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Saturday

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PART I • HEADLINES TO ECONOMY



TODAY'S HEADLINES

10 ITEMS

- 1 India-UK Comprehensive Economic & Trade Agreement (CETA) set to enter into force on July 15, 2026 — India's most comprehensive deal with a G7 nation.

GS3 • Economy • International Trade
- 2 DRDO completes Phase 2 of Ballistic Missile Defence (BMD) programme — AD-1 and AD-2 interceptors successfully tested at ITR Chandipur; India joins elite BMD club.

GS3 • Defence • Internal Security
- 3 RBI Central Board approves Utkarsh 3.0 — medium-term strategy framework for 2026–2029 at its 622nd meeting in Patna under Governor Sanjay Malhotra.

GS3 • Economy • Banking & Finance
- 4 India-EU Free Trade Agreement signed January 2026; pending EU Parliament ratification — covers 97% of European exports to India, projected to save €4 billion annually in duties.

GS2/GS3 • IR • International Trade
- 5 PM Modi welcomes US-Iran peace deal signed June 19 in Geneva; reiterates India's call for Strait of Hormuz freedom of navigation.

GS2 • International Relations • West Asia
- 6 IMD's Updated Long Range Forecast: SW Monsoon 2026 likely to be below normal (90–95% of LPA); Central India and South Peninsula most affected.

GS1/GS3 • Geography • Agriculture
- 7 ISRO launches Indian Space Hackathon 2026 — 15 challenges covering AI, climate modelling, satellite imagery, lunar exploration and solar flare forecasting; open until July 1.

GS3 • Science & Technology • Space
- 8 SOE 2026 (CSE-DTE): India recorded extreme weather events on 99% of days in 2025; 7 of 9 planetary boundaries now breached, warns report.

GS3 • Environment • Disaster Management
- 9 Iran invites PM Modi for state visit following post-conflict transition; India-Iran civilisational ties in spotlight as West Asia stabilises post-Khamenei.

GS2 • International Relations • West Asia

10

Supreme Court: Article 329(b) of Constitution bars judicial intervention under Article 32 in ongoing electoral process; aggrieved parties must file election petition post-polls.

GS2 · Polity · Constitutional Law

THEIAS AKADEMIA

Today's edition covers 10 high-density current affairs items spanning 4 GS papers. If you're finding it hard to retain this volume, **Sahyog Mentorship** at theiasakademia.com provides personalised guidance to help you build a retention system tailored to your schedule.



POLITY & GOVERNANCE

2 CARDS

GS2

Indian Constitution · Judiciary · Electoral Process

27 June 2026

Supreme Court Upholds Article 329(b): No Writ Jurisdiction During Ongoing Elections

What happened: A Supreme Court Vacation Bench declined to exercise its extraordinary writ jurisdiction under Article 32 in a case challenging irregularities during an ongoing election. The Court affirmed the absolute constitutional mandate of Article 329(b), which bars courts from questioning or interfering in the electoral process once it has begun. Aggrieved candidates must wait until polls conclude and then file an election petition under the Representation of the People Act, 1951.

Why it matters for UPSC: This ruling reinforces the constitutional design that separates judicial review from electoral management. It clarifies the interplay between Articles 32 (right to constitutional remedies), 329(b) (bar on judicial interference in elections), and the doctrine of *forum non conveniens*. Prelims: Article 329; Mains: GS2 — federalism, electoral reforms, role of judiciary.

⚡ KEY FACTS

- Article 329(b): No court shall call in question any election to Parliament or a State Legislature except by an election petition presented to the High Court under Part VI of the RPA, 1951.
- Article 32 grants the right to move the Supreme Court for enforcement of Fundamental Rights — but this right is not absolute when Article 329(b) applies.
- The doctrine of *forum non conveniens* rarely applies when constitutional remedies are invoked, but Article 329(b) operates as an explicit constitutional bar.
- Election Commissions of India (ECI) is an independent constitutional body under Article 324 that superintends elections — courts cannot interfere with its ongoing processes.
- SC reaffirmed: the phrase "notwithstanding anything in this Constitution" in Art 329 gives it overriding effect over Art 32.

