

China hits back with 34% tariffs on U.S. goods

Economics and Development

China announced on Friday that it will impose a 34% tariff on imports of all U.S. products beginning April 10, part of a flurry of retaliatory measures following U.S. President Donald Trump's "Liberation Day" slate of double-digit tariffs. The new tariff matches the rate of the U.S. "reciprocal" tariff of 34% on Chinese exports that Trump ordered this week.

What is a Tariff?

A tariff refers to the tax imposed by the government on imported goods from other countries. Tariff is imposed majorly to protect the domestic producers, but the government also imposes tariffs to reduce imports from other countries, thereby promoting the use of domestic products.

Types of Tariff

Tariffs can be specific or ad valorem. The government wants to raise awareness of domestic goods, and therefore when tax or tariff on imported goods is unit-based, it is a specific tariff. On the other hand, when the tariff is based on a certain percentage of the imported value, it is termed an ad valorem tariff.

India and the US Tariffs

India has been smacked with a tariff rate of 26%.

Key Concerns Raised by the US

High and Unpredictable Tariffs

India's WTO-bound agricultural tariff rates average 113.1%, going up to 300%.

Frequent tariff hikes without prior notice create uncertainty for US exporters.

Tariffs were increased in multiple budgets on solar products, telecom equipment, and consumer electronics.

Regulatory and Policy Barriers

Lack of transparency in tariff announcements and trade regulations.

No uniform government procurement policy, leading to inconsistent practices.

Inadequate intellectual property (IP) enforcement.

Foreign Investment and Market Access Restrictions

FDI restrictions in retail and dominance of state-owned banks (holding 60% market share).

Unequal competition in the insurance sector, with state-owned firms enjoying government support.

Agriculture and Subsidies

Extensive subsidies (credit waivers, crop insurance, and input subsidies) distort market competition.

Digital and Trade Barriers

Frequent internet shutdowns disrupt commercial operations and hinder digital trade.

Lack of transparency in regulatory changes, often without proper WTO notification.

CSIR-NAL signs technology transfer deal with firm to make HANSA trainer-planes

Science and Technology

In a first, the National Aerospace Laboratories (NAL) — a Council of Scientific and Industrial Research (CSIR) body — has signed a technology transfer agreement with a private company to manufacture trainer airplanes in India. This would be the first time that the aircraft would be manufactured in India based on technology fully designed and developed indigenously.

The HANSA-3 NG aircraft is a two-seater aircraft and is the latest iteration of the HANSA planes that have been made by NAL since 1998. Fourteen HANSA planes have been made over the years by NAL and used by the Ministry of Civil Aviation and the Indian Institutes of Technology.

What is HANSA-3 (NG)?

- It is a **next-generation, two-seater, ab-initio trainer aircraft** developed for pilot training.
- Designed and developed **indigenously** by **CSIR-National Aerospace Laboratories (NAL)** in Bengaluru.

Aim & Purpose:

- To provide a **cost-effective alternative** to foreign trainer aircraft.
- To **train pilots** for Private Pilot License (PPL) and Commercial Pilot License (CPL).
- To **boost India's aviation ecosystem** in line with the growing demand for trained pilots.

Key Features:

- **Advanced Glass Cockpit** for digital display and enhanced situational awareness.
- **Rotax 912 iSc3 Sport Engine** – fuel-efficient and digitally controlled.
- **Bubble Canopy** for panoramic visibility and improved pilot comfort.
- **Electrically operated flaps**, lightweight composite airframe.
- Costs **₹2 crore**, nearly **50% cheaper** than imported equivalents.
- **Electric variant (E-HANSA)** under development to support sustainable aviation.

SC directs CEC to survey forests in Agasthyamalai for encroachments

Ecology and Environment

The Supreme Court has directed the Central Empowered Committee (CEC) to conduct an extensive survey of the entire tropical forest ecosystems of the Agasthyamalai landscape in the southernmost Western Ghats to identify nonforestry activities and encroachments.

What is Agasthyamalai Biosphere Reserve?

It is a UNESCO-designated tropical forest biosphere known for its exceptional ecological, cultural, and medicinal value.

Recognized under **UNESCO's World Network of Biosphere Reserves** in **March 2016**.

Location:

Located at the **southernmost end of the Western Ghats**.

Spreads across **Kerala (Thiruvananthapuram & Kollam)** and **Tamil Nadu (Tirunelveli & Kanniyakumari)**.

Covers an area of approximately **3,500 km²**.

Biodiversity & Ecology:

Flora: Over **2,254 plant species**, including **405 endemics** and rare medicinal herbs.

Fauna:

Mammals: 79 species (20 endemic), including tigers, elephants, and the **grizzled giant squirrel**.

Birds: 337 species (20 endemic).

Reptiles & Amphibians: 88 and 45 species respectively, with high endemism.

Protected Areas:

- Periyar Tiger Reserve (Kerala).
- Srivilliputhur Grizzled Squirrel Wildlife Sanctuary (TN).
- Kalakkad-Mundanthurai Tiger Reserve (TN).
- Neyyar, Peppara, and Shendurney Wildlife Sanctuaries.

