

Monetary policy

- The rate setting panel has followed up with a further 50 basis points increase in the policy repo rate.
- Simultaneously, the MPC has made it clear it no longer intends to 'remain accommodative'.
- It will instead stay focused on the withdrawal of the pandemic-triggered accommodation as it races to tame retail inflation and anchor it within the 2%-6% target band.
- In acknowledgment of the herculean task it faces, the MPC now projects retail inflation to average 6.7% over the entire fiscal year ending in March.
- The headline CPI-based inflation is now seen stuck above the RBI's upper tolerance limit
- The MPC has listed a slew of factors clouding the inflation outlook: the war in Ukraine and the consequent elevated commodity prices, the heat wave stunting rabi crop output, high edible oil prices, crude prices that continue to pose a pass-through risk to domestic pump prices of fuels, increases in electricity tariffs, and, crucially, manufacturing and services firms flagging input and output price pressures.
- That inflation looms large over every other aspect of the outlook for the

economy worldwide is also evident from the MPC's pointed reference to 'growing stagflation concerns' that are amplifying the volatility in global financial markets.

- While the RBI has made brave to retain its April forecast for GDP growth in the current fiscal at 7.2%, citing an ongoing recovery including in contact-intensive services and an expected boost to rural consumption from rain-spurred kharif sowing and output, a 37% 'below normal' start to the southwest monsoon serves as an early cautionary augury.
- And it is precisely the "headwinds from accelerating inflation" and the resultant 'erosion of purchasing power of consumers.

THE HINDU

Food safety index

- Food safety and consumer empowerment are areas in need of constant attention in India, where enforcement is often lax.
- But in this, Tamil Nadu deserves credit for finishing at the top among 17 large States for food safety; it was ranked third in the previous edition of the State Food Safety Index.
- That Tamil Nadu, with 82 marks, is ahead of Gujarat by 4.5 marks and

Maharashtra by 12 marks, highlights its creditable showing.

- Developed by the Food Safety and Standards Authority of India (FSSAI), the Food Safety Index evaluates States and Union Territories on these parameters, apart from their size: human resources and institutional data; compliance; food testing infrastructure and surveillance; training and capacity building, and consumer empowerment.
- Tamil Nadu has improved its standing in 'human resources and institutional data', and 'training and capacity building'.
- There has been incremental progress in 'compliance' (which measures overall coverage of food businesses in licensing and registration), and 'food testing' (which scrutinises availability of adequate testing infrastructure with trained manpower in the States/Union Territories for testing food samples)
- Kerala, which came second last time, is now at sixth spot; Karnataka has retained its ninth position; Telangana slipped from 10 to 15 and Andhra Pradesh dropped to the last slot from the penultimate slot in the previous edition when 20 States were covered, unlike the 17 now.
- Among Union Territories, Puducherry rose from seventh to sixth spot.
- But in an area such as food safety, States alone cannot make a big difference without the support of the Central government.
- Liberal assistance should be provided to the States and Union Territories as far as laboratory infrastructure and improvement of manpower, both technical and non-technical, are concerned.
- The private sector should come forward in a big way to have staff trained at their cost and where such persons are used productively for the purpose.
- There are inspiring accounts of the participation of some information technology majors in getting surplus food distributed to the needy, of course with the help of non-governmental organisations, and this should serve as a lesson to those who are still hesitant to make their contribution.

THE HINDU

IPEF and indo pacific

- It is no secret that the Indo-Pacific region has been under pressure and East Asia, in particular, has had to weather repeated storms. South

Korea and Japan face regular nuclear and missile threats from North Korea.

- China not only challenges international maritime laws in the South China Sea, but also confronts Japan over the Senkaku Islands.
- Six nations, including China and Taiwan, are involved in the dispute over the Spratly Islands, which are supposedly sitting on vast reserves of oil and natural gas.
- China has vigorously militarised some portions of the disputed isles, islets and coral reefs; and countries like Vietnam and the Philippines are anxious not to be left behind.
- Indo-Pacific Economic Framework (IPEF) with Australia, Brunei, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam. The IPEF will work on fine tuning four major pillars: standards and rules for digital trade; resilient supply chains; green energy commitments; and fair trade.
- But first indications are that while the IPEF may be a good idea, there is discontent that the framework does not address issues of trade and tariffs.
- There are two facets to the Asia Pacific/Indo-Pacific that any

administration in Washington must pay attention to.

- One is that China's neighbours would rather balance relations between Washington and Beijing.
- On the other hand is the extent to which countries in the region will want to get on the anti-China bandwagon, economic or strategic.
- Whether it is in East, Southeast or South Asia, every country has its own unique relationship with Beijing.
- South Korea and Japan are part of a strong American security/strategic partnership but will be keen on maintaining their economic status with China.

THE HINDU

War and food crisis

- Russia's invasion of Ukraine and the subsequent sanctions on its economy have sent global food prices soaring, threatening to push millions of people, especially those in low-income countries, into starvation.
- Ukraine and its allies in the West have accused Russia of Weaponising food, saying that its blockade of Ukraine's Black Sea ports is the primary reason for the rising prices, while Moscow has blamed Western sanctions for the crisis.

