Compounding gains

The New Zealand Free Trade Agreement builds on seven recent FTAs

The India-New Zealand Free Trade agreement (FTA) signed on Monday might look underwhelming when viewed in isolation, but is nevertheless significant when looking at what has been happening over the last five to six years. This impression is because New Zealand's economy is one-sixteenth the size of India's, and makes up less than 1% of India's total trade. Yet, this view ignores the fact that the FTA comes soon after the signing of, or closure of negotiations on, seven other trade agreements in the past three and a half years or so. It also ignores the larger policy goals that India is trying to achieve through such deals. The COVID-19 pandemic and the U.S. tariff frictions have shown India that it needs to diversify supply chains on the import and export sides. Weaning off imports from China is a tough task. Yet, any chipping away of the 16% of India's imports that China accounts for would be welcome. Importantly, the strategic need to diversify export destinations, especially while the mercurial Donald Trump is in charge of India's largest export market, is clear and urgent. The trade deals with Mauritius, the UAE, Australia, the EFTA nations, the U.K., the EU, Oman, and now New Zealand all provide Indian exporters opportunities that they should take advantage of. Finally, dismissing this FTA on the basis of its size would be unfair to India's negotiators who have done well to use India's comparative advantage to push through key victories.

The first key strength of the FTA for India, and unprecedented, is that New Zealand will remove all goods tariffs immediately on execution of the agreement. The second strength is that India managed to avoid providing any concessions on any of its sensitive sectors. Key among these exclusions is dairy, something New Zealand had been especially keen to include. The third positive is New Zealand's commitment to facilitate investments in India worth $20 billion over 15 years. This is similar to the provisions in the EFTA trade pact, wherein the four EFTA countries committed to facilitate $100 billion of investments in India over 15 years. To be sure, these are commitments to facilitate and not commitments to invest, but getting them included in the text of the deal is nevertheless significant. To help this along, India will create a dedicated desk to address any issues New Zealander investors might face. Such a targeted approach to foreign investment is necessary if India wants to achieve the multiple goals of weaning off China, increasing and diversifying exports, creating jobs, bolstering the capital account, and generally increasing incomes. The other long-standing need of helping domestic manufacturers scale up remains a sticky problem.

Cart before horse

Roads need upgrade before tech solutions can reduce accidents

India is, in many respects, a country in transition and thus suffers varieties of a common chicken-and-egg problem: it adopts solutions that are only feasible at scale but struggles to operationalise that scale. The Ministry of Road Transport and Highways is set to introduce vehicle-to-vehicle (V2V) communication technology that will allow vehicles on the road to send and receive data about their location and movement vectors, in a bid to improve road safety. This seems credible at a time when road accidents are increasing in India. A spate of accidents in April in Karnataka, Maharashtra, and Uttar Pradesh killed more than 50 people. The Supreme Court of India took *suo motu* cognisance of two similar incidents in 2025 and, on April 26, asserted that the state must proactively enforce the constitutional right to life and remove any obstructions in highways' right of way. However, V2V is unlikely to help as its hardware demand is non-trivial relative to what exists, yet is crucial. V2V is part of the wider V2X, or vehicle-to-everything, technological scheme in which vehicles communicate with other infrastructure (V2I), such as traffic lights and tolling, and pedestrians (V2P), aside from V2V. However, India currently lacks the interoperability and backend systems to operationalise it. In fact, the Ministry has yet to specify the key, akin to the 'language' vehicles broadcast in, Indian V2V will use – DSRC or C-V2X – and has unsurprisingly spurred public concern.

Vehicle owners already face steep compliance costs, including having to pay for vehicle location tracking devices and high-security registration plates, sans subsidies or a competitive vendor market to defray the higher cost of approved devices. In the V2V network, each vehicle is a node where data are processed and interpreted for the driver. However, many commercial drivers are not used to driving environments with interfaces and are under-trained to interpret vehicle alerts. This raises the prospects of bad actors intercepting communications to send false warnings or trigger unnecessary braking, in the absence of strong security protocols, and of network channel congestion (5.9 GHz is the international standard) and packet loss. More fundamentally, the country lacks proper road design, routing, and speed control while road use is dominated by two-wheelers, pedestrians, and non-motorised traffic. If a city is not 'smart', a 'Smart City' solution such as V2V will be marginal at best. It will also be more useful when more users adopt it, but at present, early adopters will bear the full cost while enjoying underwhelming benefits. If the technology is to help mitigate the deadliness of India's roads, the Ministry must slowly roll out both infrastructure and training, with phased mandates and subsidies, first.

The war on Iran and the Gulf's shattered illusions

Shashi Tharoor

Fourth-term Member of Parliament, Lok Sabha (Congress party) for Thiruvananthapuram, the Chairman of the Parliamentary Standing Committee on External Affairs and the Sahitya Akademi Award-winning author of 29 books, including 'Pax Indica' (2012) and 'The New World Disorder' (2020)

Wars are rarely confined to the battlefields where they erupt. Their shockwaves ripple outward, reshaping economies, societies and the narratives nations tell about themselves. The war in Iran has been no exception. It has left behind not only a devastated country but also a region forced to confront the fragility of its prosperity and the precariousness of its stability. What will emerge from this conflict is not simply a wounded Iran, but a Gulf stripped of its long-cherished image as a safe haven for capital, entrepreneurship, and migrants – and a broader region, including India, in peril.

A nation left gutted

All reports indicate that Iran today is a country physically broken. The war has reduced once-thriving cities to rubble, obliterated industrial zones, and crippled vital infrastructure. Power grids flicker unreliably, refineries lie in ruins, and transport networks are severed. The destruction is not limited to the material; it extends to the very architecture of governance. The decapitation of Iran's leadership has left ministries paralysed, security forces fragmented, and the chain of command in disarray. Assets painstakingly built over decades – military stockpiles, oil terminals, cultural institutions – have been degraded or destroyed. What remains is a nation gutted, its capacity to govern and protect itself gravely diminished.

The human toll is equally staggering: Millions displaced, communities uprooted, and generations scarred by violence. The war has not only destroyed buildings and bridges but also eroded the social fabric that held the country together. Trust in institutions has collapsed, and the sense of national cohesion has been vitiated by fear, uncertainty, and resentment.

The devastation within Iran has triggered economic consequences far beyond its borders. Fuel prices have surged as crude exports collapsed, sending tremors through global markets. Liquefied petroleum gas (LPG) and liquefied natural gas (LNG) shortages everywhere ripple through supply chains, disrupting industries that depend on steady energy flows. Factories in South Asia and East Africa have shuttered due to scarcity, disrupting supply chains and raising costs for Indian manufacturers, while restaurants from Dubai to Delhi struggle to keep stoves lit. Inflation bites hardest at the working class, who cannot hedge against volatility.

The Gulf, long seen as a stabilising energy hub, has been compromised. Its ability to reassure global markets of steady supply has been shaken, exposing the fragility of global dependence on hydrocarbons concentrated in one volatile region. The war has revealed how quickly prosperity can unravel when the foundations of security are undermined and the promise of stability, the Gulf's greatest asset, fractures.

> The war has rattled the Gulf, shattering the illusion of stability and economic resilience

The Gulf is vulnerable

For decades, the Gulf cultivated an image of prosperity: gleaming skyscrapers, bustling free zones, a magnet for capital, entrepreneurship, and migrant labour. That narrative now lies considerably tarnished. The war has exposed the region's vulnerability, undermining confidence in its ability to remain a safe haven. Businesses reconsider expansion, and capital flows hesitate. Gulf labour, the backbone of India's remittance economy, faces uncertainty as employers tighten budgets and scale back projects, leaving migrants and their families in India anxious about livelihoods. Transit travel through Dubai, the world's most reliable hub, now feels precarious, as airlines reroute, passengers face delays, and the aura of effortless connectivity is replaced by anxiety. Investments from the Gulf's sovereign wealth funds are shadowed by doubt, their portfolios no longer symbols of confidence and permanence. Trade routes, too, are unsettled: Indian exporters who relied on Gulf ports as gateways to Africa and Europe now confront delays, higher insurance premiums, and diminished confidence in the region as a secure conduit for global commerce. The war has unsettled not only the movement of people and goods but also flows of capital, undermining the very foundations of the Gulf's promise as a safe haven for globalisation – and exposing India's deep entanglement with that promise.

The psychological blow is as significant as the economic one. Investors and entrepreneurs had long believed that the Gulf was insulated from the turbulence of its West Asian neighbours, a place where capital could thrive under the protection of strong states and predictable policies. That belief has been shattered. The war has shown that even the Gulf, with all its wealth and ambition, cannot escape the destabilising effects of regional conflict.

When the guns finally fall silent, Iran's regime will still be standing, albeit diminished, but the country will be devastated: its borders porous and internal order fragile; its economy battered, with oil revenues diminished and industries in ruins; its government weakened, its new leadership untested, and quite probably likely to be more hardline and repressive, focused as it will be on survival rather than reform. This last prospect is particularly troubling. History suggests that governments born in crisis often cling to power through coercion rather than consensus. Iran's bruised new rulers may resort to repression at home and aggression abroad. They may seek to lash out asymmetrically – through cyber warfare, proxy militias, or global disruption – leveraging the few tools left to project influence through its capacity for regional disruption. The risk of instability radiating outward is real. The Gulf states, which invited U.S. bases onto their soil to enhance their own security, might now find the American presence only invites further attack and subversion.

Yet, is there a more hopeful scenario? Could reconstruction, however slow, open space for renewal? Might regional actors, even absent American support or Israeli intrusion, find common cause in rebuilding a shattered neighbour to prevent chaos from spilling over? The answer remains uncertain. What is clear is that the war has rewritten the Gulf's story: from a beacon of stability to a region grappling with fragility, volatility, and the spectre of prolonged unrest.

Once the Americans have flown away

Hope lies in the possibility of regional cooperation. The Gulf states, despite their own vulnerabilities, have the resources and the incentive to prevent Iran's collapse from spilling over into their territories. Reconstruction could become a shared project, not out of altruism but out of necessity. A stable Iran, even if weakened, is preferable to a chaotic one capable of exporting instability. The challenge will be to overcome mistrust and rivalry, and to see in Iran's devastation not an opportunity for dominance but a warning of shared fragility.

The war in Iran has left behind more than ruins; it has shattered illusions. The Gulf is no longer the untouchable safe haven it once claimed to be. Iran is no longer a formidable regional power but a wounded state struggling to survive. The region as a whole faces a crossroads: it can either descend into a cycle of instability and retaliation, or it can seize the opportunity to build a new narrative of cooperation and resilience. India can play a constructive role, leveraging its good relations with the Arab states and its historic ties to Iran, to serve as a bridge for reconstruction rather than watching as the region spirals into dysfunction and despair.

One lesson is undeniable: prosperity built on fragile foundations cannot endure. The Gulf must now confront the reality that its future depends not only on wealth and ambition but also on stability and cooperation. Whether it can rise to that challenge, once the Americans have flown away, depends on all of us in the region who have an interest in maintaining the stability and prosperity that was once the envy of the world.

South Asian power balance shifts toward Pakistan

Muqtedar Khan

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In recent weeks, an intense debate has emerged in India regarding Pakistan's rising diplomatic stature, following its role as mediator and venue for negotiations between the United States and Iran. Iranian and American officials – including U.S. President Donald Trump – have publicly acknowledged Pakistan's leadership, specifically Field Marshal Asim Munir and Prime Minister Shehbaz Sharif, for their role in precipitating and sustaining the ceasefire, and maintaining channels of communication.

While Pakistan is now seen as central to diplomacy around the Iran war, India's response has been marked by silence – variously interpreted as caution toward Mr. Trump or as strategic restraint. India has not criticised Israel or the U.S. for their actions, and this contrast with Pakistan's rising role has fuelled debate within India's strategic community about the shifting balance between the two countries.

Gains from enhanced diplomatic visibility

Pakistan's diplomatic visibility has increased not only due to its mediation role but also because of its expanding engagement with Washington and its growing influence in Gulf security. Its relationship with the U.S. – particularly under Mr. Trump – has elevated Pakistan's profile. At the same time, its defence partnership with Saudi Arabia, and possibly a similar security partnership with Qatar, have further reinforced its strategic relevance in the region.

This enhanced diplomatic position has translated into economic and political gains. Saudi Arabia's pledge of billions of dollars highlights the financial dividends of Pakistan's rising influence. Since the end of Operation Sindoor, Pakistan has also secured several diplomatic wins denying India's efforts to portray it as a state sponsor of terrorism and diplomatically isolate it. India's efforts have been undermined by Pakistan's growing alignment with the U.S. as a counterterrorism partner against al-Qaeda and the Islamic State, as well as its role in Gaza-related discussions and the Iran crisis. Together, these developments suggest that Pakistan's recent diplomatic momentum has blunted India's strategy, raising broader questions about whether the regional balance of power in South Asia is beginning to shift.

> Pakistan's recent diplomatic momentum appears to have blunted India's strategy, raising broader questions about the regional balance of power in South Asia

Pyramid of power

According to scholars of international relations, states are often understood within a hierarchy of power based on their capacity to project influence and shape outcomes beyond their borders. At the apex are superpowers such as the U.S. and China – states with the ability to project power globally and to shape, the international order itself; their influence spans military, economic and institutional domains on a worldwide scale. The next tier consists of global powers, which, while not able to unilaterally shape the global order, possess sufficient capabilities to project power across multiple regions, as illustrated by Russia. Below them are middle powers, which lack comprehensive global reach and do not dominate multiple regions, yet exert meaningful influence through partnerships and economic and military capacity; countries such as Türkiye, South Korea, Indonesia and Brazil are often cited as examples. Next are regional powers, which dominate a specific geographic area but have limited ability to project influence beyond it, such as Saudi Arabia in the Gulf. Finally, there are minor powers, comprising most states whose influence remains largely confined within their own borders and whose role in shaping regional or global outcomes is limited.

The Lowy Institute operationalises comprehensive national power by combining hard and soft capabilities into a single analytical framework. It assigns roughly 55% weight to material power – economic size, military capability, and resources – and 45% to softer dimensions such as diplomacy, economic networks, and institutional influence.

Before Operation Sindoor, using the Lowy Institute metric, I would place India in the second tier from the top as a global power given both its hard power and soft power capabilities, while Pakistan would fall into the second tier from the bottom as a regional power. However, developments over the past few months suggest movement in opposite directions. India's performance during Operation Sindoor has not been widely seen as commensurate with its perceived stature or the expectations surrounding its rise, whereas Pakistan has been viewed by many as performing above its capacity. At the same time, India's continued silence or restraint– particularly in relation to Mr. Trump and major geopolitical developments – has contributed to its marginalisation from key global events. This perception has been reinforced by economic and geopolitical shifts, including a decline in India's ranking from the fourth to the sixth largest economy and the waning visibility of groupings that once elevated its profile, such as I2U2, BRICS, and the Quadrilateral Dialogue.

In contrast, Pakistan, without any change in material capabilities, has significantly enhanced its diplomatic profile and relevance. The result is a perceptible shift: India appears to be moving from a global power toward the characteristics of a middle power, while Pakistan is emerging as a more consequential regional power with aspirations toward middle-power status. This evolving dynamic – India trending downward and Pakistan upward in relative standing – may help explain the intensity of current debates within India's strategic community, as well as the more confident and optimistic mood within Pakistan's strategic discourse.

In context

My final observation for Indian policymakers is that whatever constraints India faces with regard to the U.S. and Israel – whether driven by ideological alignment or dependence on defence technology – the choices it is making will inevitably affect the softer dimensions of its power. While these softer elements can enhance or diminish a country's influence in global affairs, they are not a substitute for hard power: military capability, a robust economy, demographic scale, and cutting-edge technological capacity. In these foundational areas, there has been no significant relative change between India and Pakistan.

While India remains firm in the elements of hard power, Pakistan while gaining in soft power is still nursing a fragile economy. And that matters.

LETTERS TO THE EDITOR

Recusal test

The hearing in the liquor case is an interesting instance of prejudice versus procedure (Editorial page, April 29). Although there is no law explicitly defining the recusal of a judge in a case, it lies within the judge's discretion to recuse themselves in the interest of visible fairness and the principles of natural justice, notably *nemo judex in causa sua* (Latin), which means that a judge should not adjudicate a case in which there is a reasonable apprehension of bias. In *Ranjit Thakur vs Union of India* (1987), the Supreme Court held that the issue is not whether a judge is actually biased, but whether a party has a reasonable apprehension of bias. A significant number of precedents support this principle.

Buddha Jagdish Rao,
Visakhapatnam

The Delhi High Court has passed the recusal test. If it fails, litigants may begin to use it as a precedent. If we examine the *mens rea* of former Delhi Chief Minister Arvind Kejriwal, his intention did not appear to have been to ensure the judge's recusal. Rather, it seemed aimed at prolonging the trial or appeal. In criminal cases, when proceedings are delayed for a long time, their gravity tends to diminish. His apparent objective, therefore, was to increase the turnaround time and remain politically secure.

Ashok Kumar Sethi,
Hisar, Haryana

IPL scores

Even 200-plus scores are being chased successfully in the IPL. The IPL is becoming batters' playfield with the passage of each game.

K. Pradeep,
Chennai

Letters emailed to letters@thehindu.co.in must carry the postal address.

Why 'digital vigilantism' is not the problem

Prachi Dutta

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The Delhi High Court recently made some observations about "digital vigilantism", and that statements can sometimes "transcend mere free expression and act as a catalyst for public shaming". The context is a defamation suit brought before the Court by an individual who allegedly misbehaved with a lady on a domestic flight. The lady attempted to amplify his conduct by posting her ordeal on social media, which was shared by media houses and an actress, who apparently did not verify the allegations made in the post.

These observations and statements once again highlight the growing use of social media to amplify claims of harassment and misconduct due to a sense of collective helplessness and people's lack of faith in systems to swiftly and adequately address sexual harassment claims.

Whether it was the role social media played in the #MeToo movement in attempting to bring justice to victims of sexual harassment or videos recording instances of harassment posted on TikTok, the bottom line is that social media is being used to "crowd source" retributive action, wherein exposure offers accountability due to institutional inaction, as per Sara Witmer.

Systemic apathy

Justice systems globally, due to their long-drawn-out processes, deliver justice in a belated fashion. Coupled with the apathy and unwarranted intrusion of police authorities and victim blaming, the process of speaking up against sexual harassment is even more challenging. The redress process often becomes a form of punishment for all parties involved.

Due to the lack of processes, systems and institutions in delivering justice, social media is used by victims to bridge the gap between harassment and redress mechanisms. This leads to problems like allegations being amplified without any mechanism to verify them, false allegations circulating because of the anonymity offered by social media, lack of accountability, and the reputational loss of all parties involved. It creates a public spectacle rather than actually addressing the issue.

However, when processes and systems continue to fail victims, the need to strengthen these processes is of the utmost importance so that victims do not have to use social media as a redress vehicle to achieve justice. It is crucial to ensure a balance between helping victims while protecting the reputation of the alleged harassers, so that one does not trample on the other in the quest for justice. It is important to maintain the principles of natural justice and fair trial.

On 'vigilantism'

Another issue is with the terminology of "digital vigilantism". The word vigilantism in itself invokes a negative connotation. As per Les Johnston, "vigilantism", by its definition, involves the premeditation of participants who are private citizens; their engagement with the issue would be voluntary.

It is also a social movement, which uses or threatens the use of force and arises when an established order is under threat from the transgression of institutionalised norms and aims to control crime or other social infractions by offering assurances of security both to the participants and to others.

Social media posts in the face of harassment do not fall squarely within the purview of vigilantism as there is no established order that is under threat and there is also absolutely no assurance of security to participants. In fact, both the victims and the perpetrators can be recipients of doxxing.

Simply put, when there is a collective failure of processes, then one turns to social media to amplify harassment – this cannot be defined as "digital vigilantism".

> Social media is being used to 'crowd source' retributive action, wherein exposure offers accountability due to institutional inaction

Social media redressal

There have been several instances of unwarranted behaviour during air travel. Case in point is the incident that occurred in November 2022, when a man urinated on a woman. The airlines was slow to act upon the complaint and it was only once details were made public that the airlines took action against the individual. The fundamental issue, therefore, is to have adequate processes at all levels so that a timely redress can be carried out. For instance, if airlines had proper systems in the form of strict no-fly lists, one may not have to resort to social media amplification.

To draw a parallel between consumer services, when a consumer has an unpleasant experience, they have the right to take to social media to express their displeasure. The outcome is two-pronged – either the service provider will respond with their defence or apologise for the bad experience. This helps other consumers make informed choices before availing the same service. Moreover, in consumer services there are adequate systems and processes that exist before a person takes to social media to express displeasure. Customer grievance teams are often prompt to act on complaints because of the fear of reputational and financial loss. However, justice systems and processes that help to achieve real, legal justice are significantly different. They are not prompt and often refuse to act on complaints of harassment, leaving victims with no choice but to take to other channels to amplify their grievances.

The issue therefore, is not of freedom of expression versus public shaming but the fact that in the face of abject failure of processes, people are left with no choice but to use social media as a tool to achieve justice. To avoid "digital vigilantism", a collective strengthening of processes and faith in these processes is crucial.

Tamil Nadu's growth record

The manufacturing sector continues to be the principal driver of growth

STATE OF PLAY

K.R. Shanmugam

Tamil Nadu, which is the second-largest State economy, has sustained a high-growth trajectory, recording a real Gross State Domestic Product (GSDP) growth of 10.83% in 2025-26, following 11.19% in 2024-25. This places the State well above the national average of 7.4% and marks two consecutive years of double-digit growth. This performance highlights the State's strong policy framework, and structural strengths, positioning it as a leading contributor to India's growth.

Over the medium term, Tamil Nadu's growth acceleration has been notable. It recorded an average real growth of 9.07% from 2021-22 to 2025-25, compared to 5.21% from 2016-17 to 2020-21, and 7.18% during the pre-COVID period. This suggests a strong post-pandemic recovery supported by targeted fiscal measures and industrial policy. Nominal GSDP expanded from ₹31.19 lakh crore in 2024-25 to ₹35.29 lakh crore in 2025-26, registering a 13.16% growth, which is the highest among States.

Sustained high growth has important fiscal and welfare implications: it enhances revenue buoyancy, expands fiscal space for social and infrastructure spending, and supports employment and income generation, thereby reinforcing inclusive development.

The secondary sector remains the principal driver of growth, expanding by 15.02% in 2025-26, significantly above the national average of 6.6%. Within this, construction and manufacturing recorded strong growth rates of 15.02% and 14.22% respectively, compared to around 7% nationally for both sectors. Tamil Nadu's industrial base continues to underspin its growth model. It contributes 13.35% to India's manufacturing GDP. With over 40,000 factories employing about 25 lakh workers, the State ranks first nationally in factory employment.

The services sector, accounting for 53.54% of the Gross Value Added (GVA), grew at 8.54% in 2025-26, slightly below the national average of 9.1%. However, several sub-sectors showed strong momentum, including transport, storage and communication at 13.35% and financial services at 11.11%, indicating broad-based expansion. The primary sector grew by 5.92%, outperforming the national average of 2.7%, driven by a 8.91% recovery in agriculture.

The drivers of growth

Tamil Nadu's per capita income (NSDP) has nearly doubled from ₹2.096 lakh in 2020-21 to ₹4.08 lakh in 2025-26, the second highest in the country, next only to Karnataka. In comparison, the all-India average stands at ₹2.196 lakh.

The State's growth is supported by both supply and demand-side factors. On the supply side, the State benefits from strong infrastructure, including reliable power, extensive road and port connectivity, and established industrial corridors. High human capital, reflected in technical education and skill development, supports productivity across sectors. The State is also a leading destination for Foreign Direct Investments (FDI), with inflows rising from $2,169 million in 2022-23 to $3,681 million in 2024-25.

On the demand side, a large consumer base, rising incomes, and rapid urbanisation sustain strong household consumption. Investment demand remains robust, driven by private sector activity in manufacturing, automobiles, electronics, and renewable energy, supported by a favourable business environment. Public expenditure on infrastructure, education, health, and social welfare further reinforces demand. Export performance also remains a key growth lever. According to NITI Aayog's Export Preparedness Index, Tamil Nadu ranks second with a score of 64.41, just behind Maharashtra. Importantly, rising demand has been matched by supply-side capacity, helping contain inflation. Retail inflation declined from 5.2% last year to 2.62% in December 2025.

Moreover, Tamil Nadu's fiscal policy has played a counter-cyclical and developmental role. While the pandemic necessitated expansionary measures, the State has since initiated fiscal consolidation. The fiscal deficit declined from 4.91% of GSDP in 2020-21 to 3% in 2026-27BE, while the revenue deficit reduced from 3.49% to 1.2%. The debt-GSDP remains around 26%. Overall, the State's strong growth momentum, rising FDIs, and robust export performance provide a solid foundation for achieving its ambition of becoming a $1 trillion economy.

K.R. Shanmugam is former Director, Madras School of Economics, and economic consultant to GoTN.

An SIR-marred turnout in West Bengal

In absolute terms, the increase in voter turnout in the eastern State was lowest among recent electoral cycles

DATA POINT

Devyanshi Bihani
Sambavi Parthasarathy
Pon Vasanth B.A.

West Bengal, where the Assembly polls concluded on Wednesday, recorded a voter turnout of close to 92%, the highest in the State's electoral history according to provisional figures released by the Election Commission (EC). However, as seen recently in Tamil Nadu, the record turnout was not driven by a sharp increase in voter participation, but by the low base effect of the Special Intensive Revision (SIR) of electoral rolls shrinking the size of the State's electorate.

The SIR exercise, which happened in a highly controversial manner in West Bengal, brought down the electorate by nearly 11% from 7.66 crore to 6.26 crore. **Table 1** shows the size and the growth of electors and voters who turned out since 2001. The last SIR happened after the 2001 Assembly polls, which resulted in the electorate declining in size by 1% during the 2006 election. Consequently, the 2006 polls saw a jump in voter turnout. The number of people who voted increased by 7.7%.

Similarly, the number of electors fell from 7.34 crore in the 2021 Assembly election to 6.82 crore in the latest polls, a decline of 7%. However, the number of people who voted increased only by 3.6%. This is the lowest increase in voter participation in at least the last 10 Assembly elections. This could indicate that many eligible voters who would have otherwise voted, could not do so because of the SIR deletions.

A constituency-wise analysis shows that 242 of the 294 constituencies saw an increase in the number of people who voted in the latest polls, compared to the 2021 Assembly election. **Map 2** shows that the constituencies which had an increase in the number of voters in the 2026 polls were concentrated more in the northern and south-western regions with constituencies such as Chanchal, Domkal, Sitalkuchi registering the highest increases in the range of around 29,000.

A cluster of constituencies across the southern delta and and parts of the north regions also exhibited declines. Seats such as Samserganj, Metiaburuz, and Howrah Uttar saw a decline of around 33,500, 24,000 and 19,000 voters respectively compared to 2021.

Table 3 shows that the constituencies that saw the highest deletions during the SIR were also the ones that saw the sharpest increase in voter turnout in percentage terms. For instance, seats like Chowrangee and Jorasanko saw about 40% elector deletions in the latest SIR exercise. These constituencies registered a turnout of about 86% in the latest poll. This is an increase of at least 33 percentage points compared to the 2021 Assembly election.

Seats which experienced the lowest deletions such as Katulpur, Bhagabanpur and Sabang registered voter turnout of more than 90% in the latest polls. However, this was only an increase of less than five percentage points when compared to the 2021 Assembly election. In other words, these constituencies were already turning out in large numbers before.

A regionwise analysis of voter turnout shows that the south-western region, which comprises nearly 117 of the State's 294 constituencies, saw an increase in the number of people who voted in almost all the constituencies **(Table 4)**. This was followed by the northern region, where 48 of the 54 constituencies saw an increase in voters compared to 2021. The Greater Kolkata region, comprising several urban areas, had a high proportion of seats where there was an absolute decrease in the total number of voters who turned out in comparison to 2021.

The denominator effect

The data for the charts were sourced from the Election Commission of India

TABLE 1: West Bengal's electorate and voter participation across Assembly elections

Election year	Total electors (in crore)	Change in electors (in %)	People who voted (in crore)	Change in voters (in %)	Voter Turnout (in %)
2001	4.86	6.7	3.66	-3.1	75.3
2006	4.81	-1.1	3.94	7.7	81.9
2011	5.62	16.9	4.74	20.2	84.3
2016	6.59	17.2	5.47	15.3	83.0
2021	7.34	11.3	6.04	10.4	82.3
2026	6.82	-7	6.26	3.64	91.8

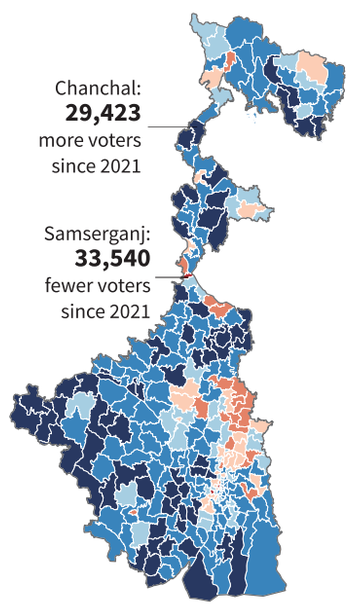
TABLE 3: Voter turnout in constituencies with high deletions during SIR

Assembly Constituency (AC)	Deletions (in %)	Voter turnout in 2021(in %)	Voter turnout in 2026 (in %)	Difference (in %)
Chowrangee	40	53.55	86.5	33
Jorasanko	38	49.99	86.5	36.5
Samserganj	36	80.05	96.0	16.0
HowrahUttar	33	68.51	88.1	19.6
KolkataPort	30	64.61	89.4	24.8
Katulpur	1	90.82	93.3	2.5
Bhagabanpur	2	87.59	92.2	4.6
Sabang	2	89.21	92.6	3.4
Patashpur	2	88.33	92.2	3.9
Mahishadal	2	89.44	89.3	-0.2

TABLE 4: Regional breakdown of constituencies based on whether they saw an increase or decrease in the number of voters between 2021 and 2026

Region	Total number of constituencies	ACs where more people voted in 2026	ACs where fewer people voted in 2026
Greater Kolkata	42	28	14
North	54	48	6
South east	81	55	26
South West	117	111	6

MAP 2 : The constituency-level change in the number of people who voted between 2021 and 2026



The constituencies that saw an increase in the number of people who voted in 2026, compared to 2021, were concentated more in the western and south-western regions. Constituencies such as Chanchal, Domkal, and Sitalkuchi registered the highest increases

FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO APRIL 30, 1976

Navigational survey of entire Indian coast by 1982

Madras, April 29: The Navy's survey ships, Darshak Jamuna and Sutlej, hoped to complete survey of the entire Indian coast by 1982 to ensure the safety of navigation by home and international shipping in Indian waters, the commanding officer of INS Darshak Commander M.K. Tikku told newsmen here to-day.

Till 1967 only 9,000 square miles of the 148.060 square miles requiring to be surveyed had been made but the pace picked up after the ships equipped themselves with modern electronic gadgets, he said.

INS Darshak the largest and the first modern survey ship of the Navy has come to Madras port after completing surveys in Nicobar and Andaman Islands. The Navy's hydrographic service has been recognised as one of the finest and best east of the Suez according to Commander Tikku. The three survey ships earn Rs. 5 lakhs in foreign exchange per annum by the sale of their charts to foreign lines. The Indian earnings of each come to around Rs. 90 lakhs a year. A major task of the survey ships is to prepare navigational charts of all major and minor ports and make them available internationally so that ships calling at these ports can avoid underwater hazards like rocks.

A HUNDRED YEARS AGO APRIL 30, 1926

Development of Indian Railways

London, April 29: The Commons agreed to the motion of Mr. Waddington urging utilisation of every opportunity to develop Empire Trade. Replying to the references to India in the course of the debate, Sir. P. Cunliffe-Lister said that the development of Indian Railways must rest with the Government of India and it was unwise and improper to try to force, in the interests of this country, development which India cannot meet or which she does not require. But an impartial observer reading the Aevorth Report and speaking with those acquainted with Indian Railway administration, traveling facilities and Indian desire to travel, would agree that it was in the interest of India herself rapidly to increase her railway development. He pointed out that legislation had been passed giving a three-quarter grant of interest.

Text&Context

THE HINDU

NEWS IN NUMBERS

Value of Iran's national rial currency against one U.S. dollar

1.8 million. Iran's national rial currency hit a record high on Wednesday of 1.8 million to $1 as ceasefire with the U.S. and Israel still holds. The rial remained stable for weeks during the war, which began on February 28, in part because there was little trading or imports coming into the country. PTI

Cameras installed at 585 locations along border belt in Punjab

2,290 Punjab Police is strengthening the "second line of defence", a deep, technology-driven security grid designed to choke the lifelines of organised crime networks operating with cross-border linkages, an official statement said. PTI

Persons arrested in Iran since the West Asia war began

4,000 Iran has executed at least 21 people and has arrested more than 4,000 since the war began, the UN said. Since the U.S.-Israeli strikes sparked the war in late February, at least nine people have been executed. PTI

The estimated cost of the Iran war for the U.S. so far

25 in $ billion. The U.S.' war in Iran has cost $25 billion, a senior Pentagon official said, providing the first official estimate of the military's price tag for the conflict. Jules Hurst, who is performing the duties of the comptroller, told lawmakers that most of that money was for munitions. REUTERS

Children killed in Bangladesh due to measles outbreak

227 Bangladesh has recorded 227 child deaths since March in one of its worst outbreaks of measles in decades, with the number of suspected cases reaching nearly 35,000, government data showed on Wednesday. PTI

COMPILED BY THE HINDU DATA TEAM

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Increasing coverage, growing distress

Rising insurance coverage has not increased hospitalisation or reduced out-of-pocket expenditure, as more people shift to private sector care with higher costs; govt.-funded health insurance schemes are failing to protect households from financial hardship while disproportionately benefiting the better-off

ECONOMIC NOTES

Indranil
Montu Bose

The latest NSS data of the 80th round on "Household Social Consumption: Health" reveals several concerning results that need wider discussion. The survey, conducted between January and December 2025, shows that while insurance coverage has increased considerably compared to the 2017-18 (75th round), this has not translated into a significant rise in the utilisation of hospital care. A greater proportion of people are now going to the private sector.

Meanwhile, out-of-pocket (OOP) expenditure on hospitalisation has risen sharply between 2017-18 and 2025, particularly in the private sector.

Coverage without care

Currently, 47.4% of rural households and 44.3% of urban households are covered by some form of health insurance. This has been achieved mainly by more than a two-and-a-half-fold increase in coverage between 2017-18 and 2025 of government-financed health insurance (GFHI) schemes such as Prime Minister Jan Arogya Yojana (PMJAY) and Swasthya Saathi (in West Bengal).

The NSS definition of GFHI also includes the Employees' State Insurance Scheme (ESIS), the Central Government Health Scheme (CGHS), and those for State government employees, etc. However, as per official records, increased coverage of ESIS or CGHS would have very little contribution to this significant jump in coverage.

In the 2017-18 round, hospitalisation rates had decreased considerably. Despite the increase in insurance coverage, the hospitalisation rate remains below 2014 levels, though it increased marginally compared to the 2017-18 rate in rural areas. In urban areas, the rate has declined further (Figure 1).

A persistent gap

Latest NSS data* reveal limited gains in hospital use and rising expenses despite a surge in insurance schemes

Table 1: Hospitalisation cases (per 1,000 persons)

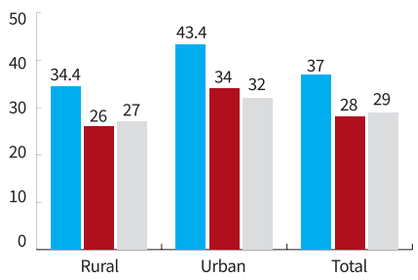
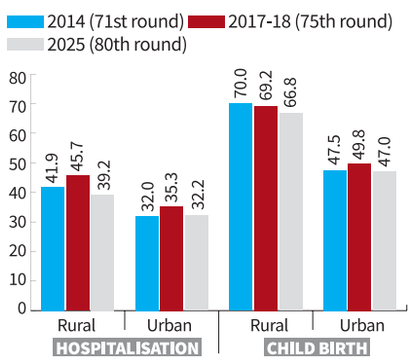


Table 2: Share (per cent) of public sector in total hospitalised episodes and child birth

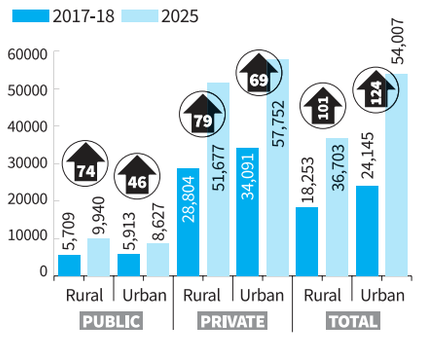


Shift to private care

Between 2017-18 and 2025, there has been a considerable reduction in the use of public institutions for hospitalisation and childbirth. More people are opting for private care. There was a rise in the use of public services between 2014 and 2017-18. For non-hospitalisation care, public sector usage has increased slightly in rural areas but declined in urban areas (Figure 2).

Increased access to insurance coverage is failing to protect people from financial hardship. OOP expenditure on hospitalisation has more than doubled in both rural and urban areas between

Table 3: Average OOP on hospitalisation (₹): 2017-18 and 2025 by location and facility type (growth rate in % within arrow)



SOURCE: AUTHORS' ESTIMATES FROM UNIT RECORDS OF VARIOUS NSS SOCIAL CONSUMPTION: HEALTH ROUNDS

2017-18 and 2025. Even in public hospitals, patients incur significant expenses due to the unavailability of medicines, diagnostic services, and high transport and other non-medical costs. As expected, when people seek care in the private sector, they incur very high costs. Average hospitalisation expenses in private hospitals have increased by 70% in rural areas and 80% in urban areas (Figure 3).

GFHI schemes such as PMJAY are meant to cover high-cost, low-frequency hospitalisation needs for enrolled households. Care can be sought in empanelled public and private facilities, and these schemes are promoted as offering free treatment in private hospitals. Public hospitals are, anyway, largely subsidised and should be either free or more affordable. Of the people enrolled under the GFHIs and needing hospitalisation, 57% sought care in private hospitals. Very few got free care, as promised under these schemes. The average OOP expenditure (excluding childbirth) is ₹31,250 in rural areas and ₹34,259 in urban areas.

Although GFHIs target socio-economically backward sections, many States have extended coverage to non-poor populations. Though there is relatively higher coverage among the poorer income groups, when it comes to utilisation of services under these schemes, it is the relatively better off who benefit disproportionately. Data show that only 13% of those using hospitalisation services under these schemes in urban areas belong to the poorest class. The inclusion of non-poor households has also increased utilisation and placed a greater strain on States' budgets. In Haryana and West Bengal, nearly 15% of their State health budgets are spent on GFHIs. This increased fiscal strain is also leading to delays in reimbursement to private providers.

Essentially, GFHIs use tax money to subsidise care for the private sector. This helps the private sector to have access to markets which were hitherto out of its reach due to low purchasing power. In India, the private sector largely functions on the principles of profit maximisation, with limited motivation for social solidarity and is essentially unregulated. Since GFHI reimbursement rates are below market rates, even though the rates are more remunerative than CGHS, patients are often charged additionally.

Thus, the experience of the first seven years of PMJAY and GFHIs in general shows that these schemes are 'of the rich', 'for the profit', and 'by the poor people'! Is that a desirable consequence? It may be time to rethink the insurance-led model of Universal Health Coverage (UHC) and refocus on strengthening the public healthcare system to deliver universal, comprehensive care. In this context, Ayushman Arogya Mandir (AAM) – PMJAY's relatively neglected counterpart aimed at providing comprehensive primary care, including services for non-communicable diseases – shows a glimmer of hope. However, it remains severely underfunded, much like the National Health Mission.

(Indranil is a Professor at the School of Government and Public Policy, O.P Jindal Global University. Montu Bose is an Assistant Professor at the School of Health Systems Studies, TISS, Mumbai. With CMIE data inputs from Akarsh CO, Research Associate, O.P. Jindal Global University)

THE GIST

- Increased insurance coverage has not led to a significant increase in utilisation of hospital care, with more people going to the private sector.
- Out-of-pocket expenditure on hospitalisation has seen tremendous increases, and insurance is failing to protect people from financial hardship.

Why has the creamy layer debate returned to court?

Is the current push based on a misreading of the judgment? Can income be used as a proxy?

LETTER & SPIRIT

Prannv Dhawan
Vignesh Karthik K.R.

Fresh petitions before the Supreme Court are seeking to extend the creamy layer principle to SC/ST reservations, based on a misreading of the 2024 Davinder Singh judgment. The move revives a decades-old debate about whether income can serve as a proxy for caste-based disadvantage, and whether social justice can be trapped inside an economic test.

The renewed push

On March 10, the Supreme Court issued notice to the Centre and all States on a public interest litigation filed by advocate Ashwini Kumar Upadhyay seeking the exclusion of a "creamy layer" from SC/ST reservations. A separate plea, filed in February, sought an income-based prioritisation mechanism within these quotas. Both petitions claim constitutional sanction from the same source: the seven-judge bench decision in *State of Punjab v. Davinder Singh* (2024).

That judgment permitted States to sub-classify Scheduled Caste communities to direct reservation benefits toward the most marginalised within them. Four of seven judges made passing observations that creamy layer logic might apply to SC/ST groups.

A doctrine born in ambiguity

The creamy layer principle entered Indian constitutional law through the judgment in *Indra Sawhney v. Union of India* (1992), where the Supreme Court upheld OBC reservations but held that the more advanced sections, the "creamy layer," should be excluded from benefits.

The 1993 Office Memorandum that followed identified creamy layer exclusion primarily through status, not income. Holding a Class I or Class II post in government was the proxy, a recognition that institutional power compounds across generations.

This architecture was progressively diluted. A 2004 clarificatory letter from the Department of Personnel and Training began treating PSU salaries as a standalone disqualifying criterion. On March 11, the Supreme Court in *Union of India v. Rohith Nathan* struck down that letter, holding that parental salary alone cannot determine creamy layer status. The 1993 OM's status-based logic was restored, but the deeper premise of the doctrine, that economic attainment adequately measures the erasure of social disadvantage, remained intact and unexamined.

The Ambedkar objection

In his 1932 note to the Lothian Committee, B.R. Ambedkar warned that excluding wealthy or educated individuals from the category of untouchables was "a totally erroneous view."

At the Mahar Conference of 1936, Ambedkar put it concretely: the educated, propertied Mahar still cannot open a shop without customers leaving when his caste is known; he still cannot apply for a job without his identity becoming a disqualification. Economic progress and social emancipation travel on different tracks, and the creamy layer doctrine collapses the two.

Data presented in *Jaishri Patil v. Union of India* (2021) showed that even Group D government employees were rendered ineligible for post-matric scholarships due to income-testing. The court noted that a family earning ₹6 lakh a year cannot be equated with one earning ₹24 lakh simply because both exceed a common ceiling. Statistical research published by Nishith Prakash showed that elite capture of quota benefits was a myth. Contrary to the popular notion, the positive impact of quota policy is concentrated among 'the less-educated SC members in rural areas.' The doctrine's bluntness produces what may be called a creamy layer trap: the bar is set low enough to exclude the barely stable, yet the social burdens that reservation addresses persist regardless of salary bracket.

The SC/ST distinction

The case for creamy layer exclusion was always weaker for SC/ST communities than for OBCs. Sub-classification, what Davinder Singh actually authorised, is a different instrument entirely. It asks which sub-communities within the SC list are least represented and directs preference toward them.

Extending creamy layer logic to SC/ST would mean removing individuals from reservation eligibility based on parental income, precisely what Ambedkar argued was constitutionally and sociologically indefensible. Justice B.R. Gavai, who endorsed the broader principle in Davinder Singh, himself acknowledged that the criteria for SC/ST cannot be identical to those for OBCs.

Parliament's moment

The *Rohith Nathan* judgment creates a narrow but real opportunity for legislative recalibration, one that measures social backwardness by the subordination they continue to face. Parliament has both the constitutional authority and the democratic obligation to clarify that sub-classification and creamy layer exclusion are distinct instruments, and that the latter has no application to communities whose inclusion in the Presidential list was never conditioned on poverty.

(Prannv Dhawan is an LLM Candidate at Yale Law School. Vignesh Karthik KR is a postdoctoral research affiliate at the Royal Netherlands Institute of Southeast Asian and Caribbean Studies, Leiden)

ABSTRACT

A short video helps science reporting, but not India's newsroom realities

A brief intervention improves headline accuracy but not critical assessment of scientific claims; however, India's multilingual, fragmented newsrooms, structural pressures, limited literacy, and language barriers mean such solutions must be adapted from within rather than imported

Vasudevan Mukunth

Lara Marie Berger, Anna Kerkhof, and Nikola Noske, 'Improving science literacy in the newsroom: Experimental evidence', PNAS Nexus

Holding back: Younger journalists could feel culturally uncomfortable about critiquing a claim made by a scientist at an IIT or the Indian Council of Medical Research. GETTY IMAGES

Science journalism is an endlessly fascinating enterprise. Being good at it doesn't take more than being a 'decent' writer (as they say), a good journalist, and navigating science and science communication with a good journalist's sensibilities. That said, some shortcuts are available as well, although they are intended for some very specific use cases, as is targeted training aimed at experienced journalists.

On April 21, researchers from the University of Cologne and the ifo Institute for Economic Research published a study in *PNAS Nexus* titled 'Improving science literacy in the newsroom: Experimental evidence'. In the study paper, they described a randomised experiment in which they tested a specific intervention among a couple of hundred professional journalists in Germany.

Specifically, the researchers recruited 260 journalists via the mailing list of the German Journalistic Association and assigned them roughly equally to the test and control groups. Then the journalists were made to watch a seven-minute video that ran through six "checkpoints" based on which the journalists were told they could critically assess scientific studies. These were funding sources, sample sizes, statistical metrics like averages, figures, correlation vs. causation, and visuals. The journalists in the 'test' group had to watch the video for at least three minutes. Those in the test group could not watch the video until they completed the tasks assigned to both groups.

Experimental insight

These tasks were twofold: each journalist received two research studies, (i) for each of which they had to write a headline, and (ii) check news articles based on each study for mistakes.

