

## DAILY NEWS SNIPPETS (DNS)

Date: 29<sup>th</sup> October, 2024

### 1. India, Spain slam attacks on UN troops in Lebanon

#GS 2 – International Relations



- India and Spain condemned the attacks on the United Nations Interim Force in Lebanon (UNIFIL) and highlighted that the safety and security of peacekeepers are of “paramount importance and must be ensured by all.” The two countries are major troop-contributing nations to the UNIFIL.
  - The inviolability of UN premises and the sanctity of their mandate must be respected, a joint statement, issued after talks between Prime Minister Narendra Modi and his Spanish counterpart Pedro Sanchez, said.
  - The UNIFIL has come under a series of attacks since the Israeli offensive in Lebanon, and on several occasions, peacekeepers and positions were targeted by the Israel Defence Forces.
- India has 903 troops under the UNIFIL, while Spain has 676 soldiers as on October 20.
  - Earlier in the day, the two leaders inaugurated the final assembly line (FAL) for the C-295 transport aircraft in Vadodara, set up by Tata Advanced Systems Limited in collaboration with Airbus under a ₹21,935-crore contract signed in Spain in September 2021 for 56 aircraft. These are meant to replace the legacy Avro aircraft in service with the Indian Air Force (IAF). The FAL will manufacture 40 of the 56 aircraft, while 16 aircraft will come in fly-away condition.
  - India’s defence exports have increased 30 times over the past decade, with the country now exporting equipment to more than 100 countries, Mr. Modi said. He expressed confidence that the C-295 transport aircraft manufactured at the Tata aircraft complex will be exported worldwide in future.
  - The IAF has inducted six aircraft in its 11 Squadron based in Vadodara. The first C-

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295 aircraft was delivered in September 2023 and the last of the 16 fly-away aircraft will be delivered by August 2025.

- Of the 40 aircraft, the first C-295 will roll out of the Vadodara facility in September 2026 and the remaining 39 by August 2031.
- The two leaders shared their firm commitment to achieving peace and stability in West Asia, expressed their deep concern at the escalation of security situation in the region and called for restraint by all concerned, the joint statement said.
- “The two leaders unequivocally condemned the terror attacks on Israel on October 7, 2023, and agreed that the large-scale loss of civilian lives and the humanitarian crisis in Gaza is unacceptable and must end as soon as possible. They called for the immediate

release of all hostages, immediate ceasefire and safe, sustained entry of humanitarian aid into Gaza. They emphasized the urgent need to protect the lives of civilians and urged all parties to comply with international law,” the statement said.

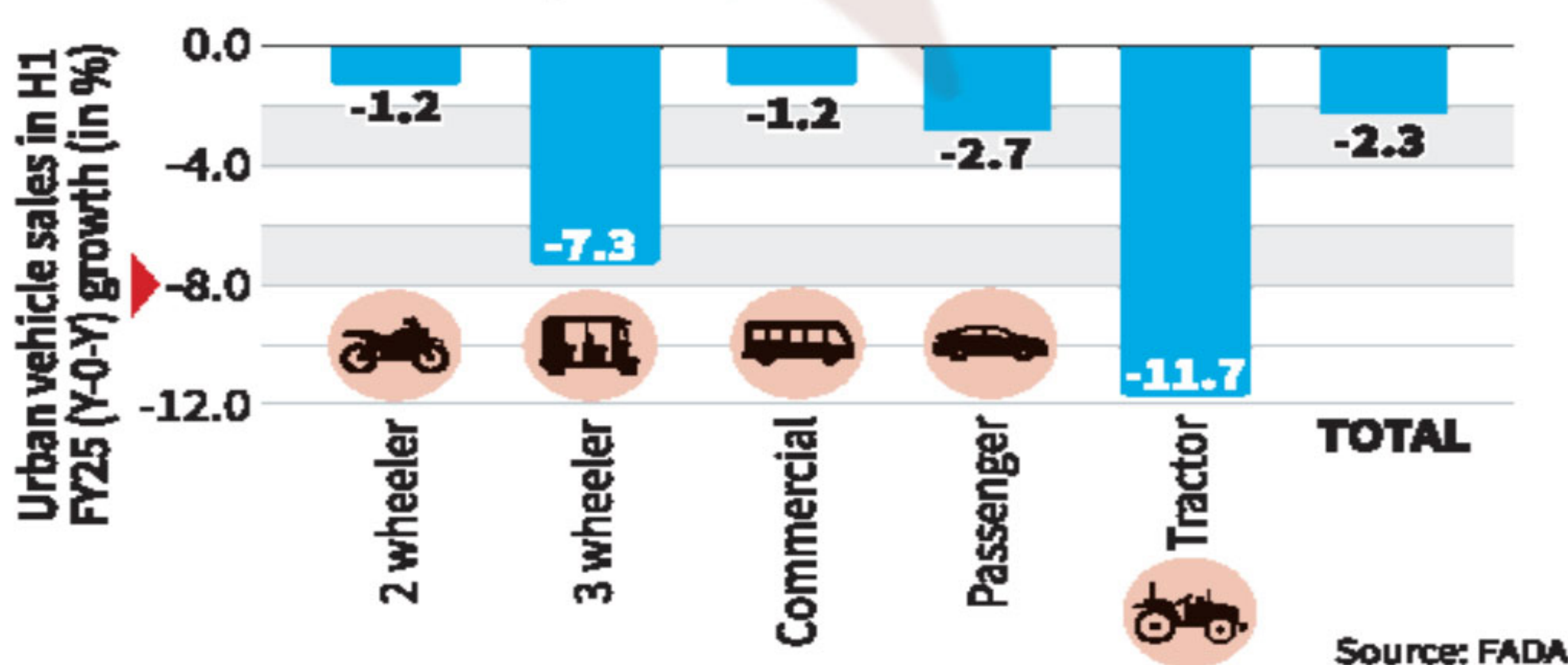
- The two leaders also reiterated their commitment to the implementation of the two State solution, leading to the establishment of a sovereign, viable and independent state of Palestine.
- Mr. Sanchez will attend the second meeting of the India-Spain CEOs forum as well as India-Spain business summit in Mumbai on Tuesday. He will give the keynote address at the 4th Spain-India Forum, co-organised by Spain-India Council Foundation and Observer Research Foundation.