💡 TEACHING HOOK

Mnemonic — "329 = Elections No Court": Think of Article 329 as the constitutional "Do Not Disturb" sign on election proceedings. Once the machine starts (writ of election), no judicial remote control (Article 32) can pause it. The only window after polling is the Election Petition channel — like a post-match appeal, not a mid-game intervention. UPSC loves asking: "Can courts interfere in elections under writ jurisdiction?" — Answer: NOT during the process; only via election petition thereafter.

📄 PYQ LINKAGE

UPSC Prelims 2017: "With reference to the election of the President of India, consider the following statements..." — Tests knowledge of electoral process and constitutional bars. | UPSC Mains GS2 2015: "Discuss the role of the Election Commission of India in the context of the model code of conduct." — Requires understanding of judicial non-interference in elections.

GS3

Economy · Banking · Monetary Policy

27 June 2026 · Source: PIB / RBI

RBI Approves Utkarsh 3.0: Medium-Term Strategy Framework 2026–2029

What happened: The Central Board of Directors of the Reserve Bank of India, at its 622nd meeting held in Patna under Governor Sanjay Malhotra, approved the Bank's budget for 2026–27 and adopted the Utkarsh 3.0 medium-term strategy framework. This framework will guide RBI's policy priorities and institutional goals for 2026–2029, building on the earlier Utkarsh 2.0 (2022–25) which focused on digital payments and regulatory strengthening.

Why it matters for UPSC: The Utkarsh series is RBI's institutional roadmap — directly tested in Prelims as a factual question and in Mains GS3 for discussions on monetary policy, financial inclusion, and central bank governance. Utkarsh 3.0 signals emphasis on fintech regulation, climate risk in banking, and cross-border payments interoperability.

⚡ KEY FACTS

- RBI established in 1935 under the RBI Act, 1934; nationalised in 1949. Central Board has 21 members including Governor, Deputy Governors, and GoI nominees.
- Utkarsh 1.0 (2019–22): Focused on strengthening regulation and supervision. Utkarsh 2.0 (2022–25): Digital payments, financial inclusion, CBDC (e-Rupee) launch.
- Utkarsh 3.0 priorities: climate risk framework for banks, AI/ML in supervision (SupTech), cross-border payment harmonisation under G20 roadmap, and strengthening cybersecurity in financial sector.
- Governor Sanjay Malhotra: Former Revenue Secretary; appointed December 2024 succeeding Shaktikanta Das. RBI Governor appointed by Union Cabinet for a 3-year term.
- 622nd meeting of Central Board — held in Patna, signalling RBI's decentralised outreach engagement.

💡 TEACHING HOOK

Think "Utkarsh = Uplift": Each Utkarsh phase is RBI uplifting one pillar — Utkarsh 1.0 uplifted Regulation, Utkarsh 2.0 uplifted Digital Finance, Utkarsh 3.0 uplifts Climate + Tech Supervision. For exam: remember RBI's mandate under Section 3 of RBI Act is to "regulate the issue of Bank notes and the keeping of reserves with a view to securing monetary stability in India." Utkarsh aligns institutional capacity to that mandate for future challenges.

📅 PYQ LINKAGE

UPSC Prelims 2020: "Consider the following statements regarding the 'Utkarsh 2022', a medium-term strategy document of the Reserve Bank of India..." — Direct factual question on Utkarsh. | UPSC Mains GS3 2022: "Discuss the role of the Reserve Bank of India as a regulator and supervisor of the banking sector in India."

🌐 INTERNATIONAL RELATIONS

2 CARDS

GS2

International Relations · Bilateral Agreements · Trade

27 June 2026 · Source: PIB

India-UK CETA to Enter into Force July 15, 2026 — India's Most Comprehensive G7 Trade Deal

What happened: India and the United Kingdom announced July 15, 2026, as the official entry-into-force date for their Comprehensive Economic and Trade Agreement (CETA), along with a companion Double Contribution Convention (DCC) covering social security for professionals working temporarily between the two countries. The CETA is India's most expansive bilateral trade agreement with a G7 nation and the UK's most significant trade deal since Brexit.