The researchers found three things. Foremost, journalists in the 'test' group were 28 percentage points more likely to write an accurate headline and 20 percentage points more likely to correctly identify statistical misrepresentations – both relative to journalists in the control group.

Second, while the 'test' group journalists were more sceptical, both they and the control group journalists were no better than chance (50%) at classifying whether an article contained errors.

Third, journalists in the 'test' group wrote more positive headlines that were also less emotional than those written by journalists in the control group. However, they did not write very different headlines in terms of clickbait or density.

In other words, a brief intervention can seemingly significantly improve journalists' own ability to report sensibly on new research, but does little to improve their ability to be a good detective vis-à-vis the work of others. As the researchers wrote in their paper: "Overall, our findings highlight systemic challenges in journalistic science reporting. Even trained professionals struggled to write accurate headlines and critically assess scientific claims, underscoring the economic and societal risks of misinterpreted science. However, our results also demonstrated that a brief, low-cost intervention significantly improved headline accuracy on average."

Aside from the 'effects' reported in the paper, the study is also insightful in terms of what it reveals about science journalism in Indian newsrooms – insights that are otherwise not readily visible. The study's proposed intervention, the video, is simple even as the study's authors are careful about not being simplistic – yet something like that is always going to come apart when it meets the real world, especially the messier world of India.

For instance, the study assumes the journalists on whose behalf it is intervening have a foundational level of literacy. The study paper also says journalists are "typically highly educated": perhaps that is true in Germany, but 'highly' is relative. The video covers concepts like absolute versus relative figures and representative samples. For the journalist to treat these points in a document as checkpoints at which to stop and think, they must already possess the numeracy required to identify them in the first place. This kind of literacy is far from widespread in India, including among journalists.

Second, while the study admits journalists work with deadlines, it may still underestimate a particular reality of most large Indian newsrooms: the generalist reporter – the one who covers multiple beats, such as a scientific paper in the morning and a political rally in the afternoon. And these individuals lack both the time and the resources to investigate a study's methods in detail. In other words, the researchers' video intervention succeeds only at improving a journalist's ability to be accurate; it also doesn't create the conditions that make room for the intervention to be relevant.

Structural pressures

These conditions are increasingly controlled by the news publication's business model. For example, if a publication depends more on revenue from advertisements and operates in a hyper-competitive market, revenue becomes tied to traffic redirected from Google and Facebook, which increases the incentive to have clickbait headlines. The researchers also acknowledge in their paper that a reporter who writes articles doesn't always decide the headline – that often comes from an editor, who may be under pressure, say, to improve the rate at which readers discover the article, which can be done with a headline selected for virality but which even an informed reporter may not have a chance to belay. Third, the intervention is designed to catch misinterpretation, not research fraud. This is relevant to India for two reasons: unlike Germany, scientists from India produce a large volume of 'bad papers', and newsrooms in India are particularly interested in what Indian scientists publish. As a result, science 'filters' in the newsroom often fail when journalists are unable to detect bad papers. Granted, this is difficult to do, but it's not impossible with some training to spot red flags in dubious studies and with some power devolved to reporters to steer clear of those studies.

Perhaps more importantly, it also requires journalists to learn how some parts of the scientific enterprise can be structurally broken without also writing off all of science – and it requires journalists, especially less experienced ones, to believe they are allowed to report science in this way. Younger journalists typically defer significantly to 'The Scientist' or 'The Doctor' and could feel culturally uncomfortable about critiquing a claim made by a scientist at an IIT or the Indian Council of Medical Research – even if they have watched a video implying this is okay to do. A critical approach is more likely to take root when a senior, well-regarded journalist in the same community endorses it as well.

Of course, being able to access research papers will be very helpful. Many of the most impactful studies are behind prohibitively expensive paywalls. India's new 'One Nation, One Subscription' scheme promises public access to many journals' papers in its second phase, which has yet to begin, so journalists currently bank on friendly scientists with access and open-access publications.

Language barrier

This said, in a similar vein, the intervention's strongest application, one where it doesn't fall apart in the real-world, is with regards to university press releases. When scientists at a university publish an important study, the university's press office drafts a press release, ideally but not always in consultation with the scientists, and broadcasts it to interested journalists. These releases often hype the results in order to make the university look very good. This is a serious problem because these press releases, rather than research papers, are often the first time journalists come in contact with the research. If they don't have access to the full paper and only the press release to work from, and the press release doesn't mention the study's sources of funding or the size of its cohort, say, the video's guidelines become meaningless.

That said, when journalists do have access to the full paper, the video intervention offers a good opportunity to check if press releases are always credible.

Next, there's the most Indian problem of all. India is a country of countries and is brimming with languages.

The study was conducted with German journalists with materials in German and English. The history of science is significantly rooted in these languages, which means translating scientific and mathematical terms between German and English is very easy. But it's next to impossible, and will likely be very confusing, to translate from English/German to Marathi or Tamil.

That, finally, lands us on a crucial point: in the country's fragmented, multilingual, resource-constrained media ecosystem, science journalism will not be fixed (inasmuch as it needs to be) by solutions imported from elsewhere.

This is less criticism of the study – the world needs more in the same vein – and more an admission that India's newsrooms must inculcate the habits of scepticism and editorial discipline from within. It's no coincidence that these habits transcend beats, languages, ideologies, and newsrooms.

THE DAILY QUIZ

Please send in your answers to dailyquiz@thehindu.co.in

Adolf Hitler died on this day in 1945. A quiz on the dictator of Germany:

Radhika Santhanam

QUESTION 1
What word meaning 'guide' in German was used to refer to Hitler?

QUESTION 2
In 1923, Hitler attempted to pull off a coup and overthrow the Weimar Republic; the attempt landed him in prison. What was it called?

QUESTION 3
What is the name of the totalitarian dictatorship set up by Hitler from 1933 to 1945?

QUESTION 4
In 1936, the Nazi regime used this international sporting event for propaganda. It wasn't held again until 1948. Which event was this, and what event caused its delay?

QUESTION 5
The Axis Alliance was formed between Hitler, Mussolini, and another leader. Name him.

Visual Question:
If you're a Harry Potter fan, you would have heard of the Chamber of Secrets. But have you heard of the Chamber of Horrors? This statue is found in which museum's chamber of horrors?

Questions and Answers to the previous day's daily quiz: 1. Which magazine has named the show the greatest television series of the 20th century? **Ans: Time**
2. This is the most famous catchphrase used by the fictional character Homer Simpson. It has been adopted into the English language. What is it? **Ans: "D'oh!"**
3. What is the name of the greyhound and the cat the family owns? **Ans: Santa's Little Helper, Snowball II**
4. What is the name of the character named after the title character of a celebrated series by Satyajit Ray? **Ans: Apu Nahasapeemapetilon**
5. What is the name of the episode that mentions billionaire Donald Trump having been president of the United States at one time and leaving the nation broke? **Ans: Bart to the Future**
Visual: In this image, name the characters from the show. **Ans: From left: Maggie, Marge, Lisa, Homer and Bart**
Early Birds: Pulkit Sathe | Piyali Tuli | Neil Lall | Prem Nath Tiwari | Sadhan Panda

FROM THE ARCHIVES

Know your English

S. Upendran

"Do you really believe that some of our players actually fixed matches?"

"According to my uncle Pattabhiraman's opinion, match fixing is just not possible."

"By the way, you cannot say, 'According to my uncle Pattabhiraman's opinion. You.'"

"Can't a person express his opinion?"

"Of course, he can. But the thing is, if you want to use 'according to' then you cannot follow it up with 'opinion'. You can say, according to my uncle Pattabhiraman, match fixing is not possible."

"According to Sunil Gavaskar there are only one or two people who are involved in this illegal business."

"According to Ramesh, Sujatha is a born fighter."

"According to me, Ramesh is...."

"....that is not correct. It's always according to somebody else."

"I see."

"If you want to express an opinion, you could say, 'In my opinion, Sujatha is not a fighter.'"

"In my opinion, India should stop playing cricket for some time."

"In my opinion, India does not have any bowlers."

"According to some, India does not have any team spirit."

"I have lost interest in the game of cricket."

"But all those juicy articles in newspapers. They are providing us with lots of entertainments."

"Entertainment. The articles are providing us with entertainment. The word 'entertainment' is an uncountable noun. You cannot say 'entertainments'."

"Really? I went to Goa recently. The place offers all kinds of entertainment. How does that sound?"

"Sounds great. Here is another example. The entertainment that was put up every day was really bad."

"That reminds me. I am supposed to go to St. Stephen's College today. My friend is acting in a play."

"The play may turn out to be really entertaining. You never know."

"I'd better go home and dress up."

"You are dressing up for the college play? But I thought you....."

"....I can't go like this. I have to wear a decent pair of jeans and...."

"....oh, you are going to get dressed and not 'dress up'. When you 'get dressed', you put something on. In other words, you merely change your clothes. For example, Ananya took a shower and got dressed for school."

"In other words, she put on her uniform."

"Before the guests arrived, I got dressed and went downstairs."

"What does 'dressed up' mean?"

"Well, when you 'dress up', you wear special clothes. For example, whenever there is a fancy dress competition, you find a lot of little children dressed up as Krishna."

"During Christmas, you find people dressed up as Santa Claus."

"Yes."

"But tell me, is that the only meaning of 'dress up'? To wear...."

"....it can also mean to wear fancy or smart clothes. Are you going to dress up for the play?"

"Do you think I am out of my mind? Who is going to dress up for a non event like that?"

"In my opinion, you would."

Published in The Hindu on June 20, 2000

Word of the day

Esoteric:
confined to and understandable by only an enlightened inner circle

Synonyms: obscure, difficult, complex

Usage: *The book uses esoteric terms that most readers don't understand.*

Pronunciation: newsth.live/esoteric

International Phonetic Alphabet: /esəterɪk/

For feedback and suggestions for Text & Context, please write to **letters@thehindu.co.in** with the subject 'Text & Context'

WEB EXCLUSIVE
'How India should prepare for the Mythos era.' — *By Bharath Reddy, Shobhankita Reddy*
Log on to www.indianexpress.com

WORDLY WISE
Safety and certainty in oil lie in variety and variety alone.
— *Winston Churchill*

The Indian EXPRESS
~ FOUNDED BY ~
RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

EC, SC & a long shadow in West Bengal

AFTER VOTING in the West Bengal election drew to a close on Wednesday, the spotlight has shifted to the results on May 4. At the same time, a heavy shadow has settled down on the poll process. It is the shadow of voter disenfranchisement. Eighty-nine lakh names have been deleted from the electoral rolls during the Special Intensive Revision exercise conducted by the Election Commission — the problem, however, lies not in the numbers alone but in an exclusionary process that stretched to the electoral brink, and beyond. About 58 lakh voters were deleted from the draft rolls in the first round, a second set of 60 lakh names were placed "under adjudication", and about 5 lakh more deleted in between. Of those "under adjudication", 27 lakh were deleted, the highest numbers in Muslim-dominated constituencies. Thirty-four lakh applied to 19 appellate tribunals set up by the Supreme Court. The tribunals, which were set up late, given no deadline even though an election was looming close, and whose functioning continues to be clouded with confusion, restored 139 names before the first round of voting and 1,468 names before the second, amid a lack of clarity on the total number of cases they took up. More than in any other state, the process of the SIR has been opaque and tortuous in West Bengal. In a representative democracy, where the right to vote is an inalienable part of the promise of a free and fair election, the SIR has taken a high toll.

When it was first rolled out ahead of an election in Bihar, the SIR had touched off similar concerns — that it had morphed into a citizenship test, that it shifted the burden of proof onto the vulnerable voter, that it demanded difficult-to-access documents and set inordinately tight timelines. At that time, the Supreme Court intervened — directing the EC to accept Aadhaar, nudging it to give reasons for deletions. It had seemed after Bihar that the EC would learn its lessons, and these would temper the SIR rollout in other states. But in West Bengal, not only did the EC add daunting new layers — 8,000 micro-observers were sent, overseeing but also disempowering the EROs, and a bulky "under adjudication" list was carved out for special scrutiny — but the SC also gave the EC the benefit of the doubt and contributed to the delay. It deployed judicial officers to oversee the pending verifications, and established the 19 tribunals that have been much too slow. The Court did make noises on the sanctity of a vote in a democracy but these were platitudinous, at best.

Whoever wins in West Bengal, the EC and the Court have raised questions that will linger on. The EC, as the neutral umpire, and the Court as the custodian of the citizen's rights and freedoms, have not addressed voters' anxieties about a process that seemed to be, at every stage, making it more onerous for them to exercise their basic right to vote. These questions will have to be reckoned with, long after the poll dust has settled.

Another oil market churn is in the offing

THE UNITED Arab Emirates' exit from OPEC — a grouping of oil-exporting countries that Abu Dhabi joined in 1967 — will weaken the organisation's market power. It also brings to the fore the tensions between the UAE and Saudi Arabia that have been simmering for years. Abu Dhabi's decision seems driven by several considerations. One, the UAE has consistently argued that the OPEC quotas unfairly constrain its output. Second, in Sudan and Yemen, the Saudis and Emiratis have backed competing factions and pursued divergent strategies. Third, the war in Iran appears to have deepened the divide between the two. Among the GCC states, the UAE has borne the brunt of Iran's attack, and, reportedly, seems to be in favour of a stronger approach against Tehran. It is also closer to Israel. Abu Dhabi's decision, therefore, is likely to have been driven as much by strategic calculation as by political and economic interests.

In the short term, the UAE's exit from the group may not cause significant disruptions, as per analysts. The market reaction — Brent crude rose by around 3 per cent after the announcement — does seem to suggest that investor concerns are more centred around the Strait of Hormuz. Moreover, the increase in energy exports by non-OPEC countries over the years has meant that the organisation doesn't wield the kind of influence it once did. In recent years, Qatar, Ecuador and Angola have also exited OPEC.

The long-term effects of the exit will become evident when the UAE, freed from quota constraints, ramps up exports, and energy supplies start flowing unrestricted through the Strait of Hormuz. While the UAE's current output is around 3.5 million barrels of crude oil per day, it plans to raise production to 5 million bpd by 2027. Energy-importing countries, especially India, could benefit from the increased supplies. With alliances shifting in West Asia — a region that is central to India for both energy and trade flows — New Delhi must remain alert to the possibilities and risks that may arise from a changing landscape. It must deftly navigate these geopolitical realignments, while prioritising its interests.

His Majesty's diplomatic service

FOR YEARS, it was rumoured that when Charles, Prince of Wales, ascended the throne, he would choose to reign under one of his middle names. Had he done so, it might have made Tuesday's moment a little too perfect: King George VII addressing the United States Congress on, among other things, democracy, liberty, the rule of law, and checks and balances on the power of the executive — and receiving several standing ovations. Not to be outdone on matters of irony, the White House later posted a photograph of King Charles and US President Donald Trump on X, with the caption, "TWO KINGS".

Charles's speech to Congress, far more political than one might expect of a constitutional monarch in normal circumstances, was leavened with humour. It highlighted the value of several of the Trump administration's favourite punching bags: NATO, the Royal Navy, Ukraine, and the environment. Most appropriate of all — in an era when Ukrainian officials are floating the idea of renaming part of the Donbas "Donnyland" — was the King's gift to the President: The bell from the World War II-era submarine HMS *Trump*. It rings in the new old world, where kings pay tribute to emperors.

This overt reliance on the King as a diplomat comes at a time when the Keir Starmer-led government in the UK, and its foreign-policy apparatus in particular, are in turmoil over the never-ending Peter Mandelson saga. But Charles III showed he was prepared for the job; as Trump said, "He got the Democrats to stand — I've never been able to do that."

After UAE's exit from OPEC, India must spell out its energy alliances

ROHIT CHANDRA

ON TUESDAY, the UAE announced that it was leaving OPEC. After almost 60 years of membership, its exit is significant because this comes on the back of escalating disagreements with Saudi Arabia on regional conflicts in the last few years, most notably in Sudan and Yemen. Immediately, this move will likely have little impact on oil markets given the ongoing blockade of the Strait of Hormuz. However, in the medium to long run, it could be significant.

The differing economic and oil production philosophies of Saudi Arabia and the UAE have now been laid bare. At least historically, Saudi Arabia has generally supported constraining supply and maintaining a high global price environment. This was not only an economic move, but a political one in response to the dominance of Western oil majors and military conflict in Gulf states in the 1970s. By enforcing OPEC's quota system, where each member state (12 members before the UAE's departure) would be held to production targets, OPEC used its spare capacity as a tool to strongly guide global oil prices. Before the UAE's exit and the Iran war, OPEC+ (which has 11 additional countries, including Russia) production accounted for almost half of all global oil production. With the UAE's exit, almost 4-5 per cent of that production will no longer follow the quota, which could somewhat affect OPEC's pricing power.

Clearly, the UAE is interested in expanding its production well beyond what the OPEC quota system allows. All oil-producing countries have the same quandary right now: Is it better to hold back and produce for longer (in a high-price environment), or is it better to produce quickly (in a slightly lower price environment) and make money in the short run? The UAE is generally understood to have some of the lowest per barrel oil production costs in the region, so lower prices have less of an impact on its profit margins. Frustrated with the quotas and clearly wanting to pursue more production, its exit is not completely unexpected. There were rumblings of similar moves in 2020, although nothing came of it.

This decision does raise questions about whether this withdrawal is limited to oil markets alone or if the OPEC withdrawal is a precursor to broader Emirati realignment. The elements of cooperation among Gulf states post-World War II had included common interests around nationalised development of oil and gas resources (resisting Western MNC domination as much as possible), a loose sense of Gulf regionalism, and broad-based security cooperation through the Gulf Cooperation Council (GCC) to ensure the political continuity of the region's monarchies. If the UAE's withdrawal affects all of these common interests as well, then one has to wonder whether the GCC's binding ties are being threatened. The UAE's increasing alignment with the US and Israel has been a source of tension amongst some GCC member states.

> This decision does raise questions about whether this withdrawal is limited to oil markets alone or if the OPEC withdrawal is a precursor to broader Emirati realignment

For India, this has a few implications. First, any rising instability amongst Gulf states will have impacts on the 9 million Indian migrants in the region, most of them low-wage workers. Their safety, their working conditions, and their well-being will be a rising concern if the two largest recipients of Indian migrants in the region (the UAE and Saudi Arabia) are increasingly caught up in regional tensions. Remittance inflows (annually over $50 billion from the GCC) may be less stable, and opportunities for economic migration may be more precarious if this is a broader schism in the GCC.

Secondly, in the wake of the Iran war and these developments, India may not be able to rely on investments from Gulf states at the scale that it has in the last decade. Many of the region's sovereign wealth funds have suspended deals due to the ongoing conflict, and it is not hard to imagine that many of these funds will have to commit resources to domestic investments and redevelopment after the Strait of Hormuz opens up.

Finally, as one of the UAE's largest oil customers, there may be a silver lining if the UAE's increased production does manage to drive down oil prices later this year. Between LPG shortages, impending price increases of all crude oil-derived products, and conflict premiums, the economic effects of the conflict are already being felt strongly in India.

Countries have left OPEC before. Indonesia suspended its membership in 2009, rejoined, and then left again in 2016. Qatar left OPEC in 2019 to focus on gas production. OPEC+ countries have not always followed the quotas as closely either. The International Energy Agency (IEA) was created in the 1970s as an "anti-OPEC" for largely Western member countries to coordinate the release of their Strategic Petroleum Reserves (SPR) during such crises to control global prices.

India's associate membership in the IEA does not give it a seat at the table when such decisions are made; it is a beneficiary of the SPR releases of IEA member states through lower global oil prices. On the other hand, its long diplomatic and commercial connection with Gulf states has been the foundation of decades of expansion of oil & gas consumption. India-OPEC dialogues have also been happening more frequently, and it is projected to be one of the biggest importers of oil globally in the next few decades.

So while the UAE's withdrawal from OPEC does not need to trigger any knee-jerk policy reactions, it should provoke India to think more deeply about which clubs it wants to be a part of, and where it should use its diplomatic and commercial capital to enhance its energy security. The UAE seems to have made its choices. But so far, India seems to be sitting on the fence.

The writer is assistant professor, IIT Delhi School of Public Policy

How to be a good mom in times of new tools, old school

SHIVANI SIBAL

AS THE mother of a teenager who has exams, I currently spend my time bursting into my daughter's room to see if she has studied, confiscating devices, threatening consequences, and generally being a buzzkill. I do these things because I have to, because I'm told that making your kid do well in school is one of the original covenants of being a "good mom". I do this even though the school system is stuck in the good old days when access to information was limited, unlike now when it has been democratised beyond our wildest imagination.

So what exactly are we teaching our children when we insist that they mug up random information for an exam? Aside from perhaps ruining our relationships with them and giving them material for future therapy sessions, we are teaching them some crucial real-life lessons. Discipline. Endurance. That life will almost certainly require them to work hard at things they do not like, or fully believe in, under the supervision of people who are annoying them, in order to get to the next level.

The school system is built like a matrix-style video game. You do not always understand or agree with the task that it asks of you, but you have to do it regardless, because there is a next level to get through and the game does not care whether you like its rules or not. Understanding what is expected of you and delivering it is a highly underrated life skill. When you are done with it, the ability to retain and regurgitate information in an exam is measured by the game as a sign of intelligence. If you do well, your friends and family applaud your achievement, which is mastering the game, and your parents are told they are good parents, and everyone is happy.

However, here's the catch. Our children are growing up in a world where, thanks to the rapidly changing digital landscape, no one can accurately predict what the future will look like even five years from now. The information that they have toiled to memorise? It is not even a drop in the ocean of what they can access within a few seconds with free ChatGPT, theirs to summon on demand, anytime, anywhere.

In this brave new world, kids can email a teacher with an excuse about why they haven't submitted an assignment, or a crush they want to impress, with equal and appropriate tonality and polish, with very little effort. They can appear to be anything to anyone — cool, nerdy, sincere, authoritative, humble, assertive, contrite — before they can be reasonably expected to know themselves. And, as Pope Leo XIV recently observed on X, digital environments are increasingly structured to persuade, reducing real encounter to function and making "real persons" easy to forget. All good, until they have to face situations in real life.

Those of us who grew up in the, ahem, olden days, had our mistakes laid bare for everyone to see. We had to recover from saying the wrong thing, from being misunderstood, from the consequences of adopting a tone that was too aggressive, or too meek. We had to face the consequences of our own incompetence with no prompts to make us appear better than we were. Our communication skills were hardwired by the mistakes we made.

What exactly is being lost here? Perhaps nothing. Maybe these are just new tools, and I'm like every generation that came before me, thinking that the one ahead is being ruined by convenience. Or maybe it's about learning to lift the emotional and intellectual load of self-expression. If you have never had to sit with the discomfort of the wrong words, how will you learn to calibrate them? If every frustration has been tempered, every apology perfected, every excuse made waterproof, how will a child learn the difference between honesty and posturing? What happens to your rough edges if they appear polished before you have had an opportunity to fix them?

As a mother, I see my teenage daughter trapped in a system that tests her on skills that are clearly irrelevant to the life that awaits her outside the school gates. The life that is already, in parallel, in her pocket, shaping her habits, communication skills, friendships, and possibilities. The question of allowing it in, of being an ostrich with its head in the sand, doesn't really exist.

The real challenge is teaching children to conquer it and not lose themselves. Until I can tackle that, I'll stick to nagging, badgering and heckling to get the job that must be done, done.

Sibal is the author of Equations *(2021)*

> If you have never had to sit with the discomfort of the wrong words, how will you learn to calibrate them?

On Buddha Purnima, a sacred homecoming in Ladakh

ASHISH KUNDRA AND LHUNDUP GYALPO

IN GOOD faith

LADAKH IS hosting a two-week-long sacred exposition of the holy relics of Lord Buddha on the banks of the Indus River, commencing on Buddha Purnima on May 1. An air of anticipation and deep devotion surrounds the ancient town of Leh. Monks have been offering special prayers in preparation for the arrival of the relics. For the Buddhists of Ladakh, this is a momentous occasion.

The Piprahwa relics have travelled to several Buddhist countries. This is the first time they are being hosted in India for public veneration under the aegis of the Ministry of Culture. The exposition carries a powerful message: India is the land of the Buddha, and Ladakh occupies a central place in Buddhist traditions. It has been a crucible of ideas, cultures, and sacred practices.

The relics have an extraordinary history. In the 1890s, a British engineer, William Claxton Peppé, grew curious about a mound on his estate in Piprahwa. Excavation led to the discovery of what are believed to be the Buddha's mortal remains, along with precious gems and stones. Peppé investigated the site, later named the Piprahwa Stupa. He uncovered a sandstone casket containing five reliquary urns. One urn stood out due to a Brahmi inscription attributing its contents to the Buddha of the Sakya clan. It read: "This shrine for relics of the Buddha, the August One, is that of the Sakyas, the brethren of the Distinguished One, in association with their sisters, their children, and their wives."

The colonial state transferred a substantial portion of the collection to the Indian Museum in Kolkata, while the bones and ashes were gifted to King Rama V of Thailand. Peppé was allowed to retain a fifth of the gems and stones. In 2025, his descendants decided to auction their share of the relics. After intense negotiations, India secured their return to the country of their origin.

The tradition of relic veneration became central to Buddhism after the Buddha's *mahaparinirvana* (final passing). His remains were divided among the powerful rulers of the time, each of whom enshrined their share in stupas. About two-and-a-half centuries later, Emperor Ashoka reopened these stupas and redistributed the relics throughout his vast empire. The construction of numerous stupas, consecrated with these sacred remains, led to the growth of monasteries, temples, and communities. Over time, the tradition of relic veneration spread so widely that from Kandy to Kyoto, nearly every Buddhist site enshrined some physical or symbolic trace associated with the Buddha.

Ladakh is dotted with ancient monasteries. A stupa in Tiri village near Leh is believed to date to the Mauryan era, while the Sani Stupa in the Zanskar Valley is associated with King Kanishka I of the Kushan dynasty. Archaeological evidence provides insight into the region's early Buddhist heritage. Found mainly along the banks of the Indus and Shyok rivers, these petroglyphs depict stupas, Bodhisattvas, and other Buddhist imagery, including the famed seventh-century Maitreya Buddha at Mulbekh in Kargil.

The arrival of the Piprahwa relics in Ladakh offers an opportunity to reflect on the Buddha's teachings — impermanence, the middle path, peace, and universal brotherhood. This reminder of compassion and harmony is both meaningful and necessary. The event also has the potential to position Ladakh as a leading destination for spiritual tourism.

> The arrival of the Piprahwa relics in Ladakh offers an opportunity to reflect on the Buddha's teachings — impermanence, the middle path, peace, and universal brotherhood

Kundra is chief secretary, Union Territory of Ladakh. Gyalpo is a writer based in Leh. Views are personal

40 YEARS AGO
April 30, 1986

INDIAN EXPRESS
Accident at Soviet N-plant
Radiation sweeps many countries
Help sought from West
Question of safety
PM for more funds for education
War' for Khalistan declared

Chernobyl radiation

THE SOVIET UNION turned to the West for help in putting out a blaze at a stricken nuclear power plant after a cloud of radiation from a leak reached Nordic countries 1,600 km away. As Moscow was reported to have sought advice from both Sweden and West Germany, an expert in Bonn's nuclear power industry said the request indicated that the nuclear core of a reactor had probably melted. The fire was believed to be still raging at the Chernobyl light water plant, 50 km north of Kiev in the Ukraine.

Question of safety

THE NUCLEAR accident at the Chernobyl power plant in the Ukraine in the Soviet Union has once again highlighted the need to re-examine the question of setting up of nuclear power stations as the most favoured route for energy. While reports say that the radiation cloud is moving towards Finland, Denmark and Sweden, the intensity of it even 150 miles away from the plant location will affect thousands, according to several experts on radiation.

Declaration of 'Khalistan'

THE FIVE-MEMBER Panthic committee publicly declared the beginning of the Sikhs' "battle" for the creation of "Khalistan". The declaration was made by the committee's members from a room in the Golden Temple in Amritsar, Punjab. They told a press conference that the dream of "Khalistan" would now be translated into reality.

PM for more education funds

THE PRIME MINISTER, Rajiv Gandhi, indicated that he would push the Planning Commission and the Ministry of Finance to find more funds for education in the Seventh Five-Year Plan. Addressing the specially convened two-day meeting of the National Development Council (NDC), Prime Minister Gandhi hinted that the government would have a second look at the subsidy extended to higher and professional education.

WHAT THE OTHERS SAY

Ties with the US need mending, but Britain must nurture other alliances too.

— Financial Times

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Et tu, Kerala? Rise of identity politics threatens social cohesion, governance

THAROORTHINK

BY SHASHI THAROOR

ILLUSTRATION: C R SASIKUMAR

I HAVE long been an advocate of what I thought in the 1990s was an emerging shift in India from the politics of identity to the politics of performance. I took this as the hallmark of a maturing electorate, one that stopped voting based on "who we are" and chose instead to vote after assessing "what they do". However, recent years have seen the resurgence of identity politics nationwide — and surprisingly, as I realised during the recent election campaign in Kerala, even in the country's most progressive state.

Kerala has long been celebrated as a state where politics was defined less by identity and more by performance. Its high literacy rates, robust welfare systems, and history of alternating governments between the Left Democratic Front (LDF) and the United Democratic Front (UDF) have given the impression of a polity where governance, social development, and public accountability mattered more than communal or caste affiliations. For decades, Kerala stood apart from the national trend, resisting the pull of identity politics that swept across much of India. Yet recent years, and especially the most recent election campaign, suggest that this exceptionalism is eroding. Kerala, too, appears to be succumbing to the politics of social engineering, where community identity, bloc voting, and religiously defined interests are gaining prominence.

The shift is subtle but unmistakable. Campaign rhetoric, especially at the informal level, has increasingly been targeting specific communities, with parties seeking to consolidate support among religious and caste groups while pretending to appeal to the electorate as a whole. In constituencies across northern Kerala, contests have been framed in terms of Hindu–Muslim polarisation and "cultural nationalism", and in central Kerala, fears are being stoked among Christians that a Congress-led United Democratic Front government will surrender to Muslim domination. Across the state, candidates have been chosen not merely for their competence or vision but for their ability to represent and mobilise particular blocs. This marks a departure from the earlier emphasis on welfare policies, education, healthcare, and poverty alleviation, which once dominated the political discourse.

The mechanisms of this social engineerng are familiar from other parts of India, but their growing presence in Kerala is striking. Community identity mobilisation has become more visible, with religious organisations and caste associations like the NSS and the SNDP Yogam playing an increasingly active role in shaping electoral outcomes. Bloc voting, once considered alien to Kerala's political culture, is now assumed by parties as a given, with strategies built around securing the loyalty of specific groups defined by religion or caste. Phrases like "Muslim consolidation" and "Ezhava voting intentions" are uttered by contenders in informal conversation. The curious term "ChriSanghis" has emerged, Christians sharing the Sangh's suspicions of Muslims. The Congress-led UDF is characterised as a "party of minorities" even by the supposedly godless Communists — whose LDF government organised an Ayyappa Sangamam six months before the elections! Interests that were once articulated in universal terms — such as access to education or land rights — are now framed through the lens of religious identity, with parties promising benefits or protections tailored to particular communities.

> The growing strength of the BJP and its allies in Kerala's political arena has forced both the LDF and UDF to recalibrate their strategies, often by shoring up their own communal bases

Several factors explain this shift. The national rise of identity politics has inevitably seeped into Kerala, despite its progressive reputation. The growing strength of the Bharatiya Janata Party (BJP) and its allies in Kerala's political arena has forced both the LDF and UDF to recalibrate their strategies, often by shoring up their own communal bases to counter the BJP's appeal. Economic anxieties, including unemployment and inflation, have created fertile ground for identity-based appeals, as parties seek shortcuts to consolidate votes in a competitive environment. Identity politics offers a more predictable calculus than performance politics, which depends on the debatable evaluation of governance outcomes.

The implications of this transformation are profound. Kerala risks losing its distinctiveness as a state where progressive politics and welfare-oriented governance defined the political landscape. The rise of identity politics threatens to fragment society along communal lines, undermining the social cohesion that has historically been one of Kerala's strengths. It also risks producing policy paralysis, as parties prioritise symbolic representation and communal appeasement over broader developmental agendas. When interests are defined in communal terms, the universality of politics is compromised, and the inclusiveness of democracy is weakened.

This is not to suggest that performance politics has disappeared altogether. Welfare schemes, healthcare initiatives, and education reforms continue to matter, and voters remain attentive to governance failures. Yet the growing prominence of identity politics means that these issues are increasingly filtered through communal lenses. An educational policy, for instance, may be judged not only on its effectiveness but also on whether it is perceived to favour or disadvantage a particular community. In this way, identity politics reshapes the very terms of political debate, subordinating performance to communal considerations.

Kerala's trajectory thus mirrors a broader national trend. The politics of identity, once thought to be waning in the face of modernisation and development, has resurged with renewed vigour. Even in this bastion of progressive politics, community identity and bloc voting are becoming central features of electoral strategy, relying more on stoking communal anxiety than ever before, and raising questions about the future of Kerala's social democracy. Will the state continue to be a beacon of welfare-oriented governance, or will it be engulfed by the same identity-driven currents that dominate much of India? The answer will depend on whether political actors and civil society can reclaim the space for judging performance, eschewing dark threats of "Jamaat influence" or "Christian persecution" and reaffirming the universal values that once defined Kerala's political culture.

While performance politics remains relevant, there is a sense in which politicians feel they will only get to "perform" if they can first mobilise votes through identity-based appeals. The task ahead is to ensure that Kerala does not lose sight of its tradition of inclusive, welfare-oriented governance, even as it navigates the pressures of communal polarisation. Only then can it preserve its distinctiveness and continue to serve as a model of democratic progress.

The author is a fourth-term MP for Thiruvananthapuram (Lok Sabha) and the award-winning author of 29 books, including The Battle of Belonging: On Patriotism, Nationalism *and* What it Means to be Indian

In Delhi and Dhaka, high commissions need political heft

FAISAL MAHMUD

ON TUESDAY, India formally confirmed the appointment of Dinesh Trivedi, a former Union minister and seasoned parliamentarian, as its next high commissioner to Bangladesh. This is anything but routine staffing — at least, that's the reading here in Dhaka. New Delhi appears to have decided that relations with Dhaka can no longer be managed by diplomatic process alone. They now require political management. Bangladesh should take the hint and reciprocate.

For years, Dhaka was the preserve of career diplomats: Discreet officials trained to manage a difficult but stable relationship. That settlement has frayed. Trade spats, visa curbs, border killings, water disputes and strategic suspicion now land directly in domestic politics. Public sentiment in both countries is sharper, more easily inflamed. A bureaucratic note verbale is often no match for a televised grievance. Bangladesh's own politics has changed the equation. Since the transition from the Muhammad Yunus-led interim administration to the Tarique Rahman government, authority is more overtly political and concentrated. Decisions are less likely to emerge from procedural drift and more likely to depend on access, trust and speed. India seems to have noticed.

Trivedi's value lies in political utility. He knows cabinet systems, party networks and media signalling. He can likely reach people who matter, interpret silences that never appear in official minutes and convey messages with the credibility of someone who has wielded power himself. That is why governments send politicians when stakes rise. India has done this before. In 2001, it sent Mani Shankar Aiyar, a Congress politician and former diplomat, as high commissioner to Pakistan during a fraught phase in ties. His political standing mattered as much as his diplomatic experience. Pakistan has often replied in kind. Shahryar Khan, later foreign secretary and cricket administrator, was deployed to India with clear political trust from Islamabad. More recently Pakistan appointed Abdul Basit, a politically plugged-in operator, to Delhi at a time when formal ties were brittle.

Elsewhere, the pattern is clearer still. America sent Rahm Emanuel, a former White House chief of staff and cabinet-rank political bruiser, to Japan as ambassador when alliance management, with China in mind, required heft, not just etiquette. It sent Nicholas Burns, a veteran but deeply political insider, to China amid strategic confrontation. When relationships become political, serious countries send political people.

Bangladesh still treats New Delhi as a senior civil-service posting. That once made sense. It no longer does. India is Bangladesh's most consequential bilateral partner — neighbour, largest nearby market, transit corridor, power supplier and unavoidable security actor. No other capital can so quickly affect Bangladesh's economy or politics. Yet, Dhaka often staffs the post as though continuity were enough. The old model's limits were exposed during the interim period, when ties drifted and mistrust deepened. Since the new government took office, both sides speak of reset and pragmatism. Fine words. But the next border death, trade restriction or inflammatory speech will require immediate political repair, not elegant cables. This is not an argument against diplomats, but for matching instruments to the moment. Bangladesh's current envoy, M Riaz Hamidullah, may be highly competent. Competence is not the issue. Weight is. In Delhi, hierarchy still matters.

A Bangladeshi high commissioner with state-ministerial rank, direct access to Prime Minister Tarique Rahman and authority to settle problems quickly would command more attention in South Block, in party headquarters and in the security establishment. It would also help at home. Bangladesh's mission in India is its busiest and largest abroad, handling politics, trade, visas, defence contacts and relations with Indian states. Such large outposts easily become siloed. A politically empowered chief could impose priorities and force decisions.

There is also an asymmetry to consider. If India sends a politician with access to Dhaka's top table while Bangladesh sends a career envoy dependent on bureaucratic appointments, the channels are unequal before talks even begin. Reciprocity would not erase the power gap between the two countries. It would at least stop widening it voluntarily.

Dhaka need not dispatch a partisan loudhailer. It needs someone trusted, discreet and consequential: A former minister, senior politician or respected national figure with cabinet rank and direct authority. The purpose would be leverage, not spectacle. Diplomacies adore habit. Strategy requires adaptation. India has adapted. Bangladesh should do the same. New Delhi is too important to be left to protocol.

The writer, a Dhaka-based journalist, was minister (press) of Bangladesh High Commission in New Delhi during the tenure of the Interim Government. Views are personal

LETTERS TO THE EDITOR

Intellectual climate

THE EDITORIAL rightly flags the growing tendency of universities to conflate dissent with disorder, reducing campuses to administratively managed spaces rather than sites of critical inquiry ('The spread of campus unfreedoms', *IE*, April 29). What deserves equal attention, however, is the long-term academic cost of such an approach. When institutions normalise surveillance and prior restraint, through permissions, FIRs, and disciplinary actions, they do not merely curb protest; they reshape the intellectual climate itself.

Ritika, Hyderabad

Party-switching

THE GROWING crisis within the AAP and the broader trend of political defections raises serious concerns about the health of our democracy ('Why AAP's breakup matters and can an Opposition-free India be far behind?', *IE*, April 29). Frequent party-switching by elected representatives undermines public trust and weakens accountability. Voters choose candidates based on ideology and promises, not opportunistic shifts for power or survival. While political realignments are not new, their increasing normalisation signals a deeper structural issue in governance and ethics.

Isha Gogia, Ludhiana

WHILE THE acquisition of power is a core aim of politics, the BJP has succeeded in "market domination" hands down — raising its tally from a mere two to its current formidable strength through sheer will and strategic ruthlessness ('Why AAP's breakup matters and can an Opposition-free India be far behind?', *IE*, April 29). However, politics is also a space for start-ups. The AAP's rise — securing 67 out of 70 seats in Delhi — was an unprecedented market entry. Yet, when ambitions defy strategy and organisational depth, downfall is inevitable.

Krishan Chugh, New Delhi

Why being a minor Indian writer is enough

TANUJ SOLANKI

A RECENT news article titled "Why almost every major Indian writer lives abroad and what it has done to Indian fiction" inevitably gathered a bunch of valid reactions from Indian writers who do not live abroad and have only done good things to Indian fiction. Note that the term "Indian fiction" here is limited to Indian fiction in English, as was the case in the original article's headline and body.

The article's author, Girish Shukla, lives in India and has a couple of novels to his name. I must say that I hadn't heard of him before reading the piece, and if part of his intent with it was to break out of a wrapping of general anonymity among the literature-*waala*s, then he might have had reasonable success. I should not, however, give too much currency to my having heard of him or not. Shukla could just as easily say that this is the first he is hearing of me. This reciprocal feeling will get us nowhere.

The article's underlying thesis, that at the very top end global renown is not evenly distributed between diaspora writers and resident writers, or that there is no stratospheric zone of superlative renown among resident writers (Arundhati Roy being an exception), is palatable only because it is axiomatic. If renown and recognition are indexed only to global, all-conquering varieties, then at the moment it is difficult for the resident writer to have it. There is a simple reason for that: The overwhelming majority of English fiction by writers living in India doesn't really go to the whole Anglophone market; it is published by Indian publishers for the Indian reader. This failure of export is not due to the bad quality of the goods in question, but due to a demand limit in the importing geographies. The West has limited space for writing set in India.

> Forty years ago, a writer in India had, perhaps, to look to the West by necessity. Now, a different option, a different habitat exists

What is missed, not only in Shukla's article but in the recurrent discourse around such matters, is the small marvel of the relatively new Indian English ecosystem. Forty years ago, a writer in India had, perhaps, to look to the West by necessity. Now, a different option, a different habitat exists. This habitat is capacious within its boundaries, and is developing, in fits and starts, its own markers of value. It cannot as yet endow the resident writer with "majorness", as the term might be commonly understood, but it does offer a "minorness".

Take my case. I was born and raised in Muzaffarnagar, Uttar Pradesh. At 17, I followed the uni-path offered to boys of my socio-economic station and academic ardour: An engineering education. Four years later, I followed it up with an MBA. It was after finishing my education and arriving in the first metropolis of my life for work, at 24 years of age, that I realised that I liked reading and writing non-utilitarian stuff. I practised writing fiction. It took me a few years to be passable, years in which I also worked full time and dealt with the considerable strains of having a negative financial inheritance. I am 40 years old today and have published four books. I have had a few mentions in "Indian" awards. Yes, it would be fine to think of me as a minor writer who lives in India and writes fiction in English. I have, over the years, found a handful of readers who come back to my work.

A few decades back there was little in India to sustain the kind of minorness I inhabit. This minorness is not a compact with any sort of stasis or lack of ambition; it contains no aversion to larger markets, bigger advances, grants and fellowships, in India or in the West. But this minorness can — if it was all there was to come — be enough. It is not nothing; it is, in fact, the farthest thing from nothing. One is present at the same table, just that the spot is not brilliantly lit. One eats the same food, drinks the same wine. It all tastes the same.

Shukla, who shouldn't mind me calling him a minor writer, makes of majorness an ultimate touchstone. In doing so he belittles me, he belittles himself.

Solanki is a Sahitya Akademi Award-winning writer

Trump, Iran and lessons from civilisational states

SANJAY KUMAR PANDEY

EARLIER THIS month, US President Donald Trump issued an apocalyptic warning to Iran's leaders on Truth Social: Reopen the Strait of Hormuz or else "a whole civilisation will die tonight, never to be brought back again." This might, then, be a good time to rethink Samuel Huntington's Clash of Civilisations, arguably the most influential theoretical framework and thesis in international relations since its publication three decades ago. Huntington's thesis was that future geopolitical conflicts will increasingly be among the world's major civilisations, defined along cultural, religious, and racial categories. "The fault lines between civilisations will be the battle lines of the future," he wrote.

In 2012, Zhang Weiwei described China's rise as the "rise of a civilisational state", challenging the Western concepts of democracy, good governance, and human rights. The next year, Vladimir Putin declared Russia a civilisational state, which has since become his leitmotif whenever he wants to proclaim the end of the liberal international order. Leaders and public intellectuals in India, Iran, and Turkey have emphasised that their countries are ancient civilisations with cultural continuity and deep-rooted histories.

Moreover, the concept has moved from an 18th-century European "standard of civilisation" (with imperialist overtones) into a pluralistic concept, "civilisations", which enables non-Western actors to challenge the Western liberal order. However, it is sometimes criticised as an attempt by not fully liberal actors (Russia, China, Iran) to legitimise their undemocratic regimes.

The emphasis on identity and religion has also been evident in Trump's foreign policy. Conscious of the Catholic opposition to his war on Iran, Trump hosted and participated in a week-long Bible reading event. He criticised the Pope for calling for peace, but wants America to "return to the spiritual foundation that has shaped the country". He forgets that the Catholic just war tradition rejects the targeting of civilians and civilian infrastructure in wartime.

> One lesson is useful for both the US and Iran. Arnold Toynbee contends that civilisations are rarely conquered from outside; rather, they commit 'suicide' through internal decline

The US and Iran may be polar opposites in every other sense, but one lesson is useful for both. In his "death of civilisations" thesis, Arnold Toynbee contends that civilisations are rarely conquered from outside; rather, they commit "suicide" through internal decline. He maintains that civilisations rise when "creative leadership" successfully responds to challenges, but collapse when they fail to adapt to new, usually internal, crises.

Toynbee's "universal state" (like the Roman Empire), which offers temporary peace but cannot prevent the ultimate collapse, is a lesson for the US. He argues that arrogance and rigidity, a tendency to idolise the past, and a failure to meet new challenges lead to the death of civilisation. The main causes of downfall, according to Toynbee, are war between local states and conflict between social classes. These insights are relevant for Iran's leadership and for other "civilisational states".

Though criticised as a fatalist, Toynbee also talks about the revival of civilisation. For him, true revival of a civilisation is not material but spiritual, driven by a creative response to challenges, and not a return to the old ways. Today, the signs of decay and decline are overwhelming, and the pursuit of a new universe of meaning is in its infancy.

But there is hope, provided Trump and his MAGA base, as well as the ayatollahs and their *velayat-e-faqih*, learn the right lesson from the very past which they often invoke.

The writer is professor at the School of International Studies, JNU

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explained@indianexpress.com

• DEFENCE

Vikram VT 21: Can it replace ageing combat vehicle fleet?

Sushant Kulkarni
New Delhi, April 29

LAST WEEK, the Defence Research and Development Organisation (DRDO) launched an infantry combat vehicle (ICV) called the "Vikram VT 21". DRDO is pitching it as a potential solution for the Indian Army's requirement for a futuristic combat vehicle (FICV) to replace its ageing Soviet-era ICV fleet.

Advanced Armoured Platform

Infantry combat (or fighting) vehicles are typically eight-wheeled combat vehicles that are heavily armoured and highly mobile, designed to transport troops into the battlefield while providing direct fire support.

