agriculture Reforms**

PM advocated for **State-level river interlinking (River Grids)** to manage floods and droughts—citing **Bihar's Kosi-Mochi project**. In agriculture, he launched **Viksit Krishi Sankalp Abhiyan**, wherein **2,500 scientists** will engage with villages to promote **crop diversification and chemical-free farming**, bridging the **lab-to-land gap**.

- **Women Empowerment, Civil Preparedness & Health Services**

Emphasis was laid on **'Nari Shakti'**, urging legal and institutional reforms to facilitate women's workforce participation. The PM highlighted **Operation Sindoor** for national security and urged institutionalizing **Civil Defence preparedness**. On health, he stressed the importance of **telemedicine expansion** (e.g., e-Sanjeevani) and **Covid-readiness**, especially at the district level.

#### Constitutional & Legal Provisions Related to the Meeting's Themes

- **Article 246 & 7th Schedule (State and Concurrent Lists):**

State cooperation in domains like health, education, agriculture, and water management is crucial for realizing the Viksit Bharat vision.

- **Article 263 – Inter-State Council & NITI Aayog's Role:**

Though not constitutionally mandated, NITI Aayog serves as a **de facto platform for cooperative federalism**, much like the Inter-State Council.

- **73rd & 74th Amendments (Panchayati Raj & Municipalities):**

These enable local self-governments to contribute towards Viksit Bharat through grassroots planning, urban development, and rural transformation.

- **Directive Principles (Art. 39, 41, 47):**

Emphasize equitable economic development, skill creation, public health, and welfare of vulnerable sections including women and youth.



## Conclusion

The **10th Governing Council Meeting of NITI Aayog** reaffirms the government's commitment to **cooperative federalism and decentralized planning** to achieve **Viksit Bharat @2047**. With strategic focus on **investment, skilling, women empowerment, water and agriculture reforms, and sustainable urbanization**, the meeting sets a developmental roadmap grounded in **state-driven growth**. The platform reinforces **joint action and shared responsibility** as the core of India's future vision.

## 5. India-WHO Agreement on Mainstreaming Ayush Globally – Key Takeaways for UPSC

- **Integration of Ayush in WHO's Global Health Framework**

On May 24, 2025, the **Ministry of Ayush and the World Health Organization (WHO)** signed a **landmark agreement** to develop a **dedicated Traditional Medicine module under the International Classification of Health Interventions (ICHI)**. This will globally recognize treatments from **Ayurveda, Yoga, Siddha, and Unani systems** in standardized scientific terms.

- **Key Benefits of the ICHI-Ayush Module**

The inclusion of Ayush in ICHI will facilitate:

- **Transparent billing and fair pricing** of Ayush services
- **Integration into health insurance systems**
- **Improved hospital management and clinical documentation**
- **Boost to international health research** on traditional medicine
- **Wider global accessibility and acceptance of Ayush therapies** like Panchakarma, Yoga therapy, and Unani regimens



- **India's Global Health Diplomacy and Soft Power**

This initiative aligns with **India's vision of "Health for All"** and aims to position Ayush as an **evidence-based, policy-recognized healthcare system** globally. It strengthens India's **soft power** and enhances its role in **global health governance** through the WHO.

- **WHO Collaboration and Financial Commitment**

India has contributed **\$3 million** to WHO's efforts in integrating traditional medicine into global health systems. WHO DG Dr. Tedros acknowledged India's commitment to **universal health coverage** and recognized Ayush as part of the broader **international public health strategy**.

- **Constitutional and Legal Provisions Supporting Ayush**

- **Article 21:** Right to health is implicit in the right to life.
- **Directive Principles (Art. 47):** Promote public health and nutrition.
- **National Commission for Indian System of Medicine (NCISM) Act, 2020** and **National Commission for Homoeopathy Act, 2020:** Regulate and promote Indian traditional systems of medicine.
- **Ministry of Ayush (established in 2014):** Institutionalizes and promotes traditional Indian medicine systems.