Indigenous Tribes & Cultural Significance:

Inhabited by the **Kani tribe** (~30,000 people), who practice sustainable resource use.

Linked to **Hindu mythology** (Ramayana) and **Ayurveda** (Sage Agastya's contributions).

Sensex crashes 931 points amid fears of trade war, recession; pharma stocks hit

Economics and Development

Frontline stock indices on Friday fell up to 1.5% owing to fears of a global trade war and potential recession in the global economy. The S&P BSE Sensex plunged 931 points, or 1.22%, to 75,365 points, led by fall in Tata Steel (8.59%), Tata Motors (6.15%), L&T (4.67%), Adani Ports (4.38%), IndusInd Bank (3.83%) and RIL (3.52%).

What Is Sensex?

The BSE's benchmark index in India is the Sensex. In the beginning, Sensex was only a basket of thirty stocks that represented the largest financially sold products in India. These thirty equities were listed on the BSE on January 1, 1986.

According to BSE, which was originally known as Bombay Stock Exchange, it is India's oldest index and includes time-series data dating back to 1979.

The Sensex index serves as a barometer for the Indian stock markets for investors.

In layman's terms, an increase in the Sensex value indicates a general increase in the price of shares. On the other hand, if the Sensex falls, it indicates that stock prices are generally falling.

History Of Sensex

After the scam, in which a famous broker extracted a large sum of money into his stock from public banks, the BSE Sensex plummeted 12.7 per cent, its worst-ever drop, on April 18, 1992.

After India's economic growth in 1992, the index has risen exponentially. The greatest increments occurred during the twenty-first century, which increased from around 5,500 in the early 2000 to over 62,000 in March 2022. The sole reason for this increase is due to India's emerging economy. The Indian economy is growing at the quickest rates at the global level.

The rise of India's middle class owes to the country's increasing economy and vice versa. According to one analysis, by 2030, about 80% of the country's families will come under the radar of middle-income, up from around 52% in 2019. Consumer demand is largely driven by middle-class requirements.

However, in recent years, India's economic growth has slowed, reaching its lowest level in a decade in 2019. The global coronavirus epidemic, which began in early 2020, has slowed the economy even further, casting doubt on future improvements.

What is the Sensex Index?

The changes in the stock market are tracked by a stock market index. A sensex index is made up of securities that are traded on a stock market. Market capitalization or industry can be used to choose stocks for the sensex index. Despite the fact that the index's components are limited, they represent the whole Indian stock market. Any change in these stocks' prices has an impact on the overall stock market index. The sensex index change reflects market sentiment and the price movements of other financial products, such as commodities. The BSE Sensex Index and the Nifty 50 Index are two major stock market indices in India.

RBI to issue ₹10, ₹500 notes bearing Governor's signature

Economics and Development

The Reserve Bank of India (RBI) said it will issue ₹10 and ₹500 denomination banknotes in Mahatma Gandhi (New) Series bearing the signature of new RBI Governor Sanjay Malhotra. The design of these notes is similar in all respects to ₹10 and ₹500 banknotes in Mahatma Gandhi (New) Series, it said. All banknotes in the denominations of ₹10, ₹500 issued by the RBI in the past will continue to be legal tender.

About Reserve Bank of India (RBI)

The Reserve Bank of India, abbreviated as RBI, is India's central bank and regulatory body responsible for regulation of the Indian banking system.

It is responsible for the control, issue and maintaining supply of the Indian rupee.

The RBI was established in 1934, under the **Reserve Bank of India Act**.

The bank was set up based on the recommendations of the 1926 Royal Commission on Indian Currency and Finance, also known as the **Hilton Young Commission**.

Though privately owned initially, it was **nationalized in 1949** and since then fully owned by the Ministry of Finance, Government of India.

Composition of the RBI

The overall direction of the RBI lies with the **21-member central board of directors**, composed of:

One Governor;

Four Deputy Governors;

Two Finance Ministry Representatives (usually the Economic Affairs Secretary and the Financial Services Secretary);

Ten government-nominated Directors; and

Four Directors who represent local boards for **Mumbai, Kolkata, Chennai, and Delhi**.

Each of these local boards consists of five members who represent regional interests and the interests of co-operative and indigenous banks.

The first Governor of the RBI was the Australian Sir Osborne Arkell Smith. **Sir C D Deshmukh** was the first Indian to become Governor.

Primary Functions of the RBI

Monetary Authority:

Formulates, implements and monitors the monetary policy.

Objective: maintaining price stability while keeping in mind the objective of growth.

Regulator and Supervisor of the Financial System:

Prescribes broad parameters of banking operations within which the country's banking and financial system functions.

Objective: maintain public confidence in the system, protect depositors' interest and provide cost-effective banking services to the public.

Issuer of Currency:

Issues, exchanges and destroys currency notes as well as puts into circulation coins minted by Government of India.



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