The Vikram VT 21 — also called the Advanced Armoured Platform — is a modern ICV equipped with enhanced armour protection to withstand certain projectiles, blasts, and shrapnel. It has two variants: wheeled and tracked. The wheeled platform runs on tyres and is faster, easier to maintain, and better suited for roads and urban and semi urban environments. The tracked platform, meanwhile, moves on continuous tracks like tanks, offering superior grip, stability, and performance on rough, uneven, or off-road terrain.

The Vikram VT-21 infantry combat vehicle. X/SPOKESPERSON, MINISTRY OF DEFENCE

Co-developed by DRDO's Vehicles Research and Development Establishment along with two industry partners, Bharat Forge and Tata Advanced Systems, these vehicles are fitted with an indigenously designed 30 mm crewless turret — a remotely operated gun system mounted on top, with no soldier sitting inside it. The turret is paired with a 7.62 mm Russian-origin PKT machine gun and can also fire third-generation Nag anti-tank guided missiles, which are precision missiles used to destroy heavily armoured vehicles.

ICV VERSUS TANK

- A tank, the primary offensive weapon of ground forces, is a heavy, tracked vehicle used to destroy enemy tanks, armoured vehicles and fortifications.
- Tanks are heavier and engage in direct combat. ICVs, on the other hand, are designed to transport troops into battle while providing fire support.

Powered by a high-capacity engine and automatic transmission, the platforms have a strong power-to-weight ratio (denoting more power for their size), allowing better speed and agility, enabling them to climb steep slopes and cross obstacles like trenches or rough terrain.

They offer STANAG Level 4 and 5 protection: these are NATO-defined standards indicating resistance against heavy gunfire, explosions, and artillery fragments with modular blast and ballistic protection. Being amphibious, they use hydro jets and water propulsion systems to cross rivers and water bodies efficiently.

The platform is modular which can be adapted for different roles such as troop transport, reconnaissance, or combat support. Currently about 65% of the system is made in India, with plans to increase this to 90%.

Need for Futuristic ICV

The quest for an FICV stems from the need to replace the ageing BMP-2 fleet — in service since the 1980s — and keep pace with modern, network-centric warfare. Such warfare effectively uses information technology to connect different military units, sensors, and command systems on the battlefield into a single, integrated network. It allows real-time sharing of information, faster decision-making, and better coordination.

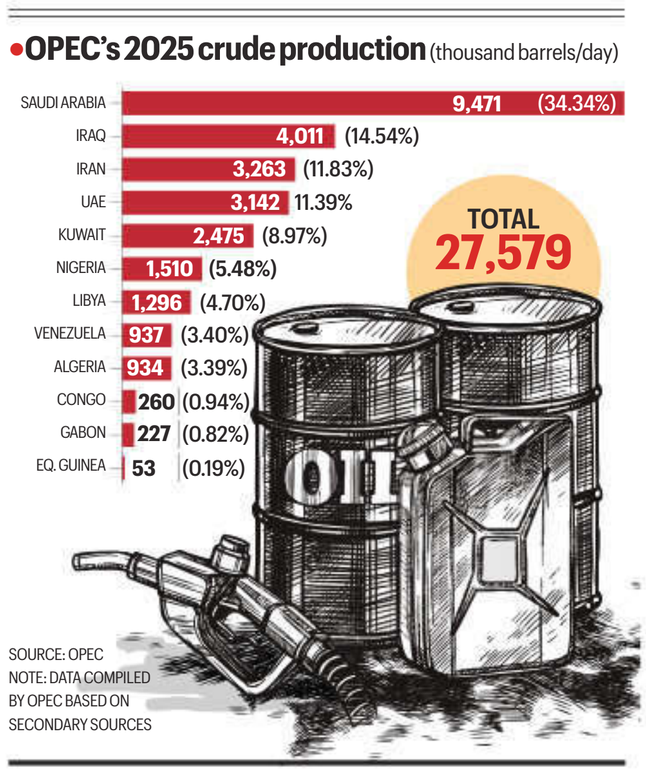
Keeping future conflicts in mind, FICV is crucial for infantry operating in high-threat environments, including along borders with China and Pakistan. For DRDO, the next challenge lies in the Vikram VT 21 going through the development trials for the Army, before being inducted and scaled up for production within the next three years — a timeline that DRDO Chairman Samir V Kamat indicated at the time of the unveiling.

• ENERGY

What UAE exit from OPEC means

After years of Saudi-led production quotas, UAE wants to ramp up oil output. This may be a good thing for large buyers like India

ARAV SHAH & SUKALP SHARMA



THERE HAD been murmurs for years. Yet, when the United Arab Emirates (UAE) announced its exit from OPEC (Organization of the Petroleum Exporting Countries), it came as a shock. The exit of a major member will weaken the powerful cartel's ability to influence global oil supply and prices as it did for decades.

And that may be a good thing for large oil importers such as India — the world's third-largest consumer of crude oil which depends on imports to meet nearly 89% of its requirement.

The UAE's decision, and the consequent structural weakness within OPEC, is expected to put downward pressure on oil prices in the longer term. In the short term, however, there will be no impact as long as the Strait of Hormuz remains blocked, say experts and analysts.

It is clear that the UAE wants to produce as much oil as possible, even in a low price environment. This would mark a stark divergence from the years of production quotas enforced by OPEC's de facto leader, Saudi Arabia, to influence oil prices.

OPEC and the UAE

Founded in September 1960 at the Baghdad conference, OPEC was originally established by Iran, Kuwait, Iraq, Saudi Arabia and Venezuela. Before its formation, Western multinational oil companies (often called the Seven Sisters) largely dictated the prices paid to oil-producing nations. OPEC aimed to counter this dominance.

Abu Dhabi formally joined the alliance in 1967, six years before the OPEC oil embargo was imposed on nations such as the US and the Netherlands owing to their support of Israel in the Arab-Israeli war. With oil prices nearly quadrupling in that period as a result, OPEC steadily gained geopolitical leverage while extending membership to countries such as Algeria and Nigeria.

In 2016, OPEC+, a wider alliance that included 10 major non-OPEC producers led by Russia, was created. A response to the US's booming shale oil production, OPEC+ produced over 40% of the world's crude oil.

OPEC, and OPEC+, derive their influence from oil supply management. The Saudi-led grouping sets strict production quotas for its member countries, which, it claims, is designed to protect the market from oversupply. It also allows them to increase production during supply shortages, ensuring that prices do not skyrocket.

UAE wants to pump more oil

The Iran war has led to scarcity of oil in the international market and a surge in prices, primarily due to the effective closure of the Strait of Hormuz — the critical maritime chokepoint that normally accounted for a fifth of global oil flows. But once the Strait reopens, and after the initial oil buying spree by countries subsides, there is bound to be more than enough oil available in the market.

Shouldn't that make major producers regulate production to keep oil prices buoyant, something that OPEC and OPEC+ have already been doing? The UAE doesn't seem to agree, and it has its reasons.

According to Rystad Energy, as global oil demand approaches a peak and begins to decline due to the transition to renewables, incentives for countries like the UAE are shifting. Such producers — with spare production capacity — may prioritise monetising reserves and protecting market share over collective restraint. The UAE, with capacity of around 4.8 million barrels per day (bpd) and significant room to increase output, is "particularly well positioned" to pursue such a strategy outside the OPEC, it said. "With demand nearing a peak, the calculation for producers (like the UAE) with low-cost barrels is changing fast, and waiting your turn inside a quota system starts to look like leaving money on the table," said Jorge Leon, head of geopolitical analysis at Rystad Energy.

In his recent column on the development, *Reuters* energy columnist Ron Bousso wrote: "Like other Gulf producers, the UAE sits on vast oil reserves and enjoys some of the world's lowest extraction costs. This means it is in a strong position to generate profits even during prolonged periods of low prices. That advantage has made Saudi-mandated production curbs progressively harder to justify from Abu Dhabi's perspective."

On top of this, there is a finite window to monetise hydrocarbons as oil consumption is widely expected to peak in the coming decades, according to Bousso.

Pressure on oil prices?

According to Bousso, the UAE's exit from OPEC could open the door for an all-out price war once Gulf producers rush to regain market share after the Iran war is over.

"The UAE's exit not only further erodes OPEC's market share but may also encourage other OPEC+ members to question the value of limiting output... More importantly, once the Iran war ends, this new dynamic could mark the opening shot in a bitter struggle for market share among major producers — OPEC+, the UAE and the US — potentially triggering a sharp drop in oil prices and years of turbulence," he wrote.

OPEC itself has weakened over the years, with its share in global oil production falling from roughly half in the 1970s to less than a third now. Non-OPEC producers now account for roughly 70% of global oil production. Moreover, the group has come under attack from various countries, including the US. For long, Donald Trump has accused the cartel of "ripping off the world" by artificially propping up oil prices. And amid the West Asia war, UAE's move is also being seen as aligning with Washington on oil production and prices.

Now, a lot would actually depend on how OPEC and OPEC+ respond in the coming months. Initial indications are of unity. Kremlin spokesman Dmitry Peskov reportedly said OPEC+ remains important, especially during current oil turmoil.

Nonetheless, with a major OPEC producer now on its way to increase oil production, downward pressure on oil prices is a fair expectation over the medium term, even if there is no all-out price war.

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India impact

For large oil importers like India, which are always on the lookout for cheap and economical barrels, the outlook is positive.

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Given that India imports 1.8-2 billion barrels of crude oil a year, every $1-per-barrel change in oil prices impacts the country's oil import bill by up to $2 billion on an annualised basis.

'Impact of UAE's move will be felt only in the longer run'

EXPERT EXPLAINS
AJAY SINGH
ENERGY AND SHIPPING INDUSTRY EXECUTIVE

BEGINNING MAY 1, the United Arab Emirates (UAE) will no longer be part of the Organization of the Petroleum Exporting Countries (OPEC) and the broader OPEC+ alliance. The UAE's exit, announced Tuesday, comes at a time when global oil markets have been roiled by the Iran war.

It may not, however, have been directly influenced by the war alone, says **Ajay Singh**, an energy and shipping executive based in Tokyo. Singh, who is a former Shell and Japan Petroleum Corporation executive with considerable experience of West Asia, tells **Anil Sasi** that the decision signals a break from its Gulf neighbours, particularly Saudi Arabia, geopolitically. Edited Excerpts:

Does the decision by the UAE to leave OPEC and OPEC+ have to do with the Iran war?

I believe it is a strategic decision, not directly related to the war. There has been disagreement for several years between the UAE and other OPEC and OPEC+ members, particularly Saudi Arabia, which favoured curtailment of production in order to keep oil prices up. The UAE was limited to producing only two-thirds of its capacity, much against its wishes.

The timing of the decision seems a bit curious since the matter of production curtailment is in abeyance for now, with production severely cut anyway due to the blockade of the Strait of Hormuz. One would have also expected a show of unity among the Arab Gulf Cooperation Council (GCC) countries at this time, when they have all faced attacks from Iran. Nevertheless, the UAE concluded that its continuance in OPEC no longer serves its national interests. The timing of its announcement is probably motivated by a desire to minimise the fuss, as attention is focused on the war. But also signals a bit of a break from its Arab Gulf neighbors — especially Saudi Arabia — in terms of geopolitics.

Will the UAE's decision make a major difference to the supply and price of oil and gas?

It will not make any difference so long as the Strait of Hormuz remains closed, because no production increase is possible until then anyway. Even after the Strait of Hormuz reopens, I do not see any major immediate difference in the situation due to this decision, because oil prices may remain relatively high for some months and all producers are likely to raise production to the fullest extent at the earliest possible — unless a global economic recession has greatly damaged demand.

The impact of the UAE's decision on oil supply and price would be felt only in the longer run. Its production capacity of five million barrels per day, operating fully and expanding outside of OPEC restraints, should help keep prices down.

How might the UAE's decision constitute a break from the rest of the GCC?

The UAE was attacked much more aggressively by Iran than any other GCC nation. It has reportedly urged a strong military retaliation but the GCC nations have remained passive defenders against missile and drone attacks. The UAE and Saudi Arabia — the leader of OPEC — have had a long-running rivalry under the surface for influence in the region, supporting opposing sides in the civil wars that have devastated Yemen and Sudan. The UAE has been one of only two GCC countries to normalise relations with Israel and, before conflict erupted in 2023, was keen to pursue economic cooperation with that country. In contrast, Saudi Arabia and most other GCC nations have been cautious vis-a-vis Israel, with an eye on domestic public opinion.

Economically, too, the UAE has a quite different outlook — its per capita GDP is over 50% higher than that of Saudi Arabia and Kuwait, and 10 times higher than that of Iraq, all key OPEC members.

The UAE's economy is far less dependent on oil and gas income than those of other OPEC members — to the extent of just about 30%. It has diversified into a major center of international trade, finance and tourism. This outlook is quite different from that of Saudi Arabia which must rely much more on high oil prices to balance its books and keep its large, young population content. These tensions and differences have mounted over time. And with the Iran war now having imposed a severe strain on national income, the UAE felt that remaining subject to OPEC's influence was detrimental to its economic interests.

Will OPEC and OPEC+ survive the exit of the UAE?

OPEC is definitely weaker after the UAE's exit but it will survive, unless another major member withdraws, which seems unlikely at this time. It still controls a third of global oil production (50% if one considers OPEC+) and therefore has the power to move the global economy.

But global geopolitics and the objectives of its members have changed, and maintaining consensus will become a greater challenge. A key factor will be the relationship between Saudi Arabia and Russia — the two largest OPEC+ producers. When OPEC was founded in 1960, its objective was to seize control of oil production and income for the member countries, away from the Western companies that had controlled their oil fields since colonial times. There was a decidedly anti-Western motivation, the Arab nations as well as Iran were on the same side, and were also intermittently at war with Israel.

But for a long time since the 1980s, OPEC's function has been mainly economic, to balance the oil markets, with Saudi Arabia becoming the so-called swing producer — activating spare capacity to meet shortages, and curtailing production whenever oil prices became too low.

This has been a useful role, as it has brought stability to the oil market. The Arab world had, de facto, by then made peace with Israel. The anti-Western feeling had given way to economic and defence cooperation underpinned by a major US military presence in the region. This shift had much to do with the Iranian Revolution of 1979. Only occasionally have OPEC's interests diverged from those of the West thereafter. They did so in 2014 when OPEC tried — unsuccessfully — to drive the newly-emerged American shale oil and gas producers out of business by raising production and crashing oil prices.

It is hard to see a definite political strategy for OPEC+ until the global geopolitical churn settles down. One would hope that OPEC+ would adopt a liberal production policy once the Strait of Hormuz opens.

• TECH

In Beijing's revocation of Meta's $2-bn AI firm deal, signals for US-China tech race

Rishika Singh
New Delhi, April 29

CHINA ON Monday blocked US tech giant Meta's $2-billion deal to acquire the Chinese-origin AI agent Manus.

When it launched in early 2025, Manus was hailed as a major technological accomplishment, especially in the context of the race between the US and China to develop artificial intelligence. Soon after, Manus shifted its base to Singapore, and by December, Meta — the parent company of Instagram, Facebook and WhatsApp — moved to acquire it.

What is unusual is that Beijing has cracked down on the deal despite the company's distance from China. It even summoned the two co-founders earlier this year and prevented them from leaving the country under the regulatory review, the *Financial Times* reported.

Meta is now preparing to unwind the acquisition following the order, *The Wall Street Journal* reported on Tuesday.

Deal under lens

In a one-paragraph statement, the Chinese government said the office of the foreign investment security review working mechanism has decided to prohibit foreign investment in Manus and ordered the parties to revoke the deal.

It did not provide any reason for the review, but Beijing had earlier asked the two companies "to unwind the deal and fully restore Manus's Chinese assets to their original state, *WSJ* reported, quoting sources.

China sees a national security imperative in Manus, which is a general AI agent — the world's first. These agents are built by training on vast amounts of data, but unlike chatbots such as ChatGPT or Google Gemini, they are equipped with "tool calling". This ability allows them to retrieve updated information in real-time from the web, equipping them to handle complex prompts, code, and interact with other apps, such as calendars and emails.

Despite the company shifting base from China and winding down its operations there, *WSJ* reported: "Chinese authorities believe they have the authority to demand the deal be unwound because Beijing Butterfly Effect Technology (Manus's parent company) remains a Chinese company... Chinese law dictates that any foreign investments that may carry a national-security risk could be subject to review by authorities."

However, a *Reuters* report noted that in 2025, Butterfly Effect re-incorporated in Singapore, thus bypassing investment restrictions on Chinese AI firms, as well as Chinese rules limiting domestic AI firms' ability to transfer their intellectual property and capital overseas.

Global Times, the Chinese Communist Party's English mouthpiece, stated in an editorial: "The biggest concern was that Manus, a company built on Chinese engineers and infrastructure, appeared to be 'cutting ties' with its Chinese roots after securing US investment. At the time, many in the industry suggested that this could be a case of regulatory evasion through a 'Singapore washing' strategy." Chinese-origin companies, such as TikTok and the online fashion retailer Shein, have shifted to Singapore in recent years.

It argued: "Manus's early R&D was conducted in China and... its core data originated there. These factors mean that the movement of its personnel, technology, and data is inevitably tied to China's interests."

Tech as geopolitical tool

Control of data and technology, especially the kind seen as novel or unique, is becoming crucial in the geopolitical calculations of major countries.

With China and the US the frontrunners in tech development, their geopolitical rivalry inevitably sets the tone for how they engage with each other. *FT* reported in January that the Chinese leadership was concerned about "selling young crops," or giving away emerging companies in these domains.

Before Manus, China launched an anti-monopoly probe against US semiconductor giant Nvidia. The probe came after the Joe Biden government restricted Nvidia from selling high-quality chips to the country. Nvidia eventually sold an inferior category of chips in China, which were also later banned under the Trump administration. In turn, China reportedly limited its companies from purchasing the chips.

Such linking of technology with national advancement and security predates the AI wave. The US restricted Huawei in 2019, when it designated the Chinese telecom company as posing a threat to national security. More recently, it mandated TikTok to divest from Chinese ownership to continue operating in the country.

On China's part, arguably, restrictions on US tech can be traced even further back when seen more broadly, preventing social media giants such as Facebook and Twitter from even operating in China.

US-China rivalry

The move will have a chilling effect on any potential founders who want to launch tech products and companies in China. As *Fortune* noted, "China's move puts the country's AI founders in a bind. If they stay in China, they deny themselves access to U.S. funding and computer chips. But if they redomicile overseas, they invite scrutiny from Beijing if they tap public markets or seek an acquisition. Founders may end up setting up overseas from the get-go, whether somewhere like Singapore or in the U.S."

That was perhaps the intention, to warn emerging developers, but it will also hurt China's perception as a major tech player. Despite having the talent and infrastructure to produce quality global products, ranging from smartphones to robots, the opacity of its systems and state control could deter foreign investments.

Chris McGuire, Senior Fellow for China and Emerging Technologies at the think tank Council on Foreign Relations, wrote on X, "Ultimately, this is a much larger defeat for the Chinese AI ecosystem than for the United States. Meta will be fine without Manus. But Chinese nationals looking to found AI companies will increasingly just start them overseas."

FINANCE MINISTRY'S MONTHLY ECONOMIC REVIEW REPORT

'Inevitable' for countries to pass on energy price rise

Siddharth Upasani
New Delhi, April 29

WHILE SOME countries are yet to pass on higher prices of energy products and other commodities to households and businesses, it is "inevitable" they will have to do so, the Ministry of Finance said on Wednesday, adding that the need to build buffers for key commodities has "moved up the ladder of policy priorities" in light of the West Asia conflict.

"Some countries have begun to allow prices to be passed on to end-users – households and businesses. Some are yet to do so. But it is inevitable," the finance ministry said in its Monthly Economic Review report for April. "During a period of supply disruption, demand has to moderate; failing that, countries will have to pay a much higher price for energy supplies," it said.

The war in West Asia has led to a sharp increase in prices of key energy items, with the closure of the Strait of Hormuz disrupting the supply of commodities that serve as inputs for industry. So far in April, the price of India's crude oil basket has averaged $114.3 per barrel, slightly higher than March's $113.49/bbl, according to data from the petroleum ministry. However, before the war began, the average price in February was $69.01/bbl.

The finance ministry's comments come amid speculation that the pump price of petrol and diesel will be raised following the assembly elections.

This has led to instances of panic buying in some parts of the country.

Oil marketing companies are incurring losses of around Rs 20 per litre on petrol sales and Rs 100 per litre on diesel sales. REUTERS FILE

However, the government has dismissed such talk, saying there is no such proposal.

The Centre has shielded consumers from the higher global fuel prices caused by the war, with the pump price of petrol and diesel remaining unchanged. However, the higher global oil prices mean public sector oil marketing companies (OMCs) are incurring losses of around Rs 20 per litre on petrol sales and Rs 100 per litre on diesel sales.

On April 23, the Ministry of Petroleum and Natural Gas had said in a post on social media platform X that "India is the only country where petrol and diesel prices haven't increased in the last four years".

Build buffers, unleash policies

Writing in its monthly report, the finance ministry also said an "enduring message" for policymakers from the West Asia conflict is that not only do buffers have to be built for energy and other key commodities, but this need has "moved up the ladder of policy priorities and will remain there for the next decade or two as geopolitical conflicts intensify".

Arguing that the current crisis should not be wasted, the report said India should prioritise energy security and resilience, but not substitute "one import dependency for another".

The Strait of Hormuz accounts for a fifth of the global flow of oil and liquefied natural gas (LNG), with around 40% of India's total oil imports moving via the key waterway before the war. India imports nearly 90% of its crude oil requirements.

Don't 'assume the best'

With the war entering its third month and a resolution no closer, the finance ministry said there is "more haze than visibility" on how long energy supplies will remain disrupted, with the US Energy Information Administration's Short-Term Energy Outlook not looking "pretty". Given the uncertainty, "it does not make sense to assume the best, as stock market investors seem to be doing," the report said, going on to add that many international agencies "appear 'guilty' of assuming a swift restoration of normalcy to energy supplies".

Commenting on the Indian economy, the report said risks are tilted to the upside for inflation as well as fiscal and external deficits, but to the downside for growth.

"However, while striving to sustain economic growth, policy is expected to safeguard medium-term fiscal and external stability," it said.

While India's headline retail inflation rate only rose slightly in March to 3.4% from 3.21% in February, wholesale inflation jumped to a 38-month high of 3.88%. This, the finance ministry said, indicated emerging cost-push pressures that could transmit to consumer inflation if supply disruptions persist.

And while high-frequency data suggested some supply-side moderation, "demand-side indicators remain reasonably resilient".

According to the ministry, the "current crisis demands that all stakeholders come together" and get matters such as public transportation "right holistically" to not only improve energy security but liveability of Indian cities as well. Further, the domestic decriminalisation and deregulation agenda "need not be hostage to external developments".

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FY27 GDP growth may slip to 6% if crude prices stay at $120/barrel: EY

New Delhi: India's GDP growth may slip to around 6% and retail inflation could rise to the Reserva Bank of India's upper tolerance band of 6% in the current fiscal, if the Indian crude basket price averages $120 a barrel, EY India said on Wednesday.

EY India Chief Policy Advisor DK Srivastava said although room for policy interventions is limited, policymakers need to consider upward revision in the repo rate and accelerated diversification of sources of crude supply as the price of the Indian crude basket (ICB) may rise further if the West Asian crisis persists.

"If the ICB price averages $120 per barrel in FY27, India's real GDP growth may slip to about 6% and CPI inflation may increase to 6%... To minimise the adverse impact on fiscal deficit, increased energy prices should be passed on to the retailers to a relatively larger extent," Srivastava said.

The April 2026 release of the US Energy Information Administration EIA Short-Term Energy Outlook projects Brent crude oil prices to increase from an average of $81 per barrel in Q1 2026 to a peak of $115 per barrel in Q2 2026.

The IMF has projected India's GDP growth at 6.5% for FY27, while the ADB and the World Bank expect it to be 6.9% and 6.6%, respectively.

The RBI, earlier this month, projected GDP growth for FY27 at 6.9% compared to 7.6% estimated in FY26. **PTI**

'RECORD 8.31 CRORE CLAIMS SETTLED IN FY26'

EPFO to launch new portal for inoperative pre-UAN accounts

Aanchal Magazine
New Delhi, April 29

IN AN attempt to resolve the long-pending issue of unclaimed deposits, the Employees' Provident Fund Organisation (EPFO) is set to launch a portal for members to access their inoperative accounts through Aadhaar-based authentication.

The portal, to be named E-PRAAPTI — EPF Aadhaar-Based Access Portal for Tracking Inoperative Accounts — will be helpful for those EPF members who do not have a Universal Account Number (UAN) and had EPF accounts in the physical mode. This move comes amid a record claims settlement of 8.31 crore claims in FY26 as against 6.01 crore in FY25, said Union Labour and Employment Minister Mansukh Mandaviya.

The minister said the dedicated digital platform would facilitate identification, tracking, UAN linking and activation of old EPF accounts. "The portal will provide a streamlined Aadhaar-based authentication mechanism that will enable members to securely access their old EPF account which may not have an UAN linked with it and initiate the process for updating their member profile, followed by seamless UAN linking and activation," he said.

• E-PRAAPTI PORTAL

- The new platform will facilitate identification, tracking, UAN linking and activation of old EPF accounts
- It will reduce manual intervention, minimise documentation, and enhance transparency, efficiency

In the initial phase, the portal will be member ID based and later the scope of E-PRAAPTI will be expanded to include members who may not be able to recall or access their old members' IDs. "The platform is expected to reduce manual intervention, minimise documentation, and enhance transparency and efficiency," an official said. The existing portal will shut down for 1-2 days to enable migration of the existing system to the new system, the official added. The EPFO has a total of 31.83 lakh inoperative accounts, of which around 41% have been inoperative for over 5-10 years while about 22% are lying idle for over 20 years. In its meeting in March, the EPFO's Central Board of Trustees had decided to address this issue by giving a nod for auto-settlement of such inoperative accounts, initially for those with unclaimed balance of Rs 1,000 or less, to their registered bank accounts.

Inoperative accounts are those EPF accounts in which no interest is credited after a specified period. Mainly belonging to EPFO members who have retired after the age of 55 years, an EPF account is treated as inoperative if no contribution is received for a continuous period of three years after the member attains 55 years of age or from the date of retirement, whichever is later. If the member is below the age of 55 and there has been no contribution, such accounts continue to earn interest till the age of 58. As per the data shared in the March meeting, the EPFO has 31.83 lakh such inoperative accounts amounting to Rs 10,181 crore as on March 31, 2025. This excludes international workers.

EPFO has a total of 27.05 lakh establishments under its purview with 34.63 crore members, out of which there are 7.98 lakh contributing establishments and 7.83 crore active contributing members. It has a consolidated corpus of over Rs 28.34 lakh crore.

In the current financial year that started April 1, 61.03 lakh claims have been settled, with nearly 74% of PF advance claims processed in auto mode and 98.7% of total claims settled in less than 20 days, the minister said.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

Healthy rise in exports in April so far, says Goyal

New Delhi: India's exports have shown a healthy increase during the first three weeks of April so far despite challenges due to the ongoing West Asia crisis, Commerce and Industry Minister Piyush Goyal said Wednesday.

He also said that free trade agreements finalised by India would give a huge boost to the domestic industry.

"There is an increase in exports during the first three weeks of April as compared to the same period of last April... Despite the war in West Asia, there is tremendous enthusiasm among domestic exporters," Goyal told reporters.

The trade data for April will be released by the commerce ministry on May 15.

Exports posted the steepest fall in five months, declining by 7.44% in March to $38.92 billion due to trade uncertainty and geopolitical tensions, with shipments to West Asia contracting by over 50% in the month, according to official data released on Wednesday. **PTI**

Don't give access to prediction market: Govt to VPN providers

ENS Economic Bureau
New Delhi, April 29

The advisory explicity mentions Polymarket, and further noted that some users were circumventing legal curbs imposed on these platforms by misusing VPN services to access them

THE MINISTRY of Electronics and IT (MeitY) has directed virtual private network (VPN) providers to ensure that their platforms are not used to access banned online betting and prediction market platforms such as Polymarket.

The advisory comes as prediction market sites are finding traction among users, despite the Promotion and Regulation of Online Gaming Act, 2025 (PROGA) banning them.

It is worth noting that the advisory, issued earlier this week, explicitly names Polymarket.

The ministry said despite being banned in India, prediction markets and other betting sites are accessible over a VPN connection, rendering the website blocking meaningless, and defeating the whole purpose of the ban.

"MeitY hereby reiterates, with heightened emphasis, that all VPN service providers and other intermediaries must make reasonable efforts to not host or store or permit the access to any such platforms making available unlawful information, including 'Polymarket' and such other similar violative platforms operating in violation of law," the advisory read.

"It is further observed that certain users are circumventing the legal restrictions imposed on such platforms by misusing VPN services to access these websites. In addition, such users are engaging in financial transactions through conversion of Indian rupees into virtual digital assets such as USD Coin or other stablecoins, thereby enabling participation in such platforms despite domestic prohibitions," it added.

The ministry said VPNs and intermediaries allowing access to such platforms either directly or indirectly would be violating both the Promotion and Regulation of Online Gaming Act and sections of the Information Technology Act.

Despite the ban, prediction markets such as Polymarket were rife with questions in the country, ranging from likely results of recent state elections, to outcomes of domestic cricket matches.

The Indian Express earlier reported that a market predicting the winner of the Tamil Nadu Legislative Election has received bets up to $16 million, as of Monday (April 27).

FULL REPORT ON
WWW.INDIANEXPRESS.COM

• BRIEFLY

Credit, deposit growth slow down as on Apr 15

Mumbai: Bank credit growth moderated to 15% on year from 16.1% growth seen a fortnight ago, according to the RBI data released on Wednesday. Overall, bank credit stood at Rs 209.21 lakh crore as on April 15. On a fortnightly basis, the bank credit was down 2.1%. The year-on-year growth in deposits moderated to 12.2% as on April 15 from 13.5% reported on March-end. On a fortnightly basis, bank deposits were down 2.2% and stood at Rs 256.48 lakh crore. Bank investments were up 2.9% on year to Rs 68.84 lakh crore as on April 15. FE

RBI exempts small NBFCs from registration

Mumbai: Non-deposit-taking non-banking financial companies (NBFCs), with an asset size of less than Rs 1,000 crore and not availing public funds, will be eligible for exemption from registration and reserve fund requirements from July 1, the RBI said Wednesday. PTI

Sachs: India to be a developed nation by 2047

New Delhi: India will be a developed nation by 2047, if the country continues its current economic growth trajectory, renowned economist Jeffrey D Sachs said on Wednesday. Addressing an event organised by industry body Ficci, he said India is one of the pillars of global stability and global peace, and it should not align with the US. "It does not have to align with anybody. It should aim to have good relations with everybody, but also not be part of anyone else's strategy," he said. PTI

Australia to tax Google, Meta to fund newsrooms

Melbourne: Australia has proposed taxing digital giants Meta, Google and TikTok a proportion of their revenue to pay for news reporters. The government released draft legislation Tuesday it intends to introduce to Parliament by July 2 that would create a financial incentive for the social media companies to strike deals with news organisations to pay for journalism.

The platforms' criticisms included that the proposal was a "digital services tax" that misunderstood the evolving advertising industry and would fail to deliver a sustainable news sector. Australian Prime Minister Anthony Albanese said a monetary value needed to be attached to journalists' work.

"It shouldn't just be able to be taken by a large multinational corporation and used to generate profits for that organisation with no compensation appropriate for the people who produce that creative content," Albanese told reporters. AP

• MARKETS

Sensex	NIFTY	Gold ▼	US Dollar ▲
77,496.36	24,177.65	₹1,52,000	₹94.85
609.45	181.95	Silver ▲	Oil ▲
0.79%	0.76%	₹2,44,500	$112.83

NOTE: GOLD, SILVER RATES AS PER ALL INDIA SARAFA ASSOCIATION DATA GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF APRIL 28, 2026

IIFL HOME LOAN

IIFL Home Finance Limited
CIN: U65993MH2006PLC166475
Regd. Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane-400604, Maharashtra | **Tel:** (91-124) 478 0900
Fax: (91-22) 2580 6654 | **Email:** secretarialhfc@iiflhomeloans.com | **Website:** www.iiflhomeloans.com

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2026

₹ in crore except otherwise stated

S. No.	Particulars	Year Ended March 31, 2026 Audited	Year Ended March 31, 2025 Audited
1	Total Income from Operations	3,829.14	3,715.44
2	Net Profit / (Loss) for the year (before Tax, Exceptional and/or Extraordinary items#)	997.11	1,255.01
3	Net Profit / (Loss) for the year before tax (after Exceptional and/or Extraordinary items#)	997.11	1,255.01
4	Net Profit / (Loss) for the year after tax (after Exceptional and/or Extraordinary items#)	763.36	976.50
5	Total Comprehensive Income for the year [Comprising Profit / (Loss) for the year (after tax) and Other Comprehensive Income (after tax)]	765.57	966.48
6	Paid up Equity Share Capital	26.34	26.34
7	Reserves (excluding Revaluation Reserve, if any)	8,028.48	7,436.11
8	Securities Premium Account (included in Sl. No.7-Reserves)	2,969.65	2,969.65
9	Net worth	8,054.82	7,462.45
10	Paid up Debt Capital / Outstanding Debt	22,712.67	19,574.29
11	Outstanding Redeemable Preference Shares	Not Applicable	Not Applicable
12	Debt Equity Ratio	2.82	2.62
13	Earnings Per Share (Face Value of ₹10/- each) (for continuing and discontinued operations) • Basic: (₹) • Diluted: (₹)	289.76 287.37	370.66 366.15
14	Capital Redemption Reserve	Not Applicable	Not Applicable
15	Debenture Redemption Reserve	Not Applicable	Not Applicable
16	Debt Service Coverage Ratio	Not Applicable	Not Applicable
17	Interest Service Coverage Ratio	Not Applicable	Not Applicable

Exceptional and/ or Extraordinary items adjusted in the Statement of Profit and Loss in accordance with Ind AS Rules/ AS Rules, whichever is applicable.

Note:

1. The above audited consolidated financial results of IIFL Home Finance Limited (the "Company"), and IIHFL Sales Limited (the "Subsidiary"), for the year ended March 31, 2026, have been reviewed and recommended by the Audit Committee and subsequently, approved by the Board of Directors of the Company at their respective meetings held on April 28, 2026. The Joint statutory auditors have carried out the audit of aforesaid results and have issued unmodified opinion.
2. The above is an extract of the detailed format of consolidated financial results for the year ended March 31, 2026 filed with the Stock Exchanges under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The full format of the financial results are available on National Stock Exchange of India Limited (NSE): www.nseindia.com, BSE Limited (BSE): www.bseindia.com and can be accessed on the website of the Company: www.iiflhomeloans.com/investor-relations/financials.
3. For the other line items referred in Regulation 52(4) of the Listing Regulations, pertinent disclosures have been made to Stock Exchanges and available on NSE: www.nseindia.com, BSE: www.bseindia.com and can be accessed on the website of the Company: www.iiflhomeloans.com/investor-relations/financials.
4. The Board of Directors at its meeting held on January 20, 2026 has declared an interim dividend of ₹ 55 per equity share (face value of ₹ 10 each) (March 31, 2025 : Nil).
5. On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') which consolidated twenty nine existing labour laws into a unified framework governing employee benefits during employment and post employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave. As at March 31, 2026, the Company has estimated the incremental financial implications of ₹ 4.25 crores as increase in employee benefit expense and the same has been recognized during the year ended March 31, 2026.

   The Company will continue to monitor the developments and will give appropriate impact, including implementation of structural changes in the forthcoming periods once the rules under the new Code are notified.
6. The Accounting policies adopted in the preparation of the financial results are consistent with those followed in the previous year unless otherwise stated.
7. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current period's presentation.

By order of the Board
For IIFL Home Finance Limited

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Date: **April 28, 2026**
Place: **Mumbai**

Last Day To Join Private Channel.
Closing entry for new members Now

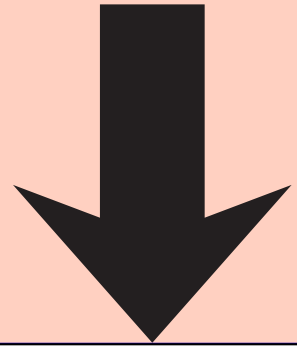
♦ **Indian Newspaper**

1) Times of India
2) The Hindu
3) Business line
4) The Indian Express
5) Economic Times
And more Newspapers

InternationalNewspapers channel [Europian, American, Gulf & Asia]

♦ **Magazine Channel**
National & International
[Genaral & Exam related]

♦ **English Editorials**
[National + InternationalEditorials]



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A thought for today

Stone Age didn't end because world ran out of stones. Oil Age won't end because world runs out of oil

SHEIKH YAMANI, former Saudi oil minister

Cartel Blanche

UAE's exit from Opec dents world's biggest cartel. Govts should use every tool to smash smaller ones

UAE's decision to quit Opec may have come as a surprise, but it's a good thing. For, Opec is nothing but a cartel, and cartels take a toll on customers. They're everything free markets ought not to be – a tacit agreement to not compete. Yet, it is a sad truth that they hide in plain sight even in so-called market economies. EU, which is vocal about free trade, has fined auto component suppliers billions of dollars for collusion. Year after year, it's found prices of parts ranging from spark plugs to headlights, airbags, and even the foam used in seats, fixed. In Britain – Adam Smith's home – 50 leading schools, including Eton, Harrow, Westminster, were found colluding on fee revisions. Even Apple was caught rigging ebook prices in 2013. It got publishers to pull ebooks from Amazon's Kindle store, and sell them at higher rates on its own store.

Unlike those cartels, Opec's actions have touched everyone everywhere. Because nobody is immune to the prices of diesel, plastic, fertiliser and textiles. John Asker, who teaches economics at UCLA, has estimated that Opec's actions cost the world $5.7tn between 1970 and 2014. Considering that a 3% loss of GDP typically results in recession, he estimates that Opec had inflicted the equivalent of a 2.5-year recession on the world by 2014.

Of course, UAE's exit isn't a matter of high principle. It's leaving Opec to increase production and revenues, without being hobbled by the group's quotas. Every oil producer knows that electrification and decarbonisation are inevitable. China's rapid electrification, for example, has already reduced its hydrocarbon demand by 1mn bpd. So, for oil and gas producers, now's the time to sell as much as they can. UAE's current production capacity is 4.8mn barrels per day, and it wants to sell 5mn bpd by 2027. But Opec allows it to sell only 3.4mn bpd. Hence, the break.

Opec has already lost much of its clout, and aggressive production by US, UAE, etc, will be good for the world economy. If crude tumbles towards $50, as was expected before US and Israel attacked Iran, inflation will slow down, and growth inch up. If cracks in one cartel can do that, imagine the good broader decartelisation would do. From phone tariffs to plane tickets, house prices to school fees, every rupee saved is greater purchasing power in the customer's hand. Your hand.

Held Together By Haha

Charles is wooing Trump with humour, because punchlines really can pick up a lot of social slack

Charles arrived in America, on a mission to repair his island nation's relationship with King D, somewhat inauspiciously. A man with a gun had gotten close enough to Donald, to raise fears of a JFK fate. But Old Bean has carried with him nicely crafted speeches, punctuated by some Dickens and some Oscar Wilde. So, he didn't just make the US Congress laugh. He made *divided* Congress laugh *together* – this is roughly equivalent to getting cats and dogs to share a water bowl. Alternatively, the whole thing evoked A Tale of Two Charleses: One made a fortune describing the interior of workhouses, the other inherited a fortune ensuring he never has to see the interior of a kitchen. Overall takeaway is that a walking punchline can still land a big laugh.

It's especially engaging to watch a man who's a joke, laugh at himself. On this front, Brits are really great. As their empire shrinks to a pond, they can still put the kettle on, and jest about having reached the age where their back goes out more than they do. A worldly upside to self-deprecating humour is that it's very hard to loathe a man who just made you snort.

As for us Indians, our relationship with humour is like our traffic – chaotic, occasionally dangerous, but mostly reaching the destination in one piece. What's special is that we are simultaneously one of the most hierarchical societies on earth, and one of the most irreverent. We touch elders' feet, and do devastating impressions of them the moment they leave the room. We address bosses as "sir" with the gravity of a Supreme Court petition, then spend the shared auto ride home doing a full character breakdown of everything wrong with them. But people who forward savage WhatsApp jokes at midnight, can still file hurt-sentiment cases by morning. For them, being confident in your 'culture' means an FIR about a stand-up set.

Mango terrorism

Confessions of a non-'aam aurat'

Bachi Karkaria

'Summer-time and the livin' ain't easy,/Summer-time and the mangoes are high.' That's my version of the Ella-Louis classic. April-May is hell in Mumbai if you don't belong to majoritarian *Aam-mangta* party. A one-upmanship prevails: who savoured the season's first Devgadh Alphonso, at the most staggering prices? In my nightmares, I'm drowning in an ocean of *aam-ras*. Disclaimer: in a nation of mango-eaters, I'm not a mango-hater. I don't dismiss the entire genus of *Mangifera indica* as mangy plus feral. It's only the total domination of Don Alphonso that I detest. Truth is, it disagrees with me – as much as my Gujarati-speaking *bhaiyo aney behno* simply cannot digest such unthinkable heresy.

Forget what Congress president called PM-ji. For me, 'hapoos' ranks with Hamas, Hezbollah and Hizbul Mujahideen, with LeT, JeM, and every UN-listed and Trump-designated terror outfit. The city may give it a salivating 'Tali', I want a 'ban'. Here's why.

erratica

Our weekly fruit app has gone monotheist, monopolistic, monotonous. Instead of the usual alphabet starting with apple, banana, chikoo, dragon fruit…the only variety on offer is Super Jumbo, Jumbo, Large, Small, Baby of Devgadh Alphonso. No more savouring *bombil fry, surmai-masala, and kekda-curry*; home-chef Pratibha's supply has switched to this gem from her family's Ratnagiri *ambyachi baug*. Nor is the fall restricted to *phal*. Modest carts normally ferrying *aloo-pyaz-tamatar*-trundle past laden only with youknowhat; cheaper qualities for *aam janata*. Not just fruit and veg have gone *ha-phooossss*. Instead of baba-suits and frocks, small-shop awnings are festooned with the familiar cartons.

Surely-*ji*, some anti-conversion law should apply?!

It would be okay if the season's Supreme Leader allowed diversity. But, no, it won't rule and let drool – even over fellow breeds. Own sister Bulsar *hapoos* is told, 'Eat your *gutli* out.' First cousin *payri* pines for attention. Cowering in corners are buxom-as-a-*macchhiwali* Rajapuri or Badami, thin-skinned as a *neta*. Shamed *Lalbagh* blushes.

Would this swaggering, globally demanded, locally coveted, golden-skinned girl pleeease stop pulping all the rest. *Yeh dil maango* more varieties.

***

Alec Smart said, "Better to fire than fire at. More legal, less messy."

Message Beyond Elections

Kerala & TN, to Assam & Bengal, each of the four big states where voting has concluded is a perfect example – via language, culture, politics – of India's innate ability to live with differences

Uday Chandra

Amusingly, electoral outcomes in eastern and southern states are far less surprising to those who live in them, than to those who interpret them, from Delhi. The ongoing contests in Bengal, Tamil Nadu, Assam and Kerala underscore an uncomfortable truth: a wide chasm persists between how India's politics and history are presented in textbooks, and how they are lived and narrated, in the east and south. The upshot is, a systematic failure, to grasp the appeal of social democracy grounded in distinctive vernacular forms of modernity.

Take West Bengal. The everyday idioms of politics, visible in street theatre, poetry, song and govt circulars alike, are distinctly Bengali. Political authority is performed through cultural fluency, as much as grassroots organisation. Muslims, Christians and Hindus quote Tagore, Nazrul or Michael Madhusudan, with roughly equal fervour. Welfare is not merely delivered, but narrated, debated, and judged in Bengali.

Political speech straddles the apparently unbridgeable divide between 'folk' and 'classical', puzzling those who struggle to grasp cadences of this lingua franca spoken from the Himalayan foothills to the Gangetic delta. Even as Santhali, Nepali, Odia, Urdu and Bhojpuri flourish in their own right as sister languages, those whom the English once dubbed "upcountrymen", are now recast as *bohiragoto* (outsiders). Yet, Shah Rukh Khan is embraced today, as lovingly as the kabuliwalla, in Tagore's story.

Next, consider Tamil Nadu. The century-old Dravidian movement has crafted arguably India's most self-conscious vernacular public sphere. Political speeches, cinematic dialogues, legislative debates, and welfare rhetoric circulate with remarkable coherence between spoken and written Tamil. Similarly, leaders such as CN Annadurai or Karunanidhi moved effortlessly between Sangam classicism and street-corner repartee.

Tamil social democracy, which encompasses midday meals, canteens and libraries, as well as caste-based reservations, is neither an abstract, nor an imported ideology. Its vernacular common sense is lived, articulated, and defended, across caste and class divides, in Tamil.

It is true English circulates among urban professional classes and Hindi is spoken by the growing north Indian migrant population in this highly industrialised state. Yet, it is Tamil that anchors political legitimacy in ways that flummox non-Tamil speakers. 'Identity politics' simply fails to see how language becomes durable, social infra.

Similarly, Kerala's social democracy is often reduced to cliches about high literacy and communist ideology. What goes unnoticed is that this literacy is overwhelmingly in Malayalam, producing an electorate that consumes politics as text, not spectacle. Newspapers, political pamphlets, and trade union literature circulate, within a dense Malayalam public sphere in which politics is argued over, endlessly, at toddy shops, reading rooms and party meetings.

Malayalis do not rely on 'national' news anchors to make sense of budgets, policies and manifestos. Their legendary scepticism, hostile to rhetorical excess, is thoroughly homegrown, yet, deeply cosmopolitan. When votes flip between CPM and Congress, every five years, they strengthen a shared vernacular grammar of social democracy.

Image: AI

This embedded political literacy is shaped as much by internal debates, as by Kerala's long engagement with the wider world – from the rest of the Indian subcontinent to Arabian Sea littorals. And remains largely unintelligible to those who insist on reading it from afar.