## 2. FinMin flags softer urban demand, factory output

#GS 3 – Economic Development

### Hitting the brakes

Vehicle sales in urban areas contracted across categories in H1 2024-25, indicating a demand slowdown in India's cities that needs to be monitored, the September economic review noted



- The Finance Ministry acknowledged emerging concerns of softening consumer sentiments and faltering demand, particularly in urban India, as well as a moderation in industrial momentum in recent months, even as it

maintained that the economy will grow between 6.5% and 7% through 2024-25.

- Contrary to rural demand that has perked up with a favourable monsoon, the Ministry's latest monthly economic review pointed to evidence of a slowdown in urban demand as reflected in the performance of various indicators during the first half of the financial year.
- The Economic Affairs Department's publication cited the drop in volume growth in urban sales of fast-moving consumer goods, the 2.3% contraction in automobile sales in the first half of this year “mainly due to the lower sales in the

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second quarter [Q2]”, and a decline in housing sales in Q2.

- These trends “may be largely explained by softening consumer sentiments, limited footfall due to above-normal rainfall, and seasonal periods during which people tend to refrain from new purchases”, said the review, whose last iteration in September had first flagged concerns about ‘incipient signs of strains in certain sectors’.
- The Ministry is hopeful of rural demand picking up further but it did not appear as sanguine about overall consumption trends.
- It stated that “underlying demand conditions bear watching”. “Going forward, the ongoing festive season and improvement in consumer sentiments may boost urban consumer demand. However, early indications were not particularly promising,” it added.
- The review also noted that manufacturing grew just 1% in August and the momentum in the sector “seems to have softened in September from the very strong growth in the summer months”, reasoning that lower international oil prices and increased oil imports may have influenced domestic

refinery output, while steel output was likely affected by moderation in automobiles’ growth.

- The Ministry’s comments about the pain points in the economy assume significance, coming amid a tepid Q2 results season for corporate India and soon after the Reserve Bank of India (RBI) October bulletin referred to slackening momentum in indicators such as Goods and Services Tax (GST) collections, bank credit growth and merchandise export.
- The FinMin’s economic review, however, cited the latest RBI surveys on consumer confidence, to point to a “sequential improvement in consumers’ optimism”, and the manufacturing sector as an indicator of optimism among producers.
- While India’s economic performance has been “satisfactory” in the first half of this year, the Ministry said growth risks arise from escalating geopolitical conflicts, deepening geo-economic fragmentation and elevated valuations in financial markets in some advanced economies. “Their spillover effects on India could cause negative wealth effects, impacting household sentiments and altering spending intentions on durable goods,” the review cautioned.

