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CABINET APPROVES SEMICON 2.0, MOBILE MANUFACTURING, UREA PLANTS, AND HIGHWAY PROJECTS

- India has been pursuing an aggressive strategy to strengthen domestic manufacturing and reduce dependence on imports across critical sectors.
- This aligns with the broader **Atmanirbhar Bharat** and **Make in India** The Cabinet approvals cover four major areas:
    - Semiconductor manufacturing: critical for electronics, AI, and defence
    - Mobile phone manufacturing: a key export sector
    - Urea production: essential for agricultural self-sufficiency
    - Highway infrastructure: for improved connectivity
- These decisions come at a time when global supply chain disruptions, memory chip shortages, and geopolitical tensions have highlighted the need for domestic capabilities.

India Semiconductor Mission 2.0

- The Cabinet has approved Rs. 1.27 lakh crore for the second edition of the India Semiconductor Mission (ISM 2.0), aimed at developing India's semiconductor design and manufacturing ecosystem.

- **Expected Outcomes**
    - Investments of around Rs. 4 lakh crore are expected to be attracted.
    - Semiconductor production worth Rs. 2 lakh crore during the scheme period.
    - Self-reliance in indigenous chip production by the end of the programme.
- **Six Pillars of Semicon 2.0**
    - Design of chips
    - Development of chips
    - Production of indigenous chips
    - Support for raw material suppliers including minerals and gases
    - Meeting chip requirements for AI devices
    - Building end-to-end semiconductor value chain

Significance of Cabinet Decisions

- **For Manufacturing Sector**
  - Boost to indigenous manufacturing across critical sectors
  - Reduced import dependence for semiconductors, mobile phones, and urea
- **For Economic Growth**
  - Export growth particularly in mobile phones and semiconductors
  - Multiplier effects on ancillary industries
- **For Infrastructure**
  - Reduced congestion and travel times
  - Alignment with PM Gati Shakti for integrated infrastructure development

Way Forward

- **For Semicon 2.0**
  - Timely implementation of approved projects
  - Attracting global players and technology partners
  - Developing a supporting ecosystem for materials and equipment
- **For Mobile Manufacturing**
  - Encouraging Indian brands to scale globally
  - R&D investments for innovation
  - Export market development
- **For Urea Production**
  - Ensuring the timely commissioning of new plants
  - Gas supply security for the plants
  - Efficiency improvements in existing units
- **For Highway Projects**
  - Adherence to timelines and quality standards
  - Environmental safeguards during construction
  - Integration with other transport modes

MOBILE PHONE MANUFACTURING SCHEME

- It has been **launched by the government of India** to further scale up the production, deepen domestic value addition, strengthen supply chain resilience, enhance global competitiveness.
  - The Cabinet approved an outlay of Rs. 62,500 crore for the Mobile Phone Manufacturing Scheme.

Aim: It aims at **building Indian brands to achieve technological sovereignty**, capture large economic value and create **Indian patents in design and R&D.**

Time Period: The scheme tenure shall be **5 Years i.e. from FY 2026-27 to FY 2030-31.**

Features:

- The scheme **provides incentive support on eligible sales** for manufacturing of mobile phones in India at differentiated **rates ranging from 2.25% to 5%.**
- Scheme also provides **additional incentive of up to 1.5% linked** to domestic sourcing of key components/ sub-assemblies.
- For building Indian brands, an additional incentive of 3% on Eligible Sales **for design and R&D of the product.**
- Focus on building Indian brands in the mobile phone sector.

- **Expected Outcomes**
  - Cumulative mobile phone production expected to reach around Rs. 39 lakh crore during the scheme tenure.
  - Significant increase in exports of mobile phones.
  - Generation of around 60,000 direct jobs.
  - Creation of Indian patents in design and R&D.

LADAKH'S SEVEN HILL COUNCILS: A NEW POLITICAL DEBATE

- Recently, the Ladakh administration announced an **Autonomous Hill Development Council (**AHDC) for each of its seven districts.
- Earlier, such councils existed only in Leh and Kargil. The move follows the creation of five new districts, Drass, Sham, Nubra, Changthang and Zanskar, in April 2026.
- Govt officials called this a step towards **democratic decentralisation**.