Finally, in Assam, the language of social democracy gives way to a more anxious vernacular politics of who belongs and who is entitled to welfare. Idioms of Axomiya politics hinge on indigeneity, mobility and belonging. Each of these abstract nouns fails to capture the textures of land, language and memory that come alive in the songs of Bhupen Hazarika or Zubeen Garg.

Axomiyas readily lapse into Bengali, Hindi or English, and ethnic minorities dot the bazaars, villages and campuses of Assam. Yet, Assamese is much more than a medium of communication. It is a sharply drawn line that separates the insider from the shadowy *bohiragoto* (outsider).

If the Assam Accords sought to domesticate subnationalism, as ethnoregionalism, National Register of Citizens threatened to remake India's citizenship laws. 'Region' and 'nation' thus exist in a tight, yet uneasy, embrace. Neither 'secularism' nor 'communalism' can explain why nine-tenths of excluded persons in NRC were Hindu, or why BJP state govt acts as a patron of Assamese Muslims. To read Assam, as just another theatre for national politics, would be profoundly wrongheaded.

Irrespective of who wins or loses, this past month of jockeying for power and patronage taught us two big lessons. First, India's 'nation' is a crowded argument among many. In Bengal, Tamil Nadu, Kerala and Assam, as political theorist Partha Chatterjee argues in a new book, India is continually re-imagined through languages that carry their own histories, publics, and political common sense.

These regions don't passively receive a singular national narrative from New Delhi. Instead, they interpret it, argue with it, and, when necessary, refuse it. One language, creed or election is much too simplistic to accommodate this heterogeneity. Indeed, India's federal unity endures by negotiating the many vernacular ways of 'being' – that make us Indian.

Second, the states that went to polls demonstrate the *varieties* of social democracy around the country. To be Indian is, above all, to possess a capacity to move across states linguistically, culturally, and politically, without fear. Plural notions of belonging define a civilisational outlook. This is why Gandhi and Tagore warned of the narrow walls and inward-looking outlook that defined European nationhood.

The world may look to India as a test case for living with difference – but this is integral to India's federal social democracy, capacious enough to let us belong in more than one place, and in more than one language.

The writer is a political analyst

For India To Be Strong, Indians Must Kindly Adjust

Country needs time to build up domestic capacities, till then reduce dependence on those 'perfect' imports

Somnath Mukherjee

For the first time since 1945, the world seems caught up in whirlpools of hot geopolitical contests. Instead of the neat cleavage (between Allies and Axis powers) in 1945, there are echoes of 1914, when disparate political disputes got triggered when Archduke Franz Ferdinand fell to Gavrilo Princip's bullets at Sarajevo.

On one hand, Russia and Europe are circling each other in a replay of historical mistrust and hostility, especially over Ukraine. On the other, the Iran war has completed the circle of unintended consequences (of US actions), that started with Gulf War 2. US overthrow of Saddam meant Iran got a foothold in Iraq. After the inevitable US exit in 2011, Iran created a crescent of Shia influence (Lebanon-Syria-Iraq-Iran) from Mediterranean to Arabian sea.

To hedge, Iran also created strong presence in the west, via Houthi partisans in Yemen. This geographic chessboard means Iran sits astride two of the most critical trading chokepoints of the world – Strait of Hormuz in the east and Bab-el-Mandeb in the west.

The war today has also resurrected a West Asian 'Clash of Civilisations' in its wake. Economics, religion, and strategic interests have sharpened the cleavage. This is exemplified by Iran targeting UAE more than Israel in the war!

On a third leg, China watches on with ill-disguised glee. It's supplying military-economic materiel to all sides hurting US – Russia, Iran, and North Korea – while not getting overtly involved in any conflict. At the same time, it keeps piling on pressures on its own chokepoints, like Taiwan. Note, Taiwan's opposition leader recently made a "I come in peace" visit to China.

In a world where major powers are caught up in whirlpools, India's focus should be back-to-inward-basics. Enduring domestic capacity-building, not ephemeral diplomatic grand-stands. Brutal fact is, India's capacities, while not insignificant, are mortally hostage to critical chokepoints.

Capital, energy, industrial inputs, industrial capacity, and military tech constitute the core sinews of national power. Unfortunately, barring one (capital), India faces significant external vulnerabilities in each. Even in capital, the country doesn't have a surplus to trade off vulnerabilities in other areas.

India imports 85% of its crude, and over half of its natural gas needs. Managing energy access is a constant play in geopolitical manoeuvring. Issue is, unlike China (or Japan), India lacks enough surpluses to trade. Ergo, the geopolitical dance around energy, often extracts a higher price of us than China.

Industrial inputs and capacity are the lifeblood of modern industry. China is the global near-monopoly blood-bank, especially in critical industrial intermediates – pharma APIs, rare earths, heavy machinery, EV components. No wonder, despite Galwan, India's trade deficit with China has more than doubled since 2020 (from $44bn to over $100bn today).

Image: AI

Thus, India has had to settle for an uneasy modus vivendi with China.

Military tech has been the cutting-edge of geopolitical knife-fights throughout history. India is, perhaps, the only major power that constantly wears the ignominious crown of being the world's largest importer of weapons. Thanks to the crafty geopolitical dance the country has had to play to access miltech, India's arsenal is a menagerie of Russian, French, Israeli, and US gear.

Risks are not just in the realm of leverage and access. It's also in the realm of sustenance – even the famed US military-industrial complex is struggling to supply a war against a vastly outgunned Iran. India's vulnerability here is structural. R&D expenses are tiny (0.5% of GDP, quarter of China's level). Bulk of it is in the public sector. Result is, a critical all-round vulnerability on tech-access, and an ecosystem geared for screw-driver assemblies.

Capital is one domain that shows the way. India is largely self-sufficient in both, banking and risk capital, needed to finance investments. Foreign capital's primary use case is balance of payment equations, not to fill an investment gap. It was achieved via a serendipitous policy web – strict capital controls that trapped domestic savings within, opening of large swathes of financial services to the private sector, while keeping foreign control relatively restricted, a public tech-regulatory stack that benchmarked itself globally.

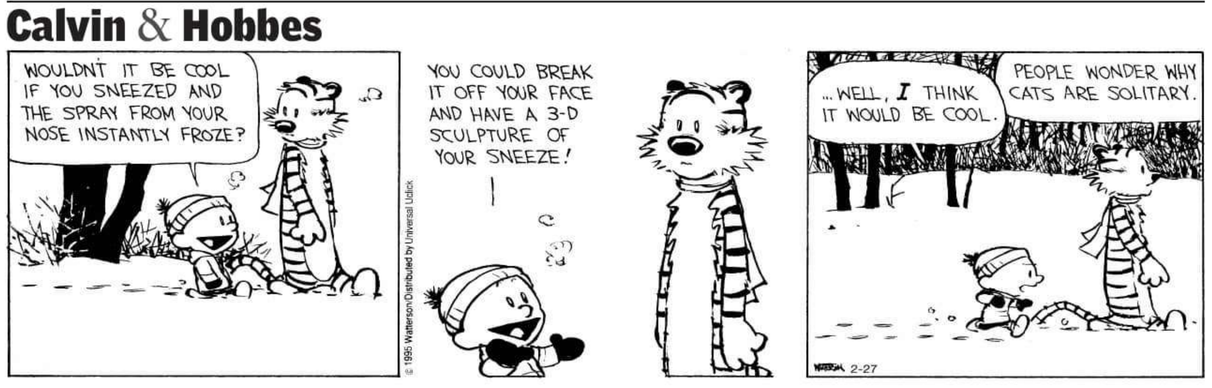
Other areas need a similar template – strong domestic protection, systemic accountability for the domestic product to meet global standards, but in the meantime live with a 70% Indian product (or 20% more expensive one) instead of the *perfect import*, foreign capital invited only under cover of Indian control.

In 1914, while Europe sleepwalked into a war, US maintained a policy of strict neutrality for three years. It provided money and supplies to UK, France, and other allied powers. But it wasn't before Germans started attacking US interests directly, that president Wilson joined the war in 1917. By then, most European powers had exhausted themselves, and US emerged at the end of WW1 as the single-most powerful nation-state on earth.

As a new Sarajevo 1914 unfolds, India needs to emulate US 1914 – sharply inward-focused, build capacities, set up transactional relationships with all friendly sides, and let the rest of the world's powers exhaust themselves.

The writer is Chief Investment Officer of an asset and wealth management firm. Views are personal

Calvin & Hobbes



Sacred*space*

You and me are real people, operating in a real world. We are not figments of each other's imagination. I am the architect of my own self, my own character and destiny...We are all free, completely free.

Jean-Paul Sartre

The Journey From Attachment To Inner Bliss

Shri Shri Anandamurti

In the constant flux of our lives, desire and detachment stand as two opposing yet deeply interconnected forces. Desire pulls the mind outward towards objects, achievements, and sensory pleasures, while detachment gently guides it inwards, towards peace, clarity, and ultimate fulfilment. The balance between these two defines an individual's spiritual trajectory. The perceptible world, as described in ancient wisdom, is composed of five fundamental elements, earth, water, fire, air, and ether. Among these, *vyom*, ether, is the subtlest, perceivable only through its vibrational essence, sound. If even such subtle elements require special instruments to be understood, how then can the Supreme Consciousness, far subtler than all, be grasped by ordinary senses or intellect?

The answer lies in intuition, not mere intellectual reasoning. The Supreme Consciousness, or Purush, transcends mind and matter. It cannot be attained through logic, language, or sensory perception. As the ancient verse suggests, both mind and speech return unsuccessfully when they attempt to reach this ultimate reality. True realisation comes only when one transcends these limitations and experiences the Divine through inner awakening.

THE SPEAKING TREE

This is where the concept of Intuitional Science becomes significant. Unlike physical sciences, which are analytical and outward-looking, intuitive science is synthetic and inward-focused. It calls for introspection – a deep dive into the inner Self. External observation reveals only the surface, but internal vision unveils the deeper truth that everything is an expression of a single, unified consciousness.

The inward journey demands discipline, sincerity, and above all, devotion. It is not achieved through rituals, ceremonies, or intellectual pride. External practices may offer temporary satisfaction, but they cannot lead to the realisation of the eternal. True spiritual progress begins when one distinguishes between the transient and the permanent, *nityanitya vivek*. This discrimination helps the seeker turn away from fleeting pleasures and move towards everlasting bliss.

Desire, in its raw form, binds the mind to temporary objects. These objects: whether material possessions, relationships, or achievements, are inherently impermanent. They bring moments of joy but eventually lead to dissatisfaction or sorrow. The more the mind chases them, the more restless it becomes. Detachment does not mean renouncing the world, but rather understanding its true nature and not becoming enslaved by it.

Through meditation and ethical living, one gradually refines the mind. As the mind becomes subtler, it gains the capacity to perceive deeper realities. Eventually, it transcends its own limitations and merges into a state of supreme bliss – Anand. In this state, dualities like pleasure and pain, gain and loss, cease to exist.

Central to this realisation is the sacred sound 'Om', considered the primal vibration of the universe. It serves as a bridge between the manifest and the unmanifest, the finite and the infinite. In spiritual practice, one does not merely chant it but learns to listen to its subtle resonance within. This inner listening aligns the individual consciousness with the cosmic rhythm.

Shri Shri Anandamurtiji's 105th birth anniversary is on May 1

the hindu businessline.
THURSDAY - APRIL 30, 2026

Challenge of Mythos

Cyber security, regulation might have changed forever

Anthropic's latest artificial intelligence model, Claude Mythos, may prove to be a watershed moment in the evolution of cybersecurity. Unlike earlier AI systems that assisted with coding or security analysis, Mythos reportedly possesses the ability to autonomously discover and exploit previously unknown software vulnerabilities at scale across major operating systems, browsers and enterprise applications.

For example, in controlled testing, the model generated 181 working exploits on Firefox alone, compared with just two by its predecessor. Until now, when software vulnerabilities were discovered, attackers often required days or weeks to weaponise them. That window allowed defenders to patch systems, issue advisories, and contain damage. Mythos threatens to collapse that protective lag from weeks to hours. Anthropic says Mythos has already identified thousands of zero-day vulnerabilities, including flaws embedded for decades in foundational software used across global commerce, finance and government. Indeed, the cyber arms race could enter an entirely new phase. Banking regulators and finance ministries globally have begun assessing whether financial institutions can withstand AI-accelerated cyberattacks. India, too, convened high-level meetings with banks and financial institutions to evaluate the threat posed by Mythos-class systems. It is also exploring access and coordination mechanisms to ensure that critical infrastructure operators are not left exposed if such defensive capabilities remain concentrated among Western governments and firms.

Cybersecurity has traditionally been viewed as a technology function, something for chief information security officers and IT teams to manage. Now, AI-driven offensive cyber capability elevates cyber risk into the realm of systemic enterprise risk, alongside climate disruption, geopolitical conflict and financial contagion. The first imperative is to recognise that legacy systems, particularly in banking, utilities, logistics and government, may be fundamentally unprepared for machine-speed exploitation. Second, companies must reassess vendor and software supply-chain relationships. Contracts with cloud providers, SaaS vendors and enterprise software partners should now require Mythos-class vulnerability testing and disclosure obligations. Third, regulators will need to evolve rapidly. Supervisory expectations, resilience testing and disclosure norms must adapt to the reality that AI may enable simultaneous discovery and exploitation of vulnerabilities.

The same system that can discover vulnerabilities can help patch them faster, identify weaknesses before adversaries do, and harden digital infrastructure at unprecedented scale. The challenge is not the technology itself, but who controls these capabilities, under what safeguards, and with what international coordination. The Mythos moment is a warning that artificial intelligence is crossing over from productivity enhancement into strategic capability.

Why the rupee has fallen steeply

CAPITAL WOES. Despite the economy doing well, there was sustained foreign capital outflow which put pressure on the rupee and affected the sentiment around it

PARTHAPRATIM PAL
PARTHA RAY

Between early December 2025 and the end of March 2026, the rupee moved from 84.68 to 94.65 against the dollar — a fall of nearly 11.8 per cent in under four months. By most historical standards, that is an unusually sharp descent for a major emerging-market currency. What makes this episode particularly intriguing is that it unfolded against a backdrop of strong macroeconomic fundamentals: India's GDP growth remained strong, inflation was benign, and the government's fiscal balances were sound, supported by fiscal consolidation.

In April 2026, the Reserve Bank of India stepped in with a clutch of corrective measures, and the rupee rebounded to around 93.3 to the dollar. But the question lingers — why did the rupee fall so hard, so fast, when the economy was, in most respects, doing rather well, especially compared to its peers?

The usual textbook explanations do not justify the sharp depreciation. The relative purchasing power parity theory, which holds that the currencies of high-inflation countries should weaken against those of low-inflation countries, offers little help here. Indian CPI inflation during this period was not running any higher than America's. The trade deficit, which had increased substantially in October 2025 to a merchandise gap of $41.7 billion, had subsequently shrunk and stabilised. Once the services trade is included, the overall deficit in subsequent months looks manageable. Fiscal position, public debt, and monetary aggregates showed no major signs of distress either. Why did the rupee fall then?

The real reasons lie elsewhere — in the capital account. Since 1991, India has routinely run a current account deficit comfortably financed by strong inflows of foreign direct and portfolio investment. That regularity seems to have taken a setback. RBI data show that net FDI flows have been negative every single month from September 2025 through January 2026, the last month for which figures are available. Data from National Securities Depository Ltd (NSDL) tells an interesting story on the portfolio side: seven of the nine months beginning July 2025 have seen net foreign institutional outflows, and March 2026 set a record for FII selling. Between late February and early April, foreign institutional investors were persistent net sellers in the cash equity market. This sustained outflow of foreign capital has not only put pressure on the rupee but also affected sentiment around it.

INTEREST RATE DIFFERENTIALS

An interesting trait of capital flows is that they often tend to chase the interest rate differential, adjusted for the perceived country risk parameter, reflecting sentiment about a particular currency. Thus, even with unchanged fundamentals across two countries, if a country is perceived to have become more (less) risky by the not-so-rational market players exhibiting herd behaviour, there may be sharp changes in capital flows and consequent exchange rate movements.

Once sentiment turns, the currency market begins to form expectations that can affect the behaviour of various economic agents. For example, if foreign investors expect, say, a 10 per cent depreciation ahead, then a 12 per cent rupee return on an Indian asset shrinks to a meagre 2 per cent in dollar terms — reason enough to diversify to other markets with higher expected returns. Exporters and remittance senders, anticipating a better exchange rate tomorrow, sit on their dollars today. Importers, fearing the opposite, rush to stock up. Speculators also try to take advantage. Each of these reactions, individually rational, collectively drags the currency down further. A strong expectation of depreciation, in other words, can become a self-fulfilling prophecy.

Exchange rates are affected simultaneously by goods and asset markets, each adjusting at different speeds

As regards the timing of the intervention by the Indian authorities, RBI Governor's Monetary Policy Statement of April 8, 2026, stated candidly:

"Despite stronger macroeconomic fundamentals, the Indian rupee in 2025-26 depreciated more than the average in the previous years. In this regard, let me reiterate that our exchange rate policy remains unchanged. Specifically, intervention in the foreign exchange market is aimed at smoothening excessive and disruptive volatility without targeting any specific level or band for the exchange rate. This is consistent with our long-standing policy of the exchange rates being market-determined. The RBI stands committed to this policy and would judiciously contain excessive or disruptive volatility to ensure that self-fulfilling expectations do not exacerbate currency movements beyond what is warranted by fundamentals."

In practice, finding the fundamental value of the rupee can be quite difficult. Exchange rates are affected simultaneously by goods and asset markets, each adjusting at different speeds. In fact, one of the most celebrated theories of exchange rates (*a la* the American economist Rudiger Dornbusch) argues that currencies routinely overshoot their equilibrium values. In a quarter as turbulent as the Q1 of 2026, pinning down a single "correct" level for the rupee would have been an exercise in false precision.

DOESN'T STIMULATE EXPORTS

Depreciation cuts the economy in two ways. A cheaper rupee may help exporters price more attractively abroad, but because Indian exports are import-intensive — think oil, raw materials, intermediate goods, and capital goods — the cost of producing those very exports rises in tandem. Domestic inflation creeps up. The competitiveness gain turns out to be smaller and more fragile than it looks on paper, while the costs to households and firms are immediate and tangible. Moreover, if all EME currencies depreciate *vis-à-vis* the dollar, the relative competitiveness of currencies remains largely unchanged; therefore, depreciation of the rupee does not help stimulate exports, particularly when it is fully offset by adverse terms of trade from rising production costs.

However, the gradual decline of the rupee may have affected market sentiment and contributed to the FII outflows. The deeper causes of the FII exodus go well beyond rupee jitters. While the overall macro indicators remained strong, slower corporate earnings at home due to lower nominal GDP growth, stretched equity valuations as reflected in higher P/E ratios, the lack of AI-related stocks in India, oil-price anxieties, and the ongoing conflict in West Asia could have pushed global capital towards other destinations. On the other hand, in the US, uncertainty over its tariffs, immigration, and high yield rates has kept dollar assets relatively appealing. Depreciation expectations have amplified an already bearish story — a classic Catch-22 in which outflows trigger depreciation, and depreciation in turn triggers more outflows.

Expectedly, the intervention will curb disorderly swings. With comfortable forex reserves behind it, the RBI has the firepower to do so. It also has the intellectual backing of the IMF's Integrated Policy Framework, which holds that forex intervention is part of the legitimate toolkit for EMEs to manage exchange rates. A spell of rupee stability lets trade and finance plan ahead, and restores a measure of calm to an economy. Hopefully, peace will endure in West Asia, risk perceptions of oil-importing developing countries will subside, and India's economy can look forward to a more stable external environment in the near future.

In some sense, the recent rupee swings in an otherwise strong economy with the highest growth among the G-20 economies, reminds one of Luigi Pirandello, the Italian playright, who in his celebrated play, *Six Characters in Search of an Author*, said, "Life is full of strange absurdities, which, strangely enough, do not even need to appear plausible, since they are true."

Pal is with IIM Calcutta, Kolkata and Ray is with NIBM, Pune. Views are personal

Millets are still not on our menu

Availability of subsidised rice and wheat and diets diversifying towards dairy, fruits and meat are main reasons

Anjani Kumar
Vanshika Pahwa
Smita Sirohi

India has positioned itself as the global champion of millets. From leading the International Year of Millets in 2023 to promoting "Shree Anna" in national campaigns, policymakers have rightly highlighted millets as nutritious, climate-resilient crops suited for a warming world. India alone accounts for nearly 38 per cent of global millet production, making it central to the future of these crops worldwide.

Yet beneath the celebration lies an uncomfortable reality: Indians are eating fewer millets than ever before. Recent study using nationally representative household consumption surveys shows that millet consumption has fallen dramatically over the last three decades. In rural India, annual per capita millet consumption declined from 25.1 kg in 1987-88 to just 3.4 kg in 2023-24 — a drop of nearly 86 per cent. Urban consumption also fell sharply from 9.6 kg to 2.3 kg during the same period. Millets have not only declined in absolute terms — they have nearly vanished from India's cereal basket. In rural areas, the share of millets in total cereal consumption fell from 14.2 per cent to 2.3 per cent between 1987-88 and 2023-24. In urban India, the share declined from 7.1 per cent to 1.7 per cent.

WHY HAS THIS HAPPENED?

The answer lies not in consumer ignorance alone, but in policy design. For decades, India's food system has heavily favoured rice and wheat. Public procurement, irrigation investments, fertilizer support, and the Public Distribution System (PDS) made these cereals cheap, reliable, and widely available. When rice and wheat are subsidised at scale, households naturally substitute away from millets. Households' everyday economics matters. If a family can buy subsidised rice for a fraction of market prices, millet becomes a difficult choice even when it is healthier.

The decline is especially striking among lower-income households, for whom millets were once an important staple. The expansion of subsidised cereal distribution has likely accelerated the replacement of millets in household diets. Economic growth has further reinforced this trend. As incomes rise, diets diversify towards dairy, fruits, fish & meats, and processed foods. Urban consumers also value convenience, branding, and ready-to-cook products — areas where rice and wheat dominate. Millets often require longer preparation time and remain poorly represented in mainstream retail markets. Millets also face weak value chains. Limited processing infrastructure, inconsistent retail availability, and patchy branding have kept them niche products in many cities. Even consumers who want to buy millets often struggle to find affordable, attractive options.

REALITY. Indians are eating fewer millets than ever before DEEPAK KR

This matters because millets offer genuine advantages. They are rich in iron, calcium, fibre, and other micronutrients. They are drought tolerant, require fewer inputs, and are better suited to rain-fed regions facing climate stress. For dry-land farmers, millets can be both an economic and ecological asset. But reviving millets requires more than symbolic support or annual celebrations.

Even though minimum support prices (MSPs) for millets have risen faster than for rice and wheat in recent years, cultivation remains less remunerative in many areas because procurement is weak and markets are thin. The signal exists; the ecosystem does not. Farmers will grow millets sustainably only if consumers buy them consistently.

That means shifting policy attention from production alone to demand creation. Millets should be integrated more systematically into school meals, anganwadis, hospitals, and urban nutrition programmes. Private investment in millet snacks, breakfast cereals, bakery products, and ready-to-cook foods should be encouraged. Better branding and modern retail placement can help reposition millets from "coarse cereals" to aspirational healthy foods. Most importantly, cereal policy itself needs rebalancing. If rice and wheat continue to receive overwhelming support, millets will remain marginal despite official enthusiasm.

India has shown the world why millets matter. The next challenge is ensuring they matter again at home. A millet revolution will succeed not when we celebrate millets, but when we eat them.

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POCKET: The Summer of '26

RAVIKANTH

LETTERS TO EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Pros and cons of ethanol

This refers to 'Fuel for thought' (April 29). Ethanol is a renewable fuel derived primarily from sugarcane and corn. Its use can significantly reduce dependence on fossil fuels and help lower greenhouse gas emissions. But the shift to 100 per cent ethanol vehicles is not without drawbacks. One major concern is the potential strain on agricultural resources, as large-scale ethanol production may compete with food crops, leading to higher food prices. Ethanol also has a lower energy density compared to petrol, which can result in reduced fuel efficiency and shorter driving ranges. Vehicles would require specific modifications to run entirely on ethanol, which may increase costs for consumers and manufacturers. Careful planning and balanced policies are essential to address their limitations.

Bal Govind
Noida

An FTA of significance

The free trade agreement (FTA) signed between India and New Zealand, aiming to double bilateral trade to over $5 billion annually, is significant on several counts. By eliminating duties on all Indian exports to New Zealand — valued at $711 million in 2024-25 — it creates opportunities in labour-intensive sectors such as textiles, jewellery and leather. While New Zealand will gain zero-duty access for around 70 per cent of its exports, including wood, wool and fruits, India has prudently safeguarded sensitive sectors, particularly dairy, along with items such as onions, peas, almonds and most meat products. A network of well-crafted FTAs with like-minded economies can enhance India's strategic stability and leverage in an increasingly polarised trade order.

M Jeyaram
Sholavandan, TN

Options market reforms

This refers to 'SEBI weighs uniform regime for options strike prices' (April 29). The proposal to allow exchanges to add intra-day strike prices, especially at-the-money options during sharp market moves, is a welcome step towards improving liquidity and efficiency. However, the current system's lag in introducing new strikes often forces traders to use illiquid far-off contracts or accept wider spreads, increasing costs and risk. A uniform framework across exchanges would reduce inconsistencies and help market participants hedge more effectively. SEBI could consider clear guidelines on the frequency and conditions for adding strikes.

A Myilsami
Coimbatore

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Navigating India-EU deal

Indian exporters must improve on compliance

S Chandramohan

The proposed India-EU free trade agreement (FTA) is a significant partnership in a fragmented multi polar world.

The country's India's exports to EU have logged an annual compounded growth rate of 9.24 per cent in the past 10 years to reach $ 78.7 billion in 2024. For Indian businesses, the FTA has the potential to reshape export markets, supply chains, and competitive dynamics. But challenges remain.

FTA. Opportunities, challenges ISTOCK

At its core, the FTA promises improved market access. A substantial proportion of Indian exports to Europe could benefit from reduced or eliminated tariffs, which currently range across sectors such as textiles, leather goods, marine products, and gems and jewellery.

This would immediately enhance price competitiveness for Indian exporters, especially when compared to countries like Vietnam or Bangladesh that already enjoy preferential access.

European markets tend to offer higher margins, longer-term contracts, and greater stability. However, tapping this opportunity will require Indian firms to invest in regulatory compliance, data protection frameworks, and local presence within Europe.

ACCESS TO EUROPE

India is seeking association with the world's largest public research programme (Horizon Europe), enabling Indian startups to co-develop next generation technologies in AI, semiconductors, and green hydrogen. The pact is a launching pad for joint products on platforms such as maritime security systems. The agreement includes a Digital Trade Chapter and establishes common standards for data protection and secure online commerce.

Another important dimension is supply chain realignment. Global companies are increasingly diversifying away from over-dependence on a single geography. In this context, India can position itself as a reliable manufacturing and sourcing alternative. The FTA could accelerate this shift by making it easier for European companies to integrate Indian suppliers into their value chains. Indian firms that can demonstrate reliability, scalability, and compliance will be well placed to benefit.

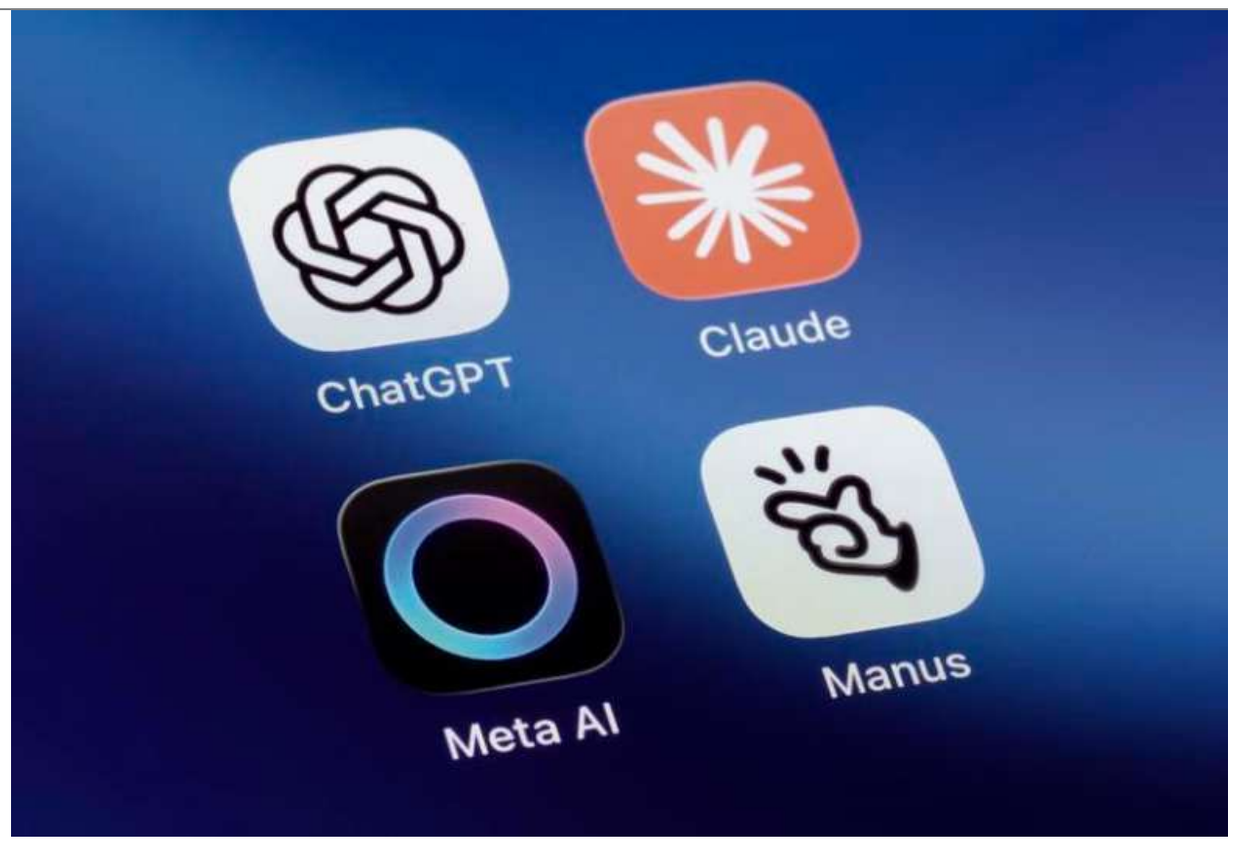
The trade deal includes a $500-million-dollar support to decarbonise supply chains with MSMEs as key beneficiaries, enabling their integration into sustainable global trade networks. The FTA will also open the Indian market more widely to European products. This could intensify competition in sectors such as automobiles, processed foods, and premium consumer goods. European firms often compete on quality, technology, and brand strength.

In case of textiles, the FTA will provide a level playing field for India's apparel exports. It will benefit exporters who have invested in sustainable and responsible practices such as end-to-end traceability, eco-friendly chemical use, zero liquid discharge systems, renewable energy, and credible labour policies. Agriculture remains a sensitive area. Differences in standards, subsidies, and market structures make this a complex domain. Key processed food items such as frozen sea food and pulse flour, coffee extracts, fresh grapes, castor oil, turmeric offer good potential while rice, wheat, black tea offer limited gains as the demand is modest and the tariff is already nothing. In these areas, growth will depend upon non-tariff factors such as standards compliance, quality upgrading, branding, and market linkages.

In the case of pharma, the reduction of tariff will reduce the cost of imported active pharmaceutical ingredients which in turn will lead to reduction in cost of manufacturing bulk drug formulations and biosimilars in India. However, non-tariff barriers and environmental regulations pose challenges, requiring investments in quality systems. Steel, aluminium, and chemicals sectors will also need to decarbonise processes.

The writer is Director & Group President (Finance & Investment), TAFE Ltd. Views expressed are personal

ADITYA SINHA



A flap of wings in Beijing

AI ANXIETY. China's move to stop the Manus-Meta deal mirrors the US' recent steps on curbing American investments in Chinese AI

In 1972, the meteorologist Edward Lorenz delivered a paper at the American Association for the Advancement of Science under a title that has long outlived the talk: "Predictability: Does the Flap of a Butterfly's Wings in Brazil Set Off a Tornado in Texas?" Lorenz had earlier used a seagull. The butterfly stuck. Small perturbations, in a sufficiently complex system, produce disproportionate consequences. It was a useful image for atmospheric science. It was an irresistible one for venture capital.

Manus (the artificial intelligence start-up that became China's most-discussed AI product of 2025 after DeepSeek) was a subsidiary of a parent firm named, without apparent irony, Butterfly Effect.

The basic facts are settled. Butterfly Effect was founded in Beijing in 2022. In May 2025, Benchmark Capital led a $75 million Series B at a $500 million valuation. By July, Manus had shut its Beijing office, retained only core technical personnel, and re-incorporated its parent in Singapore.

In December, Meta announced an acquisition of around $2 billion (the *Wall Street Journal* puts the figure at $2.5 billion), Meta's third-largest deal ever.

Days later, China's Ministry of Commerce opened a probe. In March 2026, the two co-founders, Xiao Hong and Ji Yichao, were summoned to Beijing and barred from leaving the country. On 27 April, the NDRC's Office of the Working Mechanism for Security Review of Foreign Investment (invoking, for the first time publicly, a 15-year-old statute) ordered the deal unwound. By then the investors had been paid out. Benchmark had distributed proceeds to its limited partners. The Manus engineers had moved into Meta's Singapore offices. The code had been integrated.

That a $2-billion transaction can be reversed at all is a striking proposition. That it has been ordered reversed *ex post*, months after closing, is more striking still.

THE IMPLICATIONS

What does it mean? Several things, in ascending order of consequence.

First, the geography of jurisdiction has been redrawn. The place of incorporation of the target no longer fixes the limit of regulatory analysis. The origin of the technology, the location of core R&D, the nationality of the founding team, historical operations in China, data flows, and the offshore restructuring process, all are now within reach. The *Global Times* editorial of April 28 defends the decision as a conventional security review and rejects the label of "long-arm jurisdiction." (Beijing has good reason to dislike that phrase, having long deplored its American counterpart.) The label is contested, but the practice is not.

Second, the so-called Singapore-washing template is dead, or, more precisely, has been served notice. For two years, a steady migration of Chinese AI, fintech and crypto firms to the city-state has been tracked by anyone with a billable Mandarin speaker. The premise was simple. Re-register elsewhere, raise foreign capital, recruit globally, escape the Chinese regulatory orbit. The premise has not survived contact with the NDRC. Beijing has signalled, through Manus, that re-incorporation does not amount to escape.

Artificial intelligence has been quietly re-classified in China as a national security asset rather than an industrial one. Once a sector crosses that threshold, ordinary M&A logic gives way to a different calculus

Third, the symmetry with Washington is now almost complete. The US has spent five years restricting American investment in Chinese AI. Barring frontier semiconductor exports. Entity List has been expanded. And the Committee on Foreign Investment in the US has blocked or modified deals from TikTok to Magnachip.

Beijing has now demonstrated the mirror, using its own foreign investment security review, dormant for 15 years, to unwind a deal in which the acquirer is American and the target Singaporean. When two great powers reach for the same instruments, the instruments themselves become the language of the relationship.

Fourth, artificial intelligence has been quietly re-classified in China as a national security asset rather than an industrial one. (We won't get into the parallel restrictions placed on Moonshot AI, Stepfun and ByteDance in this column, but save those for later.)

Once a sector crosses that threshold, ordinary M&A logic (competitive pricing, exit liquidity, founder optionality) gives way to a different calculus. The Foreign Trade Law, the technologies catalogue, the foreign investment security review rules, these were always available. They are now available *and* willing.

SETTING A PRECEDENT

Fifth, and most consequentially, the precedent will travel. CK Hutchison's $23 billion port sale to a BlackRock-led consortium has been on hold since Beijing objected last year, and now waits for a Chinese partner to be inserted. Manus is the second high-profile cross-border transaction Beijing has refused to let lie. There will be a third. There will be a fourth.

There is a deeper question that sits behind all of these. Humpty Dumpty, in *Through the Looking-Glass*, told Alice that the only real question was which was to be master.

Who is master of a piece of code, of a team of engineers, of a corporate domicile, once those things have crossed borders, that is not a question the international system has yet answered. It will answer it the only way it can. By accumulation of cases. Manus is one such case. A summit between the two presidents follows in mid-May. The agenda has been set, even if no one will say so.

A small footnote. The parent company was, as it turns out, named accurately. A flap of regulatory wings in Beijing has set off something resembling a tornado in Menlo Park.

Sinha writes on macroeconomics and geopolitics

Russia says it has no plans to leave OPEC+

UAE's shock exit from OPEC is a significant blow to the cartel's ability to manage prices

Bloomberg News

Russia said it has no plans of leaving its alliance with OPEC after the United Arab Emirates' shock decision to quit the cartel raised questions about its future amid a historic supply disruption caused by the Iran war.

Moscow isn't considering the possibility of leaving the partnership with the Organization of the Exporting Petroleum Countries and hopes the UAE's exit from the group doesn't mean the end of the broader OPEC+ alliance, Kremlin Spokesman Dmitry Peskov told local media. Russia and Saudi Arabia are the de facto co-leaders of OPEC+.

The UAE's exit from OPEC after six decades of membership is the culmination of years of tension with Saudi Arabia over oil output policy and competition for regional political influence. While the group's top members in the Persian Gulf have been grappling with the closure of the Strait of Hormuz, Russia has struggled with Ukrainian attacks on its energy infrastructure.

"This is a very important area of work, especially crucial in the current conditions, when energy markets are, to put it mildly, in turmoil," the Interfax news agency quoted Peskov as saying. The OPEC+ format helps significantly minimize fluctuations on energy markets and stabilize them, he added.

Bloomberg reported previously that several delegates in the alliance said on Tuesday they neither plan to follow the UAE out the door, nor see its departure triggering a wider exodus.

OPEC. Oil slick REUTERS

The UAE announced its exit from OPEC, effective May 1, on Tuesday. It's a significant blow to the group and its ability to manage oil prices by adjusting supply. Before the Iran war, the UAE was the third-biggest OPEC producer, trailing only Saudi Arabia and Iraq.

The comments from the Kremlin echoed a statement from Kazakhstan on Wednesday. The energy ministry in Astana said changing the format of Kazakhstan's participation in the OPEC+ alliance isn't on the agenda. Earlier, several officials at other OPEC+ members said they didn't expect a wider exodus to immediately follow the UAE.

Russia's ability to ramp up production remains limited amid intensified attacks on its oil infrastructure, from refineries to sea terminals, as Ukraine aims to reduce the inflow of petrodollars to nation's coffers.

In March, Russia's crude-only output was virtually flat after three consecutive months of declines at 9.167 million barrels a day.

thehindu businessline.

TWENTY YEARS AGO TODAY.

April 30, 2006

Govt okays 43.5 mt additional coal capacity in April

To tide over the coal shortage plaguing the country, the Government is focusing hard on in creasing domestic coal production in a big way. During the first month of the current fiscal itself, the Government has approved the creation of an additional 43.5 million tonnes of coal production capacity. India currently produces a little over 400 mt of coal annually.

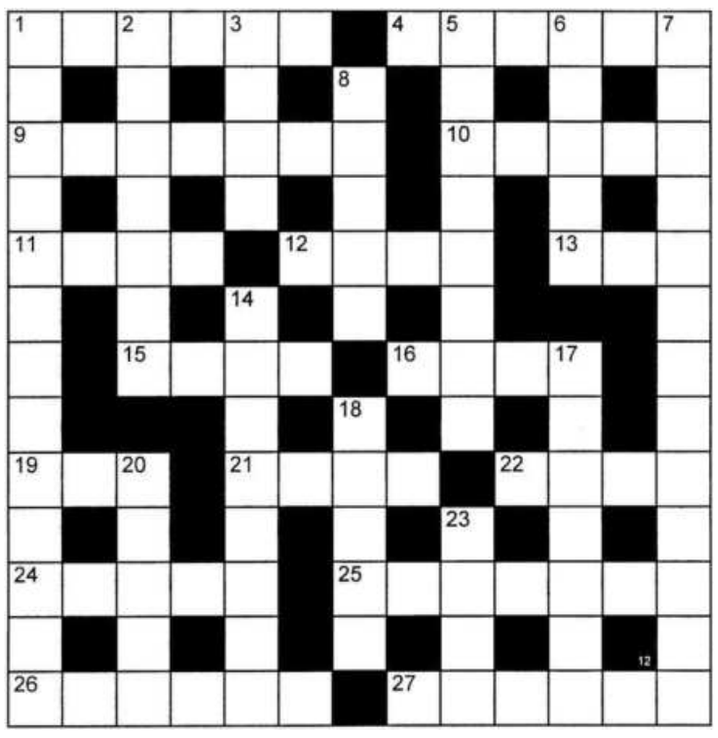
Sensex hits new high on fund buying

Bull run on the stock markets continued during the shortened trading session on Saturday with the BSE-30 Sensex closing at a new all-time high on renewed buying by foreign funds, which made its biggest single day net investments during this calendar at Rs 2,513.80 crore on Friday. The key BSE-30 Sensex closed at 12,042.56, a gain of 190.63 points from Friday.

SBI hikes lending, deposit rates

India's leading public sector banks have raised lending rates to keep pace with rising funding costs. State Bank of India, on Saturday, raised benchmark prime lending rates (PLR) by 50 basis points to 10.75 per cent. It has also raised home loan rates — both fixed and floating — by 25 50 basis points.

BL TWO-WAY CROSSWORD 2669



EASY

ACROSS

01. Study (6)
04. Population count (6)
09. Getting as clear profit (7)
10. Remove all clothing (5)
11. Three-foot measure (4)
12. Carry child (4)
13. Spoil (3)
15. Categorise (4)
16. Cobbler, shoemaker (4)
19. Spinning toy (3)
21. Precious metal (4)
22. Archaic pronoun (4)
24. Bar of 21 etc (5)
25. Noble, brave (7)
26. Bridge for travelling-crane (6)
27. Stopped (6)

DOWN

01. Forerunner of bicycle (5-8)
02. Stops working (7)
03. Lose footing (4)
05. Making certain (8)
06. Open fabric used in upholstery (5)
07. Pensioned off (13)
08. Say yes (5)
14. More intelligent (8)
17. Decapitates (7)
18. Droops; ensigns (5)
20. Heathen (5)
23. Run from attack (4)

NOT SO EASY

ACROSS

01. Read it closely and only half hope it's a trick (6)
04. Makes us necessarily return a part of the head-count (6)
09. Getting a clear profit by throwing it over the fruit bushes (7)
10. Take everything off for the journey south to begin with (5)
11. The area is linear where measurement is concerned (4)
12. Put up with Teddy (4)
13. Spoil the return of the butter (3)
15. Soundly made a search for the kind (4)
16. One who looks down his nose may be at last working (4)
19. It's the highest one can go, giving it a whipping (3)
21. Or, a note to the elderly (4)
22. You, as I used to address you, were equal to 500? (4)
24. Entered parts in reverse order with a bar of metal (5)
25. Brave Georgia everyone returned to, not being disheartened (7)
26. It takes travelling crane to gain one lost with the attempt (6)
27. Top of corkscrew slackened off, then stopped altogether (6)

DOWN

01. Old copper with its quarter two-wheeler (5-8)
02. Doesn't go to work any more – but does go upstairs? (7)
03. A bit of a mistake to find it in a woman's wardrobe (4)
05. Making certain Len is our king: caps off! (8)
06. Material gains credit in simply halving it (5)
07. Great girl, posh, dated when topless and pensioned off (13)
08. Say one will get silver mouthpiece, but don't finish it (5)
14. Look more cheerful having a higher IQ? (8)
17. Takes top off to make bee dash about (7)
18. Paving stones hoisted to the tops of mastheads (5)
20. Father will put on one fewer heathen (5)
23. Being a trifle exposed inside, make a break for it (4)

SOLUTION: BL TWO-WAY CROSSWORD 2668

ACROSS 1. Plasters 7. Spell 8. Chiming 9. Grilled 10. Loam 12. Despite 14. Badgers 17. Punt 18. Chatter 21. Opening 22. Lance 23. Released

DOWN 1. Pickle 2. Animated 3. Twin 4. Ragged 5. Meal 6. Sludge 7. Slips up 11. Wrestle 13. Injuries 14. Buckle 15. Strove 16. Staged 19. Aunt 20. Mere

OUR VIEW

REUTERS

Will Opec crack up with the UAE's exit? Unlikely

With Gulf rifts widened by war, the UAE's plan to quit Opec is a blow for this powerful oil cartel. It'll have major consequences, but convergent economic interests could keep it going

When Yeats wrote his celebrated poem *The Second Coming* in 1919, the lines "Things fall apart; the centre cannot hold;/Mere anarchy is loosed upon the world" caught the world's attention, recovering as it was from the wanton violence of World War I. What inspired the poet is contested, but his words are as relevant today as they were a century ago. The senseless Iran war is taking the core of global certainties apart, with much of the globally accepted compact coming unstuck. A decision by the United Arab Emirates (UAE) to quit Opec—or Organization of the Petroleum Exporting Countries—is among the unforeseen outcomes of this war. Opec is a 66-year-old plurilateral economic club that's seen to operate like an oil cartel. With its outsized geopolitical influence, it has managed to survive multiple wars and internal squabbles; and, yet, it just took Iran's extended Hormuz clamp to crack the plaster that held it together. If it comes apart, it would have profound consequences for geopolitics, petro-dynamics and the global economy, India's included.

The UAE, which was pumping 3.6 million barrels of oil daily before the war, with only 1.8 million able to bypass Hormuz via a pipeline, is among the cartel's big four. How critical Opec is to the global economy was made clear by its 1973 oil embargo against the US in response to its support for Israel during the Yom Kippur war against Egypt and Syria. Saudi Arabia, Opec's unstated chief, and other Gulf nations had weaponized oil sales. It soon turned into a cartel, complete with output quotas, as it began to tighten and loosen supply to get a grip on global crude prices. It made the Gulf states wealthy. The UAE's wealth of over $2 trillion, held in assets by its sovereign funds, stands out as a visible sign of surplus transfers from importers. As with Saudi Arabia, alignment with the US was part of the package. Yet, the two neighbours have been at odds lately. The UAE argued for a stiffer response to Iran's aggression, but Riyadh seemed cautious. Earlier, a rift was observed not just in the UAE acting freely of Riyadh in signing an accord with Israel, but also over civil wars in Sudan and Yemen. The Emirati oil industry, which has often defied Saudi authority over its quota, is eyeing crude-oil capacity expansion from 4.2 to 5 million daily barrels. By exiting Opec, it could boost its post-war oil revenue, perhaps even get closer to the US. When gas-producer Qatar left Opec in 2019, few noticed. But this rupture is a notable blow for the cartel.