How serious is the food crisis?

- Many countries were facing growing food insecurity even before Russia's war. Climate shocks, conflicts and the COVID-19 pandemic had disrupted supply chains, pumping up prices of both commodities and crops.
- The war in Ukraine has aggravated this situation.

How important are Russia and Ukraine for global food security?

- Russia and Ukraine together account for more than a quarter of the world's wheat supplies.
- Russia's share in the global exports of wheat, the world's most widely grown crop, is some 20%, while Ukraine accounts for 8%, according to the U.S. Food and Drug Administration's Foreign Agricultural Service (FAS).
- Wheat is a staple food for at least 35% of the world's population, as per the estimates of the UN Food and Agriculture Organization (FAO).
- About 50 countries depend on Russia and Ukraine for more than 30% of their wheat imports, according to the FAO.
- If Azerbaijan and Georgia source more than 80% of their imported wheat from Russia and Ukraine, Turkey, Egypt, Bangladesh and

Lebanon meet over 60% of their imports from these two countries.

- Furthermore, Ukraine, which produces up to 46% of sunflower-seed and safflower oil is the world's largest exporter of sunflower oil.
- So, the war and the sanctions have clearly hit the world's bread basket region, adding pressure on food prices.

What is causing the crisis?

- Before the Russian invasion of Ukraine started, Ukraine had the capacity to export up to six million tonnes of wheat, barley and maize a month, mainly through its ports in the Black Sea/Sea of Azov.
- In the eight months before the war, some 51 million tonnes of grain were exported through Ukraine's Black Sea ports, according to the WFP.
- But exports have collapsed since the invasion as the Russian war effort is entirely focused on Ukraine's eastern and southern parts along the Black Sea/Sea of Azov coast.
- Now, several Ukrainian port cities, including Mariupol, Kherson and Berdyansk, are under Russian control.
- Although the southern cities of Mykolaiv and Odessa, which is known as the 'Pearl of the Black Sea', are still with the Ukrainians,

commercial ships cannot dock at these ports because of two reasons Ukraine has mined the waters around these ports as a deterrent against potential Russian attacks and Russia has enforced a naval blockade in the waters of the Black Sea.

- Besides the blockade, the western sanctions on Russia are also contributing to the crisis.
- Russia, besides being the world's top wheat exporter, is also a leading exporter of fertilizer, an essential commodity for food production.
- Russia and its ally Belarus together account for some 38% of potassic fertilizers, 17% of compound fertilizers, and 15% of nitrogenous fertilizers. Fertilizer prices are also on the rise, which would make food production costlier.

Is there a way out?

- Russia has suggested that it would resume exports (not sure whether Ukrainian or Russian grains) from the ports on the Sea of Azov that it controls (Mariupol and Berdyansk) and that it would open a corridor for commercial vessels in the Black Sea if Ukraine demines the ports it controls (mainly Odessa and Mykolaiv).
- But these proposals, which were discussed in Ankara on Wednesday,

could be implemented only as part of a deal between Moscow and Kyiv, with blessings from the West as Russia seeks sanctions relief in return for opening the maritime corridor.

THE HINDU

Indian secularism

- Constitutional secularism is marked by two features. First, critical respect for all religions. The second feature is that the Indian state should abandon strict separation but keep a principled distance from all religions.
- Party-political secularism, however, is a nefarious doctrine practised by all political parties, including by so-called 'secular forces'.
- This secularism has dispelled all values from the core idea and replaced them with opportunism.
- It upholds opportunistic alliance with religious communities, particularly for the sake of immediate electoral benefit.
- For the moment, the state-driven political project of secularism and its legal constitutional form appear to have taken a hit.
- But this 'setback' can be turned into an opportunity to revitalise the social project of secularism.

- A peaceful and democratic secularism from below provides a vantage point from which to carry out a much-needed internal critique and reform of our own respective religions, to enable their compatibility with constitutional values of equality, liberty and justice.

THE HINDU

India and Vietnam logistic agreement

- India and Vietnam on Wednesday signed a Memorandum of Understanding (MoU) on mutual logistics support during the ongoing visit of Defence Minister Rajnath Singh to the Southeast Asian nation.
- “The Defence Ministers signed the ‘Joint Vision Statement on India-Vietnam Defence Partnership towards 2030’, which will significantly enhance the scope and scale of existing defence cooperation.
- This is a major step towards simplifying procedures for mutually beneficial logistic support and is the first such major agreement which Vietnam has signed with any country,”
- “Our close defence and security cooperation is an important factor of

stability in the Indo-Pacific region,” Mr. Singh added.

- India has signed several logistics agreements including with all Quad countries, France, Singapore and South Korea beginning with the Logistics Exchange Memorandum of Agreement with the U.S. in 2016.
- Logistics agreements are administrative arrangements facilitating access to military facilities for exchange of fuel and provisions on mutual agreement simplifying logistical support and increasing operational turnaround of the military when operating away from India.
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