## Conclusion

The India-WHO agreement marks a **transformative shift in global healthcare classification** by integrating **Ayush interventions** into the WHO's ICHI framework. This will not only **standardize Indian traditional medicine globally**, but also promote **affordable, accessible, and culturally rooted healthcare systems**. For UPSC aspirants, it reflects India's growing **global leadership in traditional knowledge systems**, its **diplomatic outreach through health**, and the **scientific mainstreaming of indigenous practices**—a crucial intersection of **public health, governance, and international relations**.

## 6. Historic Joint National Mountaineering Team Summit of Mount Everest

- **Landmark Achievement in Indian Mountaineering**

A **Joint National Mountaineering Team** from India's top institutes—**Jawahar Institute of Mountaineering & Winter Sports (JIM&WS)**, **Nehru Institute of Mountaineering (NIM)**, and **Himalayan Mountaineering Institute (HMI)**—successfully summited Mount Everest (8,848.86 m) on **May 23, 2025**. This marks a historic collaborative achievement in India's mountaineering legacy.

- **Government Support and National Representation**

The expedition was flagged off by **Raksha Rajya Mantri** on **March 26, 2025**, and symbolized India's commitment to adventure sports and national pride. The team was led by **Col Anshuman Bhadauria** (NIM) and **Col Hem Chandra Singh** (JIM&WS), showcasing India's military and civilian collaboration in high-altitude training and exploration.



- **Team Composition and High-Altitude Acclimatization**

The elite team comprised five seasoned instructors, representing all three premier institutes. As part of their **acclimatization strategy**, the team scaled **Mt. Lobuche (6,119 m)** on April 18, 2025, demonstrating effective planning and endurance at extreme altitudes.

- **National Impact and Global Recognition**

The expedition highlights **India's mountaineering prowess** and positions it among top nations contributing to high-altitude exploration. It also strengthens India's soft power by showcasing resilience, discipline, and international mountaineering capability.

- **Relevant Constitutional & Policy Provisions**

- **Article 51A(f)**: Duty to value and preserve the rich heritage of our composite culture, which includes traditional adventure and exploration.
- **Youth Affairs & Sports Ministry Schemes**: Promote adventure sports under **Khelo India Scheme** and support institutions like NIM and HMI.
- **Eco and Cultural Tourism**: Encouraged under National Tourism Policy to promote Himalayan expeditions as part of sustainable adventure tourism.



## Conclusion

This **historic summit of Mount Everest** by a **joint Indian mountaineering team** reflects **national unity, excellence in adventure sports, and institutional synergy**. It is a testament to India's growing strength in high-altitude training and international adventure diplomacy. For UPSC aspirants, this event is significant from the lens of **youth empowerment, national pride, disaster preparedness (via high-altitude training), and eco-tourism promotion**, aligning with **India's vision of Viksit Bharat @2047**.

## 7. Rising North East Summit 2025 – Key Takeaways

- **Historic Investment Mobilization in North East Region (NER)**

The **Rising North East Investors Summit 2025**, inaugurated by **PM Narendra Modi**, concluded with a record **Rs 4.3 lakh crore** in investment proposals. This is a landmark in transforming NER into **India's next economic powerhouse** through infrastructure, industry, digital services, tourism, agriculture, and education investments.

- **Global Engagement and Multi-Stakeholder Participation**

Over **80 international delegations** (including Japan, ASEAN, EU) participated. Industry giants like **Reliance (Rs 75,000 crore)**, **Adani Group (Rs 50,000 crore)**, and **Vedanta (Rs 30,000 crore)** committed massive investments. The event included **Business-to-Government (B2G)** and **Business-to-Business (B2B)** dialogues, startup showcases, and exhibitions.



- **Whole-of-Government & Sectoral Strategy**

The Ministry of DoNER has formed **eight high-level task forces** on agriculture, infrastructure, textiles, tourism, investment promotion, etc., enabling each NE state to chart its own development roadmap. Initiatives include **nine investor roadshows**, **Ambassadors' Meets with 95+ nations**, and multiple state/sectoral roundtables.