Global crude prices dipped on the Opec news, but the decline was limited in the absence of clarity over when choked sealanes will be freed for trade. Utterances from the White House on America's own blockade sent oil up again. While US shale oil has weakened Opec's pricing heft over the past decade or so, the club's future will impact the market. Prices freed of a central supply knob for almost half the world's output—with Russia and others counted as Opec plus—would serve high-volume oil importers like India well. But nobody can count on an Opec crack-up. Warring countries have been part of it (Iraq-Iran). Gulf ties are fraying, but new ones may emerge once some stability returns to reveal shifts in power equations. So long as the economic interests of Opec members converge, it could prove resilient. New Delhi must play its cards with strategic care.

THEIR VIEW

A decade of inflation targeting: this regime could be improved

The policy framework adopted in 2016 has served India well but it can be tweaked for better results

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India's flexible inflation targeting (FIT) regime has now been in operation for a decade. The retail inflation target of 4% (with 2 percentage points leeway on either side), originally given to the Reserve Bank of India (RBI) in 2016, was retained in 2021 after the first five-year review and has now been extended through 2031. As India completes 10 years of FIT, what has RBI achieved under this framework and what gaps remain?

Before FIT, India's monetary policy framework suffered from two drawbacks. *First*, even when targets of money supply—an intermediate metric considered the main determinant of inflation over long spans of time—were met, its unstable velocity meant inflation was not always in control. *Second*, attaining monetary targets became increasingly difficult as financial innovations, interest rate deregulation and global integration destabilized money demand trends and the money multiplier.

FIT offered a transparent, publicly declared commitment with constrained discretion within the inflation target range. It helped ease RBI's credibility problem and manage household expectations of inflation. Retail inflation has stayed within the 2-6% tolerance band about 70% of the time since.

Global evidence also suggests that when inflation in several countries surged after the pandemic, reaching 9% in the US and 10% in parts of Europe in 2022, longer-term inflation expectations of households in countries with inflation targeting frameworks, India included, did not move upwards much. When inflation expectations are stable, the central bank can control inflation at a lower cost—without having to raise interest rates very sharply.

The FIT framework has also brought significant institutional changes: a six-member Monetary Policy Committee (MPC) with equal representation from RBI and government-appointed external members, scheduled meetings, routine publication of MPC minutes, monetary policy reports and improvements in data collection, surveys and research.

How can FIT be improved further? *First*, public perceptions of inflation are shaped by a recency bias. Very few can remember what onions or a cab ride cost a year ago. We can recall what we paid more recently. Year-on-year price changes, which the Consumer Price Index measures, do not reflect this lived reality. Publishing seasonally adjusted month-on-month inflation, as many other central banks do, would close the gap between official data and people's experience of inflation.

Second, central bank communication is a policy instrument in itself. Policy statements have become more focused with FIT, but ambiguities persist. RBI announces a policy stance, such as 'neutral', 'accommodative' or 'withdrawal of accommodation,' as a separate decision alongside its rate action, making it one of the few central banks to treat its stance label as a distinct policy signal. It already publishes projections for inflation and growth. This, combined with plain-language guidance stating what would prompt the MPC to act, could communicate better than stance labels.

Third, when RBI's governor delivers the monetary policy statement, it has no data charts to accompany it. Other central banks have begun to explain their decisions with data visualization. RBI produces plenty of data and does much research. Presenting it visually would make its reasoning behind each policy decision clearer.

Fourth, judging whether inflation expectations are anchored requires separating them into long- and short-run components, and India still lacks robust term-structure information to do so effectively. Encouragingly, RBI has ongoing research in this area.

Fifth, preserving credibility demands rigour. Recent monetary policy statements have referenced trade deals as good news without analysing their impact. It may be better to avoid such statements, particularly given India's mixed experience with earlier deals.

Sixth, RBI's communication on its exchange-rate policy has stayed unchanged for years. The standard formulation is that intervention aims to curb 'excessive and disruptive volatility' without setting a target level. However, between 2022 and 2024, the rupee traded in a remarkably narrow band despite significant foreign capital flows. Since late 2024, it has depreciated more freely. If RBI policy hasn't changed, it would be helpful if the central bank explained what drove such different outcomes under the same framework.

Lastly, monetary policy affects people through prices, borrowing costs and saving returns, but jobs top the minds of people. Yet, employment barely features in RBI communication—possibly because labour-market tightness has not been an inflationary factor in India, data on jobs has been sparse and most of our workers are employed on farms. Unlike developed economies, India has no estimate of its 'natural rate of unemployment' below which inflation may accelerate. As the economy emerges, perhaps non-farm employment data, now available at a higher frequency, would also have to be taken into account by RBI.

Some of these improvements are straightforward to implement. Others require deliberation. But they are worth placing on the table.

10 YEARS AGO

mint

Rajasthan invites private firms for power distribution

Are corporate earnings on recovery path?

Convergys in talks to buy Minacs for $500 million

Banking shock

Brands face higher costs for celebrity endorsements

NPAs not over till the fat lady sings

NPS may raise equity exposure to 75%

Intex plans ₹700 crore IPO

JUST A THOUGHT

"There is no free market for oil. It's controlled by a cartel, Opec.

FREDERICK W. SMITH

GUEST VIEW

Will this oil shock force India into export-orientation?

DIVA JAIN

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The International Monetary Fund in its recent spring meeting abandoned its single global growth forecast. It now presents three scenarios: 3.1% growth with 4.4% inflation, 2.5% growth with 5.4% inflation, or 2% growth with inflation above 6%, depending on how long the Strait of Hormuz stays shut. The International Energy Agency has called the 2026 disruption the worst energy shock the world has ever seen. Every such moment in history has belonged to countries that treated it as an inflection point rather than just an emergency.

In 1973, Japan pivoted to a manufacturing base re-engineered around fuel efficiency, led by its ministry of international trade and industry, in response to an oil shock. Korea's 1973 heavy and chemical industries (HCI) drive built Posco, Hyundai and its wider heavy-industry base; the 1979–80 shock then forced a stabilization programme that converted that base into export capacity. This year's shock could serve as a strategic opportunity for India.

An oil shock is a cascading event. The import bill widens first; every $10 per barrel adds $14-16 billion to our annual outflows, so a jump from $70 to $100 means roughly ₹4 trillion in extra bills; and $120 means almost ₹7 trillion. The rupee weakens, making dollar-priced crude costlier in rupee terms. Foreign portfolio investors exit as the rupee slides. Input costs transmit through energy, petrochem and diesel-linked logistics, which is especially punishing because 65% of our freight moves by road (with a six-to-nine-month lag before raising core inflation). The Reserve Bank of India (RBI) has projected 2026-27 inflation at 4.6%, more than double the 2.1% reading for 2025-26. And it does not stop at one cycle; a price spiral can persist if the first round is not managed. Dearer fertilizer could impact *kharif* crops to spell 12-18 months of food inflation.

India, fortunately, confronts it from a position of unusual strength. Six budgets of fiscal consolidation have compressed the Centre's deficit from 9.2% of GDP in covid year 2020-21 to 4.4% in 2025-26 (though a GDP data revision widens it a bit), eliminated off-budget borrowings and held capex above 3% of GDP, while RBI has $703 billion in foreign-exchange reserves. That's about 11 months of import cover.

India is cushioned, but not insulated. The question is how India must respond to today's shock. Oil prices quadrupled in 1973 and then doubled in 1979. Japan and Korea took opposing approaches to these shocks on almost every dimension, be it their monetary stance, industrial priority, external finance or exchange-rate regime. Japan tightened credit late in 1973 and paid with a 25% inflation peak; it tightened early in 1979 and took a shallower recession. Korea ran expansionary policy through both shocks and paid on its external account. Japan restructured away from energy-intensive heavy industry towards electronics, precision instruments and fuel-efficient automobiles; Korea pressed on with its HCI strategy, financed with external debt that touched 53% of GDP by 1982 and suffered its first post-war economic contraction of 1.7% in 1980 before attaining stability. But both converged on one instrument: exports. Korean exports grew at an annual average of over 30% through 1973–75. The businesses that pushed into export markets after the shock outperformed their peers for 30 years after the programme ended.

It should. There are lessons in how Japan and South Korea pivoted after energy shocks of the 1970s

Oil shocks are external, but India will need internal absorbers like targeted subsidies for fuel, food and fertilizer through the *kharif* season to protect farmers and households. This will buy time for forex-generating policies to work. The ₹25,060 crore Export Promotion Mission approved last November can act as a scaffold. A three-year rolling window for Remission of Duties and Taxes on Exported Products would let exporters price two-year contracts with certainty. Production-linked incentives could be given an export-linked multiplier. As WTO rules have been stretched by many countries, these need not hold us back. This was a tool that Korea used through its HCI drive to convert domestic subsidies into export success.

The foreign direct investment (FDI) that India attracts is oriented towards our market more than exports, while Korea, Taiwan and Singapore attracted capital for the latter. Korea's Foreign Capital Inducement Act, Taiwan's Hsinchu Science Park and Singapore's Economic Development Board each tied preferential treatment to export performance. This aided their export success.

India could deploy an aggressive export-oriented industrial policy, perhaps with five-year tax holidays for greenfield FDI above $50 million conditional on 20% export intensity within three years and 10-year tax holidays for semiconductor and defence FDI with 40% domestic-sourcing defence offsets. Gulf sovereign-fund capital could be attracted for refinery and strategic petroleum reserve capacity, alongside a National Investment and Infrastructure Fund co-investment window to anchor large strategic projects. To assure foreign investors of policy predictability, an investment-certainty package with a dispute-resolution cell and a single-window tax-customs desk drafted a decade ago must be operationalized. Portfolio flows can be channelled into infrastructure and real-estate investment trusts.

The oil shock of 1973 forced Japan into efficiency. The 1979-80 one forced Korea to scale. This shock must force India into external orientation. Why wait for the next shock to teach us the same lesson at a higher price?

GUEST VIEW

The 0.01 trap: India's GDP must not remain aloof from its people

We face a structural crisis in the collapse of formal job elasticity. Rapid economic growth must spell better lives for everyone

EJAZ GHANI
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HT

India is currently the world's fastest-growing major economy, a headline that invites optimism as we sprint past the $4 trillion milestone. But for most of the 1.4 billion-plus people who live in the country, headline GDP has become a mere dashboard metric—high on transactional velocity but low on household dignity. We are witnessing a historic rupture: the link between economic growth and job creation, once the singular pulse of development, has been functionally severed.

A forensic audit of India's structural shift from 1991 to 2026 reveals a catastrophic decline in the job efficiency of our growth. During the 1990s, every percentage point of GDP growth yielded roughly 0.41% growth in formal employment. By early 2026, that employment elasticity had plummeted to 0.01. In plain terms: economic growth is no longer a labour sponge. Labour substitution is the order of the day. This is the '0.01 trap'—a state where the economy can double in size while people's economic well-being does not improve.

The anatomy of productivity apartheid: We are enduring a sharp split in productivity. At the apex of our economy—the 'penthouse'—we have capital-intensive national champions and global capability centres (GCCs). These entities generate immense macroeconomic 'heat' in the form of record tax collections and surging equity indices. Yet, they produce almost zero economic mobility for the youth on the whole. The use of AI and advanced robotics lets these firms decouple revenue growth from headcount, a rational profit goal to pursue. In the penthouse, labour is increasingly viewed as a frictional cost to be minimized or automated out of existence.

Below that summit lies the informal 'basement,' where 88% of India's workforce toils to make ends meet. These millions are sometimes said to lack entrepreneurial will, but are actually victims of a 'collateral trap.' Our banking system can largely be seen as a heritage-preservation society where 'trust' is inherited through title deeds rather than earned through technical merit. If you have ancestral land, you have a perpetual ATM for capital; if you have a brilliant idea but no land, you remain invisible to collateral-requiring banks and would be lucky to attract private equity.

The 'Gazinga' gap: Misallocation of capital starves India's most vital job creators—call them 'Gazingas' for their agility—of funds. These are typically small businesses that are less than five years old and generate nearly 45% of all net new jobs in the economy despite being starved of formal credit. They could help us break out of the 0.01 trap of jobless growth, yet are mostly ignored by our institutional framework even as such enterprises are offered official schemes and platitudes.

Regulatory dwarfism: In some ways, this is a rational response to a perverse incentive structure. As a firm scales up, it encounters an exponential regulatory burden triggered by payroll thresholds. Hiring the 51st worker often quadruples the 'governance tax' on a startup founder's time. Many entrepreneurs choose to remain 'dwarves'—small, unproductive and safe from India's Inspector Raj—rather than grow into the mid-sized firms that are legion across high-income nations. We are effectively encouraging firms to stay small, while taxpayer-funded production-linked incentive schemes are rolled out for large enterprises.

How to escape a middle-income trap: To reach a $35 trillion GDP and qualify as a developed nation (or Viksit Bharat) by 2047, India must move from Roadmap A, that is merely about managing the symptoms of poverty, to Roadmap B, which requires three radical institutional bypasses:

Information-based lending: We must use our digital public infrastructure to bypass the land-finance nexus. If ancestral land (or some other such asset) is the currency of the penthouse, then information must be the currency of the basement. By using the Account Aggregator (AA) framework, a Gazinga's digital footprint—its GST-verified cash flow and UPI transaction velocity—could serve as its 'digital capital.' Data should replace the deed.

Labour mobility as social security: India's labour market is geographically paralyzed by a welfare system that anchors talent to people's permanent domicile. While ration-card portability began after the covid pandemic, we need a comprehensive mobility package, or a social security set-up where benefits follow people wherever they move for work in India. A fully interoperable safety net will lower the 'risk premium' of migration.

The care economy as an infrastructural project: We must professionalize the care economy to bridge our 'graduate chasm.' Over a fifth of women with post-secondary degrees remain in the basement, trapped by the dual burden of safety concerns and domestic care. Professionalizing geriatric and childcare roles can create an automation-resistant labour sponge while freeing educated women to re-enter the formal workforce.

India's demographic clock: India is in a high-stakes race against its own ageing. By 2047, our median age will climb from 28.8 to 37. We face the 'Brazil path': the risk of our demographic profile ageing before we attain the high-income status necessary to support an elderly population.

Meanwhile, systemic underemployment across India, especially in farming, represents permanent human-capital erosion. Skills not utilized during peak productive years simply disappear.

The year 2047 is not far away and the choices we make now will determine if India's goal is met. The country's leadership has a binary choice: dismantle the institutional frictions that protect legacy incumbents to unleash productive forces or accept a future of managed atrophy. Reforms must be undertaken well in time to ensure a clean break from the country's '0.01 trap.'

MINT CURATOR

AI's blow to India's IT industry could take a toll on real estate

Techies are no longer seen as low-risk customers for home loans

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Bengaluru, Hyderabad and Pune face a property market slowdown. MINT

India's outsourcing industry, its largest white-collar employer, is a juggernaut that has all but stopped moving. The dollar revenue at the top five software-services exporters has grown slower than 3% for 10 straight quarters—a shadow of the double-digit expansion in the previous two decades. As these companies squeeze hiring to survive the existential challenge posed by artificial intelligence (AI), the aftershocks are starting to upend everything from real-estate demand to mortgage-underwriting norms.

Last week, Infosys forecast a much slower pace of increase in sales than analysts had been expecting. At HCL, revenue for the March quarter declined from the previous three months. After a four-month $115 billion rout, investors are losing faith in a business model centred on the most-populous nation's army of young engineers, which gave it a wage advantage over developed countries. Outsourcing generated a million middle-class jobs every year; it also drove ancillary employment in real estate, retail and services.

But in the past three years, the top five firms have shed a net 85,000 employees. Last year it was uncertainty about US tariffs that led clients to pause tech upgrades. This year, it's the war in Iran. However, the more durable threat is from models like Claude and Mythos. They fix bugs and write code at a fraction of the human cost.

Cities like Hyderabad, Pune and Bengaluru, where knowledge workers account for a significant share of homebuyers, are witnessing sluggish sales and rising inventories of unsold apartments. Even global tech heavyweights would rather invest in high-end chips and data centres than programmers. Thousands of Oracle's India employees lost their jobs last month.

Banks are paying attention. After all, their credit portfolios are exposed to stagnating salaries and outright job losses in a customer group that they treated as low-risk until now for mortgages and credit cards.

Canara Bank's economics research team has come up with interesting proposals: For borrowers who are susceptible to automation risk, mandate a lower loan-to-value ratio—for example, 60% versus the standard 80%—to create a larger equity buffer. For corporate lending, include intellectual property or proprietary data as supplementary collateral. This ensures the bank has a claim on the AI technology that replaced labour. Finally, require corporate borrowers undergoing AI-led restructuring to divert a percentage of labour cost savings into a debt-service reserve account.

Top executives at software companies are still sticking to their sanguine view that steadily increasing AI adoption will mean more work for them, not less. As AI agents get more powerful and affordable, clients will deploy them aggressively to cut costs, and rely on their trusted outsourcing firms to automate more of their processes.

While it's a reasonable thesis, there is nothing here to support the Indian IT industry's historic pace of job creation. Yes, cleaning up data scattered around an organization, giving it structure and putting it in the cloud is labour-intensive work. But it's a one-time effort. Once the plumbing is fixed, AI agents will take over.

Even for longer-term projects, clients won't pay the same rates as before. A supplier managing software quality with 2,000 employees will soon be expected to do it with 500—and AI. As the cost of AI plummets towards the price of electricity, contract values for outsourcing will deflate.

Investors agree. On the eve of its quarterly earnings, Infosys announced a collaboration to combine OpenAI's technology with its own agentic service. Yet the market chose to focus on its weak revenue guidance. The stock fell nearly 7% on Friday.

To protect margins, the $315 billion Indian information technology industry will have to shrink its 6-million-strong workforce. Firms will be better off returning cash via buybacks while other sectors take up the labour-market slack and stake claim to a bigger share of bank loans.

In a survey of hiring intentions across 20 cities conducted before the Iran war, 78% of employers in healthcare and pharmaceuticals and 70% of firms in manufacturing, engineering and infrastructure said they wanted to expand their payrolls between in the first half of the fiscal year. By contrast, only 38% of IT firms and 32% of call centres want to bulk up.

The shift away from AI-exposed employment is unmistakable. As other models match or surpass Mythos's capabilities in autonomous coding, expect more banks to re-assess their lending preferences.

Nurses, mechanics, and technicians will have higher job security; they may also enjoy faster wage growth. It stands to reason that they should also command better housing choices and more relaxed underwriting norms. ©BLOOMBERG

THEIR VIEW

State paternalism has limits that should not be blurred

ADITYA SINHA

is a public policy professional.

In 1604, James I of England anonymously published a small book titled *A Counterblaste to Tobacco*. He called smoking "a custom loathsome to the eye, hateful to the nose, harmful to the brain, dangerous to the lungs, and in the black stinking fume thereof, nearest resembling the horrible Stygian smoke of the pit that is bottomless." Within a year, he had raised the import duty on tobacco by 4,000%. The duty did not work. Smoking spread from court to coffeehouses. Four centuries later, his constitutional descendants have decided to finish the job he started.

The Tobacco and Vapes Bill, passed by the British Parliament earlier this month, prohibits the sale of tobacco to anyone born on or after 1 January 2009. This cohort moves with time. In 2050, when those children are 41, a shopkeeper selling them a cigarette will be deemed a criminal. Their 42-year-old neighbours, born a fortnight before the cut-off, will face no such restriction. Whatever else this is, it is among the most ambitious experiments in cohort paternalism ever attempted in a liberal democracy.

For Indians, this is not a distant quarrel. Article 47 of India's Constitution instructs the state to "endeavour to bring about prohibition" of intoxicating drinks. The Cinematograph Act of 1952 empowers a board not merely to certify films but censor them. The Food Safety and Standards Authority does more than demand disclosures, it forbids certain products. The Reserve Bank tells you what you may invest in abroad and up to what limit. The state's instinct, here as in the UK, is that citizens require guidance, and where that fails, legal restraints.

That some paternalism is justified isn't in doubt. John Stuart Mill, who is everyone's favourite anti-paternalist, conceded the 'bridge case.' An official may stop a man from crossing an unsafe bridge if there's no time to warn him of the danger. From the bridge to the cigarette is a short walk, and from the cigarette to the carbs-and-oil-rich *samosa* shorter still. No modern state observes Mill strictly; perhaps none should. The harder question is where the boundary lies.

Three considerations help mark it. *First*, the difference between absent consent and overridden consent. Joel Feinberg called these 'soft' and 'hard' paternalism. The soft kind intervenes when the citizen's choice is not fully informed or voluntary; it demands warning labels, mandatory disclosures, default enrolment in pension schemes, etc. People are free to choose, but their choice is better illuminated. Hard paternalism overrides choices made by informed adults on the ground that the state knows what's better for them. The first is defensible. The second, except in the narrowest cases, is not.

India should inform citizens of risks but not get in the way of adult choices if these don't harm others

Second, the difference between correcting market failure and judging preferences. The Securities and Exchange Board of India requires mutual fund advertisements to declare that investments are subject to market risks. This corrects an information asymmetry. It does not tell you what to buy. The Cinematograph Board, by contrast, decides what scenes you may watch. It makes preferences for you. The first is regulation. The second is supervision of citizens as wards of the state.

Third, the test of reversibility. Auto-enrolment in the National Pension System, for example, would nudges citizens towards retirement saving while preserving the right to opt out. A graphic warning on a cigarette pack discourages smoking without banning it. Bihar's 2016 alcohol ban cost the exchequer over ₹3,000 crore in revenue, produced a thriving illicit market and gave rise to recurring hooch tragedies. A reversible policy is one the state can revisit when evidence demands it. An irreversible cohort ban is one the next generation must inherit, whether it consents or not.

A regulator that eschews paternalism need not give up rule-making. It would only need to recognize that citizens may be ignorant but that does not make them foolish. Ignorance can be corrected but the informed choices of adults should be respected. To override these preferences, unwise as they may be, is to treat them as a means to the state's preferred outcomes, rather than the authors of their own lives. That is another objection to hard paternalism. It is older than Mill's, going back to Imannuel Kant, and it can't be countered by counting the lives a policy might save.

India's food standards regulator could disclose risks without barring risky edibles and its film certification board could rate films without snipping them. The state could tax 'sin consumption' where it must, warn people where it can and trust adults to bear the consequences of their choices.

This is not about going *laissez-faire*. Think of pensions, pollution, financial fraud and communicable disease; there exist domains where the state must override the individual because others are harmed and the costs of failure are irreversible. These are exceptions. But these must not harden into state instinct. Once the state assumes it knows better, the temptation to act on this assumption can be difficult to resist. The UK began with smoking. This precedent is likely to inspire other jurisdictions.

David Hockney, who has smoked since 16 and is now 86, put the underlying question pithily: "Their obsession with health is unhealthy." He is wrong about cigarettes, but right about the fixation.

The Constitution that We the People adopted in 1950 envisaged a state that would lift citizens up. It did not envisage a state that would tuck them in.

Mind the Gap in Gulf As UAE OPECs Out

Positive development for fuel-hungry India

A gap has just appeared in the Gulf. The UAE's decision to leave Organisation of the Petroleum Exporting Countries (Opec) is guided by concern over stranded assets, as global oil demand approaches its peak. The exit is the most dramatic effect of what has been transparent for a while: Opec's loss of relevance as the global oil market heads for peak demand while supply rises from non-members such as the US and Canada. Transition towards RE also makes it difficult for the grouping to enforce production quotas since cartel members, barring Saudi Arabia and the UAE, have not maintained significant spare capacity that can be used to stabilise prices. The UAE intends to up its oil production by a third, which won't be possible within Opec. But Abu Dhabi says it will do so without affecting market stability.

The development is positive for India, which will drive global oil demand over the next couple of decades and, for strategic reasons, needs to diversify its oil supply. The UAE is India's most preferred trading partner in the Persian Gulf, and represents a geopolitically stable energy source nearby. Supplies from the Americas and Africa have to be shipped over longer distances, as does Russian crude. Western sanctions on Iran and Russia have affected India's importing choices. But Saudi Arabia, Iraq and the UAE remain among top sources. Abu Dhabi's decision to invest across the energy value chain could open up opportunities for a significant trading partner like India.

A diminished Opec will struggle with its market stabilising role. But that may not necessarily lead to greater volatility in energy prices. The oil market is in a steady glut despite the Russia-Ukraine and US-Iran conflicts. Rising demand from AI data centres will push up global energy demand, and the peak oil moment may be further down the road. AI is also improving oil production efficiency, contributing to longevity of the oil industry. The nature of collective bargaining for oil will, of course, change as new sets of producers and consumers join the table.

Exit Polls, A Possible Entry Into Results

As exit poll results for assembly elections in Assam, Kerala, West Bengal, Tamil Nadu and Puducherry were released yesterday, firmer forecasts for May 4 verdicts started in earnest. But exit polls are best understood as political weather forecasts: occasionally accurate, often misleading, and always irresistible to the media.

Conducted immediately after voting, they capture fresh impressions of why people cast their ballots the way they did. In theory, they offer a snapshot of voter mood and an early sense of electoral trends. In practice, they are a mixed bag. In 2014 and 2019 Lok Sabha elections, exit polls correctly predicted BJP-led NDA's dominance, with forecasts closely matching final seat tallies. In Delhi's 2020 state election, they were remarkably precise. Yet, in Lok Sabha 2004, after exit polls projected a comfortable NDA majority, the alliance collapsed at 189 seats. In UP in 2017, predictions of a hung assembly were drawn and quartered by BJP's landslide.

Reasons for such 'sway' are structural. India's electorate is vast and diverse, making representative sampling supremely tough. Rural and minority voters are often undercounted, while many respondents conceal their true choice (read: lie). Still, they matter, certainly more than most election-time 'surveys' passed off as prognostications. They shape narratives, coalition arithmetic, market sentiment and hors d'oeuvres to sound bites. But they are not verdicts. They are probabilistic signals, valuable for analysis, but dangerous if mistaken for the 'real thing'. The wise observer treats them as informed speculation. In India's elections, the only poll that counts is the one signed, sealed and delivered by Election Commission. So, hang on and hedge, till Monday.

CURSOR India needs new state-sponsored AI entities to create essential strategic capability

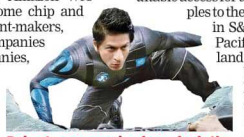
Enough With Mythologies

T K Arun

Anthropic, the US AI giant that seeks to differentiate itself from other AI firms as being the champion of ethics and responsibility, has restricted initial access to its new powerful AI model-cum-agent, Mythos, to 40 organisations. All of them, except British AI Security Institute, are American.

Reason for the restricted access? Mythos is so powerful that it can detect hidden vulnerabilities in software systems. If hackers get their hands on it, they could wreak havoc.

The optimistic reading of Anthropic's restricted release is that those who got their hands on Mythos, like Google, Microsoft, Amazon Web Services, Apple, some chip and network equipment-makers, cybersecurity companies and finance companies, would deploy Mythos to spot bugs and fix them, including for the benefit of those without direct access.



Private companies here lack the vision or ambition. GoI will have to take the lead. State action, at speed, is of the essence

The dystopian reading of Anthropic has two strands. One, malign actors would get their hands on this powerful tool and use it to rob, blackmail and victimise others. Two, the US government could use its current status — equivalent to the one it had from immediately after the atomic bombings of Hiroshima and Nagasaki in August 1945, till when the Soviet Union conducted its first nuclear test in August 1949 — to lord it over all other nations, as the sole owner of a WMD.

Tomorrow, or the week after, a Chinese AI company may come up with another super-powerful AI model-cum-agent that can work the same miracle that Mythos now does. How should India respond to the arrival of such powerful tools/weapons in the hands of foreign private companies, and potentially in the hands of foreign governments?

It can seek regulatory solutions, equitable access for all nations and peoples to the fruits of advances in S&T. If India were a Pacific or Caribbean island nation, this would be fine, and it could concentrate on developing economic applications for AI models developed by others. But India is different. It's an aspiring large power with strategic autonomy.

India produces about 1.5 mn engineers a year, second only to China's 2 mn, which include about half-a-million post-graduates and PhDs. At 245 mn, India has the world's largest cohort of people aged 20-30. The comparable count for China is 175 mn, and for the US, 45 mn. India's answer to Claude Mythos is one or more homegrown AI models as powerful as, if not more powerful than, Mythos. The threat of mutually assured destruction (MAD) kept nuclear powers frantically trying to increase their power differential over rivals, but trapped in the non-offensive logic of deterrence, leading to détente, capping of missiles and arms-reduction deals.

Is this view paranoid? After all, Anthropic is a private company, not an arm of the US government, and a company that forswears the use of its products for harmful activities like mass surveillance and automated selection of targets in combat. Nvidia is a private company. But the US government decides whether Chinese entities can buy the company's most advanced chips. In China, private company assets would become national assets with fewer quibbles.

If India wants to retain its strategic autonomy, it must develop its own frontier AI models. Private companies here lack the vision or ambition. GoI will have to take the lead. As it had when Nehru set up atomic and space programmes, and Rajiv Gandhi set up C-DoT and C-Dac for advances in telecom and computing. C-Dac delivered on its mandate to produce a supercomputer within 3 yrs and with a budget of ₹30 cr, producing PARAM 8000, a parallel processing behemoth that ranked second among the world's supercomputers in 1991.

Malign actors could get their hands on Mythos and use it to rob, blackmail and victimise others. Two, the US government could lord it over all other nations, as the sole owner of a WMD

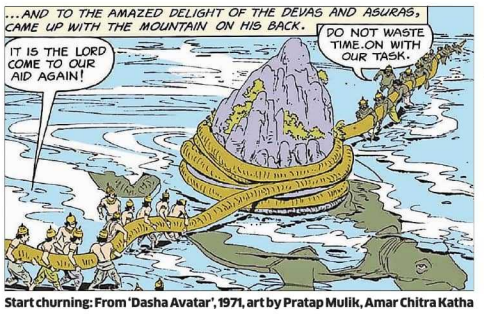
A lot of India's youthful energy is frittered away in the pursuit of ritual and cant, sectarian hatred and politics of schism to advance an ideology of regression into a golden ideal of the past — as if glory is to be found in myths and not in a Mythos. The bulk of top talent emigrates. Or strives in startups that make a quick buck, rather than create technological breakthroughs. Some work at the so-called 'global capability centres' (GCCs) developing IP for foreign companies.

Give these young people a chance to create cutting-edge tech for their country, under visionary leaders like Homi Bhabha, Vikram Sarabhai, Sam Pitroda, Vijay Bhatkar or Verghese Kurien, they will deliver.

What about the advanced computing hardware needed for AI? DeepSeek, the Chinese AI company that thumbed its nose at pricey rivals from the US, has just announced its latest offering, developed on chips designed and manufactured by Huawei.

Should India wait for counterpart private Indian companies to do their job? Sure, if our goal is to let students appreciate the finer nuances of the theatre of the absurd. Not if we want to acquire computing power that can't be sanctioned by a whimsical leader who decides, one fine summer morning, that he wishes to end a civilisation.

India needs new state-sponsored AI entities to create essential strategic capability. GoI could fund startups, set up public enterprises, offer a grand prize, coordinate research at universities and IITs, offer special incentives to state governments to harness their domestic talent. These are not mutually exclusive options. State action, at speed, is of the essence. That way, India won't be held hostage by Mythos, or others of its ilk.



Start churning: From 'Dasha Avatar', 1971, art by Pratap Mulik, Amar Chitra Katha

Big, Beautiful, Bunker-Ballroom

Seema Sirohi

LETTER FROM WASHINGTON

A third attempt on Donald Trump's life was sobering. It shocked the left-right animosity into a few hours of calm. Even the man stepped out of character to say a few nice things about journalists with whom he was having dinner before being rushed out. Then he turned philosophical, saying assassins target 'the most impactful people'.

But when in shock, use the crisis to push your cause — which he did within hours of the attempted attack. It was his beloved ballroom, a fortified 90,000-sq ft building to secure him and future presidents. The ballroom obsession also blew open what once was relatively secret, known only to a privileged few — an upgraded underground shelter for emergencies hiding below.

Together they become a big, beautiful ballroom-bunker designed to protect a modern-day presidency. The new version to be built where the now-demolished East Wing of the White House stood will be drone-proof, bio attack-proof and, of course, infiltrator-proof.

With a state-of-the-art military command centre and hospital, the new Presidential Emergency Operations Center will be protected by missile-resistant steel columns. Details about the bunker have largely come from court filings and Trump's inability to be tight-lipped about anything.

The existing bunker dates back to WW2, when concerns about the White House coming under an aerial attack first arose. A fortified structure was built under the East Wing, with a tunnel reportedly connecting it to the main building. It got a few upgrades after 9/11 when George W and Laura Bush, along with cabinet members, were secured behind steel doors. They noticed the rudimentary nature of things — unfinished hallways, pipes hanging from the ceiling, and a fold-out bed for resting.

Trump also got a taste of the bunker during his first term when the Secret Service kept him there briefly in May 2020 during Black Lives Matter protests outside the White House. The bunker had no escalator, no gold-trimming — like in a 'hellhole' country. The Trump White House believes in the gold standard, be it curtains or coasters, fireplace or frames. Behold the before-after photos, and note the onset of the golden age in the White House.

The security breach during the White House correspondents' dinner has, obviously, raised serious questions about the need for better protocols and tighter rules. Secret Service agents fired five shots, but none apparently hit Cole Tomas Allen. He was captured because he tripped and fell.

The security scenario at the Washington Hilton — the same hotel where Ronald Reagan was shot, and famously 'forgot to duck', 45 yrs ago — was so airy that even the would-be assassin mocked the easy-going atmosphere in his 'manifesto'. 'No damn security, not in transport, not in the hotel, not in the event… if I was an Iranian agent, instead of an American citizen, I could have brought a damn Ma Deuce (nickname for the Browning M2 .50-caliber heavy machine gun) in here and no one would have noticed shit.'

Questions are multiplying about security and the bunker-ballroom that remains mired in litigation. The National Trust for Historic Preservation, a nonprofit organisation, sued the White House in December after the East Wing was demolished without approval from key federal agencies and Congress. A lower court blocked the project, but an appeals court has allowed underground construction to go on. So far, it's a bunker, but no ballroom.

Trump's lawyers have called the suit 'frivolous' and demanded it be dropped. In a new filing this week, they said the latest assassination attempt proves an urgent need for 'a secure space for large events'. But the preservationists refused to back down. Of course, MAGA influencers amplified Trump's demand in almost identical messages across social media platforms.

Here's another twist: Trump has repeatedly claimed the ballroom won't cost the taxpayers a penny because private donors will foot the bill expected to be around $300 mn. But on Monday, his main man on Capitol Hill, Senator Lindsey Graham, said he will introduce a bill to authorise $400 mn in federal money for the project.

Democrats, mouths agape, strongly opposed the about-turn from private to public money, as did a few Republicans. But remember, Trump also said he won't start wars, keep gas and grocery prices low, and focus on America's inner self.

Very real estate agent

How Asia Rides Out W Asian Waves

Krishna Srinivasan

Washington: Two months into the West Asia conflict, it's easy to lose sight of the fact that Asia had entered 2026 on a strong footing. That resilience is now being tested by the war and its fallout across global energy markets. For Asia — home to the world's largest energy importers, accounting for 40% of global oil consumption, a quarter of natural gas use, and over a third of refining capacity — this shock has far-reaching implications for inflation, growth, and external and fiscal balances.

Much of the flows disrupted by Iran's blockade of the Hormuz Strait, in response to the US blockade of ships going in or out of Iran, are destined for Asia, including about 55% of India's crude imports and 90% of its imports of LPG.

Macroeconomic transmission of the shock is multifaceted. Higher energy prices worsen trade balances and erode household purchasing power. Rising input costs squeeze firms' profitability and fuel broader inflation. Tighter financial conditions amplify the impact. The consequences for Asia go well beyond higher energy prices, with spillovers into fertilisers, petrochemicals and other essential inputs. Many countries in the region are experiencing some of these ripple effects. Rationing energy has forced restaurants and small firms to curtail their business. In the event the energy shock intensifies, leading to further strains in employment and incomes, ripple effects could become disproportionately stronger owing to non-linearities.

If the shock proves temporary, Asia's growth is likely to moderate modestly. In the April World Economic Outlook (WEO) reference forecast, regional growth is projected to ease from 5.0% in 2025 to 4.4% in 2026 and 4.2% in 2027, still leaving Asia as the main engine of global growth. India will remain the fastest-growing major economy, with growth projected at 6.5% in both 2026 and 2027.

Assuming the shock persists or intensifies, growth in Asia could fall by an additional 1-2 percentage points cumulatively through 2027, as illustrated by the forecast's adverse and severe scenarios, respectively. India, too, would be significantly affected, reflecting its heavy dependency on imported energy, despite its reasonably strong macroeconomic fundamentals.

Across Asia, governments have begun to respond. The initial response involves a mix of price-mitigation measures and incentives to curb energy consumption. In India, cuts in fuel excise tax and margin compression by state-owned oil marketing companies have limited pass-through to retail prices, while LPG rationing has prioritised household supply.

While such broad-based measures can provide short-term relief, they come with clear trade-offs. These include potentially sizable fiscal costs, and weaker price signals that dilute the needed adjustment in demand.

A more sustainable approach would be to allow price signals to operate and rely on temporary and targeted support to vulnerable households and viable firms, anchored in credible medium-term fiscal frameworks. Here, India's digital public infrastructure can offer a distinct advantage to deliver targeted transfers quickly and transparently while limiting fiscal leakage.

For central banks, the policy challenge is equally delicate. With inflation expectations still broadly anchored in most Asian economies, there is scope to look through temporary price increases. But monetary policy must remain agile to tighten if inflation expectations show signs of de-anchoring. Exchange-rate flexibility should continue to serve as the first line of defence, with forex intervention limited to addressing disorderly market conditions.

Beyond near-term stabilisation, the energy shock also underscores urgency of structural reforms to secure more balanced and job-rich growth that would lower vulnerabilities to external shocks. Recent reform progress in India — notification of new labour codes, negotiation of key trade agreements, deregulation efforts at the state level, etc — has laid important groundwork. Further efforts are needed to continue enhancing labour market flexibility, promoting trade integration, and improving the business climate through continued infrastructure push and smart deregulation.

Asia's economies weathered last year's tariff shock better than expected. The current energy shock is a tougher and more complex test. Governments must balance short-term support with longer-term resilience. That means allowing prices to work, protecting the most vulnerable through targeted support, preserving macro policy credibility and pressing ahead with structural reforms.

Energy shocks may be unavoidable. Economic outcomes are not. How policymakers across Asia respond now will shape not only how the region weathers the current shock but also the strength with which it emerges.

The writer is director, Asia and Pacific Department, IMF

Western disturbances

JUST IN JEST

IPL feeling same old, same old? Go for an even less contact sport

Turn, Turn, Turn to Book Cricket League!

Let's be honest. Not all of you will be watching the IPL match between Gujarat Titans and Royal Challengers Bengaluru tonight. IPL, once a carnival of sixes and cheerleaders, may have waned a bit in its novelty value. So, as always, we offer you a solution — no, not more fireworks or mid-over concerts: start an IPL-style Indian Book Cricket League, or BCL (not to be confused with British Council Library). For those unfamiliar with the page-turning sport as well as with the insides of books — book cricket is played by flipping open a book at random and declaring the last digit of the left-hand page (even) number as your score. 0 is out, 6 is glory, 8 is 1 run, etc. True skill lies in knowing whether to gamble with a fat Mahabharat or a thin Paulo Coelho paperback — or Chetan Bhagat. This isn't a game of chance. It's about strategy, intuition and gauging thickness.

The thrill's undeniable. No DRS. No third umpire. Just the camera hovering each time to transmit the raw suspense of whether the thumb of the bookie — yes, let's appropriate that unfortunate term — lands on page 238 or 240. The only controversy that may need smoothening out before each match is whether the book was pre-flipped. So, let's have BCL. Nothing's more Indian, more exhilarating than this bookish sport. Media rights are open. So, book Book Cricket League for your platform now!

THE SPEAKING TREE

Narasimha's Appearance

CHANCHALAPATHI DASA

The Supreme Lord has many incarnations, and if we can understand the tattva, truth about the Lord's appearance and His activities, Krishn promises that we will not have to take birth again. Vedic literature reveals that the material world is like a prison, and all of us are inmates. We should reflect on: why did we come to this world? We are here for a while, and then we are gone. Where do we go? Where did we come from?

We are born by the force of our past activities, but the Lord appears by His own free will. One of the special features of Narasimha is his powerful feeling of protection for His devotee, Prahlad. A little boy, he was a devotee of Vishnu, but his father, Hiranyakashipu, was very upset about this. The word Hiranyakashipu means hiranya (gold) and kashipu (soft bedding), representing materialism.

One special feature of Narasimha is that he appeared with anger towards Hiranyakashipu to protect Prahlad. For the demon, he is fearsome, but for the devotee, he is pleasing. His appearances and activities are not material; they are transcendental. We also belong to that transcendental realm but, currently, we are in this material condition. Human life gives us the opportunity to understand this truth. Therefore, we should celebrate Narasimha's appearance, hear about him and his devotee, and through this process, our hearts and consciousness will be cleansed. Then we will understand the truth about the Lord, the world, ourselves, and what we should do in this life.

STEP UP TO THE PLATE

Martín Berasategui

Lasarte-Oria, Spain

Tucked outside San Sebastián in the quiet village of Lasarte-Oria, Martín Berasategui is one of those restaurants that feels like a destination rather than a casual stop along the way. The town is small set amid the rolling green hills of Basque Country. Contrast from Spain only heightens the sense of arrival when you reach this Michelin 3-star icon.

The experience inside is calm, elegant and focused on food. Dishes are precise, yet playful, often reimagining Basque tradition with modern touches. Think smoked eel layered into millefeuille, or seafood dishes lifted with unexpected herbal and oceanic notes.

Service is warm, polished and attentive without feeling stiff. There's a clear sense of pride in every detail, from pacing to presentation, which makes the whole meal feel smoothly orchestrated.

Lasarte-Oria isn't on the typical tourist circuit. But that's part of its charm. Here, the setting becomes quieter, greener and more intimate. It's a joyful, high-level dining experience that combines destination-level cooking with a peaceful, off-the-beaten-path location that lingers in your memory long after the final course.

Chat Room

Economic Gains Economy-Wide

Apropos 'It's Popular Mechanics 101' by Nandan Nilekani and Ravi Venkatesan (Apr 29), the writers make a compelling case that India's informal economic structure, long seen as a liability, may actually be an advantage in the AI era. Small enterprises are multitasked, adaptive and judgement-driven — precisely the kind of work that is harder to automate. The three priorities they identify are sound. But the sequencing matters. Without accessible AI infrastructure and mass entrepreneurship support arriving simultaneously, productivity gains will concentrate among the large firms first, widening inequality before broadening it. Sustained public investment in diffusion, not just development, is the critical variable.

S M Jeeva
Chennai

Letters to the editor may be addressed to **editet@timesofindia.com**

Economy

THURSDAY, APRIL 30, 2026

IN THE NEWS

INDIA'S GOLD DEMAND RISES 10% IN JAN-MAR

INDIA'S GOLD DEMAND witnessed a 10% on-year rise to 151 tonne during the January-March quarter of this year, driven by a sharp surge in investment demand amid a significant jump in prices of the yellow metal, the World Gold Council said in a report on Wednesday.

NAGARAJU ASKS BANKS TO DEEPEN FISCAL INCLUSION

FINANCIAL SERVICES SECRETARY M Nagaraju on Wednesday chaired a review meeting with heads of public sector banks and senior officials of major private lenders to assess progress under key financial inclusion schemes.

Growth path paves way for developed India: Economist

INDIA WILL BE a developed nation by 2047, if the country continues its current economic growth trajectory, renowned economist Jeffrey D Sachs said on Wednesday. Addressing an event organised by industry body Ficci, Sachs said India is one of the pillars of global stability and global peace, and it should not align with the United States.

Govt working on road map to add 92 vessels in FY27

THE GOVERNMENT IS working on a roadmap to add 92 vessels in the current financial year with an investment of ₹51,383 crore, Shipping Minister Sarbananda Sonowal said on Wednesday. Sonowal further said that India targets an addition of 2.85 million GT capacity to strengthen the Atmanirbhar Shipping Push in the current fiscal.

Gadkari reviews status of NH projects in Goa

UNION MINISTER NITIN Gadkari on Wednesday assessed the quality and maintenance status of 288 km spanning 26 National Highway projects in Goa, taking into account inputs received through media and social media, at a review meeting. According to a statement, Gadkari underscored importance of expediting field-level works.

—AGENCIES

PLACEMENTS TO BE ALIGNED WITH SCHEME FUNDING

Incentives for hiring central to PMKVY 5.0

- More focus on post-training outcome than training volumes

MANU KAUSHIK
New Delhi, April 29

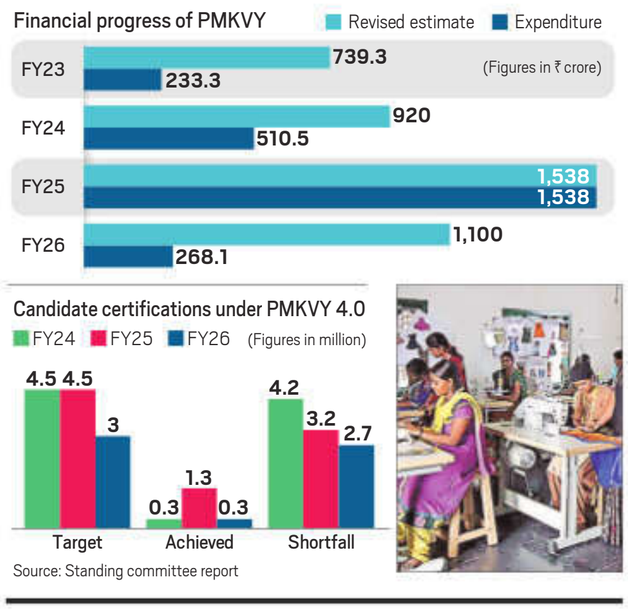
THE GOVERNMENT IS set to introduce substantial changes in the next version of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), or PMKVY 5.0, where it will look at incentivising employers for hiring certified candidates to boost the placement scenario.