### **3. Prosecuting journalists for possession of documents is condemnable: media bodies**

*#GS 2 -Governance*

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- Initiating police action against journalists for the possession of confidential documents is “worrisome” and “shocking”, media bodies said.
- The FIR, for the alleged “theft” of “sensitive” documents purportedly belonging to the Gujarat Maritime Board (GMB), was also criticised by senior lawyers and legal experts as a “dangerous precedent”, and one which could have a chilling effect on journalists and whistle-blowers. Mr. Langa’s lawyers alleged that the FIR contained procedural “loopholes”.
- “It is shocking that the mere possession of documents can be used by the state to register an FIR,” said a statement issued by the Press Club of India, Indian Women’s Press Corps, and other journalist unions that “condemned” the FIR and called for it to be withdrawn.
- “Journalists are often required to access and review sensitive documents in the

course of their work, initiating punitive action against them for doing their work is worrisome,” the Editors’ Guild said in a statement.

- Under the law, Section 378(2) of the erstwhile IPC defines “theft” as the “act of intending to take dishonestly any movable property out of the possession of any person without that person’s consent”, and legal experts questioned how an offence is made out in this case since photocopies of a non-secret document have been found.
- “In India, where investigative journalism has exposed major scandals like the 2G spectrum scam and the Vyapam fraud, free access to authentic documents is essential for credible reporting,” senior lawyer Siddharth Agarwal said. “Given the risks they face from powerful interests, granting special protection to journalists for possessing sensitive documents would ensure their safety and encourage fearless reporting,” he added.
- The FIR adds that since the document is not in the public domain and does not come under the Right to Information Act, it has been “stolen” with an intention to commit crime, and copies had been made illegally.

### 4. Centre warns against illegal digital payment gateways

#GS 3 – Economic Development



- The Indian Cyber Crime Coordination Centre (I4C), which functions under the Union Home Ministry, has issued an alert against illegal payment gateway created using mule bank accounts by transnational organised cyber criminals facilitating money laundering as a service.
- The Ministry said that recent nationwide raids by the Gujarat and Andhra Pradesh Police had revealed that trans-national

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criminals had created illegal digital payment gateways using mule or rented bank accounts.

- This illegal infrastructure facilitating money laundering as a service were used for laundering proceeds of multiple nature of cybercrimes.
- “As per the information received from State Police Agencies and analysis by I4C, current accounts and saving accounts are scouted through social media, majorly from Telegram and Facebook. These accounts belong to shell companies, enterprise or individuals. These mule accounts are controlled remotely from overseas,” the Ministry said.
- It added that an illegal payment gateway was then created using the mule accounts which were given to criminal syndicates for accepting deposits on illegal platforms such as fake investment scam sites, offshore betting and gambling websites, and fake stock trading platforms.

- “Funds are immediately layered to another account as soon as the crime proceeds are received. Bulk payout facility provided by banks are misused for the same,” it said.
- Some of the payment gateways identified during operation were PeacePay, RTX Pay, PoccoPay, and RPPay. These gateways are learnt to be providing money laundering as a service and are operated by foreign nationals, the Ministry said.
- I4C has advised citizens not to sell or rent their bank accounts, company registration certificate, and Udhyaam Aadhaar Registration certificate to anyone. Illicit funds deposited in such bank accounts can lead to legal consequences, including arrest.
- “Banks may deploy checks to identify misuse of bank accounts that are used for setting up Illegal Payment Gateways. The citizens must immediately report any cybercrime on helpline number 1930 or [www.cybercrime.gov.in](http://www.cybercrime.gov.in),” the Ministry said.

### 5. **Justice K.S. Puttaswamy, a champion of privacy who challenged Aadhaar, dead** *#GS 2 - Polity & Governance*



- Justice K.S. Puttaswamy, who disabused the government of the notion that privacy is a privilege of the affluent, died

at the age of 98 in his Bengaluru residence.

- The former Karnataka High Court judge, whose faded black-and-white photograph on the Karnataka High Court website shows a dapper suited man in a striped tie, became a key petitioner in the Supreme Court years after his retirement in 1986.
- He was enrolled as an advocate in 1952 and appointed a judge of the Karnataka High Court in November 1977. He had initially challenged the Aadhaar identity scheme. He said its biometric registration process and linkage to public

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welfare and essential subsidies amounted to sheer violation of the citizens' right to privacy. The government had pooh-poohed the challenge as the flighty imagination of urban elitists.

- The nine-judge Bench agreed with the retired High Court judge in a unanimous judgment in August 2017. Justice Rohinton Nariman wrote privacy was not an elitist construct. The desire for privacy was fundamental to every human being, rich or poor.
- Justice D.Y. Chandrachud, in his separate opinion, termed privacy a “natural” fundamental right inseparable from the human personality.