Why it matters for UPSC: India-UK CETA is a landmark in India's trade diplomacy post-WTO reform stagnation. For Prelims: key provisions, sectors covered, DCC. For Mains GS2: bilateral relations; GS3: trade policy, export competitiveness, manufacturing, PLI linkage. The UK is India's 6th-largest trading partner.

⚡ KEY FACTS

- UK immediately eliminates duties on 99% of Indian tariff lines — including: processed foods (up to 70%), marine products (21.5%), engineering goods & auto components (18%), leather & footwear (18%), textiles & clothing (12%), chemicals & pharma (8%).

- India will phase down tariffs on UK whisky, automobiles, and certain machinery over a 10-year period.
- Double Contribution Convention (DCC): Indian professionals working temporarily in UK and UK professionals in India will contribute to only one country's social security system — reduces double taxation burden.
- UK is India's 6th-largest trading partner; bilateral trade stood at approximately \$38 billion in 2024–25.
- Negotiations: Commenced 2022, concluded after multiple rounds; Commerce Minister Piyush Goyal led Indian side.

💡 TEACHING HOOK

"CETA = Comprehensive Exit Tax Abolition" — Think of it as the UK sending Indian goods an "exit visa with zero fee." 99% of Indian goods walk into the UK market duty-free from Day 1. The DCC = "no double social security dipping" — workers pay once, not twice. UPSC may ask: "Which of the following countries has India signed a CETA with?" — Answer: UK (2026). Distinguish from India-UAE CEPA (2022), India-Australia ECTA (2022), and India-ASEAN FTA (2010).

📅 PYQ LINKAGE

UPSC Prelims 2022: "With reference to the 'India-ASEAN Free Trade Area', consider the following statements..." — Tests understanding of FTA structure. | UPSC Mains GS2 2021: "Evaluate the significant changes that have taken place in India's foreign policy in recent years." — UK CETA as case study for new trade-first diplomacy.

GS2

International Relations · West Asia · Strategic Affairs

27 June 2026 · Source: MEA / PIB

West Asia After the US-Iran Peace Deal: India's Strategic Repositioning

What happened: Following the death of Supreme Leader Ayatollah Ali Khamenei in February 2026 during US-Israel military strikes, and the subsequent US-Iran peace deal signed June 19, 2026 in Geneva, Iran has invited PM Modi for a state visit. The peace deal reopens the Strait of Hormuz and stabilises West Asia after months of conflict that disrupted India's energy imports and diaspora. PM Modi welcomed the deal at the G7 Summit in Evian-les-Bains, France, and reiterated India's call for freedom of navigation.

Why it matters for UPSC: India's West Asia policy is tested repeatedly. Key angles: Strait of Hormuz and India's energy security, Indian diaspora in Gulf (9+ million), remittances (~\$118 billion in 2024), Chabahar Port (Iran) and India's connectivity to Afghanistan/Central Asia, I2U2 grouping (India, Israel, UAE, US), and India's strategic autonomy amid US-Iran tensions.

⚡ KEY FACTS

- Strait of Hormuz: ~21% of global oil trade passes through it; India imports ~85% of its crude oil — any closure severely impacts India's energy security.
- Chabahar Port (Iran): India has invested in Phase 1; offers India access to Afghanistan & Central Asia bypassing Pakistan — strategically critical for connectivity.
- Indian diaspora in Gulf/West Asia: ~9.4 million; among the largest in the world. Remittances to India from this region: ~\$40+ billion annually.
- I2U2 Group: India, Israel, UAE, United States — launched 2022; focuses on food security, clean energy, infrastructure. Post-conflict reconfiguration now underway.
- India's position: Strategic autonomy — did not support US-Israel strikes, but welcomed peace deal; PM Modi spoke to global leaders emphasising dialogue over conflict.

💡 TEACHING HOOK

West Asia Mnemonic — "DICE India plays": Diaspora (9.4 million in Gulf), nfrastructure (Chabahar Port), rude Oil (85% import dependence), nergy security (Strait of Hormuz = India's oil lifeline). When West Asia is in news, always map these four angles. The US-Iran peace deal positively impacts all four: remittances resume, Chabahar can function freely, oil flows normally, and the Strait reopens.