- **Massive Infrastructure Growth in NER**

Since 2014, NE region has witnessed:

- National highways increased from **10,905 km to 16,207 km**
- Power generation capacity added: **694.5 MW**
- Aviation boom: **Airports doubled from 9 to 17**, and **36 major projects completed**
- Education push: **Rs 21,000 crore** invested, with **AIIMS, 9 medical colleges, 2 IIITs**, and **800+ new schools**

- **Relevant Constitutional & Policy Provisions**

- **Article 371 (A-H)**: Special provisions for NE states to protect culture and ensure development autonomy.
- **Act East Policy**: Aimed at integrating NER with Southeast Asia via economic and infrastructure corridors.
- **North East Special Infrastructure Development Scheme (NESIDS)** and **PM-DevINE**: Key funding instruments for focused growth.



- **Cooperative Federalism:** Strengthened via central-state engagement models led by MDoNER.

## Conclusion

The **Rising North East Summit 2025** marks a **transformational leap** in India's regional development strategy. By attracting **Rs 4.3 lakh crore**, leveraging global partnerships, and ensuring central-state synergy, the summit positions **NER as a strategic gateway to Southeast Asia**, aligned with **India's Act East Policy and Viksit Bharat@2047 vision**. For UPSC aspirants, this reflects the themes of **inclusive growth, regional integration, cooperative federalism, and public-private partnerships** in national development.

## 8. NAMASTE Yojana: Empowering Sanitation Workers – Key Takeaways

- **NAMASTE Scheme: Dignity and Safety for Sanitation Workers**  
The **National Action Plan for Mechanized Sanitation Ecosystem (NAMASTE)**, implemented by the **Ministry of Social Justice and Empowerment**, aims to **eliminate manual scavenging** and **promote mechanized, safe sanitation practices**. It focuses on **rehabilitating sanitation workers**, especially those engaged in hazardous sewer and septic tank cleaning.
- **Social and Economic Empowerment of Sanitation Workers**  
NAMASTE promotes the **economic inclusion and dignity** of Safai Karamcharis by offering them **safety gear (PPE kits), skill development, health insurance, and livelihood alternatives**. In this special programme held in **Chhatarpur, Madhya Pradesh**, **17 PPE kits** were symbolically distributed and an **ERSU (Emergency Response Sanitation Unit) Safety Device** was handed over to the Nagar Nigam.
- **Government's Inclusive Development Vision**  
Union Minister **Dr. Virendra Kumar** highlighted the government's commitment to **Sabka Saath, Sabka Vikas, Sabka Vishwas, Sabka Prayas**, reaffirming efforts to **uplift the marginalized** and recognize **sanitation workers as Cleanliness Ambassadors**, vital to the success of Swachh Bharat and Viksit Bharat missions.
- **Public Participation and Social Awareness**  
The programme encouraged **active involvement of media, civil society, and citizens** in improving sanitation ecosystems and removing social stigmas associated with sanitation work. It reflects the broader objective of **people-centric governance**.
- **Relevant Constitutional & Legal Framework**
  - **Article 46** of the Constitution: Directs the State to promote the educational and economic interests of weaker sections, especially SCs.
  - **Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013:** Bans manual scavenging and mandates rehabilitation.
  - **Swachh Bharat Abhiyan and Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)** align with NAMASTE's goals.

## Conclusion

The **NAMASTE Yojana** represents a **landmark initiative** in securing **dignity, safety, and socio-economic upliftment** for sanitation workers—among India's most marginalized groups. Through mechanization, legal safeguards, and targeted welfare schemes, the programme embodies the constitutional mandate of **social justice** and reflects the ethical core of the Indian administrative framework. For UPSC aspirants, this is a key case study in **inclusive governance, human rights, and public health infrastructure reform**.



