

August 7, 2022

Important Editorial Analysis:

RBI's rate hike:

- ➔ The RBI's Monetary Policy Committee on Friday raised the benchmark interest rate for a third straight meeting as policymakers battle to rein in inflation that has persistently 'remained at or above' the prescribed upper tolerance threshold for six months.
- ➔ The 50 basis points raise takes the policy repo rate to 5.4%, and, more significantly, to a level last seen in the pre-pandemic second quarter of fiscal 2019-20, when a growth slowdown and retail inflation of about 3.2% warranted a rate cut.
- ➔ As the MPC's Jayanth Varma had pointed out in June, when the MPC had recommended a 50 basis points increase, the impact of the 90 basis points total increase from May still left the real policy rate at the time lagging behind the RBI's 100 basis points increase in retail inflation projection for the year — from 5.7% to 6.7%.



- ➔ It is only now that the cumulative increase totals 140 basis points, and puts the central bank slightly ahead of the curve. Still, as Governor Shaktikanta Das acknowledged, consumer price inflation, even if off April's eight-year high, remains 'uncomfortably high' with inflationary pressures broad-based.
- ➔ And with the MPC's own forecasts for the second and third quarter pegging retail price gains well above the upper tolerance mark of 6%, at 7.1% and 6.4%, respectively, the rate setting panel had little option but to continue the withdrawal of monetary accommodation to prevent inflation expectations from getting unmoored and stymieing growth by retarding consumption.



- ➔ From an external sector and exchange rate perspective as well, globalised inflationary surges are prompting policy tightening in advanced economies that is in turn roiling currency markets including appreciably weakening the rupee and adding imported inflation to the mix.
- ➔ Noting that ‘successive shocks to the global economy’ had led multilateral institutions including the IMF to lower their global growth projections and ‘highlight the rising risks of recession’, Mr. Das remarked, “disquietingly, globalisation of inflation is coinciding with deglobalisation of trade”.
- ➔ Russia’s invasion of Ukraine and the resultant impact on trade flows from the conflict zone have upended supply chains for several commodities and added to price pressures for a range of goods.
- ➔ The latest geopolitical tensions triggered in East Asia by U.S. House Speaker Nancy Pelosi’s visit to Taiwan in the face of Beijing’s dire warnings, and China’s decision to respond with aggressive military drills around one of the world’s busiest shipping lanes, could also impact global trade at a time when uncertainty and risk aversion are already high.
- ➔ Mr. Das’s confidence in the ‘resilience’ of the economy’s fundamentals notwithstanding, it is probably apposite for the MPC to hereafter heed Mr. Varma’s exhortation by ‘providing projections of the future path of the policy rate’. This would help anchor price gain expectations firmly and surely enhance the RBI’s inflation-fighting credentials.

14th Vice President of India:

(UPSC Prelims cum Mains Importance level-5/5)

- ➔ **Former West Bengal governor & National Democratic Alliance (NDA) candidate Jagdeep Dhankhar was elected the 14th Vice President of India on 6 August 2022 .**
- ➔ Mr Dhankhar defeated the Opposition's candidate , Ms Margaret Alva , by a margin of 346 votes . He will succeed M Venkaiah Naidu . Mr Dhankhar will take the oath of office on 11 August 2022 .





National Handloom Day : 7 August:

(UPSC Prelims cum Mains Importance level-5/5)

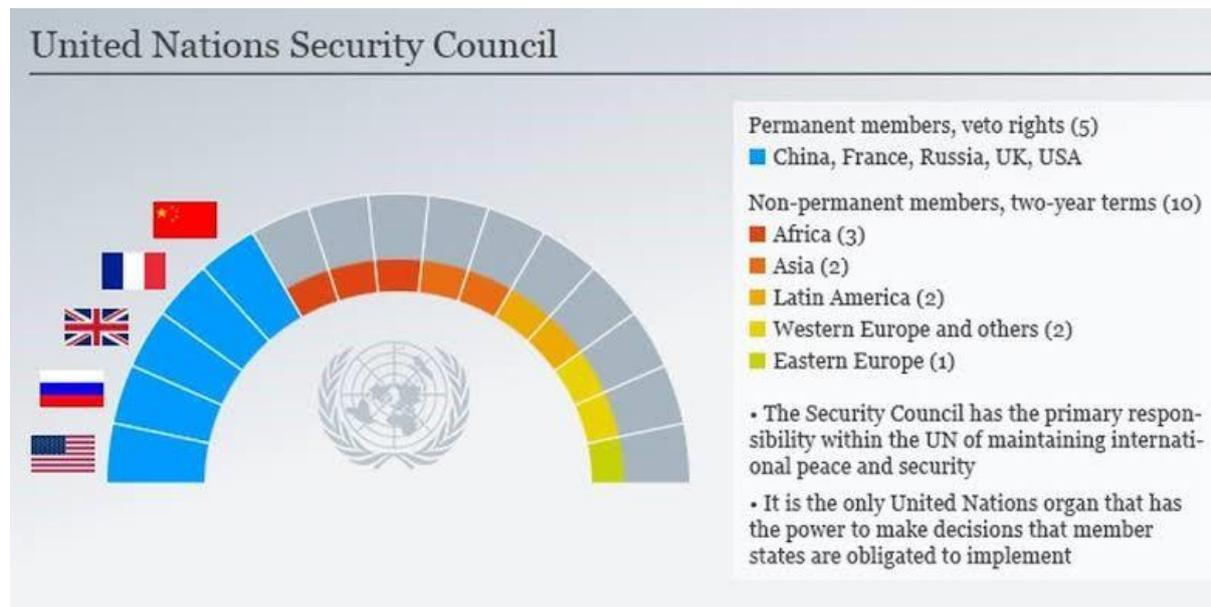
- ➔ Every year , August 7 is observed as National Handloom Day in India to highlight the contribution of the handloom industry in socio - economic development and create awareness about the sector .
- ➔ The day also commemorates the Swadeshi movement that began in 1905 . This day was celebrated for the first time in 2015 . The government reaffirms its resolve to protect the handloom heritage through this day .