Why Does Ladakh Need Decentralisation?

- Ladakh is **India's largest Union Territory by area**, spread across nearly 60,000 sq km, but has barely 3 lakh people, making it one of the **least densely populated** regions in the country.
- Villages are often separated by mountain passes and long travel times, which has made **decentralised administration** a long-standing demand.

Opposition From Civil Society Groups

- Two civil society groups, the Apex Body, Leh (ABL) and the Kargil Democratic Alliance (KDA), are negotiating Ladakh's political future with the Centre.
- Neither disputes the need for decentralised administration. Their objection is to the **fragmentation of political authority** while talks on a representative framework under Article 371 are still underway.
- **Key concerns raised**
  - Empowering seven district councils could leave little real authority with the future Article 371 representative body.
  - The move is "**maximum government and minimum governance**," since even existing councils have steadily lost power.
  - Ladakh leaders say the seven-council proposal appeared in the Minutes of a May 22 Centre-Ladakh meeting, which they refused to sign.
  - A revised version without the proposal was then signed. They allege the Centre proceeded without consulting them.

- The broader worry is **institutional overlap**. Once seven hill councils, Panchayati Raj bodies, the UT administration, and a future Article 371 body all coexist, lines of accountability may blur.

How Powerful Are the Hill Councils?

- On paper, LAHDCs are among India's more powerful statutory district bodies.
- Under the **1997 Act**, they handle district planning, budgets, development schemes, management of council land, and collection of local taxes.
- In practice, though, elected representatives across parties say the **councils have lost relevance since UT status**.
- Decision-making has reportedly shifted to the Lieutenant Governor's secretariat, land recommendations are often ignored, and council budgets and staff have been reduced.
- This creates a paradox: the government wants to increase councils from two to seven, while representatives say the existing ones need to be made functional first.

Comparison with Similar Bodies

- LAHDCs sit in a middle position within India's federal set-up:
    - **Sixth Schedule councils** (Assam, Meghalaya, Mizoram, Tripura) enjoy constitutional status, independent legislative powers, and judicial authority over customary matters, subject to the Governor's assent.
    - LAHDCs have none of these constitutional protections.
    - They are closer to **statutory autonomous councils** like those in Manipur, which despite having significant powers on paper, face financial dependence on the state government and limited real control.

Conclusion

- Ladakh's seven-council plan exposes a deeper question: does democratic authority sit in multiple district bodies or a unified Article 371 framework?
- Until this is resolved, and existing councils are made functional, decentralisation reforms will remain entangled in an unresolved trust deficit between Ladakh and the Centre.

INDIA-UK TRADE DEAL: WHAT IT MEANS FOR THE ECONOMY

The India-UK Comprehensive Economic and Trade Agreement (CETA) came into effect on July 15, 2026, a year after it was signed.

Alongside it, the Double Contribution Convention (DCC) also became operational. This is India's first comprehensive trade deal with a developed country and is being called the "gold standard" of India's FTAs. It also lays the groundwork for India's ongoing negotiations with the European Union.

- **Overall tariff elimination**
  - India has reduced tariffs on around **90%** of products.
  - The UK has eliminated tariffs on **99%** of Indian exports.
  - On implementation, the UK immediately eliminated tariffs on 96.8% of its tariff lines, covering **97.7% of trade value**.
  - India will immediately eliminate tariffs on **30.3% of trade value**, with a further 47% phased out over time, and 12.1% covered under quota-based reductions.
    - In total, this covers 89.5% of tariff lines and 89.4% of trade value.

Gains for India

- **Export boost for labour-intensive sectors**: Textiles, footwear, and gems and jewellery are expected to benefit.
  - Duties on gems and jewellery (up to 12%) and footwear (up to 16%) have been eliminated.
- **Steel exports**: UK-allocated quotas are expected to push India's iron and steel exports from around $850 million to over $1 billion. UK curbs on steel imports had been a major sticking point before the deal.
- **Services sector access**: The UK has granted commercial presence rights to Indian firms in computer services, consultancy, and environmental services, allowing them to set up branches or subsidiaries in the UK.