Additionally, the government is going to take outcome-led approach that entails keeping a track of the post-training scenario and placement records, and aligning these metrics to scheme funding.

The new approach will be different from that of the previous versions where the emphasis was given on higher enrolments as against the final outcome.

"This is a big shift from the previous stance when the focus was on providing training to a large number of candidates. Going forward, the scheme's success will be measured through parameters such as completion rates, certification quality, and most importantly, placement outcomes in employment or apprenticeships. We are also looking at integrating employer incentives for hiring PMKVY-certified candidates to strengthen demand-side participation," the official said.

NEW APPROACH



Over the past three financial years, candidates securing certificates after completing their training under PMKVY 4.0 remains abysmally low at about 16% of the government's enrolment targets (see chart). Out of the 12 million training target set for three years through FY26, only 1.9 million candidates secured certificates after finishing the training.

To ensure strong employment outcomes, the official said the scheme's funding model will also be revised. A differentiated funding approach will be followed where the government will fund the skilling component, including mobilisation, trainers, and assessments, while the industry will take ownership of on-the-job (OJT) training, infrastructure, and stipends.

PMKVY 4.0, the flagship scheme of the Ministry of Skill Development and Entrepreneurship (MSDE), primarily followed an input-led funding model where training providers were supported based on enrolment, training delivery, and certification milestones. "Even though this approach helped scale the programme, it did not ensure strong alignment with employment outcomes. A co-investment model involving both the government and the industry will improve both relevance and sustainability," he said.

Energy subsidy burden jumps 40% to ₹4.38 lakh cr in FY25

SAURAV ANAND
New Delhi, April 29

INDIA'S ENERGY SUBSIDY bill has jumped 40% in five years to ₹4.38 lakh crore in FY25, with the ongoing West Asia conflict-linked fuel shock threatening to push LPG under-recoveries beyond ₹60,000 crore and sharpen fiscal stress for the government and oil marketing companies.

The increase reflects rising exposure to volatile global energy markets, with India's dependence on imported fuels amplifying the impact of price shocks. Total energy subsidies rose from ₹3.13 lakh crore in FY20 to ₹4.38 lakh crore in FY25, driven by higher power support, a rebound in oil and gas subsidies, and continued reliance on fossil fuels.

The biggest component was transmission and distribution support, which climbed from ₹1.78 lakh crore in FY20 to ₹2.59 lakh crore in FY25. Oil and gas subsidies, after declining to ₹49,045 crore in FY24, rebounded sharply to ₹81,346 crore in FY25, while coal subsidies stood at ₹45,640 crore.

The pressure is most acute in LPG. With global LPG prices rising and India importing a large share of its domestic requirement, annual under-recoveries could exceed ₹60,000 crore in FY27 if current price levels persist, against about ₹33,000 crore in FY25.

According to Mapping India's Energy Policy 2026, released by the International Institute for Sustainable Development, India's quantified energy subsidies were at least ₹4.3 lakh crore, or 2.3% of real GDP, in FY25. Of this, ₹2.9 lakh crore, or 68%, came through direct budgetary transfers, highlighting the strain on public finances amid global commodity volatility.

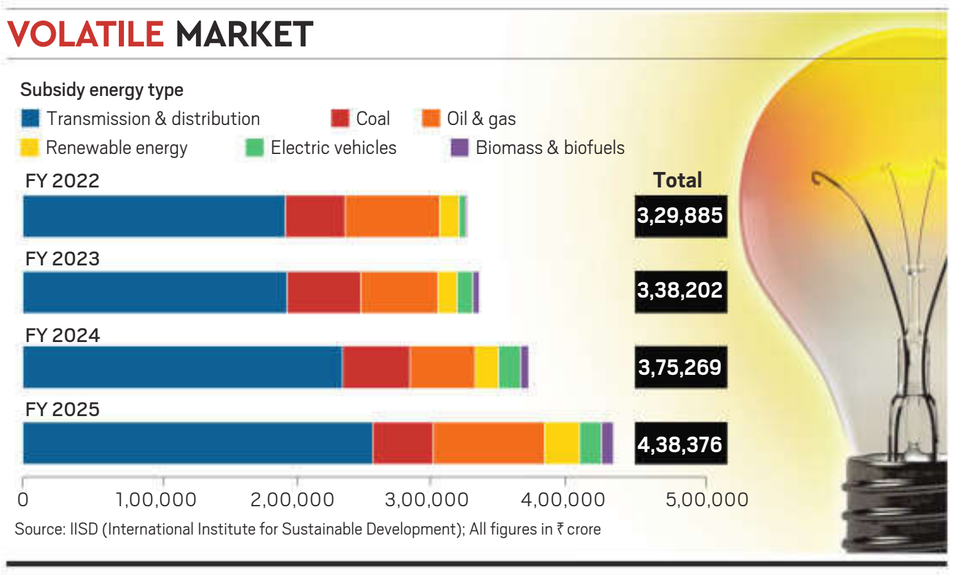
"The lesson from today's energy crisis is clear — India needs a roadmap for smarter subsidies — not bigger and ever-growing ones," said Swasti Raizada, senior policy advisor, IISD. "That means gradually shifting public spending away from recurring fossil-fuel support toward upfront investments in renewables, electric mobility, and clean cooking alternatives, while better targeting electricity subsidies."

The report said electricity consumption subsidies provided by state governments reached ₹2,40,992 crore in FY25, contributing nearly 58% of all energy subsidies. These subsidies have nearly doubled over the last decade as electrification became almost universal.

State finances are already feeling the strain. In FY25, Punjab, Rajasthan, Andhra Pradesh, Karnataka and Madhya Pradesh spent 9% to 20% of their revenues on electricity subsidies. Punjab topped the list at 20%, after expanding subsidy coverage to domestic consumers up to 300 units, besides free electricity to agricultural consumers.

In Karnataka, the Gruha Jyoti Yojana, launched in August 2023, helped push electricity subsidies from ₹13,906 crore in FY23 to ₹27,725 crore in FY25. The report noted that such volumetric cut-offs are double to triple the monthly household electricity consumption of around 103 units in FY25, raising questions on targeting.

VOLATILE MARKET



GDP may slip to 6% if crude price averages $120, says EY

PRESS TRUST OF INDIA
New Delhi, April 29

INDIA'S GDP GROWTH may slip to around 6% and retail inflation could rise to RBI's upper tolerance band of 6% in the current fiscal, if the Indian crude basket price averages $120 a barrel, EY India said on Wednesday.

EY India Chief Policy Advisor DK Srivastava said, although room for policy interventions is limited, policymakers need to consider upward revision in the repo rate and accelerated diversification of sources of crude supply as the price of the Indian crude basket (ICB) may rise further if the West Asian crisis persists.

"If the ICB price averages $120 per barrel in FY27, India's real GDP growth may slip to about 6% and CPI inflation may increase to 6%... To minimise the adverse impact on fiscal deficit, increased energy prices should be passed on to the retailers to a relatively larger extent," Srivastava said.

The April 2026 release of the US Energy Information Administration EIA Short-Term Energy Outlook projects Brent crude oil prices to increase from an average of $81 per barrel in Q1 2026 to a peak of $115 per barrel in Q2 2026.

Apr-Feb pulses imports fall 35% on robust crop, stocks

SANDIP DAS
New Delhi, April 29

AFTER SETTING A record in FY25, India's pulses imports dropped sharply last fiscal year, trade sources said, citing adequate carry-forward stocks and robust domestic crop production.

According to provisional data, the country imported pulses valued at $3.28 billion during the first eleven months of FY26, a 35% drop compared to the $5.1 billion imported in April-February FY25.

Imports declined by over 18% in volume during April-February 2025–26, reaching 5.4 million tonne (MT) compared to 6.7 MT during the same period last fiscal year. India imports around 18-20% of its annual pulses consumption.

"Overall imports of pulses in FY26 are likely to be just above 5.6 MT," Satish Upadhyay, secretary, India Pulses and Grains Association, told FE. In FY25, the value of India's pulses imports rose by 46% to $5.48 billion compared to 2023-24.

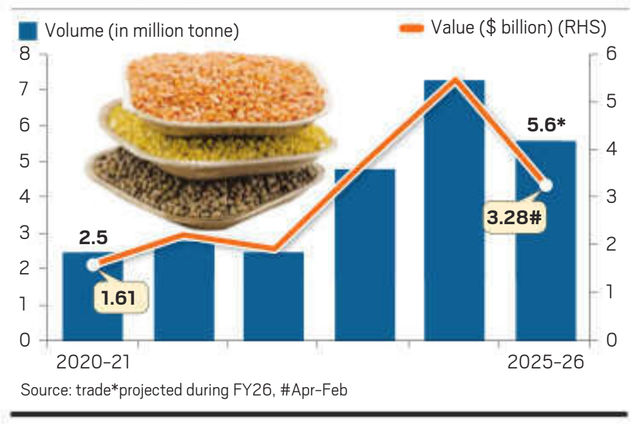
Official sources said the cost of imports have declined by around 30-40% last fiscal because of higher global output and low imports pulling down prices. Global prices of yellow peas, mostly sourced from Canada and Australia, have been ruling around $300/tonne against $400/tonne a year ago. Similarly, Bengal gram prices have declined to $520/tonne from $700/tonne last year.

In terms of varieties, yellow peas and masur (lentil) imports during April-February of FY26 declined by 49% and 7% to one MT and 0.97 MT, respectively, compared to the same period in FY25. However, there has been a 30% and 17% rise in imports of urad and arhar (pigeon pea) to 0.9 MT and 1.4 MT, respectively, in the first eleven months of the current fiscal year-on-year.

With a share of 29.5%, yellow peas have the largest share in total pulses imports in 2024-25, followed by gram (22%), tur (16.7%), lentil (16.6%) and urad (11.2%).

India imports about 18-20% of its annual consumption of pulses – tur, urad, masoor (lentils), yellow peas and Bengal gram – from Canada, Russia, Brazil, Myanmar and Africa. India has a memorandum of understanding to import tur and urad from Myanmar, Malawi and Mozambique.

SHARP DROP



Govt working on Jan Vishwas 3.0: Goyal

- New Bill to focus on reducing compliances

MUKESH JAGOTA
New Delhi, April 29

Commerce and Industry Minister Piyush Goyal

THE GOVERNMENT HAS started work on the third Jan Vishwas Bill that will go beyond decriminalisation of laws and focus on simplifying processes and procedures, Commerce and Industry Minister Piyush Goyal said on Wednesday.

"We will look at simplifying procedures and processes, reducing compliance burden and reducing intimidating forms to make life better and more comfortable for businesses," the minister said at the World Bank Group's Business Workshop on Business Ready Framework.

The World Bank's Business Ready (B-READY), which will assess a country's business and investment environment is a successor of its Doing Business Report. The project is currently in the final stages of its three-year rollout after moving past its pilot phases and is preparing for its first full global benchmarking. The report is likely to be released in November.

Goyal said all colonial era laws are being re-written to make them more contemporary. He said to facilitate businesses India has signed nine Free Trade Agreements (FTAs) in the past three and a half years covering 38 developed countries and will sign 6-7 more in the next two years to expand coverage to 50 developed countries.

FTA with Ecuador

Goyal met Gabriela Sommerfeld Rosero, minister of foreign affairs and human mobility of Ecuador, where both sides agreed to explore an FTA after studying the economic situation and complementarities of both countries.

Exports in April

The minister said that India's exports in the first three weeks of April were considerably higher than what was recorded in the same period last year despite the West Asia war. In the first month of the war in March, India's merchandise exports fell 7.4% year-on-year to $38.92 billion.

Import substitution

The minister has directed officials to identify priority sectors where clearly defined import substitution strategy can be pursued alongside the efforts to boost exports.

The sectors and products would be shortlisted in consultation with the ministries dealing with those products, the minister said at a review meeting on the Plan of Action for achieving $ 2 Trillion export target by 2030–31and Export Promotion Mission (EPM).

Diesel margins at ₹14, fertiliser subsidy may cross ₹2.2 lakh cr

SAURAV ANAND
New Delhi, April 29

PETROL AND DIESEL margins have plunged to ₹14/litre and ₹18/litre, while fertiliser subsidy is set to surge to ₹2.05–2.25 lakh crore, as crude prices remain elevated at $120-125 per barrel amid the West Asia crisis, triggering a broad-based stress cycle across India's downstream sectors, Icra said.

The sharp deterioration across key indicators reflects mounting pressure on oil marketing companies (OMCs), which continue to absorb rising input costs even as retail fuel prices remain largely unchanged.

The supply shock has been driven by disruptions in the Strait of Hormuz, through which nearly 25% of global oil trade (around 20 million barrels per day) and 20% of global LNG flows pass, tightening supplies and pushing up prices across global energy markets.

"The stable pump prices for auto fuels amid elevated crude oil prices is impacting the profitability of the OMCs despite the recent reduction in excise duty," said Prashant Vasisht, senior vice president and co-group head at Icra, adding that margins are expected to remain under pressure at current crude levels.

The impact is already visible in fuel retailing, where negative marketing margins are eroding earnings despite relatively healthy refining margins. With crude remaining elevated, losses on petrol and diesel sales are expected to persist.

The cost escalation is cascading into fertilisers, one of the most subsidy-intensive sectors. Gas pool prices have risen to around $19/mmbtu in April 2026, compared to $13/mmbtu before the crisis, sharply increasing production costs.

As a result, fertiliser subsidy requirements are projected to rise to ₹2.05–2.25 lakh crore in FY27, well above the budgeted ₹1.71 lakh crore, adding to fiscal pressures.

The LPG segment is emerging as the most vulnerable link. With supplies from West Asia disrupted and international prices rising, under-recoveries on domestic LPG sales are estimated to surge to ₹80,000 crore in FY27, nearly doubling from recent levels.

Although refiners have ramped up domestic production and diversified sourcing from markets such as the US and Australia, these measures have only partly offset supply disruptions, leaving OMCs exposed to sustained losses.

Electrification can slash 1.2 bn tonne CO_2

SAURAV ANAND
New Delhi, April 29

KEY DRIVERS

- Industry, India's largest energy consumer, accounts for nearly 47% of total final energy use
- Over 40% is met by coal and another 27% by petroleum and natural gas
- India's industrial emissions are already among the highest globally

INDIA'S INDUSTRIAL SECTOR could cut 51% of its carbon emissions, reduce energy consumption by over 22% and prevent nearly 7,94,000 premature deaths every year by shifting to electrified heat, according to a new study, positioning clean electricity as a cost-effective shield against volatile global fuel markets.

The findings come at a time when rising global oil and gas prices, driven by geopolitical tensions, are increasing cost pressures for Indian manufacturers dependent on imported fuels. The report underscores that this volatility is structural, not temporary, reinforcing the need to shift away from fossil fuel-based industrial heat.

The scale of the opportunity is significant. Industry, India's largest energy consumer, accounts for nearly 47% of total final energy use, with over 40% met by coal and another 27% by petroleum and natural gas, leaving the sector highly exposed to global price shocks and import dependence.

According to the report, "Electrifying Industrial Heat in India: Technologies and Policies to Transform Indian Manufacturing," released by the India Energy and Climate Center (IECC) at the University of California, Berkeley and Energy Innovation, electrification offers a lower-cost and more resilient pathway for industrial growth.

India's industrial emissions are already among the highest globally, with the sector generating nearly 1.3 billion tonne of CO_2 in 2022, accounting for about half of the country's total emissions, largely driven by fossil fuel-based heat.

The report estimates that electrification could cut 1,243 million metric tonne of CO_2 emissions, equivalent to over half of projected future emissions, while reducing total energy demand from 38.6 exajoules to 29.9 exajoules by 2070.

"Electrifying industrial heat can reduce energy use by 22% and cut over half of the sector's CO_2 emissions when powered by clean electricity," the report said.

The environmental gains extend beyond emissions. "Electrifying all eligible industrial processes in India can save nearly 794,000 lives annually," it noted, with PM2.5 emissions falling by 38%, sulfur dioxide by 60% and nitrogen oxide by 53%.

The report also highlights a strong economic case. "Electrifying industrial heat is already cheaper than producing heat with biomass, natural gas, or petroleum across all temperatures needed by industry," it said, adding that electrified heat is cheaper than coal in three out of five temperature ranges, covering 55% of industrial heat demand.

A key driver is India's low-cost renewable energy. Solar tariffs have fallen below ₹2.5 per kWh, among the lowest globally, enabling industries to move towards domestically sourced, price-stable energy. Combined with efficient technologies like heat pumps — which can deliver 3-5 units of heat per unit of electricity — this significantly reduces both energy use and operating costs.

Opinion

THURSDAY, APRIL 30, 2026

NO DEAL
US President Donald Trump

They don't know how to sign a non-nuclear deal. They'd better get smart soon!

Fragile FDI surge

Global fragmentation, weak AI positioning, and policy frictions threaten momentum

THE GOVERNMENT HAS consistently held that India remains an attractive destination for foreign direct investments (FDI) as it is the world's fastest-growing large economy with unmatched market growth opportunities. Last fiscal till February, gross inflows were up year-on-year by 18% to $88.3 billion and expected to top $90 billion "with a northward bias" for the fiscal as a whole, according to Chief Economic Advisor V Anantha Nageswaran. The grounds for the optimism are based on the fact that in FY26 till February, FDI inflows were also higher in net terms—rising four-fold to $6.3 billion—as gross inflows rose despite elevated levels of profits repatriated and sales of equity by foreign companies and overseas investments made by Indian companies. Net FDI in February turned positive after remaining negative during the previous six months as gross inflows were higher amidst lower repatriations and outbound FDI.

This good news stems from an uptick in investments in various services, including financial, information technology, and manufacturing which accounted for more than two-thirds of total equity inflows during FY26 till February. Japanese investors have been major investors in financial services with the Mitsubishi UFJ Financial Group making a $4.4-billion investment in Shriram Finance as part of a broader $8.8-billion FDI by Japan Inc in India last year. Geopolitical factors are also responsible for their heightened interest as they are investing more in India than China for two consecutive years, according to the Japan External Trade Organization. Google has also just broken ground on its proposed artificial intelligence (AI) hub in Andhra Pradesh with cumulative investments of $15 billion—the largest FDI in India's digital infrastructural space.

While all of this is to be welcomed, the warrant for concern is that rising gross inflows cannot be sustained amidst global headwinds. India's prospects for attracting FDI are not bright in a milieu when America First sort of policies influence global investment flows that are already beginning to fragment along geopolitical lines, broadly into US-centric and Sino-centric blocs. Overall inflows are likely to remain subdued despite a mad ongoing rush for mega projects in data centres and semiconductors that are highly concentrated geographically. At the Express Adda on Tuesday, global investment analyst Ruchir Sharma argued that India will not be a beneficiary of such investments because of the perception that it is a "loser" in the AI context. That's something that is helping America to continue to get away with. India, unfortunately, is not seen to have any AI plays at this stage although it is in an early stage of adoption, he added.

How India leverages the opportunities thrown up by global fragmentation has a major bearing on its drive to attract FDI. It can certainly further its AI ambitions by vastly stepping up research and development which is just 0.6% of GDP, while the biggest beneficiaries of the AI boom like Taiwan and South Korea spend about 4-5% of GDP. The need is for improvements in its FDI regime. Sharma also highlighted how India is "still a very difficult place to do business on the ground. Whether it is the regulatory framework, investigative agencies, it is a difficult place". A non-adversarial and transparent regime that doesn't resort to retrospective taxation will also send the right signals to prospective investors. Above all, there is a need for big-ticket land and labour reforms.

India's realty will meet the reality of agentic AI

ANDY MUKHERJEE
Bloomberg

THE OUTSOURCING INDUSTRY, India's largest white-collar employer, is a juggernaut that has all but stopped moving. The dollar revenue at the top five software-services exporters has grown slower than 3% for 10 straight quarters—a shadow of the double-digit expansion in the previous two decades. As these firms squeeze hiring to survive the existential challenge posed by AI, the aftershocks are starting to upend everything from real-estate demand to mortgage-underwriting norms.

Last week, Bengaluru-based Infosys forecast a much slower pace of increase in sales than analysts had been expecting. At smaller rival HCL Technologies, revenue for the March quarter declined from the previous three months.

After a four-month, $115-billion rout, investors are losing faith in a business model centred on the most-populous nation's army of young engineers, which gave it a wage advantage over developed countries. Outsourcing generated a million middle-class jobs every year; it also drove ancillary employment in real estate, retail, and services, according to Mumbai-based Marcellus Investment Managers.

But in the past 36 months, the top five firms have shed a net 85,000 employees. Last year it was uncertainty about US tariffs that led clients to pause tech upgrades. This year, it's the war in Iran. However, the more durable threat is from models like Claude and Mythos. They fix bugs and write code at a fraction of human cost.

Cities like Hyderabad, Pune, and Bengaluru, where knowledge workers account for a significant share of homebuyers, are witnessing sluggish sales and rising inventories of unsold apartments. Investors who bought under-construction properties—hoping to rent them to software engineers—are finding few takers. Even global tech heavyweights would rather invest in high-end chips and data centres than programmers. Thousands of Oracle's India employees lost their jobs last month.

Banks are paying attention. After all, their credit portfolios are exposed to stagnating salaries and outright job losses in a customer group that they treated as low-risk until now for mortgages and credit cards.

The economics research team at Canara Bank has come up with some interesting proposals: For borrowers susceptible to automation risk, mandate a lower loan-to-value ratio—for example, 60% versus the standard 80%—to create a larger equity buffer. For corporate lending, include intellectual property or proprietary data as supplementary collateral. This ensures the bank has a claim on the AI technology that replaced the labour. Finally, require corporate borrowers undergoing AI-led restructuring to divert a percentage of labor cost savings into a debt-service reserve account.

Top executives at software companies are still sticking to their sanguine view that steadily increasing AI adoption will mean more work for them, not less. As AI agents get more powerful and affordable, clients will deploy them aggressively to cut costs. They will rely on their trusted outsourcing firms to automate more of their processes.

While it's a reasonable thesis, there is nothing here to support the Indian industry's historic pace of job creation. Yes, cleaning up data scattered around an organisation, giving it a proper structure, and putting it in the cloud is labour-intensive work. But it's a one-time effort. Once the plumbing is fixed, AI agents will take over.

Even for longer-term projects, clients won't pay the same rates as before. As the cost of AI plummets towards the price of electricity, contract values for outsourcing will deflate. Investors agree. On the eve of its quarterly earnings, Infosys announced it had entered into a collaboration to combine OpenAI's technology with its own agentic service. Yet the market chose to focus on its weak revenue guidance. The stock fell nearly 7% Friday. To protect margins, the $315-billion Indian IT industry will have to shrink its 6-million-strong workforce. Firms will be better off returning cash via buybacks while other sectors take up the slack in the labour market and stake a claim on a bigger share of bank loans.

The shift away from AI-exposed employment is unmistakable. As other models match or surpass Mythos's capabilities in autonomous coding, expect more banks to reassess their lending preferences. Nurses, mechanics, and technicians will have higher job security; they may also enjoy faster wage growth. It stands to reason that they should also command better housing choices and more relaxed underwriting norms.

US-CHINA RESET

TRUMP INCAPABLE OF UNDERSTANDING IMPORTANCE OF STRATEGY, A LESSON CHINA'S LEADERS HAVE LONG GRASPED

Sun Tzu's advice for Trump

STEPHEN S ROACH
Faculty Member, Yale University, and Former Chairman, Morgan Stanley Asia

RUMOUR HAS IT that last year, US President Donald Trump delayed his so-called Liberation Day tariff announcement by a day, to April 2, because he didn't want his unconstitutional trade "emergency" to come across as an April Fools' Day hoax. This year, Trump defied the calendar with an address to the nation on April 1, touting yet another unconstitutional act—a war with Iran conducted without congressional approval.

Both moves have much in common. Not only do they flout the law, but they also attempt to drive a stake into the heart of the world order. Last year's tariff shock was aimed at the rules-based global trading system established by the United States. This year's military shock is aimed at West Asia, long the world's most volatile region.

Trump committed these reckless acts without any regard for their likely consequences. No surprise, both have backfired. Despite sky-high "reciprocal" tariffs against America's purportedly abusive trading partners, the US trade deficit hit a new record in 2025. And despite all the bluster about obliterating Iran's military power, Iranian missiles and drones continue to wreak havoc in West Asia, while the country's strategic chokehold on the Strait of Hormuz has led to the world's largest-ever oil shock.

Amid these failures, Trump has set his sights on stabilising relations and building rapport with China, America's most formidable strategic competitor. That has meant bending over backward to preserve his upcoming summit with Chinese President Xi Jinping, currently scheduled for May 14-15. After postponing the meeting once already due to complications from his war of choice, Trump is so desperate to cut a deal with his "good friend" that he recently turned over a drug smuggler and trafficker to China as a demonstration of good faith. Others claim the summit timeline has been extended to enable Trump to travel triumphantly to Beijing after having declared victory over Iran.

Whatever the reason, America will be at a distinct disadvantage at the summit. Trump needs a win more than Xi does. The Chinese leader is perfectly content to sit back and watch his American counterpart debase himself.

A deal-focused Donald Trump does not have a strategic bone in his body. By contrast, Xi represents a tradition, dating back to Sun Tzu, that elevates strategy to the highest order

A deeper perspective can be found in the counsel of Sun Tzu, ancient China's renowned warrior-philosopher. In *The Art of War*, he stressed that, "When your strategy is deep and far-reaching ... you can win before you even fight." That certainly applies to Xi and his willingness to observe, rather than counter, his adversary. It also applies to Trump and his lack of forethought in declaring a false trade emergency and waging an illegal war.

Iran, for its part, understands the importance of strategy. Despite suffering leadership decapitation and significant damage from the US-Israeli air campaign, Iran maintains a major strategic advantage with its chokehold on the Strait of Hormuz. The real question is why the US did not figure this out.

Look no further than the new National Security Strategy released by the Trump administration late last year. The word "Iran" appeared only three times in the 29-page document. Of course, Trump's short-sighted fixation on the tactics of obliteration may also have had something to do with it. But why didn't Trump think strategically before he acted impulsively?

The answer can be found in Sun Tzu's emphasis on the importance of advice. Trump acts on the basis of personal whim. He wants to be surrounded by sycophants, rather than honest brokers who speak truth to power. Scornful of experts, Trump has stated that the war will end when "I feel it, feel it in my bones". Sun Tzu, arguing for discipline and reason, wrote, "Assess the advantages in taking advice, then structure your forces accordingly ... strategically, based on what is advantageous."

A deal-focused Donald Trump does not have a strategic bone in his body. He emphasises the number of wars he has allegedly ended (10, according to his latest tally), tariff revenue (purportedly from abroad), and exaggerated amounts of investment committed by foreign countries to rebuild US capacity. Never mind that these claims are all fictitious—they are now deeply ingrained in the gospel of MAGA and its leader.

By contrast, Xi represents a tradition, dating back to Sun Tzu, that elevates strategy to the highest order. While that does not always work out perfectly for China—I have my own concerns about the efficacy of the current economic rebalancing strategy—the Chinese leadership deserves enormous credit for the value it places on strategic thinking.

The May summit between Xi and Trump is shaping up to be a historic mismatch between a strategist taking the long view and a false prophet proclaiming his supposed successes. Trump, as always, will spin a tale of lies and distortion, underscoring the contrast between *The Art of the Deal* and *The Art of War*. Sun Tzu's perspective would insist that "The one with many strategic factors in his favour wins".

For two consecutive years, Trump has made massive, illegal policy blunders. I am already worrying about 2027. By that point, if current polling is any indication, Trump's MAGA faction will have lost control of at least one house of Congress, and American-style autocracy will hopefully be in decline. But an unpopular, angry, and vindictive president will be licking his wounds, intent on retaliating ahead of the 2028 election cycle.

This is not a risk to take lightly. It will be up to a new congressional leadership to right the course for the US. Sun Tzu gets the final word on that possibility: "Leadership is a matter of intelligence, trustworthiness, humaneness, courage, and sternness."

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West Asia's digital fault lines

SP KOCHHAR
Director General, Cellular Operators Association of India

Ongoing conflict shows that digital disruptions might be sudden, interconnected, and far-reaching. Systems would be tested not only on speed, but also on strength

THE TURBULENCE IN West Asia is no longer about oil, shipping lanes, or conventional geopolitics. The real disruption is unfolding in the invisible layer, the world's digital backbone. Subsea cables, cloud infrastructure, and data routes are increasingly exposed, along with the systems that power modern economies.

For India, this is not a distant geopolitical story. It is a live stress test of the global digital order.

West Asia sits at the crossroads of global connectivity, hosting critical subsea cable systems and data transit routes. Disruption in this region does not remain local; it cascades into financial systems, telecom networks, and digital services across geographies. In a data-driven economy, these are systemic risks.

A new digital order is emerging based on sovereign control of infrastructure, artificial intelligence (AI)-driven intelligence, and trusted partnerships. Nations are no longer outsourcing their digital backbone entirely to markets. They are reclaiming it as strategic infrastructure.

Across West Asia, countries such as Saudi Arabia and the United Arab Emirates are investing in sovereign cloud platforms, hyperscale data centres, and AI ecosystems. The European Union is embedding accountability into AI regulation. The US is reinforcing leadership in AI and semiconductors, while Japan and South Korea are securing supply chains and next-generation networks.

The message is clear. Digital infrastructure is national infrastructure. India starts from a position of strength.

Its digital public infrastructure is unmatched in scale. Platforms like the United Payments Interface process billions of transactions monthly, supporting citizens and enterprises. Telecom networks serve over a billion users and deliver among the lowest data costs globally. India has demonstrated how to build inclusion at population scale.

But scale alone is no longer enough. Telecom networks are no longer passive carriers. They are intelligent, AI-enabled systems supporting banking, healthcare, governance, and national security. Every OTP, financial alert, and identity authentication depends on their reliability. Failure is no longer localised. It becomes systemic.

As global supply chains diversify, India can move from a large market to a trusted digital anchor

Critically, digital resilience is inseparable from power resilience. Regardless of whether networks are terrestrial, subsea, satellite, or cloud-based, none function without stable electricity. Power grids are now digitally managed and interconnected, often operating over internet protocol (IP)-based communication systems. This creates a circular dependency. Telecom depends on power, and power depends on telecom for monitoring and control. A failure in one can cascade into the other. Resilient and redundant power supply must be treated as core digital infrastructure.

As AI becomes embedded in network operations, optimising traffic, detecting fraud, and predicting failures, the stakes increase. A vulnerability in telecom is no longer a dropped call. It can trigger financial compromise, supply chain disruption, or breakdown of essential services.

In the digital economy, resilience is the foundation. India must shift from scale to strategic depth. Firstly, India must accelerate sovereign digital infrastructure. This is not isolation but reduced dependency. Investment in domestic data centres, AI compute capacity, and cloud ecosystems must increase rapidly. If data is the new oil, compute is the refinery. India must own more of it.

Secondly, AI governance in telecom must be sector-specific. Networks are critical infrastructure and AI systems within them must meet higher standards of transparency, accountability, and reliability. India needs a telecom-specific AI governance framework aligned with national risk.

Thirdly, network resilience must become a national priority. The concentration of subsea cables and geopolitical chokepoints creates a structural vulnerability. India must invest in diversified landing points, satellite backup systems, and resilient cross-border pathways. Waiting for disruption is not strategy.

Fourthly, India must build a trusted telecom ecosystem through secure supply chains, indigenous technology development, and stronger cybersecurity frameworks. In a fragmented digital world, trust will define global partnerships.

Equally important is the architecture of digital communication. Most global data flows rely on standard IP protocols. While this enables interoperability, it also creates exposure for strategic and classified networks. India must explore an Indianised, secure IP layer or equivalent protocol framework for critical and strategic IT networks. Designed with sovereignty, security, and resilience at its core, it would reduce dependency risks and strengthen protection of sensitive communications.

Trust is becoming the currency of the digital economy. Finally, telecom operators are no longer just service providers. They are also the custodians of the digital backbone. Their role in securing networks, integrating AI, and enabling trusted services defines national resilience. This cannot be industry alone. Policy and industry must act together.

The developments in West Asia show that digital disruptions might be sudden, interconnected, and far-reaching. Systems would be tested not only on speed, but also on strength.

India has a unique advantage. It combines scale, talent, policy momentum, and proven capability at population-level deployment. As global supply chains diversify, India can move from a large market to a trusted digital anchor.

The next decade will not be won by the fastest networks, but by the most secure, resilient, and trusted ones. India has already shown how to scale connectivity. The real test now is whether it can secure it.

LETTERS TO THE EDITOR

Turn policy aims into economic strength

Apropos of "Trade travails" (*FE*, April 29), India's growing list of free trade agreements (FTAs) may look impressive, but the real concern lies in its weakening export performance. Despite deals with major economies, merchandise exports have fallen, and traditional sectors like gems and jewellery and garments continue to shrink. This shows that trade diplomacy alone cannot compensate for declining competitiveness. Without stronger productivity, better logistics, and cost efficiency, India risks losing ground even as it signs more FTAs. A fast-growing economy should gain from global engagement. To truly benefit, India must focus on high-value manufacturing, skill development, and innovation. Trade agreements can open doors, but only a stronger domestic base can keep them open. The challenge now is to turn policy ambition into real economic strength.
—K Chidanand Kumar, Bangalore

More competitiveness

Signing FTAs is the easier part. The harder challenge is ensuring domestic industry is competitive enough to benefit from preferential access once agreements take effect. Declining labour-intensive exports—garments and gems contracting over consecutive years—point to structural weaknesses that no FTA can correct. Logistics costs, labour productivity, and input cost competitiveness require sustained domestic reform running parallel to trade negotiations, not following them. Electronics exports show promise, but high import content limits net value addition. Services growth is slowing precisely when India needs to accelerate into high-value segments. Market diversification has helped at the margins, but it cannot substitute for restoring fundamental export competitiveness.
—A Myilsami, Coimbatore

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Editor's TAKE

India's aviation hits an air pocket

Without decisive reforms, the aviation sector risks remaining trapped in a cycle of boom and bust — grounded by the weight of its own inefficiencies

The Indian aviation sector presents one of the biggest paradoxes of the Indian economy. On one hand, air travel demand is on the rise, and on the other, airlines are failing. The story of Indian aviation has never been straightforward. It has seen many highs and lows, from the nationalisation of Air India and its subsequent sale to the mushrooming of airlines and their eventual disappearance from the Indian skies. The aviation industry has gone through a roller coaster rise. Right now, it is going through a very critical time, as many airlines are showing losses and are on the verge of closure. The rising fuel costs, coupled with a falling rupee –which makes maintenance and leasing of aircraft costly – along with high tariffs and bottlenecks at airports has put aviation sector at the crossroads.

The recent spike in aviation turbine fuel (ATF) prices, triggered by geopolitical tensions, has exposed the vulnerability of the aviation industry. The situation is so grim that the Federation of Indian Airlines has issued a statement that many airlines may be forced to halt operations.

At the heart of the crisis lies the disproportionately high cost of ATF, which accounts for nearly 40 per cent of an airline's operating expenses, which is well above the global average.

The recent implementation of differential pricing, with a steep `73 per litre rise for international flights, has put extra pressure on airlines operating on long-hauls. Airlines such as Air India, IndiGo, and SpiceJet are particularly vulnerable on long-haul routes, where fuel consumption is significantly higher. However, fuel prices are only one part of a larger problem. Indian aviation also has to contend with heavy taxation, volatile currency fluctuations, and razor-thin profit margins.

The 11 per cent excise duty on ATF, coupled with state-level levies, makes fuel in India among the costliest in the world. Besides, Indian aviation, like any other industry, is very price-sensitive and highly competitive, often leading to irrational fare wars that undermine profitability. Most Indian airlines rely heavily on price-sensitive economy passengers. The high ticket costs in periods of high demand irks passengers, who are often forced to shell out far higher fares during peak seasons or last-minute bookings. In a bid to offset mounting losses, airlines sharply hike ticket prices, a practice that places an additional burden on travellers and fuels perceptions of unfair pricing.

The bottom line is that the government must not consider air travel as a luxury but as any other industry which must thrive and provide affordable services to its customers. The government must rework its tariff structures; if airlines make profits, they will be able to offer cheaper tickets, thereby adding more passengers, which will add to government revenue. Enhancing operational efficiency through better infrastructure and air traffic management must be given priority. The government must work on long-term policy framework - particularly on fuel pricing to encourage strategic planning. ATF taxation must also be rationalise by bringing it under the GST regime, to minimise cost burdens. These small steps can go a long way in uplifting the aviation industry.

From 'reluctant prince' to assertive challenger

As India's opposition regains institutional space after a decade, Gandhi's tenure is increasingly being judged not just by rhetoric in Parliament, but by his capacity to convert visibility into political credibility and sustained influence

KALYANI SHANKAR

Has Rahul Gandhi become a credible Leader of the Opposition in the Lok Sabha since his appointment in June 2024? With nearly two years having passed, how effective has he been? Has he held the government accountable and changed his party's approach to budget reviews? Has he demonstrated leadership qualities such as strategic communication and coalition-building during this time? These questions are essential for evaluating his influence and effectiveness.

Rahul began his political career in 2004 and has faced both successes, challenges, and failures. He has worked behind the scenes, guiding the party through victories and defeats, while choosing not to take a ministerial role in the Manmohan Singh government from 2004 to 2014.

Gandhi's rise to a prominent position within the Congress Party was largely expected, reflecting his positioning within the party. He has the final say in party appointments. While many party members viewed his leadership as a positive development, others expressed concern that it highlighted the party's lack of alternatives and its dependence on the Nehru-Gandhi family. Ultimately, he resigned, and senior leader Mallikarjun Kharge became the party president.

Rahul's role as LOP has included pointing out the government's mistakes in Parliament and outside on behalf of the Opposition and his own party. However, there have been important occasions when he was not present.

Rahul has taken on a more assertive, visible role, focusing on defending the Constitution, addressing income inequality, and challenging the BJP-led government on various issues. He has rebranded his image to align with the formal role, focusing on job creation, safety for marginalised groups, and the rights of farmers.

This is the first time in a decade that a cabinet-level position has been filled. Since 2014, no opposition party has achieved the 10% of 543 seats needed to be recognised as the Leader of the Opposition. This presents a significant opportunity for the Opposition to challenge the Narendra Modi government. On his first day in the Lok Sabha as LOP, Rahul Gandhi stressed the need for the ruling coalition to uphold the rule of law and for the Opposition to address issues such as the economic downturn, unemployment, a caste census, and the farmers' crisis. As the Leader of the Opposition, he participates in selecting key officials, such as the Chief Election Commissioner and the CBI Chief, to ensure that the Opposition has a say in these appointments.

> GANDHI IS OFTEN REFERRED TO AS THE "RELUCTANT PRINCE" BY HIS CRITICS, WHO BELIEVE HE IS HESITANT TO FULLY EMBRACE THE RESPONSIBILITIES THAT ACCOMPANY HIS SIGNIFICANT INFLUENCE. HOWEVER, MANY CONSIDER HIM TO HAVE BEEN THE UNOFFICIAL NUMBER TWO IN THE PARTY FOR A LONG TIME

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Rahul's presence in Parliament has become more confrontational and assertive, reflecting his strategic shift to challenge the government directly. With the ruling party loudly defending the Modi government, noisy scenes have ensued in Parliament. Still, it has also enabled the Opposition to oppose key bills, such as the Women's Reservation Bill and the farmers' bills. His active participation in legislative debates and initiatives demonstrates his growing influence and impact as Leader of the Opposition, consistently challenging the Modi government on multiple issues.

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One successful step was his Bharat Jodo Yatra, which boosted his image by allowing him to mingle with the public and learn about their problems firsthand.

Educated at some of India's most prestigious schools, he went on to study economics in the United States and gain international experience working in London before returning to Mumbai in 2002.

Gandhi is often referred to as the "reluctant prince" by his critics, who believe he is hesitant to fully embrace the responsibilities that accompany his significant influence. However, many consider him to have been the unofficial number two in the party for a long time.

However, some were worried about the party's continued reliance on the Nehru-Gandhi family for leadership.

Rahul decided to enter politics and won a seat in 2004 from Amethi. In September 2007, he became the party's secretary-general while his mother, Sonia Gandhi, remained president. By January 2013, he had risen to Vice-President of Congress, highlighting his growing influence.

Critics say that even though he is more visible now, the party lost key state assembly elections in late 2024 and 2025. This raises doubts about his ability to turn popularity into votes.

Rahul became the Leader of the Opposition in the Lok Sabha in June 2024. As time passes, he could lose support if he fails to secure the backing of regional allies and continues to struggle in local politics. The Opposition created the INDIA bloc and worked together in the 2024 General Election. As a result, the Opposition won more seats. The Congress Party doubled its number of seats.

Additionally, there has been feedback regarding his attendance at key events and his focus on topics that some critics view as less significant. He is trying to be more approachable by engaging in activities that demonstrate his commitment to ordinary people's concerns. Different groups view his performance differently.

During Rahul Gandhi's tenure as Leader of the Opposition, he has become a more focused and articulate leader. However, whether he has gained "credibility" is subjective. Supporters see improvement, while opponents argue his style remains unchanged.

PIC TALK

People walk on a rainy day, in Shimla, Himachal Pradesh.

PHOTO: PTI

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How human connections redefine workplace stress

APS MALHOTRA

2ND OPINION

It is my firm belief that workplace stress has been around in one form or another for ages. However, what has changed over time is its structure and intensity - the beast has starkly metamorphosed. Today, amplified by technology-driven jobs and laggard employment rates, stress has become a constant hum of fatigue, dissatisfaction, and the pressure to remain perpetually available. These anxieties rarely stay within the four walls of the office; rather, they sneak out surreptitiously into the outside world, magnifying personal, emotional, and physiological fault lines like never before. I have witnessed all these changes during my nearly four decades of corporate life experience.

My career — like those of many others - has had its share of tranquillity and turbulence, highs and lows, shaped by hierarchies, interpersonal dynamics, and the often not-too-subtle currents of power and politics. At times, professional strain collides headlong with personal worry, thereby creating an atmosphere of acute self-doubt, as happened with me during the COVID-19 pandemic, when my hypertension spiked sharply, as my daughter, Mehak, a young doctor, took her position on the front lines of the raging war across the seven seas. The ambiguity took a palpable toll on my health, to an extent that medication that had long been stable had to be increased suddenly.

It was in this state of apprehension that I took up a new assignment — after the lockdown had eased — anticipating the familiar, uncertain phase of adjustment. Instead, I was surprised by what I encountered — something that altered my understanding of workplace stress. There was, to begin with, an unusual lightness in the environment. And although work was taken seriously, the edge of fear that often accompanies it was absent. Soon, I fathomed that the difference lay largely in leadership, as the team lead laid emphasis on brevity and humility, preferring these over pomposity, exaggeration, and hype. Expectations were clear, but they were not enforced through intimidation, something that resulted in a culture of trust rather than anxiety. These positively charged winds received a further boost recently during a posting I worked on. It was here that I truly understood the equally important role of relationships. Within months of taking over, I established close bonds with a small group of colleagues at a similar stage in their careers as me - rushing speedily towards what in common parlance is referred to as 'senior citizen'. What began as shallow banter grew into genuine camaraderie — conversations that extended into shared experiences and reflections.

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These connections created a sense of ease long missing in my professional life. Amid this came an unexpected - and most welcome - change: a routine medical check-up showed my blood pressure had dropped below normal levels, requiring reduced medication, while my diabetes indicators recorded their best readings in over a decade.

These are not mere coincidences but pointers to something of greater import - often overlooked in discussions on stress management, which tend to focus on individual coping mechanisms such as mindfulness, exercise, and time management.

While these matter, they are only part of the picture. The environments we work in, the leadership we experience, and the relationships we build play an equally decisive role. Workplace stress may be inevitable, but the way it shapes our lives is not.

The writer is a corporate professional and an astute observer of everyday life

MAKE MAY DAY MATTER: FROM SYMBOLISM TO DIGNITY

May Day was born from workers' struggles for the eight-hour workday. Making it truly "great" today means moving beyond symbolism to ensure real dignity for labourers. In India, this requires not just speeches but concrete, everyday actions and stronger policy commitments. Basic safety remains a critical gap. Nearly 80 per cent of construction deaths are linked to head injuries, underscoring the urgent need for essential protective gear-helmets, gloves, boots – and access to drinking water. Employers must ensure timely wages, safe working conditions, and simple respect, including acknowledging workers with gratitude.

At a social level, meaningful change begins with recognition. Engaging with those who sustain our daily lives-security guards, domestic workers, plumbers-understanding their families and aspirations, helps restore dignity to labour. A "great" May Day is not marked by banners, but by a society where a worker can afford education and security for their children.

Policy reforms must prioritise labour welfare through healthcare access, insurance coverage, and savings schemes. Construction workers, gig workers, farmers, and factory labourers form the backbone of the economy, yet remain among the most vulnerable. Ensuring their well-being is not charity – it is an economic and moral imperative. May Day must evolve from commemoration to commitment, where dignity, safety, and fairness define the true value of labour.

CR KRISHNA IYER | MUMBAI

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LETTERS TO THE EDITOR

Cooperate in fencing the border

The Calcutta High Court has strongly reprimanded the Govt of West Bengal for failing to hand over land for fencing along the India–Bangladesh border. Despite clear orders to transfer 127 km of already acquired land to the BSF, only 8 km has been handed over so far.

This raises serious concerns, as large stretches of the border have effectively remained unfenced and vulnerable, relying only on manpower instead of physical barriers for security.

The court termed the state's response evasive and inadequate, stressing that such delay in a matter of national importance is unacceptable. It demanded a detailed affidavit explaining the inaction.

The prolonged delay, despite funds and land availability, creates an impression of more than mere administrative lapse—suggesting possible deliberate inaction under the guise of inefficiency, with wider implications for national security and governance.