## 9. AI-Run Clinics and the Future of Healthcare – Key Points

- **AI in Primary Healthcare: A Paradigm Shift**  
Shanghai-based **Synyi AI**, in collaboration with **Saudi Arabia's Almoosa Health Group**, has launched a **fully AI-run clinic**. The AI “doctor” named **Dr. Hua** independently consults, diagnoses, and prescribes treatments, which are then reviewed by a human doctor. This marks a shift from **AI as an assistant to AI as a primary care provider**.
- **Applications and Expansion Plans**  
Currently, Dr. Hua handles around **30 respiratory illnesses** (e.g., asthma, pharyngitis) with plans to expand to **50 conditions**, including gastrointestinal and dermatological disorders. **Hospitals across China, South Korea, India, and UAE** are already using AI for logistics, infection control, and diagnostics.
- **Limitations of AI in Healthcare**  
While AI excels at **data-heavy, repetitive tasks** like interpreting X-rays and scans, it **lacks human empathy, moral reasoning**, and judgment in **complex or emotionally sensitive cases**. Fully autonomous functioning remains **unsafe without human oversight**, as seen in Babylon Health's failure due to overpromised claims.
- **Regulation and Ethical Oversight**  
As AI healthcare spreads in Asia, **regulatory frameworks** are catching up:
  - **European Union's AI Act**
  - **US FDA guidelines**
  - **WHO recommendations**  
In **India**, the **Medical Council's code of ethics mandates disclosure** of AI use to patients, ensuring **transparency, accountability, and informed consent**.
- **Technological Advantage & Scalability**  
AI doctors can **process vast datasets quickly**, handle up to **10,000 patients per week**, and work **without fatigue**—a boon in **overburdened healthcare systems**. Major global tech firms like **Google, Microsoft, Amazon, and Nvidia** are advancing AI health diagnostics and treatment analytics.

## Conclusion

The emergence of **AI-led clinics** signifies a **transformational moment in global healthcare**, offering **efficiency, scalability, and data precision**. However, **AI cannot replace the human touch**, especially in emotionally and ethically nuanced care. For India, balancing **technological adoption with robust regulation and ethical safeguards** will be critical to integrating AI into public health, making this a key issue in **health governance, ethics, and science & tech policy**—relevant for both **GS Paper II and III** in the UPSC Mains.

## 10. Global Economic Developments: June 2025 Wrap – Relevant Points

- **US-China Tariff Truce and Global Trade Dynamics**  
A **90-day US-China tariff pause** was agreed upon after high-level talks in Switzerland, reducing tensions from earlier reciprocal tariffs (US at 145%, China at 125%). Current average tariffs are 30% (US) and 10% (China). This **de-escalation has lowered the chances of a US recession** and shifted China's export focus toward **ASEAN countries**, potentially affecting India's trade opportunities.



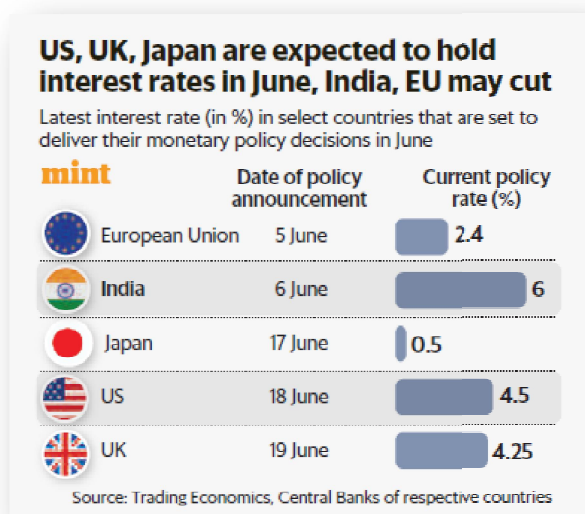
- **Diverging Monetary Policy Trends Among Central Banks**

Key central banks are at different stages of their policy cycles:

- **US Fed, Bank of England, and Bank of Japan** expected to **hold rates steady** to gauge inflation and tariff impacts.
- **RBI and ECB** may opt for **rate cuts** to boost growth amid manageable inflation. This divergence highlights **challenges in global monetary coordination**, important for India's **external sector** and capital flows.