- **Non-binding labour and environment chapter**: Experts view this as a win for India, since strong labour and environment norms in Western countries often act as non-tariff barriers for developing-country exporters.

Gains for the UK and Consumers

- **Cheaper imports for Indian consumers:** Tariffs on British cars, scotch whisky, chocolates, cosmetics, and sports equipment have been reduced or removed.
- **Automobile tariffs (a first for India in any FTA):** Tariffs on British cars cut from up to 110% to 30% in year one, falling to 10% by year five. Annual import quota starts at 20,000 vehicles, rising to 37,000 by year five, before tapering to 15,000 by year fifteen and beyond.
  - Separate quotas and tariffs apply to alternative fuel and commercial vehicles.
- **Alcohol concessions:** Tariffs on British alcoholic beverages cut from 150% to 75% initially, falling further to 40% by year ten, a significant concession given India's large and fast-growing spirits market and the UK's position as the world's largest whisky exporter.
- **Services access for UK firms:** India has opened key sectors, accounting, auditing, financial services, telecom, and environmental services, to UK firms without requiring local presence.

India has also agreed to recognise UK professional qualifications in law and accounting.

Remaining Challenges

- Despite the gains, India did not secure an exemption from the UK's proposed Carbon Border Adjustment Mechanism (CBAM), a carbon pricing framework for imported carbon-intensive goods, set to take effect from January 1, 2027.

Conclusion

The India-UK CETA marks a watershed in India's trade diplomacy, its first comprehensive deal with a developed economy. While it opens new export opportunities and eases the burden on Indian workers abroad, unresolved issues like CBAM show that deeper integration with developed economies still carries unfinished business.

THE CRISIS AT THE HEART OF NON-PROLIFERATION

The Core Question

- Why must Iran give up a capability that nine nuclear states already hold?
- Analysts say the claim that Iran is "uniquely dangerous" is not backed by evidence.
- It is a **conclusion states reach first and justify later**, especially states whose own record on international law is inconsistent.

Unequal Rules Under the NPT

- The Treaty on the **Non-Proliferation of Nuclear Weapons (NPT)** was meant to prevent the spread of nuclear weapons. Instead, it froze an unequal hierarchy in place.
- It split the **world into nuclear "haves" and "have-nots**." Have-nots must show restraint. Haves keep modernising their arsenals.
- This double standard plays out clearly in practice:
    - India and Pakistan stay outside the NPT, hold real nuclear arsenals, and are still treated as strategic partners by major powers.
    - Israel has never allowed inspections of its widely known nuclear programme and is rarely named as a proliferation risk.
    - Iran, by contrast, enriched uranium within a legal framework, accepted the most intrusive inspections in arms control history under the JCPOA, and was still hit with sanctions after U.S. withdrawal from the deal.

Hiroshima and the Question of Moral Authority

- As per the experts, the origin of today's nuclear order lies in the bombings of Hiroshima and Nagasaki in 1945, the only wartime use of nuclear weapons in history.
- That act set two precedents: it showed the devastating power of these weapons, and it showed that their use could be absorbed into the language of "strategic necessity."
- The state that used them became the very state that now polices nuclear order elsewhere. This complicates any moral claim to regulate others' nuclear ambitions.

GREENLAND

- It is the world's largest (non-continent) island **located between** the continents **of North America and Europe** in the North Atlantic Ocean.
- It is geographically **considered a part of the North American continent.**
- It was **once a Danish colony** and is now an autonomous province of Denmark.

Borders of Greenland: It is surrounded by **the Arctic Ocean to the north**; by the **Greenland Sea to the east**; by the **North Atlantic Ocean** to the southeast; **Davis Strait** to the southwest and **Baffin Bay** to the west.

Capital City: Nuuk

Geographical Features of Greenland:

- **Climate:** Greenland is in the polar zone, where winter temperatures reach as low as -50°C and summer temperatures rarely exceed 10–15°C.
- **Highest Point:** Gunnbjorn's Fjeld
- **Natural Resources:** It mainly consists of Coal, iron ore, lead, zinc, molybdenum, diamonds, gold, platinum, niobium.