UNSC:

(UPSC Prelims cum Mains Importance level-5/5)

- ➔ India will host diplomats and officials from all 15 countries of the United Nations Security Council (UNSC) for a special meeting on terrorism in Delhi and Mumbai in October 2022 .
- ➔ The meeting will be focussed particularly on challenges such as terrorism financing , cyberthreats and the use of drones . **India is the chair of the Counter - Terrorism Committee (CTC) of the UN for 2022 .**



NHA & QCI:

(UPSC Prelims cum Mains Importance level-4/5)

- ➔ The National Health Authority (NHA) has partnered with the Quality Council of India (QCI) to accredit & rate the Health Management Information System (HMIS) of Ayushman Bharat Digital Mission (ABDM) .
- ➔ Under this partnership , NHA & QCI will develop a review plan & complete the accreditation & review of at least 10 HMIS solutions (public & private) that have successfully integrated with the ABDM.





Architecting e-Government

'India Ki Udhan':

(UPSC Prelims cum Mains Importance level-3/5)

- To mark the 75th Independence Day celebration of India, Google has introduced an e-commerce project that describes the development path of the country.
- Under this project 'India Ki Udhan', 21 stories and 120 types of films representing India's development path have been received.



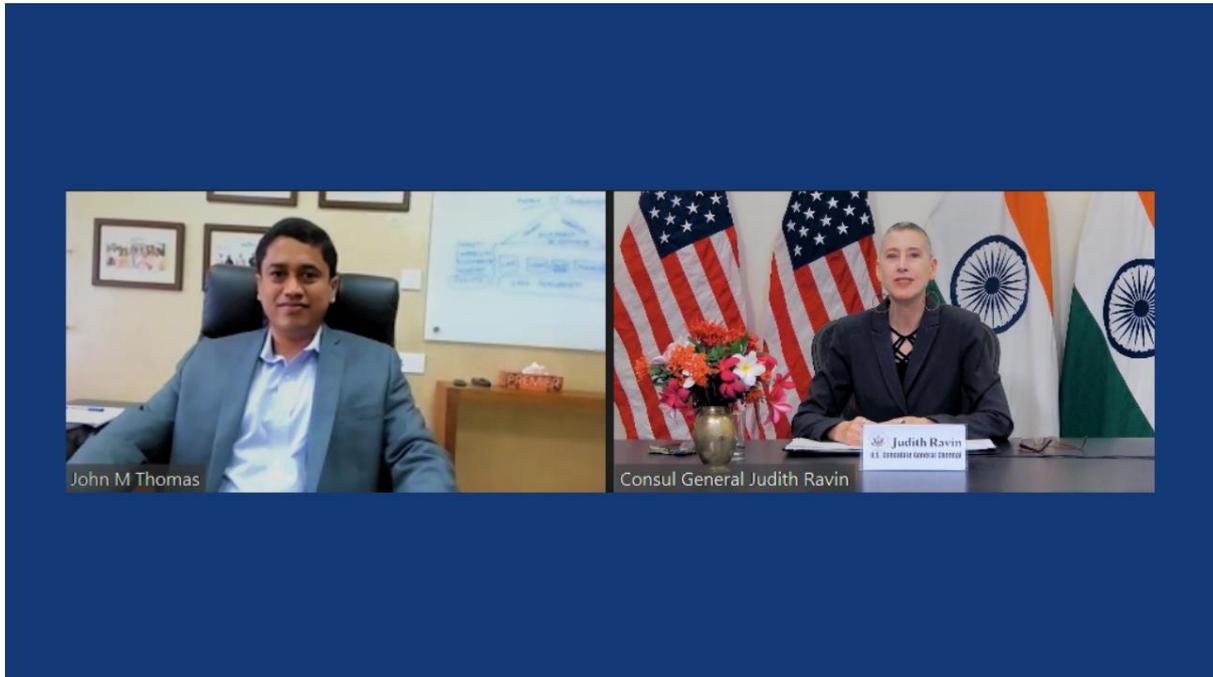


'Putri Target':

(UPSC Prelims cum Mains Importance level-4/5)

- **Judith Ravin, Deputy Consul General of the US Embassy in Chennai, has launched a new project to create awareness about gender equality among students studying from 9th to Plus 2nd in Tamil Nadu.**
- This project, which has been developed on the theme of Men Impacting Trust and Respect (MITR), will be implemented under the name of 'Putri Target' under Avatar Manpower Trust.





Hiroshima Day:

(UPSC Prelims cum Mains Importance level-5/5)

- ➔ Every year August 6 is observed as Hiroshima Day to mark the atomic bombing of the Japanese cities during World War II .
- ➔ **The first nuclear bomb was dropped over Hiroshima on August 6 , 1945 , & 3 days later the second bomb was dropped over Nagasaki killing millions of people in an instant .**
- ➔ Hiroshima Day is observed every year to remind the world about the devastating results of nuclear weapons .



Vinesh Phogat:



(UPSC Prelims cum Mains Importance level-3/5)

- ➔ India's Vinesh Phogat on 6 August 2022 won gold in women's 53kg freestyle wrestling at the ongoing Commonwealth Games in Birmingham .
- ➔ She defeated Sri Lanka's Chamodya Keshani Maduravlage in the final .This is the third consecutive time Phogat has won gold in Commonwealth Games .
- ➔ Besides Phogat , India's Ravi Dahiya also won a gold medal in the men's 57kg wrestling .