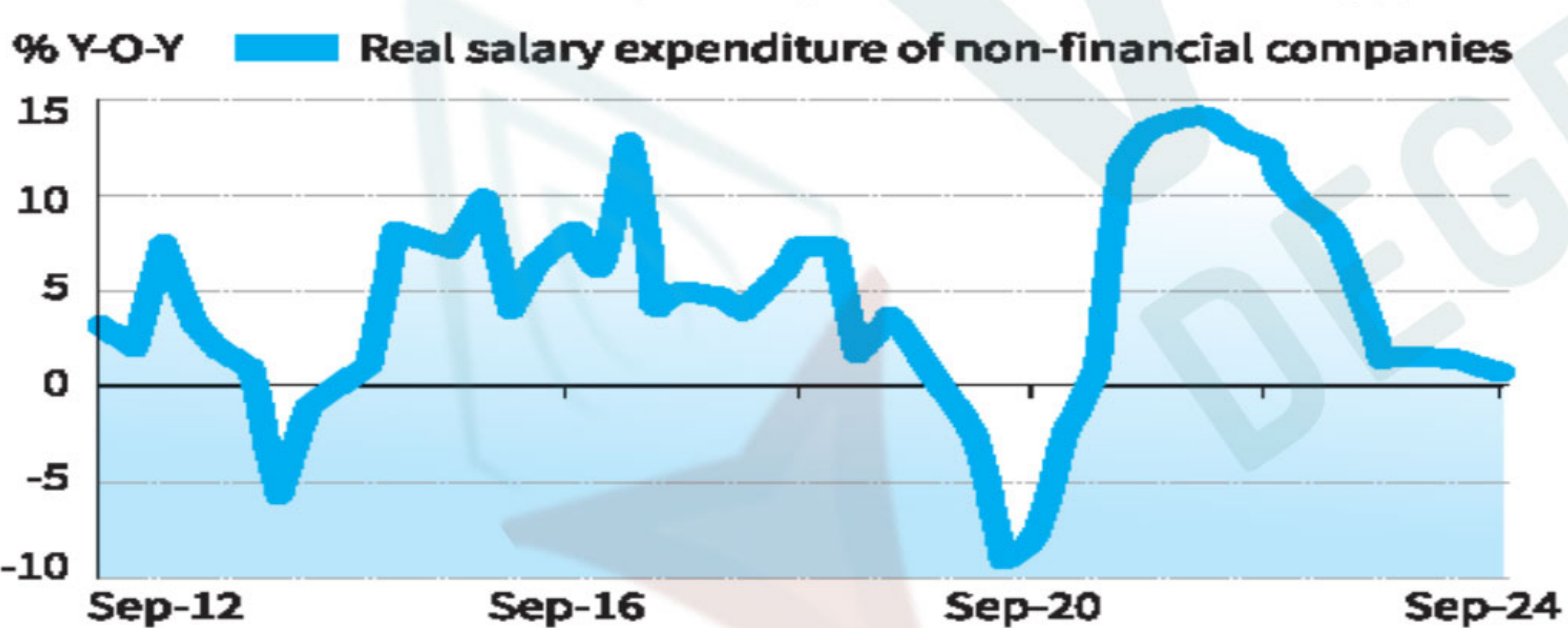
- Justice Puttaswamy's litigation to champion privacy touched every walk of life. The verdict became instrumental in the abolition of adultery as a crime.
- At one point, the top court had to even deal with an argument that the right to privacy subsisted even after death in a case concerning the verification of the fingerprints of former Tamil Nadu Chief Minister J.Jayalalithaa from her Aadhaar data.
- In the Pegasus spying case, the court observed that the snooping exercise had widely impacted the rights to privacy and freedom of speech of ordinary citizens.

## 6. Cyclical slowdown? Nomura thinks so

#GS 3 -Economic Development

### Dampening demand

Nomura links weak urban demand signals, like slowing growth in non-durables' sales and air passenger traffic, to lower salary growth



Source: CMIE, CEIC and Nomura Global Economics

Note: Sep-24 reading is provisional. Nominal readings deflated by CPI-Urban for conversion to real data.

- India's economy has likely entered a cyclical growth slowdown and growth may slip below 6.7% in the face of emerging risks, Nomura economists reckoned, noting that weak urban demand is likely to stay insipid amid high interest rates and moderating wage growth.
- “Urban consumption indicators have been softening lately... We believe this weakness in urban demand is likely to continue,” Nomura's economists said in a

note. They linked this to lower real salary hikes, fading pent-up demand and tight credit conditions.