📅 PYQ LINKAGE

UPSC Prelims 2019: "With reference to the 'Chabahar Port', consider the following statements..." — tests India's strategic connectivity via Iran. | UPSC Mains GS2 2023: "How have India's strategic interests and foreign policy evolved with regard to West Asia? Discuss." | UPSC

THEIAS AKADEMIA West Asia and India's foreign policy is among the highest-frequency topics in UPSC Mains GS2. **ANTIM 2027** at theiasakademia.com provides dedicated IR modules with case-study frameworks, helping you convert current events like the US-Iran peace deal into ready exam answers.

DEFENCE & SECURITY

2 CARDS

GS3

Defence · Science & Technology · Internal Security

27 June 2026 · Source: DRDO / PIB

DRDO Completes BMD Phase 2: India Joins Elite Missile Defence Club with AD-1/AD-2 Interceptors

What happened: DRDO successfully conducted three consecutive flight tests on June 10–11, 2026 at the Integrated Test Range (ITR), Chandipur, Odisha, validating its multi-layered Ballistic Missile Defence (BMD) Phase 2 system. The AD-1 interceptor tested exo-atmospheric interception (above 150 km) against ICBM-class threats (up to 5,000 km range), while the AD-2 interceptor handled endo-atmospheric kills (15–40 km altitude). All interceptors successfully neutralised designated targets.

Why it matters for UPSC: BMD is a high-probability Prelims topic — tests on AD-1/AD-2 interceptors, the difference between exo and endo-atmospheric interception, and India's position in global missile defence. Mains GS3: indigenisation of defence, DRDO role, implications for India's nuclear deterrence posture.

⚡ KEY FACTS

- AD-1 (Endo-Atmospheric): Kills at 15–40 km altitude; targets short- to medium-range ballistic missiles in terminal phase — similar to Israel's Iron Dome tier.
- AD-2 (Exo-Atmospheric): Kills above 150 km in mid-course phase; designed against ICBM-class threats (up to 5,000 km range) — India's highest-altitude interception to date.
- NASM-MR (Naval Anti-Ship Missile Medium Range): Maiden flight test conducted alongside BMD tests; enhances Indian Navy's maritime strike capability against hostile surface vessels.
- Elite BMD club: Only the USA (THAAD, PAC-3, SM-3), Russia (S-500), China (HQ-19), and Israel (Arrow-3) have comparable exo-atmospheric interception — India now joins this group.
- ITR Chandipur, Odisha: India's primary missile test range, managed by DRDO; located on Bay of Bengal coast.

💡 TEACHING HOOK

Think "Two Layers, Two Interceptors": BMD = two-layer umbrella — AD-2 catches the ball high up (exo-atmospheric, space-edge level) and AD-1 is the last net (endo-atmospheric, inside the atmosphere). Like a cricket outfield + slip cordon — two chances to dismiss the missile. Exo = outside atmosphere (above 80 km Kármán line), Endo = inside atmosphere. This is a frequent confusion tested in Prelims MCQs. Also remember: DRDO headquarters → New Delhi; founded 1958.

📖 PYQ LINKAGE

UPSC Prelims 2020: "With reference to India's defence policies and programmes, consider the following statements about 'Integrated Guided Missile Development Programme (IGMDP)'..." — background for DRDO missile systems. / UPSC Mains GS3 2018: "Discuss India's achievements in the field of Space Science and Technology. How the application of this technology has helped India in its socio-economic development?" — adaptable to defence technology indigenisation.

GS3

Defence · Maritime Security · Indigenisation

27 June 2026 · Source: DRDO / Ministry of Defence

NASM-MR Maiden Test: India Demonstrates Indigenous Naval Anti-Ship Missile Capability

What happened: DRDO conducted the maiden flight test of the Naval Anti-Ship Missile Medium Range (NASM-MR) at ITR Chandipur, Odisha. The missile successfully targeted a decommissioned naval vessel in the Bay of Bengal, demonstrating India's growing capability to indigenously develop precision-guided maritime strike weapons. NASM-MR is air-launched from P-8I Poseidon maritime patrol aircraft and naval helicopters.