- **Post-Brexit UK-EU Relations: New Pact Signed**

A **comprehensive UK-EU agreement** post-Brexit was signed covering trade, migration, youth mobility, and defence. Despite efforts at diversification, **EU remains UK's largest trading partner**. The pact reflects the **complexities of post-Brexit integration** and the importance of **bilateral trade agreements**, especially for India negotiating with both UK and EU.



- **Global Bond Market Sell-Off:**

**Implications for Capital Flows**

A **sell-off in long-term bonds** globally was triggered by:

- **US credit downgrade by Moody's**
  - Fears of rising deficits under Trump's fiscal proposals
  - Reduced demand from Japanese insurers and looser European fiscal policies
- However, **India and China saw falling yields**, aided by **capital controls and domestic macroeconomic stability**, boosting their attractiveness to global investors.

- **Strategic Financial Shift: CATL's Hong Kong Listing**

Chinese EV battery leader CATL raised **\$4.6 billion** in Hong Kong's largest 2025 listing. Due to US scrutiny, **American investors were excluded**, marking a **pivot from Wall Street to Hong Kong**. This indicates a **financial decoupling** trend in US-China ties, with implications for **global capital markets and tech alliances**.

**Additional Constitutional and Legal Relevance (for UPSC)**

- **Article 301–307 (Part XIII of the Constitution):** Relate to **freedom of trade and commerce** within India, but contextual global trade developments inform **India's external trade policy**, crucial for **GS Paper II & III**.
- **Monetary policy and RBI's autonomy** under **Section 45ZB of the RBI Act, 1934** are important in assessing rate decisions.
- **Global trade and fiscal trends** influence **India's current account, exchange rate, and foreign investment**, tying in with **Fiscal Responsibility and Budget Management (FRBM) Act** objectives.



## Conclusion

The global economic outlook in mid-2025 is shaped by **geopolitical détente, evolving monetary strategies, fiscal risks, and capital market shifts**. For India, these developments offer **both challenges and strategic opportunities**—from trade diversification and financial resilience to attracting global capital. Understanding such dynamics is crucial for aspirants preparing **UPSC GS Paper III (Economy), Paper II (IR), and Essay topics on globalization and financial governance**.

### 11. Port Congestion, Trade Wars & Global Shipping Disruptions – Key Points

- **Severe Port Congestion in Northern Europe and US-Asia Hubs**  
Major European ports—**Bremerhaven, Antwerp, Hamburg, Rotterdam, and Felixstowe**—are experiencing **significant delays** (up to 77% rise in waiting times). Causes include **labour shortages, low Rhine River water levels, and supply chain pressure** from rising trade volumes due to US-China tariff uncertainties.
- **US-China Trade Truce and its Ripple Effects on Global Shipping**  
A **temporary 90-day truce** in US-China tariffs (expiring August 14) has caused a **surge in early trans-Pacific shipping**, impacting ports in **Shenzhen, Los Angeles, and New York**. However, high tariffs (30%) and uncertainty continue to distort demand, making inventory planning and freight logistics unstable.
- **Freight Costs Soaring Due to Tariff Volatility and Supply Chain Disruptions**  
Sudden shifts in US trade policy, including **threats of 50% tariffs on EU goods** starting June 1, are driving up **freight rates and peak season surcharges**. Global shipping lines like **MSC** have already raised rates, impacting **cost of imported goods and inflationary trends worldwide**, including in India.
- **Global Geopolitical Risks and Alternative Shipping Routes**  
Cargo ships continue to **avoid the Red Sea** due to Houthi-led attacks, instead rerouting via **southern Africa**—increasing costs and transit times. These **maritime security concerns**, tied with **tariff-induced disruptions**, threaten to destabilize **global supply chains** and increase **commodity prices**.
- **Economic Impacts on Export-Oriented European Nations**  
Countries like **Germany, Belgium, Netherlands, Ireland, and Italy**—with high export dependence on the US—are **highly vulnerable** to US tariff hikes. Research suggests **EU exports to the US may drop over 50%** if reciprocal duties are applied, weakening **transatlantic trade** and pressuring EU economies.