- “We believe India's economy has entered a cyclical growth slowdown. Coincident and leading growth indicators point to a further moderation in GDP growth and the RBI's forecast of 7.2% for 2024-25 is overly optimistic, in our view,” they said. Nomura has projected GDP growth of 6.7% this year and 6.8% in 2025-26, but the note said downside risks to this forecast are rising.
- Companies are scaling down their salary outlays, the research note pointed out. “When deflated by the urban inflation, real salary and wage expenditure growth of listed non-financial corporates – a proxy for real urban wages – has moderated to 0.8% year-on-year in Q2 FY25 from 1.2% in Q1 FY25, and is down

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from 2.5% in FY24 and 10.8% in FY23. This likely reflects a mix of weaker nominal salary growth and a leaner workforce,” they concluded.

- “Additionally, the post-pandemic surge in pent-up demand has faded, monetary policy is tight and the RBI’s macroprudential crackdown on

unsecured, frothy credit is being reflected in the slowdown in personal loans and lending growth by non-banking finance companies,” the economists averred, following up on an October 17 report which said ‘the growth glass looks half empty’ for India.

### 7. BRICS reflects ‘current realities’, summit was a ‘total success’, says Russian envoy

#GS 2 -International Relations



- The BRICS summit in Kazan has been a “total success”, Russian Ambassador to India Denis Alipov said.
- In an interaction with the media, the Russian envoy said the BRICS grouping represents “current realities” and pointed out that Indian banks are “over cautious” while dealing with Russian entities because of the threat of “secondary sanctions” from Western governments. He hit out at Ukrainian President Volodymyr Zelenskyy for criticising BRICS and described him as “delusional”.
- “BRICS is not an exclusive but an inclusive platform. It is not anti-West or

non-West formation. BRICS has become an indispensable framework for the emerging centres of power and keeps attracting more and more countries as a result of global turbulence and uncertainties,” Mr. Alipov said, adding that “more than 40 countries have expressed interest in joining” BRICS.

- Mr. Alipov’s briefing came days after the Kazan Declaration of the 16th BRICS summit gave out a detailed financial vision and held Israel responsible for the ongoing violence in Gaza Strip and Lebanon.
- He said the creation of a new category of partner-countries of BRICS is one of the major outcomes of the Kazan summit.
- “This step will definitely multiply the value of our diversified partnership and add to the forum’s global influence, which is now making a decisive contribution to the global food and energy security,” stated the Russian Ambassador.

### 8. Iran warns Israel of ‘bitter consequences’ after missile attack

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- The top commander of Iran's Revolutionary Guards has warned Israel it would face "bitter consequences" after its attack on Iranian military sites, local media said.
- Israel struck military sites in response to Tehran's October 1 missile attack, itself retaliation for the killing of Iran-backed militant leaders and a Revolutionary Guards commander.

- Mr. Salami said the Israeli attack was a sign of "miscalculation and helplessness" as Israel battles Tehran-aligned militants in Gaza and Lebanon.
- "Its bitter consequences will be unimaginable" for Israel, Mr. Salami warned.
- Separately, Iranian Foreign Ministry spokesman Esmail Baghaei said on Monday that Tehran would "respond firmly and effectively" to deadly Israeli strikes on military sites.
- Iran's supreme leader Ayatollah Ali Khamenei said that Israel's attack which killed four soldiers "should neither be exaggerated nor minimised".

## 9. BRICS

#GS 2 -International Relations



- BRICS is an acronym for the grouping of the world's leading emerging economies, namely Brazil, Russia, India, China and South Africa.
- The BRICS Leaders' Summit is convened annually.
- The 15th BRICS Summit was hosted by South Africa in 2023, and Russia will host the 16th Brics summit in October 2024.

### Formation of BRICS:

- The grouping was first informally formed during a meeting of the leaders of Brazil, Russia, India, and China (BRIC) on the sidelines of the G8 (now G7) Outreach Summit in St.Petersburg, Russia, in 2006, this was later formalised during the 1st BRIC Foreign Ministers' Meeting in New York in 2006.
- In 2009, the inaugural BRIC summit took place in Yekaterinburg, Russia. The following year (2010), South Africa joined to form the group known as BRICS.

### Significance:

- The group (enlarged) consists of approximately 3.5 billion people, representing 45% of the world's population.
- Collectively, the economies of its members exceed USD 28.5 trillion,



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accounting for around 28% of the global economy.

- Iran, Saudi Arabia, and UAE, as part of the grouping, collectively contribute to

approximately 44% of the global crude oil production.