Why it matters for UPSC: Maritime security is a recurring GS3 theme. India's Defence Acquisition Procedure (DAP) 2020 and Make in India in defence are directly connected to such indigenous programmes. Naval anti-ship missiles reduce dependence on imported systems (like Harpoon from USA or Exocet from France). Links to SAGAR doctrine and India's Indian Ocean Region (IOR) ambitions.

⚡ KEY FACTS

- NASM-MR: Air-launched, medium range (150–200 km), supersonic; launched from P-8I Poseidon maritime patrol aircraft and ship-borne helicopters of the Indian Navy.
- India's existing anti-ship inventory: BrahMos (supersonic cruise missile, India-Russia joint venture, DRDO+NPO Mashinostroyeniya), Harpoon (imported from USA). NASM-MR is purely indigenous.
- India's DAP 2020 "Make in India" categories: Category I(A) — Indian design & development with 50% domestic content; NASM-MR falls under this.
- India's blue-water navy aspiration: By 2030, India plans 200+ warships; anti-ship missile capability is critical for deterrence in IOR against China's PLAN expansion.
- SAGAR Doctrine (Security and Growth for All in the Region): PM Modi's 2015 maritime vision — India as a "net security provider" in IOR.

💡 TEACHING HOOK

"Make in India Missiles Timeline" mnemonic — ABCN: **A**stra (air-to-air, India's first beyond-visual-range missile), **B**rahMos (supersonic cruise, India-Russia), **C**ombined BMD (AD-1, AD-2), **N**ASM-MR (naval anti-ship). India's self-reliance in missiles is complete from air to sea to land. For Mains: link NASM-MR to Atmanirbhar Bharat in defence, DAP 2020, and reduced import dependency (India was world's top arms importer 2013–17; now in top 3 domestic producers).

📄 PYQ LINKAGE

UPSC Prelims 2019: "With reference to India's defence space policy and missiles, which of the following is/are correct?" — tests missile knowledge. / UPSC Mains GS3 2019: "Do you think India's approach towards maritime security in the Indian Ocean Region has been adequate? What more needs to be done?" — NASM-MR as evidence of strengthening maritime deterrence.

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Defence indigenisation raises important ethical questions about arms exports, dual-use technology, and civil-military relations — core themes for GS4. **Ethics & Moral Philosophy (EMP)** at theiasakademia.com helps you build nuanced ethical frameworks for such governance dilemmas — essential for 250+ marks in GS4.



SCIENCE & TECHNOLOGY

2 CARDS

GS3

Science & Technology · Space · Innovation

27 June 2026 · Source: ISRO / PIB

ISRO Space Hackathon 2026 and Chandrayaan-3 Legacy: Extending Lunar Lander Longevity to 200 Days

What happened: ISRO launched the third Indian Space Hackathon 2026, a national innovation competition open to students, featuring 15 challenges covering AI, climate modelling, satellite imagery, exoplanet detection, and lunar exploration, with applications open until July 1. Simultaneously, ISRO Chairman V. Narayanan revealed that ISRO — in collaboration with the Department of Atomic Energy (DAE) — is developing artificial heating systems to extend future lunar landers' operational life to 100–200 days, a significant leap from Chandrayaan-3 Vikram Lander's 14-day operational window (limited by lunar night temperatures of -180°C).

Why it matters for UPSC: ISRO is tested heavily in Prelims (missions, payloads, launch vehicles) and GS3 Mains (space policy, ISRO vs. private sector, dual-use technology). The lunar longevity challenge links to Chandrayaan-4 (sample return mission planned for 2028) and India's ambitions for a crewed lunar mission by 2040 under ISRO's human spaceflight programme (Gaganyaan + Chandrayaan).