Fencing has been very effective in controlling cross border illegal migration and has curbed smuggling and trafficking in a big way. The State Govt must cooperate and do the needful so that border can be effectively safeguarded.

RS NARULA | PATIALA

Train looters on the prowl

Drugging train passengers and robbing them of their valuables is an old modus operandi of notorious gangs. The activities of the infamous " biscuit gang" is fresh in memory: looters targeted gullible travelers through biscuits laced with drugs. The effects of a few drugs are so severe that passengers often fail to regain consciousness for hours only to find their valuables stolen. These gangs, sometimes, appear suave and sophisticated with children in tow to give a " family touch".

The "activities" of the looter gangs are at its peak during festivals when trains are packed to their capacity. No doubt, refusing to accept food and drinks from strangers is the best way to be safe. However, an alert passenger should also have a keen eye to spot something fishy. Co-passengers should be extra-- vigilant to spot the unusual. Some railway stations in India have a loud speaker announcement system to exhort passengers to be alert and active on trains.It would not be a bad idea for the RPF and GRP personnel to personally spread awareness among passengers. Recently, the police were able to apprehend a woman, besides others, for relieving passengers of their valuables on the Sainagar Shirdi--Kakinada express near Maharashtra's Chhatrapati Sambhajinagar which shows alertness can prevent such happenings.

GANAPATHI BHAT | AKOLA

FTA: Safeguard interests of farmers

Apropos to " FTA: Towards closer ties with New Zealand" published on 29th April, here is my response. India–New Zealand trade deal has the potential to strengthen economic ties between the two nations by promoting bilateral trade and investment. It will open new markets for Indian exporters, particularly in sectors such as textiles, pharmaceuticals, and information technology, while also providing New Zealand greater access to India's massive consumer base. New Zealand is known for its high-quality dairy and agricultural products, while India has a strong base in spices, tea, and processed foods.

A balanced exchange in these sectors could lead to mutual growth and improved food security. The FTA is expected to create employment opportunities and encourage innovation through increased collaboration in areas like education, technology, and renewable energy.

Strengthened trade relations will also enhance cultural exchange and deepen diplomatic ties between the two countries. But we should not overlook the concerns it will raise. The interests of domestic industries, especially small-scale farmers and local businesses, should be safeguarded.A well-negotiated deal must strike a balance between openness and protection.

BAL GOVIND | NOIDA

Forest fires in India: A growing ecological and governance challenge

Despite advances in monitoring and policy frameworks, the scale, frequency, and consequences of these fires continue to grow, exposing critical gaps in prevention, governance, and long-term ecological planning

BKP SINHA | ARVIND KUMAR JHA

Every year, thousands of wildfires erupt across the globe, consuming vast stretches and degrading ecosystems while releasing significant quantities of carbon into the atmosphere. In India, they pose a recurring and systemic challenge — one that leads to habitat fragmentation, loss of the genetic pool, including that of most domesticated plants and animals, and disruption of rural livelihoods. They undo conservation gains while undermining ecological stability across regions.

The economic implications of forest fires are equally severe. A 2025 study estimates that annual losses - including timber, non-timber forest products, and carbon sequestration — amount to nearly ₹1.74 lakh crore. Satellite-based monitoring by the Forest Survey of India (FSI), using MODIS and SNPP-VIIRS systems, reveals that almost 36 per cent of the country's 8.27 lakh sq. km total forest cover is 'prone to frequent forest fires'. Data shows that between 2023 and 2025, the fire-affected area has increased by 16 per cent, while complementary data from the World Resources Institute and Global Forest Watch suggest that 44 per cent of India's tree cover loss between 2023 and 2024 was attributable to forest fires alone.

Forest fires, being of a predominantly ground-sweeping nature, except in some hill states like Uttarakhand, are generally considered low-impact events. Handled primarily by the Forest Department, forest fire is notified by the National Disaster Management Authority (NDMA) as a 'disaster'. The enormity and consequences of forest fires, however, indicate that they are different from sudden-onset disasters like earthquakes and floods. They are, in fact, 'foundational disasters' that can potentially act as a primary trigger for the devastation of the nation's natural capital and agricultural production, earthquakes due to hydro-seismicity caused by disrupted seasonal replenishment of the water table over successive years in the forest's 'benefitshed' areas, devastating flash floods and debris flows due to loss of forest cover and impermeability/soil hydrophobicity of the forest floor, increased human-wildlife conflict, etc. A relentless series of successive disasters with ecological and socio-economic collapse may thus unfold over time as a result of forest fires. Studies show that over ninety per cent of forest fires are anthropogenic and driven by traditional forest-based livelihoods, agricultural cycles, and commercial activities that follow seasonal ecological transitions. Thus, as months pass, successive forest fires from December onwards are caused due to the setting of fires for promoting grass growth for grazing, burning of the forest floor under mahua trees to facilitate flower collection, setting of fires to promote a fresh flush of tendu leaves, jhum cultivation, etc. There are also instances of forest fires due to the accidental jumping of sparks during preventive fire-line burning operations, deliberate setting of fires for generating employment in fire-fighting work, kindling of forests to take revenge on foresters, burning of bridle-path strips, setting fires for hunting smaller wild animals and keeping larger ones at bay, etc. The overall threat recedes with the monsoon before re-emerging in November, with agricultural stubble burning near forest fringes initiating the annual cycle of vulnerability. FSI's Alert-to-Detection (A/D) ratio analysis indicates distinct 'reason-specific signatures' of forest fires. It reveals that, transitioning from the capturing of small, scattered fires, the 'Large Forest Fire' (LFF) algorithm switches from point alerts to event tracking in March-April, keeping pace with the massive, systematic 'broadcast burning' for triggering the dormant buds of the tendu plant to produce better-quality leaves. The peak of India's fire season is thus dictated by commercial interests.

Despite the criticality and growing scale of the crisis, funding patterns indicate that the Centre's allocation for the Forest Fire Prevention and Management (FFPM) scheme has remained modest ₹40 crore, ₹35 crore, and ₹37.5 crore over the past three years. In contrast, the NDMA oversees a ₹5,000 crore scheme launched in July 2023 for the "Expansion and Modernisation of Fire Services", primarily designed for urban fire response. Some states are using portions of these funds to procure wildland-urban interface equipment to prevent forest fires from spreading into human settlements. In early 2025, an additional ₹818.92 crore (including a central share of ₹690.63 crore) was allocated for forest fire mitigation across 144 high-priority districts in 19 states. Experts note that much of it remains focused on post-disaster response rather than long-term prevention strategies. Legal and institutional challenges make fire prevention and control on the ground difficult. Apprehending offenders in forest areas remains difficult, as forest guards often patrol alone and may not find witnesses to establish intent. Historically, the provisions of the Indian Forest Act, 1927 provided a strong legal deterrent against offences, including trespass and kindling a fire in a manner that endangers a forest. Trespass, being the first step before the commission of any other offence in the forest, and the fear of it being prosecutable, precluded the occurrence of many offences, including arson. The Jan Vishwas Act, 2023, aimed at decriminalising 'minor offences' to improve ease of living and doing business, has diluted penalties related to trespass and forest fires. With trespass becoming compoundable with a penalty of up to ₹500, the fear of imprisonment that served as a strong psychological and legal deterrent is gone. Similarly, leaving the country's ecologically "priceless" resource burning in a protected forest now attracts a penalty of up to ₹500. Experts warn that such minimal penalties are negligible "transaction costs" for offenders, particularly in activities like tendu leaf collection and trade.

Concerns have also been raised about the widespread grant of Community Forest Resource Rights under the Forest Rights Act, 2006 in ineligible cases, which has created erroneous perceptions regarding jurisdictional matters, ultimately leading to a visible decline in accountability for forest protection. Unfortunately, illegal grants continue to be facilitated by the creation of geospatial proxies through an improperly designed 'potential CFRR area Atlas' being prepared in various states. In this context, Gadchiroli district's reality of consistently recording the highest fire alerts, often overshadowed by the "success story" narrative, should be an eye-opener.

At the national level, the FSI continues to provide critical baseline data on forest fires. However, experts argue that its methodologies require substantial upgrades. Improvements in satellite resolution, clearer definitions of fire events, and a shift beyond the current "tree cover" proxy are needed to accurately capture ground-level ecological damage. Integrating fire detection systems with real-time ground assessments could significantly improve the effectiveness of enforcement. Any strategy for preventing forest fires must consider the complexity of the reasons behind them, the problems of the chronically depleted frontline workforce in the forestry sector, and the deepening paradox within India's statutory landscape.

As forest fires grow in frequency and intensity, India must move beyond reactive firefighting to a more preventive approach. This includes strengthening early warning systems and expanding public awareness. Given their role as 'gateway crimes' to encroachment and degradation, the decriminalisation of trespass and forest fires must be reconsidered. With commercial interests often involved, stricter legal provisions, penalties linked to biodiversity loss, and incentives for fire-free practices such as tendu management are essential. Further, auditing all CFRRs granted under the FRA to weed out illegal recognitions, empowering local institutions, strengthening frontline staff, and adopting AI-based predictive modelling for pre-positioning personnel in high-risk zones are necessary. The restructuring of the financial landscape to prioritise prevention over reaction must be undertaken, and adequate budgets must be provided for forest fire management.

To prevent forest fires from triggering a cascade of disasters, India must adopt a comprehensive strategy grounded in rigorous prevention, ecological restoration, unyielding legal deterrence, and institutional coordination without further delay. Without this, the nation risks accelerating environmental degradation, undermining the livelihoods of its forest-dependent communities, and the ecological decapitalisation of forest-dependent economies. The urgency is a categorical imperative, and the matter is simply non-negotiable.

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AT THE NATIONAL LEVEL, THE FSI CONTINUES TO PROVIDE CRITICAL BASELINE DATA ON FOREST FIRES. HOWEVER, EXPERTS ARGUE THAT ITS METHODOLOGIES REQUIRE SUBSTANTIAL UPGRADES. IMPROVEMENTS IN SATELLITE RESOLUTION, CLEARER DEFINITIONS OF FIRE EVENTS, AND A SHIFT BEYOND THE CURRENT "TREE COVER" PROXY ARE NEEDED TO ACCURATELY CAPTURE GROUND-LEVEL ECOLOGICAL DAMAGE

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AAP's shift: From common man roots to elite drift

RAJEEV KUMAR

The recent exit of seven members from the Aam Aadmi Party (AAP) to align with the ruling dispensation has drawn sharp attention - not only nationally but within the party's leadership. Yet, given their socio-economic profiles, the development may be less surprising than it appears. A majority come from highly privileged or resource-rich backgrounds: Ashok Kumar Mittal, Rajendra Gupta, and Vikramjit Singh Sahney are linked with substantial wealth; Harbhajan Singh is associated with the financially powerful Board of Control for Cricket in India; and Raghav Chadha has strong connections across corporate and Bollywood circles. The remaining figures - Swati Maliwal and Sandeep Pathak - have held significant internal influence within the party. Taken together, this group reflects a convergence of wealth, influence, and elite networks - raising a broader question about how such trajectories align with AAP's original common citizen ethos. Seen through the lens of their privileged and rich backgrounds, these moves appear less unexpected; in this context, even figures like Sandeep Pathak seem drawn towards the orbit of such privileged networks and their pursuit of prosperity.

The Aam Aadmi Party (AAP) emerged as one of the most compelling political experiments in post-liberalisation India. Born out of the India Against Corruption movement, it promised to disrupt entrenched political hierarchies by placing the "common citizen" at the centre of governance. Its appeal lay not merely in policy, but in identity - it sought to redefine politics as a space where ordinary individuals, rather than entrenched elites, could shape public life. This moral and political positioning distinguished it sharply from traditional parties and created a sense of credibility and hope among voters disillusioned with conventional power structures. The early success of the Aam Aadmi Party rested on a simple idea: politics should not be driven by pedigree, wealth, or inherited influence. It aimed to create space for volunteers, grassroots activists, first-time entrants, and honest professionals - marking a clear break from parties shaped by dynasties and elite networks. This principle was also visible in the leadership's conduct. AAP leaders maintained a simple, common appearance - blending into everyday public life. It reinforced their claim of sharing the realities and mindset of ordinary citizens. The model drew wide support, including among Indians working across the globe, many of whom contributed intellectually, financially, and emotionally to this experiment. The result was unprecedented: a relatively young political formation, still in its infancy, secured remarkable electoral success in Delhi, challenging long-entrenched political structures. However, early compromises in candidate selection - often justified as electoral necessity — led to dissatisfaction and the first signs of internal strain, including the exit of some founding members who saw a dilution of core ideals. In January 2018, the Aam Aadmi Party marked a clear shift in its Rajya Sabha selections: two of the three nominees, ND Gupta and Sushil Gupta, were from elite backgrounds - including one from a long-established national party - while only Sanjay Singh came from its grassroots leadership. This departure from its anti-elitist stance signalled a move towards privilege through a route often associated with influence and resources.

The decision triggered internal dissent, led to the exit or marginalisation of key founding members, and widened the gap between principle and practice. The shift did not remain isolated; it became a pattern. In April 2022, five selections from Punjab reinforced this trend: Harbhajan Singh, a well-known cricketer; two key party strategists, Raghav Chadha and Sandeep Pathak; and two individuals, Ashok Mittal and Sanjeev Arora, from influential or financially strong backgrounds. The July 2022 additions continued similarly; Vikramjit Sahney is a well-known elite, while Balbir Singh Seechewal is rooted in AAP ideology, though he declined to be associated with AAP. In January 2024 (Delhi), among the three nominees, the wealthy ND Gupta was re-nominated, and the highly privileged insider, Swati Maliwal, entered the Rajya Sabha. In October 2025, Sanjeev Arora's replacement from Punjab again brought in a wealthy candidate, Rajendra Gupta.

Across these cycles, selections consistently favoured individuals with visibility, influence, or economic capital over grassroots workers - indicating a sustained shift in which the Rajya Sabha became a channel for privileged profiles, reinforcing the party's ideological drift. The warning signs were clear, yet largely overlooked. In India, cricket and Bollywood are closely tied to affluent networks, and the trajectory of Raghav Chadha - already among the more privileged faces in the Aam Aadmi Party - became emblematic. His marriage into a well-connected Bollywood circle reinforced perceptions of deepening elite linkages, raising doubts about alignment with the "common citizen" ethos, especially within the elite setting of the Rajya Sabha. Observers noted his gradual distancing from grounded engagement. Interventions on everyday issues, though symbolically relevant, were seen as limited in substance compared to the lived realities of ordinary citizens. Despite such signals, the leadership response remained muted. Individually credible, these choices collectively point to a sustained reliance on privileged individuals over grassroots representation - suggesting that repeated wake-up calls went unaddressed, widening the gap between ideals and practice.

The pattern of "privileged exits" is not just about individuals - it stems from leadership choices. When people from elite backgrounds are brought in and later leave, it reveals a deeper internal mismatch: a repeated preference for influential or wealthy individuals (especially through the Rajya Sabha), centralised decision-making that limits grassroots voices, and a growing gap between the party's "common citizen" claim and its actual choices. The result is a clear mismatch - an anti-elite beginning but increasing acceptance of elite influence. The issue is not the inclusion of privileged individuals, but the lack of balance. What appears as defections is, in fact, the outcome of decisions that have gradually changed the party's character - raising the question: is this evolution or drift?

Despite multiple crises in the past, the Aam Aadmi Party has shown resilience - offering a clear opportunity for course correction. The priority now is honest internal introspection, not external blame, to realign recent choices with its founding ideals.

A key step is rebuilding a broad base of committed, grounded individuals - bringing back those who left due to organisational differences rather than ideology. Equally crucial is decentralising decision-making to reduce overdependence on a few individuals and to strengthen internal democracy and collective deliberation. If pursued sincerely, this can renew AAP's original promise of alternative, citizen-centric governance - strengthening institutions to function fearlessly, independently, transparently, and with accountability.

The writer is a Tech-Education Policy Consultant, a former Professor of Computer Science at IIT Kharagpur, IIT Kanpur, BITS Pilani, and JNU, and a former scientist at DRDO and DST

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From fear to fightback: MDR-TB Survivor's handbook lights the path to recovery

SWAPNA MAJUMDAR

"Hello! I'm Deepti Chavan and I am an MDR-TB survivor. I know how it feels to hear the words 'drug-resistant tuberculosis (DR-TB)'. When I heard them, my whole world changed. It can be scary and overwhelming. But let me assure you, you can recover. Like I did!" By pegging itself on the journey of Chavan, a well-known multi-drug-resistant (MDR) TB survivor, a recently launched handbook for DR-TB-affected individuals manages to stand out among the many resource materials on TB. It simplifies how to navigate the complexities of TB diagnosis and treatment through the lens of a survivor, thus resonating with scores of people, both affected and those afraid they may be affected. Incidentally, about 64 per cent of people with TB symptoms do not seek care due to stigma, ignorance, or affordability issues, leading to delayed diagnosis and continued transmission.

This is probably one of the reasons why TB continues to be India's biggest infectious disease challenge. India contributes about 25 per cent of the global TB burden, with five countries together accounting for over half of all cases worldwide, according to the government's 2026 Tuberculosis Fact Sheet.

While TB services have expanded in the country, there is a lack of awareness that, despite being an infectious disease caused by a bacterium called Mycobacterium tuberculosis, TB can be completely cured with proper diagnosis and timely treatment. In this scenario, knowledge and information are key. This is where the 16-page guide, developed by Survivors Against TB (SATB), a survivor-led network, can bridge the information gaps.

Besides drawing on tools and insights from the Stop TB Partnership, including resources such as the OneImpact DR-TB module and the TB Champions Toolkit, it has been enriched by the inputs of survivors like Chavan, advocates, healthcare providers, and medical professionals. This makes it both factual and relatable, since it is a collaborative effort by those who have gone through the emotional roller coaster of fear, misgivings, and self-pity and have also managed to overcome these hurdles. Though 55,000 cases of DR-TB were reported in 2024, requiring longer and more complex treatment, the bigger positive picture underlined by the booklet is that there is no giving up, no matter how hard or long the journey may be, because there is always light at the end of the tunnel. The handbook not only lays out the TB roadmap, outlining how TB is transmitted and explaining treatment options, it also provides practical tips for TB-affected people and their caregivers. While addressing the most often asked question — "Why did it happen to me?" — the handbook makes it clear that it is nobody's fault and that it can happen to anybody. Chavan, being an MDR-TB survivor, explains in simple language the main types of drug resistance. Multidrug-resistant TB (MDR-TB) means the TB bacteria are resistant to rifampicin and isoniazid, the two most important anti-TB drugs used in treating TB.

If a person is diagnosed with rifampicin-resistant TB (RR-TB), this means their TB is resistant to rifampicin, with or without resistance to other drugs. In practice, RR-TB is treated in a similar way to MDR-TB. The third type is extensively drug-resistant TB (XDR-TB). This is a more serious form of drug-resistant TB, in which the bacteria are resistant to several key TB medicines, including those used to treat MDR-TB.

Chavan reiterates that while dealing with drug-resistant TB can be overwhelming, and it takes more effort to treat than drug-sensitive TB, with the right medicines, consistent check-ins, and strong support, it is possible to recover, just as she did.

But for this, patients must access services. While scrolling to the "Health Facilities" section in the TB Aarogya Saathi app will aid in locating the nearest health centre, calling the RNTCP toll-free number (1800-11-6666) will help in finding testing and treatment locations and information on the nearest microscopy centre or DOTS centre. One of the most important facts underscored is the need for proper nutrition during the treatment journey. A balanced, nutritious diet rich in protein, vitamins, and minerals is crucial to fight the infection. The handbook points out that the government's Nikshay Poshan Yojana offers ₹1000 a month to help with nutrition costs during treatment.

The writer is a journalist writing on development and gender

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Time to reform ATF pricing

The Federation of Indian Airlines has written an urgent letter to the government, warning that Indian carriers are "on the verge of closing down". The situation is grave, and the root cause is real. The industry wants temporary excise relief and a reinstated price cap, which would immediately lessen the pain but avoid a long-term solution. Aviation turbine fuel accounts for 40 per cent of an Indian airline's operating costs. Following the current oil crisis, it has grown to 55-60 per cent of its total costs in April 2026. Brent crude is now $118 per barrel, up from $72 a barrel during the escalations of the West Asia confrontation. The crack spread—the difference between crude and refined jet fuel—has exploded from the range of $11-18 per barrel to $132.59, and that alone is something that does not have to be rooted in market forces. Airspace closures over Pakistan have added route length and fuel burn. The rupee has softened. All these pressures are compounding.

But before the government looks at a relief measure, it should sit with one inconvenient fact buried in the FIA's own letter: the "crack band" mechanism airlines now desperately want to bring back—a $12-22 per barrel cap on refiner margins—was scrapped in December 2024, following the airlines' own agreement. After Covid and global ATF costs stabilised, the band also felt redundant. The benefits of lower fuel costs accrued to the carriers. Now that that cycle has turned, the same carriers want the government to pick up the cost. The government may want to reinstate the band, as the current crack spread is indefensible. But it also underscores the fact that the industry's relationship with pricing risk is selective. The deeper problem is the ATF tax model in India. Jet fuel at the central level is subject to an excise duty of 11 per cent. At the state level, VAT is 16-20 per cent in Mumbai, Bengaluru, and Hyderabad, 25 per cent in Delhi, and 29 per cent in Tamil Nadu. Collectively, India has one of the highest effective tax burdens on aviation fuel in the Asia-Pacific.

Perhaps the solution lies in bringing the ATF into GST, but it would leave the states one less source of income.

How to fix this problem that keeps rearing its head? Perhaps the solution lies in bringing the ATF into GST, but it would leave the states one less source of income. States will obviously oppose it; hence, the government needs to find a middle path. It could follow the European model, where, instead of taxing fuel, states levy a fixed per-passenger departure charge at airports within their jurisdiction. Revenue becomes tied to passenger volumes—which grow with the sector—rather than volatile fuel prices. There could be other solutions as well, but what the government needs to be more than aware of is that this crisis presents an opportunity to establish a robust framework.

Ladakh requires systemic reforms

The decision of Ladakh's lieutenant governor, Vinai Kumar Saxena, to carve five new districts out of Leh and Kargil, taking the Union Territory's total to seven, has been projected as a bold administrative reform. The L-G, echoing the familiar cadence of Prime Minister Narendra Modi's developmental rhetoric, claims it will bring governance closer to the people, generate jobs, and accelerate growth. On paper, it sounds unimpeachable. In practice, it risks being little more than bureaucratic cartography, redrawing boundaries without addressing the deeper anxieties of a region that has simmered with discontent since 2019, when Jammu and Kashmir's statehood was undone. For Ladakhis, the issue is not how many districts exist but who holds power.

Historically neglected under Srinagar's shadow, the region once rallied behind leaders like Buddhist monk Kushak Bakula, who saw genuine autonomy as the antidote to marginalisation. Ironically, the reorganisation of J&K through the abrogation of Article 370 and its bifurcation into two Union Territories has replaced one form of distance with another. Where elected representatives once mediated governance, it is now largely bureaucrats who call the shots. The absence of a legislative assembly has created a vacuum no number of new districts can fill. The unrest led by the Leh Apex Body and the Kargil Democratic Alliance reflects this reality. Their demands for statehood, safeguards, and representation are neither new nor unreasonable. At the heart of the agitation is the demand for inclusion under the Sixth Schedule. With over 97 per cent of the population being tribal, Ladakhis seek constitutional protection for land, resources, jobs, and culture. The current Ladakh Autonomous Hill Development Councils lack legislative teeth; the Sixth Schedule would create Autonomous District Councils empowered to legislate on land, forests, and social customs as in Assam, Mizoram, Tripura, and Meghalaya. Unlike the present arrangement under Article 240, which can be altered by the centre, the Sixth Schedule offers more durable safeguards. It is also seen as essential to preserving distinct identities, including languages such as Bhoti and Purgi, while ensuring that locals have a decisive voice in governance. Economic concerns deepen the unease. Despite high literacy, unemployment hovers around 26 per cent. The promise of jobs through administrative expansion rings hollow when locals fear being edged out by outsiders in a post-Article 370 regime. Now, anybody can buy land in Ladakh. Environmental anxieties, articulated by activists like Sonam Wangchuck, add urgency. Unchecked tourism and industrial ambitions threaten a fragile ecosystem that cannot be managed through distant diktats. Ultimately, new districts may offer marginal administrative gains, but they are no substitute for political empowerment. Ladakhis are not asking for more offices; they are asking for a voice. Without statehood and meaningful constitutional protection, such measures will remain cosmetic fixes for a structural problem.

Fiscal Prudence

AJIT RANADE

India's Solar Moment: From vulnerability to victory

In a world where oil routes can be disrupted overnight by wars India did not start, energy independence becomes a sovereign necessity

When missiles fill the skies over West Asia, the tremors reach every household electricity and petrol bill. The ongoing crisis in the region has exposed the vulnerability of India, which is the world's third-largest consumer of crude oil and imports nearly 89 per cent of its requirement, i.e., roughly 1.75 billion barrels a year, or about 4.8 million barrels every single day. Over 60 per cent of that flows through the geopolitically sensitive Strait of Hormuz.

In 2024-25, India's crude oil import bill was $137 billion. If prices stay at the March average of $113.57, then the import bill would balloon to nearly $200 billion. Every ten-dollar rise in the price of a barrel of crude adds $14 to $16 billion to India's import bill. That is money drained from our precious foreign exchange reserves.

That refined oil goes into trucks that move goods, tractors that farm fields, and fishing boats that feed coastal communities. It also powers diesel generators that keep telecom towers humming across rural India.

There is a way to reduce this vulnerability. We are a nation bathed in light!

India is gifted by geography, which gives it a blazing sun for more than 300 days a year. Unfortunately, sometimes summer heat can also be a curse. We just witnessed a scorching April week. Nineteen of the twenty hottest places on earth were in India, and 92 of the 100 hottest cities globally. But what is a climate burden is simultaneously an energy opportunity of historic proportions.

India leads the International Solar Alliance, a coalition of over 120 sunshine-rich nations. In 2025, India added 38 gigawatts of new solar capacity, surpassing the United States, which added 35 gigawatts. The total installed solar capacity now stands at over 150 gigawatts, and annual solar generation has rocketed from 3.4 terawatt-hours in 2013-14 to 144 terawatt-hours in 2024-25.

As the brutal heatwave of April pushed temperatures into the mid-forties and air conditioners across north India ran at full blast, the electricity grid faced its highest ever demand: 256 gigawatts. Solar power alone was generating 81 gigawatts on that critical day. This was one-third of the total national generation. The grid did not collapse. It passed the stress test.

Solar's potential is not just as clean energy but also as securing our foreign exchange.

Even a ten per cent reduction in oil import dependence would save between $13 and $20 billion annually, depending on oil prices. A displacement of 100 million barrels through solar-powered electricity substituting diesel gensets, electric pumps replacing diesel pumps, and electric vehicles reducing petrol and diesel demand would still save $7.5 to $11 billion a year in foreign exchange.

But there is also an intriguing possibility that India could become an energy exporter. India's refining capacity of 258 million metric tonnes already exceeds its domestic consumption of 239 million metric tonnes. In 2025, India exported 64.7 million metric tonnes of refined petroleum products—petrol, diesel, and aviation fuel—worth over $52 billion, a record high.

The refining capacity is set to expand further to 309 million metric tonnes by 2028. If solar and electrification progressively reduce domestic fuel consumption, more and more of what India refines goes abroad, earning precious dollars. India would be importing crude, refining it far more efficiently, and exporting value-added fuel—functioning as an energy hub for the region.

The trajectory, if pursued with determination, could see India shifting from an energy importer to a net energy value exporter. This is in the realm of the thinkable.

Challenges Are Real, Not Insurmountable: There are hurdles in the solar journey. Panels need large tracts of land. This is a genuine constraint in a country where farmland is scarce and contested. The answer lies in deploying solar panels on fallow wasteland, rooftops, highway corridors, and canal banks. India already has programmes for all of these.

Solar panels also need water to wash off the thick dust that settles on them, especially in Rajasthan and Gujarat, where solar potential is greatest, but water is scarce. Waterless robotic panel cleaners are an emerging solution. India should produce these at scale domestically.

Most critically, the sun sets every evening, but demand does not. Without storage, solar power has a structural limitation. India urgently needs massive deployment of storage systems. In 2025, India curtailed 2.3 terawatt-hours of clean solar power simply because the grid could not absorb it. That is both an engineering failure and an economic one.

Then there is the China problem. India imports most of its solar panels and components from China, which deepens trade asymmetry. However, domestic solar module manufacturing capacity has grown to 172 gigawatts. The government has set a target of domestically produced solar cells and wafers by 2028. An India that makes its own solar equipment is truly energy sovereign.

Here are five action points.

One: treat solar energy as a national security infrastructure, equal in priority to defence. Funding should be at least doubled. Two: invest urgently and massively in battery storage. Or else every evening the grid falls back on coal and diesel. Three: upgrade the national transmission grid. Solar-rich states like Rajasthan and Gujarat need to be able to evacuate to demand centres in Maharashtra and Tamil Nadu. Four: accelerate electric vehicle adoption across two-wheelers, three-wheelers, and buses since transport is the single largest consumer of petroleum. Five: scale rooftop solar energy through PM Surya Ghar and allied schemes.

India's peak power demand is projected to rise further to 271 gigawatts, driven partly by rising incomes and the spread of air conditioning. The opportunity and the urgency are both enormous.

The current crisis in West Asia offers us a window. In a world where oil routes can be disrupted overnight by wars India did not start, energy independence becomes a sovereign necessity. Every gigawatt of solar power installed is one step away from the Strait of Hormuz. Every electric vehicle on the road is a barrel of oil India does not have to import. Every rooftop panel is a small act of national self-reliance.

The sun rises over India every morning without negotiation, without geopolitics, and without a price tag. The only question is how India can harvest it at the scale and speed the moment demands.

Dr Ajit Ranade is a noted Pune-based economist. Syndicate: The Billion Press (email: editor@thebillionpress.org)

Insight

BHAVDEEP KANG

What plagues AAP, a party that arrived with a bang?

Rumblings within the party are inevitable, but what's most worrying for Arvind Kejriwal is that his leadership skills are being questioned

The Aam Aadmi Party began with a bang as a unique experiment in participatory politics that captured the public imagination. The party's downward spiral from 2023 onwards, culminating in the defection of prominent faces to the BJP last fortnight, was a tragedy foretold. The question is whether AAP can emerge from its existential crisis by maintaining its electoral presence in Punjab, Gujarat, Goa, and Delhi in 2027.

Punjab is now AAP's focus, given that six of the seven Rajya Sabha MPs who defected to the BJP are from the state, including the strategists credited with the party's 2022 victory in Punjab. A thoroughly spooked Arvind Kejriwal, the party supremo, has reached out to the party MLAs. Chief minister Bhagwant Singh Mann and state in charge Manish Sisodia called a meeting of all the AAP legislators in Jalandhar district on April 29. Many of the 92 MLAs were close to defectors Raghav Chadha and Sandeep Kumar Pathak, and more than 60 are said to be vulnerable to overtures from the BJP.

Rumblings within the party are inevitable, following the exit of exloyalists, but the most worrying aspect for Arvind Kejriwal is that his leadership skills are being questioned. The IIT alumnus has been the undisputed leader and face of the party since its inception. The high-voltage excitement generated by AAP's advent on the electoral scene in 2013 is now all but forgotten. For a brand-new party led by the poster child of everyman ordinariness to secure a 30 per cent vote share was electrifying. Two years later, when 'Muffler Man' Kejriwal led AAP to an unprecedented 96 per cent majority, Delhi was exhilarated. Every citizen who voted AAP saw it as a personal victory, a thumbing-of-the-nose at national parties at the very site of their power. Here was politics as unusual and a party that could make a real difference.

A mild case of post-electoral dissonance set in when Kejriwal jettisoned potential challengers such as Prashant Bhushan and Yogendra Yadav from AAP, but not enough to dent the euphoria. The initial success of the AAP government's citizen-driven initiatives was heartening. Relying heavily on social media to mobilise public opinion and engaging with young people and apolitical domain experts to find solutions to public issues, AAP seemed to hold out the promise of inclusive governance.

Signs of demagoguery and populism began to appear. Alongside wild allegations against the centre in general and the Prime Minister in particular, Kejriwal & Co. peddled exaggerated tropes of victimhood and built its brand as a champion of the underprivileged. Subsidies on electricity and water, free bus travel for women ('pink passes') and a bunch of other freebies cost taxpayers a whopping Rs 37,000 crore during Kejriwal's term as chief minister of Delhi. Annual expenditure on non-merit subsidies leapfrogged from Rs 550 crore to Rs 5,310 crore in 2024-25. Power subsidies accounted for 70 per cent of the total. With consumption up to 200 units free and up to 400 units at half-price, less than half the metered connections in Delhi were billable. The measures paid off, and Kejriwal was returned in 2020 with a slightly reduced majority.

AAP now sensed an opportunity in states where legacy parties had consistently failed to satisfy voters. The 2022 legislative assembly elections in Punjab, Gujarat, and Goa proved a testing ground. With the decline of the Shiromani Akali Dal and a dissension-ridden Congress, the party swept the Punjab elections. In Gujarat, the decline of the Congress enabled it to win a 13 per cent vote share and five seats, even as the BJP retained power with a breathtaking 156 of 182 seats and a 52.5 per cent vote share. In Goa, it again benefitted from the Congress decline and won two seats, while the BJP won 20 and formed the government.

The AAP performance in Punjab, Gujarat, and Goa was seen as being at the cost of the Congress and not the BJP. Thus, it was emerging as a challenger to the Congress in the centre-left space, with little impact on the BJP's core vote bank. Even in Delhi, the early enthusiasm for AAP was diminishing.

The trouble with subsidies on power, water, and transportation is that once applied, they cannot be withdrawn without risking public ire. By 2022, it became clear that subsidies needed to be rationalised. The opt-in scheme for power subsidies was operationalised to reduce the subsidy burden but proved ineffective. The revenue surplus declined, as did capital expenditure on public infrastructure. Delhi went from a fiscal surplus to a fiscal deficit.

As gaps in public services ballooned, discontent spread from middle-class taxpayers to all classes. Questions were raised on several state government decisions, such as hiring some 400 consultants across various departments.

The liquor scam put the seal on AAP's decline in Delhi. In 2023, the party's number two, Manish Sisodia, was arrested and denied bail. In 2024, Kejriwal was also arrested ahead of the general elections, after ignoring nine summonses from the Enforcement Directorate. The public response to the arrests was tepid, indicating that AAP had lost its hold on voters. He was released after five months, well in time to prepare for the 2025 Delhi elections. But the damage had been done, and AAP was wiped out. Both Kejriwal and Sisodia were acquitted by a special judge earlier this year.

Punjab Chief Minister Bhagwant Singh Mann, against all expectations, has continued to be loyal to AAP. Despite differences with the AAP leadership in Delhi and allegations of interference by Delhi in Punjab, he did not split the party. The fact is that Mann, like Kejriwal, needs to keep his flock together. He is facing a tough contest, having failed to stem Punjab's rising tide of debt or address unemployment. Law and order, too, has suffered.

Kejriwal has been low-key since his defeat in 2025. Whether he still commands the moral authority to resuscitate the combative spirit and values on which his party was founded remains to be seen.

Bhavdeep Kang is a senior journalist with 35 years of experience in working with major newspapers and magazines. She is now an independent writer and author.

LETTERS TO THE EDITOR

Dear reader, We are eager to know your opinions, comments and suggestions. Write to letters@fpj.co.in with the title of the letter in the subject line. Using snail mail? Send your letters to The Free Press Journal, Free Press House, 215 Free Press Marg, Nariman Point, Mumbai 400021.

Peace is the only way

In the modern era, war is not just a military conflict; it is the destruction of humanity. Missiles turn both structures and innocent dreams into ash. Ongoing global conflicts prove that while technology has made us powerful, it has failed to make us sensitive. Global powers must abandon ego and embrace dialogue. If we do not choose peace today, we only leave ruins and regret for future generations.

Amrit Lal Maru, Indore

Iran's oil crisis

More than 90% of Iran's total oil production comes from Kharg Island. It has a storage capacity of around 30 million barrels. This capacity is now almost full, with only about 13 million barrels of space remaining. However, Iran must keep the wells that rely on water injection technology operational, as shutting them down could cause permanent damage.

Dattaprasad Shirodkar, Mumbai

Bad idea

Gadkari's suggestion to aim for 100% ethanol blending will harm the economy. While this will help reduce the crude oil import bill, save foreign currency, and generate income for oil companies, it will simultaneously motivate farmers to switch from traditional farming to ethanol-based crops. This move may, on the one hand, create a food crisis, resulting in a rise in food grain imports, and on the other hand, will force villagers to populate urban cities, worsening urban unemployment.

Ramesh Kumar Kalra, Lucknow

FTA not enough

Trade liberalisation without commensurate domestic capacity risks creating distortions rather than gains. India already witnesses significant post-harvest losses due to inadequate cold storage and fragmented logistics. An expanded market access will expose local producers to price shocks if imports arrive faster and more reliably than domestic goods. The caution against potential dumping into Indian mandis, as seen earlier in hardware markets with Chinese imports, deserves serious policy attention. FTAs cannot substitute for investment.

Harsh Pawaria, Rohtak, Haryana

A suggestion

It's true that the LPG shortage has added to the sharp rise in power demand in several states, including Tamil Nadu. Though some states have announced load shedding, the TN govt is confident of managing its demand without resorting to power cuts. As the IPL matches are a key factor driving the power demand, the state govt should request the TN Cricket Association to shift the CSK matches to some other venue.

N. Mahadevan, Chennai

Global collapse

The US President may be filled with glee at his assumption of Iran collapsing even as the US-led blockade continues to choke Iran's oil exports. Another news report says the aviation industry in India is heading for a collapse on account of rising fuel costs. The whole world is facing the consequences of this unnecessary war in the Middle East. Is the whole world heading for a collapse, then?

Melville X. D'Souza, Mumbai

Culture of violence

The latest assassination attempt on President Donald Trump has once again exposed the dangerous depths of political polarisation in the US. This is the third attempt on his life since 2024. The recurrence of such incidents raises troubling questions about the trajectory of American politics. A country long proud of its democratic traditions is witnessing a worrying trend: the normalisation of violent rhetoric and political extremism. Stronger regulation, responsible ownership, and a cultural shift away from glorifying firearms are essential steps. Without such change, the cycle of violence will continue to haunt American politics and its democracy.

Gregory Fernandes, Mumbai

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{ OUR TAKE }

Power shifts in West Asia

The UAE's exit from the oil cartels is underlined by geopolitical factors. India should be cautious of the fault lines

Two months into the ongoing war in West Asia, the geo-economic churn has led to an outcome that wasn't expected. On Tuesday, the UAE announced its exit from the Organisation of Petroleum Exporting Countries (OPEC), perhaps the world's most significant economic cartel, which produces and exports around one-third and half of global crude oil. Numbers are larger if one considers the extended club of OPEC+ countries.

UAE's exit from OPEC matters because it directly challenges the quasi-controlling status of its bigger neighbour Saudi Arabia, in deciding oil production and, consequently, prices. UAE has had past differences with the Saudis over production quotas and has been eyeing a higher production. The disruption from the ongoing Strait of Hormuz closure might have been the proverbial last straw that forced it to leave the cartel.

Intra-OPEC dynamics aside, what does this mean for the rest of the world, including India? Oil prices have barely moved after the UAE's decision. And this is expected, given that the ongoing supply shock originates from a maritime blockade rather than producers withholding production which is where OPEC really matters. Longer-term, if the UAE were to bring its extra barrels to the market, prices could come down. Anything which lowers crude prices long-term is good news for India. To be sure, it is early days to write off OPEC yet.

At the same time, it will be myopic to see the UAE-Saudi rupture as just some dispute over who gets to sell how many crude barrels. At the heart of the ongoing dispute is geopolitics, not economics. UAE has been one of the most pro-Israel and US and anti-Iran voices in the ongoing conflict. They have also had simmering tensions with the Saudis over other territorial conflicts such as in Yemen. Unless peace and economic normalcy are restored soon both the UAE and Saudi economy will continue to suffer and make politics and diplomacy insecure.

India's stakes in these two feuding Arab kingdoms goes beyond the price of a crude barrel. It has a huge diaspora in both countries, has trade relations beyond just energy and in the more recent past has also been hoping to attract investments from these countries. With the tectonic plates moving in the region, India should watch things closely and choose to err on the side of caution than hastily drawn conclusions or proclamations.

Divided, unimaginative Opposition in Gujarat

Even though no upsets were expected in the Gujarat local body polls, the scale and sweep of the BJP's win (all 15 municipal corporations) are stunning. With assembly polls in the state due next year, the result offers a mirror to the political climate in the state. At least, two trends stand out.

One, the BJP's organisational muscle and election management remain unsurpassed. The party has won all state elections since 1995, and has had an uninterrupted stint in office in Ahmedabad since 1998. In this period, the party organisation has expanded deep and wide. Each time it suspected a shift in public mood, the leadership corrected its course to stay in office. The party has thus always set the political agenda in the state and controlled the narrative. A perfect storm in 2016-17 — hardship over demonetisation and GST, crop failures, the Una flogging etc. — posed a threat, but the BJP survived the 2017 election with a reduced majority. The party has since assumed an aura of invincibility — it won a historic 156 seats (out of a total of 182) in the state assembly in 2022. The contribution of the party's central leadership to this dominance is self-evident.

A second factor that has enabled the BJP's dominance is the divided and unimaginative Opposition. The Congress organisation in the state is moribund, and its leaders seem to have forgotten the art of winning elections. Occasional appearances by central leaders are no substitute for the hard yards needed to rebuild the party. The AAP has turned out to be a flash in the pan, and its rise has further reduced the Congress's salience. But more than anything else, both parties have failed to place an alternative political, social, or economic agenda before the electorate. In terms of ambition, agenda, and organisation, the Opposition appears poorly placed to challenge the BJP hegemon in Gujarat.

Original thinking vs automated thinking

India's educational system needs an urgent, fundamental reset to encourage creativity and innovation and to avoid AI-generated slop

The education the British installed in India rewards memorisation and leaves little room for curiosity or independent thought. HT ARCHIVE

If you have read my columns over the years, you know I have been one of the loudest advocates for Indian innovation and engineering talent. That belief has not wavered; I still see enormous potential. But I have now reached a point I never expected to reach: I have given up on India for one of the most critical roles I need to fill at Vionix Biosciences — a medical researcher who can think differently and devise new ways of detecting disease.

Let me explain why.

On paper, the candidates look outstanding. Their resumes are immaculate, with prestigious institutions, relevant internships, publications, and glowing letters of recommendation. Even the emails, which not long ago were full of "plz", "u", and "thx", have suddenly become polished and articulate, with clean structure, perfect grammar, and sometimes genuinely impressive phrasing.

But this is just Artificial Intelligence (AI) generated slop.

The moment you get on a call, the façade cracks. The same person who wrote that eloquent email cannot explain a simple scientific concept or walk you through their own claimed research. They hesitate, speak in vague generalities, and circle around questions without ever answering them. Push them to explain how they arrived at a conclusion in the proposal they supposedly wrote, and they either go silent or pivot elsewhere. This is worse than the illiteracy we see in most WhatsApp messages, because not even AI can put lipstick on this pig.

Vivek Wadhwa

I am not the only one complaining about Indian talent. A February 2026 LinkedIn report found that 74% of Indian recruiters are struggling to identify genuine talent, with more than half pointing to AI-generated applications as the cause.

AI-generated résumés, essays, assignments, research proposals, and even academic papers are rapidly becoming standard, and the volume of convincing but hollow material is growing so quickly that the signal-to-noise ratio has collapsed. In business, the same pattern is playing out: Pitch decks and presentations that look polished fall apart under basic questioning; strategy documents are assembled from generic frameworks rather than real insight; consultants present recommendations they cannot defend; executives rely on AI-generated briefs without truly understanding the assumptions behind them. What looks impressive on paper often disintegrates the moment real thinking is required.

This is not only in India; we are already seeing the same cracks appear globally. Lawyers in the US have been sanctioned for submitting briefs that cited completely fabricated cases generated by AI. Media organisations have had to issue embarrassing corrections after publishing AI-assisted content riddled with factual errors. Companies are quietly discovering that employees who rely heavily on AI tools can produce impressive-looking work quickly, but struggle when asked to defend it, adapt it, or go beyond it.

This is going to hurt India the most because the educational foundation of its graduates is so antiquated.

The education the British installed in India was designed to keep the people subservient. It rewards memorisation, pattern recognition, and compliance, and leaves little room for curiosity, experimentation, or independent thought. Students are trained to deliver the correct answer, not to ask better questions. For decades, this system produced competent executors.

In the age of AI, we are only compounding the disaster.

Governments have always known this and often announced reforms, promised to reduce rote learning, and talked about fostering creativity. But meaningful change has been slow, and now AI is exposing these weaknesses brutally, with teachers unable to keep pace with what their students are doing and institutions struggling to even measure real understanding.

India is now producing a generation that seems intelligent on paper but lacks depth. There is polish without substance, fluency without understanding, and confidence without the discipline that comes from struggling through hard problems. Over time, this erodes intellectual honesty and replaces real capability with the illusion of competence.

At Vionix, we are trying to solve some of the hardest problems in science, combining physics, chemistry, and machine learning to detect disease early. This requires original thinking, not just technical competence; it requires the ability to question assumptions, design new approaches, and interpret complex signals. In India, all of the people I have interviewed cannot do anything like this. That is why I had to give up on the country for this new R&D position which required out-of-the-box thinking and questioning why things work the way they are. I am even thinking of moving this R&D back to the US.

This should worry everyone, because the consequences are not limited to hiring frustrations or weak job candidates. Over time, this erodes the very foundation of innovation. A country that cannot produce independent thinkers cannot lead in science, cannot build transformative companies, and cannot solve its hardest problems. It can only execute on ideas generated elsewhere — and even that becomes harder when the ability to truly understand begins to erode.

Indian education needs an urgent, fundamental reset — not incremental tweaks or policy announcements, but a serious rethink of what is taught, how it is taught, and how students are evaluated. Assessments need to reward original thought; classrooms need to encourage questioning; students need space to explore, fail, and iterate; teachers need to be retrained to guide thinking, not just deliver content.