### Relevant Legal and Constitutional Provisions (for UPSC)

- **Article 301–307, Indian Constitution:** Relate to **freedom of trade, commerce and intercourse** across Indian territory; global disruptions reflect the need for **resilient national trade logistics**.
- **Essential Commodities Act, 1955 and Foreign Trade (Development and Regulation) Act, 1992:** Offer legal basis for government interventions in **trade policy and supply chains**.
- **International Maritime Organization (IMO) and UNCLOS (United Nations Convention on the Law of the Sea):** International maritime laws critical for ensuring **safe, secure, and efficient shipping** amidst geopolitical tensions.



## Conclusion

The worsening port congestion and volatile tariff environment underscore the **fragility of global trade and logistics**, exacerbated by **geopolitical tensions and environmental constraints**. For India, these developments necessitate **investment in resilient port infrastructure, stable trade policies, and secure maritime routes** to shield the economy from external shocks. These issues are highly relevant for **UPSC GS Paper II (International Relations), GS Paper III (Economy), and Essay topics** on globalisation and trade.

## 12. Alleged Espionage by US Fed Economist for China – Key Points

- **Espionage Allegations Against a Federal Reserve Economist**

John Rogers, a senior adviser at the US Federal Reserve, is accused of **economic espionage** for China. He allegedly shared **non-public internal Fed documents**, including materials related to the **Federal Open Market Committee (FOMC)**, with Chinese intelligence posing as students.

- **Modus Operandi of Espionage**

The alleged Chinese operatives approached Rogers during his visits to China between **2013 and 2017**, offering **paid trips**, posing as scholars or students, and engaging him in repeated meetings. He accepted travel payments and developed close personal ties with China, which prosecutors say made him vulnerable.

- **China's Broader Espionage Strategy**

Western intelligence reports and US Senate findings suggest China has escalated its **human intelligence operations**, targeting institutions like the Fed through **offers of money, personal pressure, and emotional manipulation**. There are reports of other Fed officials being **coerced** by Chinese authorities using intimidation and surveillance.



- **Institutional Reforms and Security Protocols by the Fed**

In response to rising risks, the **Federal Reserve updated its policies in 2021**, prohibiting staff from accepting **gifts or payments from foreign entities**, especially from nations under **US defense export control regimes**, including China. This shows increasing **focus on internal safeguards** against foreign influence.

- **Geopolitical & Strategic Implications**

This case highlights **China's strategic interest in infiltrating key US institutions** like the Fed to gain **economic intelligence**, influencing currency and interest rate policies. It reflects the broader **US-China strategic rivalry**, especially in the domains of technology, economy, and intelligence gathering.

## Relevant Constitutional & Legal Provisions (India/Global Context)

- **Official Secrets Act, 1923 (India):** Governs protection of sensitive government information from espionage or unauthorized sharing—similar charges in India would be framed under this Act.
- **National Security Act, 1980 (India):** Enables preventive detention in cases involving threats to national security.



- **US Espionage Act:** Rogers is charged under this act, which criminalizes sharing national defense information with foreign governments.
- **Vienna Convention on Diplomatic Relations:** Although not directly applied, the case raises questions about foreign interference and international obligations on state behavior.

### Conclusion

The case of John Rogers underscores the growing **tension between national security and global academic or economic collaboration**. It highlights how **state-sponsored espionage** now extends into **economic institutions** like central banks, which are vital to global financial stability. For UPSC aspirants, this case is significant in understanding **cybersecurity, intelligence diplomacy, and national economic sovereignty**—core themes in **GS Paper II (IR), GS Paper III (Security & Economy), and Ethics (GS Paper IV)**.