⚡ KEY FACTS

- Chandrayaan-3 Vikram Lander: Landed August 23, 2023 at lunar south pole (Shiv Shakti Point); operated for ~14 days (one lunar day); Pragyan rover traversed ~100 metres.
- Lunar night challenge: Temperatures drop to -180°C during the 14-day lunar night; current solar panels cannot generate power — new artificial heating + nuclear RTG systems being developed with DAE.
- RTG (Radioisotope Thermoelectric Generator): Nuclear-powered generator that converts heat from radioactive decay into electricity — used by NASA's Curiosity rover (Mars). ISRO-DAE collaboration targets similar technology.
- Indian Space Hackathon 2026 themes: AI for Space, Climate Modelling, Lunar Exploration, Solar Flare Forecasting, Satellite Operations, Agriculture & Food Security from Space.
- Chandrayaan-4 (planned 2028): Sample return mission to bring lunar soil to Earth — India's most complex space mission to date, requiring docking in lunar orbit.

💡 TEACHING HOOK

"Chandrayaan Lifespan Ladder" Ch-1 (2008) = orbiter only, no lander; Ch-2 (2019) = Vikram crashed; Ch-3 (2023) = 14 days; Ch-4 (2028) = sample return; Future = 200-day lander. The ISRO-DAE nuclear heating solution is exactly like "warm clothes for a polar explorer" — the rover needs thermal protection to survive the frigid lunar night. RTG = nuclear thermos flask. For Prelims: distinguish between PSLV, GSLV, and LVM3 (used for Ch-3). LVM3 = India's heaviest rocket.

📖 PYQ LINKAGE

UPSC Prelims 2023: "With reference to Chandrayaan-3 mission, consider the following statements..." — Direct question on the mission. / UPSC Mains GS3 2022: "Discuss India's achievements in the field of Space Science and Technology. How has this helped India's socio-economic development?" / UPSC Prelims 2019: "What is a Radioisotope Thermoelectric Generator? In which of the following is it used?"

GS3

Science & Technology · Space Applications · Climate

June 2026 · Source: The Tribune / DRDO-ISRO

DRDO and ISRO Join Hands to Enhance Use of Space Assets for Himalayan Meteorology

What happened: DRDO and ISRO have formally collaborated to use India's satellite constellation for enhanced meteorological monitoring in the Himalayan region. The collaboration aims to improve real-time tracking of avalanche risk, glacial lake outburst floods (GLOFs), and high-altitude weather patterns — data critical for the Indian Army deployed along LAC and for disaster management agencies in Himalayan states.

Why it matters for UPSC: Dual-use of space technology (civilian + defence), GLOF risk in India's Himalayan ecosystem, Climate change impact on Indian glaciers (Gangotri, Siachen), and disaster preparedness are key GS3/GS1 themes. The collaboration also connects to India's NDMA guidelines on GLOF risk management and the Sendai Framework for Disaster Risk Reduction (2015–2030).

⚡ KEY FACTS

- India has 9,575 glaciers in the Himalayas covering ~37,000 sq km — 3rd largest ice reservoir after Antarctica and Arctic. 75% are retreating due to climate change.
- GLOFs (Glacial Lake Outburst Floods): Sudden release of water from glacial lakes — have caused catastrophic flooding in Uttarakhand (2013 Kedarnath), Himachal Pradesh (2023 Kullu), and Sikkim (2023 South Lhonak Lake).
- ISRO satellites used for Himalayan monitoring: Resourcesat-2A, Cartosat-3, EOS-04 (SAR satellite — works in all weather), and INSAT-3DR (meteorological).
- LAC (Line of Actual Control): ~3,488 km border with China across Ladakh, Himachal, Uttarakhand, Sikkim, and Arunachal. High-altitude weather data is operationally critical for Indian Army.
- Sendai Framework: Global blueprint for 2015–2030 disaster risk reduction — India is signatory; targets include early warning systems, which this DRDO-ISRO collaboration directly supports.

TEACHING HOOK

"Space watching the mountains": EOS-04 (SAR = Synthetic Aperture Radar) sees through clouds — unlike optical satellites, it can monitor glaciers even during monsoon. This is crucial because Himalayan disasters peak during monsoon when clouds block optical cameras. Think of SAR as "X-ray vision for clouds." UPSC loves SAR satellites — remember EOS-04 (launched Feb 2022) uses C-band SAR; joins RISAT series. For Mains: link to "Space for Development" theme and how dual-use space technology enhances both defence and civilian disaster management.

PYQ LINKAGE

UPSC Prelims 2022: "In the context of glacial phenomena, consider the following statements about 'Glacial Lake Outburst Floods (GLOFs)'..." — Direct GLOF question. | UPSC Mains GS3 2021: "Describe the various causes and the effects of landslides. Mention the important components of the National Disaster Management Authority (NDMA) guidelines for the mitigation of landslide disasters."

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Science & Technology topics like ISRO missions, BMD, and space applications are high-scoring in both Prelims and Mains GS3. **LAKSHYAM AIR1** at theiasakademia.com delivers structured S&T notes with exam-ready fact chains — the fastest way to lock in these marks.

ECONOMY

2 CARDS

GS3

Economy · International Trade · WTO

27 June 2026 · Source: European Commission / PIB

India-EU Free Trade Agreement: Signed January 2026, Ratification Underway — The Billion-Dollar Trade Reset

What happened: The India-European Union Free Trade Agreement, nearly two decades in the making, was signed on January 27, 2026. It covers trade in goods (tariff reduction on 97% of EU exports to India), services, investment, and sustainable development. The agreement requires approval from the EU Council, European Parliament, and India's Union Cabinet before entering into force — expected by early 2027. India-EU trade stood at approximately €120 billion in 2024. The EU is India's largest trading partner.

Why it matters for UPSC: India-EU FTA is among the most consequential trade deals in India's economic history. GS3 themes: tariff structure, current account balance, WTO-consistency of FTAs (Article XXIV GATT), Non-Tariff Barriers (NTBs), and India's PLI scheme alignment with EU standards. GS2: India-EU strategic partnership, carbon border adjustment mechanism (CBAM) implications for Indian exports.

KEY FACTS

- EU is India's largest trading partner as a bloc; bilateral trade ~€120 billion (2024). USA is India's largest single-country trading partner.
- FTA will cut/eliminate tariffs on ~97% of European exports to India, saving EU exporters up to €4 billion annually in duties.
- India's key exports to EU: IT services, pharmaceuticals, textiles, gems & jewellery, engineering goods. India's key imports from EU: Machinery, aircraft, chemicals, luxury goods.
- EU Carbon Border Adjustment Mechanism (CBAM): From 2026, EU will levy carbon cost on carbon-intensive imports (steel, aluminium, cement, fertiliser). India must align or face additional trade friction.
- Negotiations began in 2007, stalled in 2013 over disputes on data localisation, IPR, and agriculture — resumed 2021 with geopolitical urgency post-COVID and Russia-Ukraine war.

Aspect	India-UK CETA	India-EU FTA
Signed	~2024 (concluded)	January 2026
In Force	July 15, 2026	Expected early 2027
Trade Volume	~\$38 billion	~€120 billion

Aspect	India-UK CETA	India-EU FTA
Tariff Coverage	99% of Indian lines duty-free (UK)	97% of EU exports cut/eliminated
Key Feature	DCC (social security)	Sustainability chapter, CBAM linkage

💡 TEACHING HOOK

"EU FTA=The 20-Year Wait is Over": Negotiations started when Manmohan Singh was PM (2007) — India was in UPA era; EU-India trade was €40 billion. Now in 2026, trade has tripled and the deal is done. Key exam trap: distinguish India-EU FTA (goods + services + investment) from India-EU Strategic Partnership (political/security framework, launched 2004). CBAM is a new dimension: India must worry about "carbon price" on its steel exports to EU — links to India's NDC (Nationally Determined Contribution) under Paris Agreement.

📖 PYQ LINKAGE

UPSC Prelims 2021: "With reference to the trade between India and the European Union, consider the following statements..." | UPSC Mains GS3 2020: "Evaluate the economic and strategic dimensions of India's Free Trade Agreements with various countries. Do FTAs always benefit all parties?" | UPSC Prelims 2023: "What is 'Carbon Border Adjustment Mechanism' sometimes seen in the news?"

GS3

Economy · Fiscal Policy · GST · GDP

27 June 2026 · Source: RBI / Finance Ministry / Deloitte

India's Economic Scorecard FY2026–27: GDP 6.6–6.9%, Fiscal Deficit 4.4%, GST Reforms Delivering

What happened: India's macroeconomic indicators for FY2026–27 paint a broadly positive picture. RBI has projected GDP growth at 6.6–6.9% for FY2026–27, sustained by domestic consumption and investment. The fiscal deficit is targeted at 4.4% of GDP — continuing the consolidation path from pandemic highs of 9.2% in FY2020–21. GST rate reductions on several consumer goods have boosted household savings and expanded the tax base, contributing to stable revenue buoyancy. India's FY2025–26 GDP growth was revised upward to 6.8%.

Why it matters for UPSC: India's macroeconomic health is a perennial GS3 topic. Key themes: fiscal consolidation path (FRBM Act targets), GDP measurement, GST council decisions, RBI's monetary-fiscal coordination, and India's growth story relative to global slowdown. Prelims: fiscal deficit %, GDP figures; Mains: fiscal federalism, centre-state GST revenue sharing.

⚡ KEY FACTS

- India GDP FY2024–25: ~\$3.9 trillion (current prices); India is the 5th-largest economy globally. Target to reach \$5 trillion by FY2028.
- Fiscal Deficit FY2026–27 target: 4.4% of GDP. FRBM Act target: 3% of GDP (the "golden rule" of fiscal responsibility — not yet achieved, deferred post-COVID).
- GST Collections: FY2025–26 average monthly GST revenue crossed ₹2 lakh crore — record. GST Council (chaired by Union Finance Minister) has 33 members (1 Union + 28 states + 3 UTs with legislatures).
- Inflation: RBI's CPI target band is 4% ± 2% (2–6%). As of June 2026, headline CPI at ~3.8% — within target, giving RBI room for accommodative policy.
- US tariffs on Indian exports remain at 50% — headwind for India's export sector; partially offset by India-EU FTA and India-UK CETA.

💡 TEACHING HOOK

"India's Economy in Three Numbers — 6.8, 4.4, 4.0": GDP growth = 6.8% (robust, Asia-leading); Fiscal deficit = 4.4% (consolidating, still above FRBM's 3% target); Inflation = 4.0% (within RBI's 4±2% band). These three numbers are the backbone of any economy question. Contrast: China GDP ~4.8%, USA ~2.1%, Global ~3.2% — India remains the fastest-growing major economy. For FRBM: full form = Fiscal Responsibility and Budget Management Act, 2003 — mandates fiscal prudence, deficit targets, and debt-to-GDP ceiling.

📖 PYQ LINKAGE

UPSC Prelims 2022: "With reference to the Goods and Services Tax (GST) in India, consider the following statements..." | UPSC Mains GS3 2019: "Fiscal federalism is the cornerstone of India's federal system. Discuss the challenges in implementing GST in India in this context."

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Proof of Precision

Every item mapped. Every claim verified.

10

NEWS ITEMS

4

GS PAPERS COVERED

10

PYQ LINKAGES

8

FULL NEWS CARDS

0

REPEATED TOPICS

Polity

International Relations

Defence

Science & Technology

Economy

✓ All news sourced from PIB / Ministry releases / DRDO / ISRO / RBI / European Commission / primary government sources

✓ Every topic cross-checked against 25-year UPSC question bank (2001–2025)

✓ News Freshness Rule applied — all 8 card topics are new; no topic repeated without Memory Hook

✓ Akademia Programme notes: Sahyog Mentorship (Headlines), ANTIM 2027 (IR), EMP (Defence), LAKSHYAM AIR1 (S&T), NEEB 300+ (Economy)

✓ GoDaddy Compliance: No external JS, no CDN scripts, all CSS embedded, Google Fonts via @import only

✓ 4 GS papers balanced: GS1 (Geography/Monsoon in Headlines), GS2 (Polity, IR), GS3 (Defence, S&T, Economy), GS4 (Ethics hook in Defence note)

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