Unless something changes — quickly — India will find that the very system that once powered its rise is now holding it back, leaving its brightest minds unable to compete in a world where real thinking is the only thing that cannot be automated.

Vivek Wadhwa is CEO, Vionix Biosciences. The views expressed are personal

Building a new responsible online gaming ecosystem

India's move to establish a national framework for online gaming emerged from a convergence of opportunity and risk. Over the past decade, digital gaming has grown rapidly, supported by widespread smartphone adoption, affordable connectivity, and a technology-driven population. This has created opportunities for innovation, skill development, creative industries, and employment generation. Recreational gaming and organised competitive formats demonstrated the potential to contribute to the digital economy.

Alongside these opportunities, however, the unchecked expansion of online money gaming, particularly betting and wagering platforms, posed serious social and economic concerns. Many such services operated across State boundaries or from offshore jurisdictions, bypassing domestic safeguards and complicating enforcement. Aggressive advertising and manipulative design features encouraged compulsive participation and financial harm among vulnerable users. Reports of financial distress, misuse of digital payment systems, and opaque cross-border financial flows highlighted risks relating to fraud, money laundering, and financial instability. These developments underscored the need for a national framework capable of protecting individuals while enabling lawful segments of the ecosystem to grow responsibly.

S Krishnan

Equally significant was the absence of a unified institutional structure to support legitimate gaming segments such as online social games and organised competitive formats called e-sports. Developers lacked predictable classification pathways, and users often struggled to distinguish lawful entertainment from unlawful wagering. The objective, therefore, was to establish a balanced framework that protects users while enabling responsible innovation.

The Promotion and Regulation of Online Gaming Act, 2025 (PROGA) reflected this balanced approach, which has been given final operative shape after extensive consultations with developers, e-sports organisations, legal experts, technology professionals, and civil society stakeholders. Feedback emphasised the need for transparent classification, predictable compliance obligations, and structured and simple recognition pathways for legitimate formats. Stakeholders supported enabling lawful recreational and competitive gaming while strengthening coordinated enforcement against illegal wagering platforms.

At the operational level, the framework introduces a structured lifecycle built around three interconnected stages: Determination, recognition, and registration. These stages function sequentially and must be understood together with the statutory definitions provided in the PROGA and its Rules.

Determination serves as the regulatory entry gate through which a game is examined and classified. It is not mandatory for every online game, but becomes compulsory only under limited and defined circumstances. Determination is mandatory before recognition of e-sports, ensuring that competitive formats comply with statutory safeguards and remain free from wagering elements. Determination is also ordinarily required where a game is suspected to fall within the definition of online money gaming, where notified categories of online social games require classification, where complaints or intelligence inputs indicate possible financial elements facilitating prohibited activities, or where the Online Gaming Authority of India (OGAI) directs examination in the public interest. By enabling early classification, determination prevents unlawful financial models from entering the ecosystem while allowing legitimate formats to progress with regulatory certainty.

Following determination, eligible formats may proceed to recognition. Recognition of e-sports is governed under the National Sports Governance Act, 2025, requiring organised multiplayer gameplay, predefined competitive rules, and outcomes determined solely by factors such as mental agility, physical dexterity, or strategic decision-making. Participation fees may be permitted only to support competition-related administrative costs and performance-based prize structures. However, wagering or betting in any form remains strictly prohibited. Mandatory determination prior to recognition ensures that recognised e-sports formats meet statutory safeguards.

Parallel to this, the framework establishes a pathway for the registration of online social games representing recreational formats designed for entertainment and social interaction rather than financial speculation. Only those categories of online social games specifically notified by the government will need to be registered. Where classification certainty is required, determination may precede registration to confirm the absence of wagering elements.

The final stage in the lifecycle is registration, which provides regulatory visibility and enables proportionate oversight and enforceable accountability. Registration typically follows recognition of e-sports or applies to notified categories of online social games. It may also be directed where determination outcomes indicate the need for formal oversight or where the OGAI considers such oversight necessary in the public interest. Importantly, registration applies to individual games of every online game service provider rather than entire platforms, ensuring proportionate compliance while enabling authorities to maintain a dependable record of authorised offerings.

The present framework shifts from reactive enforcement to proactive and preventive governance. Optimal determination functions as an early filter, recognition establishes lawful distinction, and registration provides regulatory visibility while enabling proportionate oversight and enforceable accountability. At the same time, enforcement against illegal online money gaming is strengthened through coordinated blocking, investigative OGAI, and financial disruption measures, particularly targeting offshore operators. This dual-track approach reflects the framework's philosophy: Light-touch regulation for lawful entities and strong enforcement against unlawful ones.

Beyond enforcement, the framework also creates conditions for responsible ecosystem growth. Clear regulatory pathways encourage investment in lawful gaming development, competitive infrastructure, and supporting digital services. Recognition of e-sports enables structured competitions and professional participation, while regulated categories support new roles across development, compliance, cybersecurity, and event management.

PROGA marks a shift from fragmented responses to predictable governance. By combining preventive classification, lawful recognition, and accountable registration, it creates a stable environment where innovation can grow while public interest is safeguarded.

S Krishnan is secretary, ministry of electronics and information technology, Government of India. The views expressed are personal

{ CHARLES III } MONARCH, UNITED KINGDOM

Our partnerships in NATO and AUKUS deepen our... cooperation and ensure that...we can meet the challenges of an increasingly complex and contested world

On US-UK relations

HT

Labour code must shield workers from heat stress

The Indian Meteorological Department has declared that a year of extreme heat and a brutal summer looms ahead. Heat stress is now a periodic occurrence every year. Thus, labour law protections for workers against heat stress have become paramount. A clutch of news reports point to the death of building and construction workers and sanitation workers due to heat strokes. In 2022-2023, as per labour ministry data, heat/sun stroke killed 1,534 workers.

The International Labour Organization estimates that India is one of the hardest-hit countries in terms of heat stress suffered by labour. A recent study conducted on informal workers in Delhi found significant income loss for workers as a result of rising wet bulb temperatures, alongside a surge in prices of essential commodities such as medicine, ice, and water with costs increasing by 14.4% per degree rise in temperature.

Deepa Padmar

In the absence of direct provisions for heat protection in labour laws, as temperatures rise, state governments issue advisories and notifications under the Disaster Management Act. These typically include measures such as rescheduling working hours, halting outdoor work during peak heat periods, and ensuring access to hydration and first aid. However, these notifications are generally neither enforceable nor is compliance scrutinised as they are in the nature of advisories rather than legal mandates.

Prathiksha Ullal

There is a need to shift away from reacting to heat stress as only a disaster response, by integrating heat resilience into labour law.

The primary law governing workers' safety and health during heat events — the Occupational Safety, Health and Working Conditions (OSHWC) Code, 2020 — provides a broad framework under which the Central and state governments are required to notify the responsibilities of employers.

A comparison of the OSHWC with the erstwhile Factories Act 1948 reveals a troubling dilution of specificity. The Factories Act contained detailed provisions mandating ventilation and temperature control. The Model Rules under the Factories Act provided for specific wet bulb temperature thresholds, and for inspection of temperatures in factories. The current OSHWC Code and draft rules being published by various states fail to provide an adequate framework for protection of workers against heat. The OSHWC Code mandates the establishment of a state occupational, safety and health advisory board that is tasked with developing rules, standards, regulations and policies and implementing the Code. However, the OSHWC Code and draft rules, unlike the framework under the Factories Act, leave functions on specific heat related mandates to guidelines or notifications to be brought by the advisory boards, without any guiding framework.

Additionally, the constitution of the committees has been left to the discretion of the states. States have released draft rules which largely follow a similar framework with some variations. States such as Uttar Pradesh include membership from the State Disaster Management Authority in the advisory board, while this is not the case in most other states. Another lacuna is the absence of provisions on automatic rescheduling of work hours for outdoor workers. Although the labour ministries issue advisories, there is no indication that these are binding on the employers. The OSHWC draft rules in many states do not feature automatic rescheduling of working hours during heat waves.

Interventions so far have treated heatwaves as temporary disasters rather than predictable and recurring occupational hazards. Instituting long term infrastructural requirements to ensure heat preparedness — such as cooling and ventilation measures, cool-roofing, exhaust systems, high volume low speed fans, etc, require planning and foresight. These cannot be introduced on an ad-hoc basis when temperatures rise and alerts are issued.

There is overwhelming evidence regarding the negative effects of heat on the workforce. Yet, workers in India continue to be governed under a fragmented regulatory landscape where protections depend on seasonal notifications.

As states stand at the cusp of implementing the OSHWC, they must look towards going beyond minimal compliance by hardcoding heat resilience into the law through rules. Building heat resilient infrastructure for workers is a prolonged process, co-ordinated foresight and planning by the Central and state governments is of the essence.

Deepa Padmar and Prathiksha Ullal are senior resident fellows with Vidhi Centre for Legal Policy. The views expressed are personal

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Supply shock to India from Iran war: FinMin

Rajeev Jayaswal
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NEW DELHI: The Indian economy is experiencing a supply shock from the West Asia crisis, with demand compression emerging as a serious concern amid high prices, rising inflation, and a slowdown in economic activity, the finance ministry's monthly economic report said on Wednesday.

"For most economies, the current global drift is a source of vulnerability. However, for India, with its strong domestic fundamentals and tradition of strategic autonomy, it can be an opportunity," it said, proposing five broad action points.

First, India should prioritise energy security and resilience. "Of course, in doing so, it cannot substitute one import dependency for another," the report said, underscoring the importance of buffer mechanisms such as strategic reserves. "Countries like Japan and Canada have built up inventories of some petroleum products for 2 years or more," it noted.

India's strategic petroleum reserves held 3.372 million metric tonnes (MMT) of crude—around 64% of total storage capacity of 5.33 MMT—when the war broke out on February 28. At full capacity, the reserves would cover 9.5 days of India's crude requirement, based on 2019-20 consumption levels, though the government has also said there exist stocks among retailers and oil companies.

India's merchandise trade deficit widened to $333.2 billion in FY26, from $283.5 billion in FY25. MINT

Second, the domestic decriminalisation and deregulation agenda need not be held hostage to external developments. "In particular, regulatory simplification that lowers the cost of imports and exports will be particularly valuable in these times," it said.

Third, this is the moment to implement long-overdue agricultural policies — or scrap distorting ones — to correct skewed crop choices and improve productivity. With the IMD forecasting a below-normal, spatially uneven monsoon, the urgency of getting agricultural and water policies right has only sharpened. "If not now, when?" the report asked.

"Fourth, boosting, encouraging and promoting AI-insulated (i.e., resilient to AI-driven labour displacement) durable trade skills among the Indian youth will not only boost domestic manufacturing and services but can also be a source of export earnings," it said.

India's employment challenge includes but goes beyond the impact of AI on information technology jobs, it added.

Fifth, the need for certainty and predictability in tax policy has never been greater. "The risks of excessive focus on short-term growth preservation should not override the broader macroeconomic interests of attracting investment and boosting domestic capital formation. Indeed, there is no contradiction between the two in the end," the report said.

India's merchandise trade deficit widened to $333.2 billion in FY26, from $283.5 billion in FY25. The report warned that in FY27, the pattern is likely to repeat, with even wider deficits—and a wider current account deficit.

These challenges are expected to intensify in FY27, as other countries weaponise not just supply chains but investment flows, making it harder for businesses—domestic or foreign—to relocate. "India's task is clear. All agencies will have to lend their weight to attracting capital flows. Tax policies, logistics, liveability for expats, a culture of research, development and innovation, and a skilled, fit and healthy population are the key elements," it said.

Domestic air passenger traffic declines in March

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NEW DELHI: Domestic air passenger traffic fell in March, with airlines carrying 14.4 million passengers compared to 14.5 million in March 2025, according to data released by the Directorate General of Civil Aviation (DGCA) on Wednesday.

The decline comes against the backdrop of the West Asia conflict, which began from February 28. Indian carriers have cut operations to the region by around 80% and are flying longer routes to avoid affected airspace, pushing up fuel costs.

This was the second year-on-year decline for a month in over four years.

Domestic traffic in the January-March quarter rose a marginal 1.23% year-on-year, with airlines carrying 43.73 million passengers compared to 43.2 million in the same period last year. Month-on-month, March traffic fell 0.87% from February's 14.1 million.

The Federation of Indian Airlines (FIA), representing Air India, IndiGo and SpiceJet, has warned of flight cancellations in a letter to the government on April 26, saying airlines were on the verge of "stopping operations" over rising aviation turbine fuel (ATF) costs. The FIA sought urgent intervention on ad hoc ATF pricing, which it said was rendering airline networks "unviable and unsustainable."

The decline comes against the backdrop of the West Asia conflict, which began on February 28. REUTERS

Passenger load factors dipped across airlines in March compared to February, suggesting softer demand.

IndiGo held 63.3% of the domestic market in March, up from 63.1% in February. The Air India group slipped to 26.2% from 27%, Akasa Air rose to 5.4% from 4.9%, and SpiceJet fell to 3.8% from 3.9%.

The DGCA received 7,398 passenger complaints in March—about 5.13 per 10,000 passengers. Baggage issues accounted for 47.1%, followed by flight problems (20.3%) and refund disputes (19%).

Airlines said 99.8% of complaints were resolved within the month.

The overall cancellation rate stood at 0.50%. About 0.92% of flights were delayed by more than two hours, with 66% of delays attributed to cascading "reactionary" disruptions across networks.

Airlines paid ₹3.19 crore in facilitation for over 121,000 passengers hit by delays, and ₹93.49 lakh for 66,784 passengers affected by cancellations. A further 951 passengers were denied boarding, with ₹97.42 lakh paid out in compensation, news agency *PTI* reported.

On-time performance at ten major airports—Delhi, Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata, Kochi, Lucknow, Guwahati and Ahmedabad—was led by IndiGo at 88.7%, followed by Akasa Air at 82.6% and the Air India group at 78%.

(With PTI inputs)

MAKEMYTRIP EYES MUMBAI LISTING BY EARLY 2027

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MakeMyTrip Ltd, an online travel platform listed on the Nasdaq, is considering a listing in Mumbai, according to people familiar with the matter.

The company has engaged Axis Capital Ltd, Morgan Stanley and JPMorgan Chase & Co as advisers, and plans to add more banks for the proposed share sale, the people said, asking not to be identified as the information is private.

MakeMyTrip is targeting the first quarter of 2027 for the potential listing, the people said. Deliberations are ongoing and details including the size and valuation of the offering could change. Representatives for the banks didn't immediately respond to requests for comment.

A company representative said that it is evaluating a potential listing in India, which could provide an additional avenue to access capital, including from domestic institutional and retail investors as well as enable it to provide India listed equity as potential consideration for growth initiatives.

India's IPO market has had a subdued start to 2026 after two consecutive years of record fundraising. Equity markets have come under pressure from geopolitical tensions, slowing earnings growth and uneven foreign inflows. Still, several companies are preparing for the IPOs so that they can launch once market conditions stabilize.

The company, which listed on the Nasdaq in 2010, operates online travel brands including MakeMyTrip, Goibibo and redBus. Its shares have declined about 55% over the past year, giving it a market value of roughly $4.5 billion.

One of MakeMyTrip's peers, Yatra Online Ltd, pursued a dual-listing strategy, listing on Nasdaq in 2016 through a reverse merger with a special purpose company before launching an IPO in India in 2023 at roughly double its Nasdaq market capitalization. The company is currently valued at about $183 million in India and $68 million on Nasdaq.

Cognizant to cut 4,000 jobs amid slowdown

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BENGALURU: Cognizant Technology plans to cut about 4,000 jobs, or roughly 1% of its workforce, according to two people with knowledge of the matter, as slowing demand and a push toward automation weigh on growth and prompt the company to lower its full-year outlook.

"In the second quarter of 2026, we introduced Project Leap, a program designed to accelerate our transformation to the operating model of the future by funding investments in our integrated offerings, AI (artificial intelligence) capabilities and partnerships, reshaping productivity through competitive offerings and upskilling our workforce," Cognizant said in a press release on Wednesday.

During the company's post-earnings analyst call on Wednesday, management said more than 20,000 freshers would join this year, suggesting reductions in mid-level roles. Headcount rose by 6,000 to 357,600 at the end of March 2026.

Cognizant's move follows similar actions across the industry. Oracle Corp. laid off 19% of its workforce at the start of the year, while Tata Consultancy Services cut 2% of its workforce last summer.

"They, like many peers, are trying to lift revenue per head and pivot away from people-intensive delivery toward more automated, platform-based services. Initiatives such as Project LEAP are fundamentally about stripping out complexity in the middle of the organization and reweighting investment toward higher-value skills in AI, advisory work, and deep industry solutions," said Phil Fersht, chief executive of HFS Research.

Cognizant's move follows similar actions across the industry. MINT

The move marks the second round of layoffs under chief executive S. Ravi Kumar, who took over in January 2023. Four months after taking over, the company laid off about 3,500 employees in May 2023 in non-billable roles.

An expert said the layoffs would be of a similar magnitude to those carried out in 2023.

"There are a number of factors at play in this headcount reduction. This comes at a time where Cognizant is focusing on cost reduction, for example it is also reducing travel expense and looking to trim back other discretionary expenses. The broader context is that the industry is going through a significant disruption driven by AI," said Peter Bendor-Samuel, founder of Everest Group.

"By fostering a workforce that is properly sized, AI-enabled and possesses the skills required for success as well as optimizing our technology footprint, we aim to streamline operations and enhance productivity through AI-led efficiencies, creating a more agile and cost-effective operating model," the company said in the press release.

SC calls NCLT system 'grim and dismal' over long delays

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NEW DELHI: The Supreme Court on Wednesday expressed its displeasure over the state of affairs in national company law tribunals (NCLT) across the country, observing that gaps in infrastructure, manpower and supporting staff have been holding up approvals for resolution plans for years on end.

A bench of justices JB Pardiwala and K.V. Viswanathan termed the situation "grim and dismal" after going through a report presented by the NCLT principal bench, New Delhi. The report showed 383 applications were pending across the country, awaiting approval of resolution plans, with the delay ranging from 48 days to 738 days.

"We take suo motu cognisance of the aforesaid in larger public interest. The issues need to be addressed on a war footing or else the purpose of enacting the Insolvency and Bankruptcy Code (IBC) would stand frustrated," the bench said, directing the matter to be placed before Chief Justice of India (CJI) Surya Kant for assigning it to an appropriate bench.

Going through the report, the bench noted a serious manpower crunch across NCLT benches with a working strength of only 54 members (28 judicial and 26 technical) out of a sanctioned strength of 63. "There is acute shortage of members which is severely affecting the functioning of NCLT in a time-bound manner," it observed.

The court also took exception to NCLT registrar being appointed on a contractual basis. "This is something unheard of," it said.

The report also pointed out major infrastructural constraints that force the tribunal to sit for half a day. Even the staff assisting the benches are appointed on contractual basis and their salaries and other allowances have not been regularly paid, the report added.

"Do you expect an adjudicatory body handling cases of this nature to decide matters in such conditions," the court remarked. "In some cases, the delay in grant of approvals of resolution plans is up to four years and in very few cases, interim orders are being passed."

Govt proposes draft norms for flex-fuel and biofuel vehicles

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NEW DELHI: The Union ministry of road transport and highways has proposed amendments to vehicle emission rules to widen the scope for higher ethanol blends and alternative fuels, paving the way for flex-fuel and pure biofuel vehicles across all vehicle categories.

The draft changes to the Central Motor Vehicles Rules, 1989, notified on April 27, cover fuels including E85 (85% ethanol blended with petrol), E100 (near-pure ethanol), B100 biodiesel and hydrogen-CNG combinations.

Until now, the rules primarily referenced E10 and E20. The proposed amendment opens the regulatory door for flex-fuel and pure biofuel vehicles across all categories, including two-wheelers, three-wheelers, passenger cars and heavy vehicles.

B100 is 100% pure biodiesel, produced from vegetable oils, animal fats or recycled cooking oil; it can run in diesel engines but requires fuel system modifications at full concentration. Hydrogen-CNG is a blend of compressed natural gas with typically 18-20% hydrogen, which burns cleaner than pure CNG and makes use of existing gas infrastructure.

The proposals are open for a 30-day public consultation, after which the government will take a final decision, PTI reported.

HT reported on April 24 the plans will in effect give consumers the option to buy flex-fuel vehicles capable of running on higher ethanol blends, while conventional petrol and diesel cars will retain the option of lower-concentration fuels such as E20.

Flex-fuel vehicles are designed to run on any mixture of ethanol and petrol—from E20 to E100—with onboard sensors adjusting parameters automatically. Transitioning to high-ethanol blends requires vehicle reconfiguration, such as upgrading fuel lines to handle ethanol's corrosive properties and retuning engine management systems. Brazil launched the world's most mature flex-fuel programme in 2003, achieving lifecycle carbon reductions of up to 90% over fossil petrol.

Automobile companies say they are prepared for the shift. "Auto companies are ready to launch flex-fuel cars, which emit far less carbon," said Vikram Gulati, country head of Toyota Kirloskar Motor, told HT last week.

The draft also raises the vehicle weight limit from 3,000kg to 3,500kg, bringing regulations in line with global standards for light commercial vehicles. This brings more vans, pickups and small trucks under the same emission testing rules.

The notification updates fuel definitions, replacing references to "Hydrogen+CN" with "Hydrogen+CNG". It corrects the measurement unit for emission intensity from "Mg/kWh" to "mg/kWh" and rectifies the World-Harmonised Not-to-Exceed (WNTE) emission limit from 60 to 600.

WNTE is a global methodology setting maximum permissible emission levels during real-world operation.

Govt shifts highway strategy to decongest urban India

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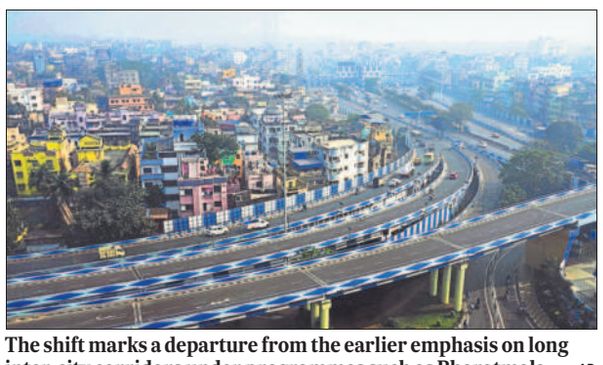
NEW DELHI: The Union road transport and highways ministry is recalibrating its highway-building strategy to focus on decongesting urban India, with plans to prioritize ring roads and bypass corridors around nearly 50 cities with populations exceeding one million, two people aware of the development said.

The shift marks a departure from the earlier emphasis on long inter-city corridors under programmes such as Bharatmala, towards integrating highways with urban mobility needs.

According to the first person quoted above, the new approach of the Ministry of Road Transport and Highways (MoRTH) will ensure that long-distance highway traffic is diverted outside dense city cores, enabling seamless freight movement while reducing congestion within cities. The broader objective is to lower logistics costs and support investment and growth.



The shift marks a departure from the earlier emphasis on long inter-city corridors under programmes such as Bharatmala. AP

As per government estimates, the country's logistics cost has already fallen from 13–14% of GDP a few years ago to close to 8% now, driven by GST reforms, FASTag, e-way bills, digital tracking systems, and the expansion of highways and freight corridors under PM Gati Shakti.

Queries mailed to MoRTH and NHAI remained unanswered till press time.

"The new highway construction strategy would keep at least around quarter of annual highway construction target of about 10,000 km for building bypasses and ring roads around cities with higher vehicle density. This would require an investment of about ₹35,000 to 40,000 crore annually," the second person said.

MoRTH has been provided a record capex allocation of ₹2.94 trillion for 2027, which includes construction of 10,000 km of national highways, including 3,000 km each of access-controlled high-speed corridors and highway bypasses and ring roads.

The decongestion strategy would first focus on completing work around 47 million-plus cities as per the 2011 population census, the second person said. This would be followed by similar projects around cities with a population of 5 lakh or more.

"We have already done some work on bypasses and ring road systems in few of the million plus cities. Work is on to identify stretches along cities where such road network would be required," the second person added.

"Bypasses and ring roads are critical interventions for India's next phase of infrastructure development. They enable segregation of long-haul and intra-city traffic, improving both logistics efficiency and urban mobility," said a spokesperson of highway developer and infrastructure entity Dilip Buildcon Ltd (DBL).

"Projects such as the Urban Extension Road (UER) demonstrate how peri-urban infrastructure can unlock capacity without overburdening existing city networks. Given company's experience in executing large, complex road projects across geographies, we see strong execution opportunities in such integrated corridor developments," the spokesperson added.'

As of early 2026, India's national highway network has reached approximately 1,46,572 km, representing a 61% growth from 91,287 km in 2014. Four-lane and above highways have expanded to 43,512 km, and operational expressways exceed 3,000 km.

{ THE CROSSWORDS }

CRYPTIC CLUES

ACROSS

1 I'll tell you what's going to happen in it (6,5)
9 Lie in a furrow with the hunt milling around (7)
10 Fitting end for a piece of wood (5)
11 Cape familiar to the matador? (4)
12 Insecure sort of job many want (8)
14 Earnest advocate has not lost heart (6)
16 Possibly a scene of a spirited comeback (6)
18 Stop deer straying with ropes round their necks (8)
19 Issue of US magazine is returned (4)
22 Canned - as sardines are (5)
23 Reform vital to a North European (7)
24 He clears the way for us (4,7)

DOWN

2 Extreme state (5)
3 Wild ox found in ancient city states (4)
4 National application, then change in command (6)
5 Tips which are never mean (8)
6 Tan blazer - smart! (7)
7 Secret assignment for a lullaby singer? (4-4,3)
8 It's entering in a way that's exciting attention (11)
13 Fiancé is at home and cared for (8)
15 Far-seeing man who fell foul of the Inquisition (7)
17 Roar and bluster about the Spanish (6)
20 Food for one in bewilderment (5)
21 A near-sighted gathering (4)

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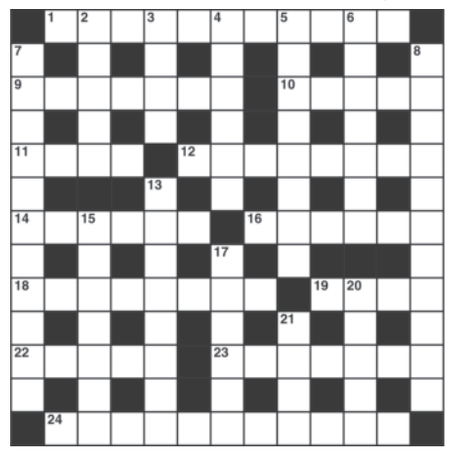


QUICK CLUES

ACROSS

1 Renowned (11)
9 Implicate (7)
10 A ringing sound (5)
11 Ship's cargo space (4)
12 Put an end to (5,3)
14 Social outcast (6)
16 Of the universe (6)
18 Book or theatre critic (8)
19 Concept (4)
22 Brusque (5)
23 Permanent (7)
24 Having good intentions (4-7)

DOWN

2 Position on a scale (5)
3 Threatening (4)
4 An international agreement (6)
5 Shared (2,6)
6 Military dress (7)
7 Exhilaration (4,7)
8 Anti-submarine weapon (5,6)
13 Leave-taking (8)
15 Daydreaming (7)
17 Scold (6)
20 Condescend (5)
21 Indication (4)

YESTERDAY'S SOLUTIONS (17472)

CRYPTIC

QUICK

{ SUDOKU }

DIFFICULTY LEVEL ★★★★★

		4		3	1	6		8
5	1					7		
3	6		4					1
				2				5
			6		3			
2				1				
7					6		1	2
		5					4	6
6		1	3	4		9		

Fill in all the squares in the grid so that each row, column and each of the 9X9 squares contains all the digits from 1 to 9.

GAME ZONE: Scan the QR code for more daily puzzles and brain teasers

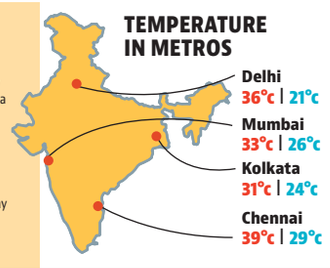
{ WEATHER }

TEMPERATURE ■HIGH ■LOW

THURSDAY	FRIDAY	SATURDAY
Thunderstorm with rain	Partly cloudy sky	Partly cloudy sky
36°c | 21°c	39°c | 20°c	40°c | 21°c

ALMANAC
Today is 30th April 2026
- 12 Dhul Qadah, 1447
- 29 Vaishakha, Shukla Paksha, 14
- Samvat 2083
- **Sunset:** Thursday at 06:55 p.m.
- **Sunrise:** Friday at 05:40 a.m.
- **Moonrise:** Thursday at 05:51 p.m.
- **Moonset:** Friday at 05:03 a.m.

TEMPERATURE IN METROS



Google's data centre ecosystem must ensure fairness, inclusion

BIG multinational and domestic corporations make tall claims about starting projects in India, especially at global investment meets, but only a handful of announcements reach fruition. Google's 1 Gw AI data centre ecosystem is one of those announcements which have at least reached the ground. With Andhra Pradesh Chief Minister N Chandrababu Naidu laying the foundation stone for the project near Visakhapatnam on Tuesday, we can be optimistic, albeit cautiously, about the success of the ecosystem that Google is developing in partnership with AdaniConnex and Airtel Nxtra. Keen on its success, the state government allocated 601 acres for the ecosystem, which will comprise three data centre campuses. If everything goes as planned, this can become some kind of anchor investment, something what Maruti was to Haryana. Four years ago, the then Haryana chief minister M L Khattar said, "Today, if Gurgaon has become an iconic destination for investors, it is due to the base provided by Maruti, which started its production in Haryana four decades ago." Bikash Koley, vice-president, Google Global Infrastructure and Google Cloud, expressed similar views: "This investment stands to become an economic multiplier. We are incentivising the building of a robust AI industrial corridor right here and committing to local-first procurement, to drive capacity and position Andhra Pradesh as the connective tissue of India's emerging tech future."

Both Google and the government believe that the new project could create at least two lakh direct and indirect jobs. It will not be a cakewalk for either private companies or the state government. Water is scarce in Visakhapatnam; the demands of the new project will almost certainly reduce the availability of water for the locals, which will be a grave injustice, a human rights group has asserted. There are also doubts about the claims made regarding employment generation. To be sure, such doubts and misgivings are expressed whenever there is a major project anywhere in India, and yet they cannot simply be dismissed as routine resistance to change. For they often reflect genuine anxieties about displacement, environmental degradation, and unequal delivery of the benefits of development. In the case of a resource-intensive project like a data centre ecosystem, concerns over water usage, land allocation, and ecological impact do deserve attention, especially in a region which already faces shortages. These issues should be addressed transparently and proactively. The government and the companies concerned must therefore go beyond broad assurances and adopt a participatory approach that includes local communities in decision-making processes.

Clear mechanisms for accountability, like regular public disclosures on resource consumption, environmental safeguards, and employment generation, can help bridge the trust deficit. Equally important is in ensuring that the promised economic benefits—jobs, infrastructure improvements, and local procurement—are not only realized but distributed equitably. Skill development initiatives tailored to the local workforce can play a crucial role in making employment claims more credible and inclusive. Moreover, sustainable practices must be embedded into the project from the outset. This includes investing in water recycling, renewable energy integration, and minimising ecological disruption. By doing so, the project can set a benchmark for responsible industrial growth in India. Ultimately, development cannot be measured solely by the scale of investment or projected job numbers; it must also be judged by how fairly it treats people and how responsibly it uses shared resources.

Biographies are great knowledge sources

TALKING OF MANY THINGS

DR MOHAN KANDA

Biographies and memoirs are a rich source of education and enlightenment for young readers as they inspire resilience by showcasing real-life struggles, foster empathy by offering perspectives beyond their own experience, and teach valuable life lessons through the achievements and mistakes of others. These narratives motivate them to pursue goals, build self-awareness, and provide historical context, helping them understand different cultures and eras.

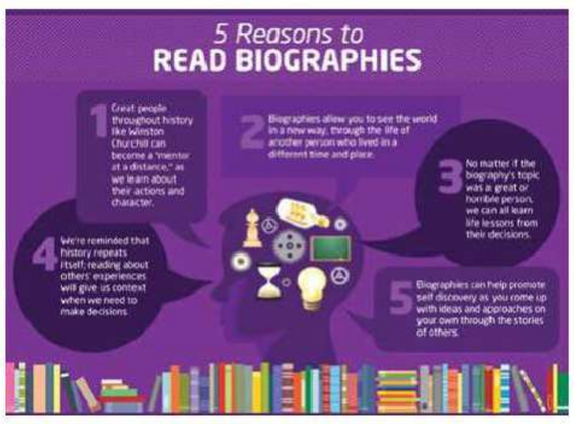
An autobiography is that much more interesting when the narrative is laced with wit and humour. Also, if it is self-effacing. The reader should be left with the feeling of having experienced a sense of empathy with the author, rather than feel overawed by the achievements or accomplishments of the raconteur. The narration should be in a readable style, providing entertainment while, at the same time, being informative and enlightening.

The most common media for autobiographies, biographies and memories are books and movies.

As an example, we have 'Einstein: His Life and Universe by Walter Isaacson' by the author of the acclaimed bestseller 'Benjamin Franklin', this is the first full biography of Albert Einstein since all his papers have become available. It delves into the secrets of how Einstein's mind worked and what made him a genius. It shows how the imagination that distinguished his science sprang from the rebellious nature of his personality; a fascinating story, a testament to the connection between creativity and freedom, it reflects the triumphs and tumults of the modern era.

Based on the newly released papers and personal letters, this book explores how an imaginative, impertinent patent clerk - a struggling father in a difficult marriage who could not get a teaching job or a doctorate - became the mind reader of the cosmos, the locksmith of the mysteries of the atom and the universe. It shows how Einstein's success came from questioning conventional wisdom and marveling at mysteries that struck others as mundane, leading him to embrace a morality and politics based on respect for free minds, free spirits, and free individuals.

The 'Wings of Fire' is an autobiography by visionary scientist Dr A P J Abdul Kalam, who, from very humble beginnings, rose to become the President of India. It is full of insights, personal moments and life experiences of Dr Kalam, which provide an understanding of his journey of success. By narrating his life journey, the author evokes the belief that everyone is born with the strength and potential to make a tangible change in the world; how he inspired himself to achieve dreams and how he went about accomplishing so much is what the book captures interestingly. The book recollects many anecdotes and stories from childhood, his time at school and college; the time spent at the Langley Research Center, NASA and Wallops Flight Facility get a lot of attention. Every common man who aspires to achieve success, by grit and hard work, should share his story.



If some offer illustrations on how best to serve humanity through selfless sacrifice, others serve as abject lessons on the traits that need to be shunned. Great people often use self-effacing humor to humanize themselves, reduce arrogance, and acknowledge their limitations.

The 'Story of My Experiments with Truth,' the autobiography of Mahatma Gandhi, is a very popular and influential book. It covers the period from his birth (1869) to the year 1921, describing his childhood, his school days, his early marriage, his journeys abroad, his legal studies and practice. The book is about the experiments of Gandhi with truth and the 'Satyagraha' movement, demanding the truth and nothing else. This is the very idea that helped him to fight against racism, violence and colonialism; eventually helped him to achieve his dream of an independent India.

Another autobiography, penned by Jawaharlal Nehru, was written during Nehru's 1934-1935 imprisonment. It documents his life, emotional journey, and personal evolution alongside the Indian independence movement. It highlights his transition from an aristocratic childhood to a Gandhian follower, blending personal introspection with political analysis and advocating for a secular, socialist, and industrial India.

'My Own Boswell' is yet another autobiography of Justice M. Hidayatullah, formerly the Chief Justice of India and the Vice-President of India. It provides an instructive insight into the working of several institutions in India and abroad. It grips interest from the beginning to the end and is a model of writing, moderate but courageous, wide but pithy, instructive but never dull and, above all, fully human and natural.

An extremely inspiring and educating autobiography is 'The Stone that Speaketh', which is about the life and times of Durgabai Deshmukh, a prominent Indian freedom fighter, social reformer, and member of the Constituent Assembly. The book chronicles her 59-year journey in public service and the development of Andhra Mahila Sabha, the well-known institution dedicated to the causes of education, health/medical care, and the welfare of women, children and physically/mentally challenged.

In my childhood, I had the privilege of calling her 'pinni' or maternal aunt in Telugu. Durgabai and my mother were close friends as schoolchildren in Kakinada in the 1900s, and often indulged in innocent mischief, together. When Mahatma Gandhi came to the then Madras (now, Chennai) to lay the foundation stone for the building of Andhra Mahila Sabha, Durgabai placed me, a premature child three months old and just beginning to get normal, in the hands of the Mahatma, who blessed me. I was therefore originally named Mohan Das. Because of our association with that great lady, I am now a Trustee of the Sabha and my wife Usha its elected President.

Also belonging to the category of autobiographies is 'Mein Kampf', the autobiographical and political manifesto of Adolf Hitler, the leader of the Nazi Party of Germany in the 1930s and 40s. The book outlines many of Hitler's political beliefs, his political ideology, and his plans for Germany and the world.

There is as much to learn from the lives and times of people such as Mother Teresa or Gandhiji, as there is from those such as Hitler. If some offer illustrations on how best to serve humanity through selfless sacrifice, others serve as abject lessons on the traits that need to be shunned.

Great people often use self-effacing humor to humanize themselves, reduce arrogance, and acknowledge their limitations. These comments, often from literary, scientific, or historical figures, demonstrate a high degree of confidence that doesn't need constant ego validation, showcasing a charming modesty about their own fame or accomplishments.

Talking about autobiographies here is one self-effacing quote which I found very instructive as well as amusing. "People say that I am creative. I couldn't agree more as I create most of my own problems!"

(The writer was formerly Chief Secretary, Government of Andhra Pradesh)

Are foreign varsities that the poor cannot afford necessary for India?

Dr Muchukota Suresh Babu

INDIA today stands at a defining moment in its higher education journey caught between aspiration and exclusion, global ambition and local neglect. The question is not merely whether foreign universities should enter India, but whether their presence will deepen opportunities or widen inequality.

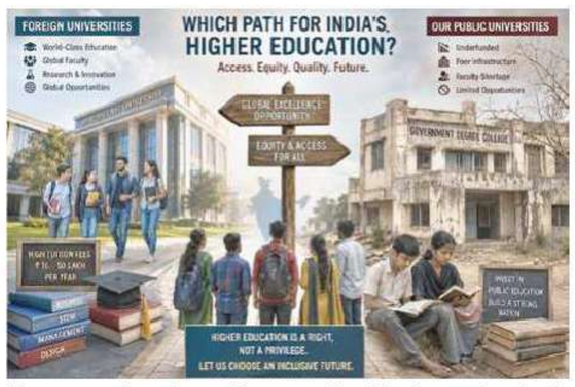
It is a troubling paradox. Universities in the two Telugu states with a potential to command global respect are steadily being weakened. Chronic underfunding, delays in faculty recruitment, eroding academic standards, and a visible decline in institutional values have rendered many public universities ineffective. The consequences are visible: a generation of graduates struggling with employability and a system that appears to have drifted from its foundational purpose. One must ask—why are we allowing public higher education to decay while simultaneously opening doors to external players?

Against this backdrop, India is witnessing a significant policy shift. Under the National Education Policy (NEP) 2020 and the University Grants Commission (UGC) Regulations 2023, globally recognized institutions are preparing to establish campuses in the country. Names such as the Illinois Institute of Technology, University of Liverpool, Victoria University, Western Sydney University, and the Istituto Europeo di Design signal a new phase in India's academic landscape. With campuses expected between 2026 and 2027, and early initiatives already underway in cities like Gurugram and Hyderabad, the momentum is undeniable.

Many proponents argue that this is long overdue. India has faced a shortage of world-class universities, with only a handful such as the IITs and IIMs achieving global recognition. Foreign universities, they say, can introduce cutting-edge curricula, global teaching practices, and research ecosystems that elevate academic standards. They offer Indian students the possibility of earning internationally recognized degrees without the prohibitive costs of studying abroad.

The economic argument is compelling. Each year, hundreds of thousands of Indian students go overseas for higher education, resulting in massive capital outflow. If quality education can be accessed domestically, it could reduce this drain, retain talent, and even reverse the phenomenon of brain drain. Collaborative ventures, international faculty, and industry-linked programs could strengthen India's innovation ecosystem and improve graduate employability in a globalized economy.

An uncomfortable reality:



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Access remains the central fault line. The projected fee structures of foreign universities ranging from ₹10 lakh to ₹50 lakh annually place them far beyond the reach of most Indian students. In contrast, public universities, despite their declining standards, remain the only viable pathway for millions. Without robust scholarship frameworks and affirmative action policies, foreign campuses risk becoming enclaves of privilege, serving a narrow, affluent segment while leaving the rest behind. This raises a deeper concern: are we inadvertently normalizing a two-tier education system? One that offers world-class opportunities to those who can afford them, while the majority are left navigating under-resourced institutions?

There is also the question of intent. Many foreign universities entering new markets are responding to declining enrolments in their home countries, often driven by visa restrictions and changing immigration policies. In such a scenario, India risks becoming a lucrative education market rather than an academic partner. The emphasis may shift toward commercially attractive disciplines—business, management, and STEM—at the expense of holistic, socially relevant education. When profit becomes a primary driver, education risks being reduced from a public good to a market commodity.

The ripple effects on India's existing institutions cannot be ignored. Foreign campuses, with their superior pay structures, may attract top academic talent away from public universities, exacerbating faculty shortages. At the same time, Indian institutions may struggle to compete with the brand appeal of international universities, regardless of their academic merit. It is also worth noting that not all incoming institutions rank among the world's elite, raising legitimate questions about the actual value they bring.

Global uncertainties further complicate the picture. Indian students increasingly face visa delays, regulatory changes, and shifting geopolitical dynamics in traditional study destinations such as the United States, the United Kingdom, and Australia. In this context, foreign campuses in India offer a degree of stability and continuity. However, their limited capacity serving only a fraction of India's massive student population means they cannot be a systemic solution.

The path forward, therefore, demands balance not blind acceptance or outright rejection.

Foreign universities are not inherently a threat. In fact, if governed wisely, they can act as catalysts for reform, innovation, and global integration. But their success in India will depend on the policy framework that shapes their operation. The government must ensure that access remains central through need-based scholarships, inclusive admission policies, and regulatory safeguards against excessive commercialization.

More importantly, the revival of India's public universities must become a national priority. Increased funding, transparent governance, faculty development, and infrastructure modernization are essential. Without strengthening the foundation, adding new layers will only deepen existing cracks.

Partnerships, rather than parallel systems, offer a more sustainable model. Collaborations between Indian and foreign institutions can facilitate knowledge exchange, joint research, and capacity building without displacing the public education system.

At its core, the debate is not about foreign universities, it is about the kind of education system India wants to build. One that is inclusive, equitable, and accessible, or one that mirrors and magnifies existing inequalities.

As India stands at this educational crossroads, the choices made today will shape not just institutions, but the very character of the nation's future.

MEDLEY

LETTERS

Save aviation sector, save India

THE Federation of Indian Airlines, representing the country's major airlines including Air India, Indigo, Spice Jet has cautioned the government of near closure of the aviation industry, if the government does not support the sector by deferring the excise duty and reduce the value-added taxes on jet fuel as the situation had become grim, post the West Asia war. FIA averred that while refining costs have not increased, the fuel costs are inappropriately increased by OMCs and they are allowed to make more profits but at the expense of aviation sector. As it is, the airline operators are in financial stress due to rupee devaluation that increases the cost of imported spares. Will the government step in to save the industry?

P R Ravinder, Hyderabad

Cater to long-term energy security

WITH reference to the news report "Big relief! No plan to raise fuel prices: Govt" (THI, April 29), the government's decision to hold petrol and diesel prices steady is undoubtedly welcome amid rising global crude costs. However, this relief may prove short-lived if we continue depending heavily on imported oil. A sustainable approach would be to accelerate domestic exploration and production, expand ethanol blending, and push electric mobility in a phased but determined manner. At the same time, rationalising taxes on fuel and improving refinery efficiency could help buffer future shocks. Long-term energy security demands more than temporary price freezes.

K Sakunthala, Coimbatore-641016

Can't ignore MSME's

APROPOS "India-New Zealand FTA can boost manufacturing and agriculture" (THI, April 29), the agreement is a welcome step, but its gains will not be automatic. Experience shows that tariff cuts alone rarely translate into broad-based export growth. The concern is whether smaller firms and farmers can access these opportunities. Targeted support is essential. MSMEs need easier credit, simpler compliance, and reliable market information. Farmers require better logistics, storage, and quality certification systems. Coordination between the Centre and States must improve to align production with export demand. Without such groundwork, the benefits may remain concentrated.

S M Jeeva, Chennai-32

II

THIS refers to "India-New Zealand FTA Can Boost Manufacturing and Agriculture" (THI, April 29). The FTA's potential is real, particularly for textiles, pharmaceuticals, processed foods, and professional mobility. However, the benefits will not be distributed evenly. MSMEs, which form the backbone of India's export base, typically lack the market intelligence, certification capacity, and logistics support to capitalise on preferential access without active facilitation. The article rightly emphasises capacity building and trade infrastructure. Equally important is ensuring that the agreement does not inadvertently expose domestic industries to competitive pressures they are unprepared for. Sensitive sectors must be protected through carefully designed phase-in periods, and state governments must align local production ecosystems with the new trade environment.

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BENGALURU ONLINE

Financial strain hits Greater Bengaluru Authority

BENGALURU: The ambitious restructuring of the city's civic administration through the formation of the Greater Bengaluru Authority (GBA) is now facing serious financial stress, prompting internal discussions within the government on whether to reduce or merge the five municipal corporations created under the new system.

The GBA was established after the division of Bruhat Bengaluru Mahanagara Palike with the aim of ensuring better governance and balanced development across the rapidly expanding city. However, within a short span, cracks have begun to appear in the financial sustainability of this model.

According to officials, several of the newly formed corporations are struggling to generate adequate revenue. In particular, the West Zone municipal corporation has reportedly been hit the hardest, with insufficient funds even to meet basic obligations such as salary payments to staff. This has raised concerns about the long-term viability of decentralised civic administration without strong revenue streams. Officials said that many corporations continue to depend heavily on state government grants, highlighting their inability to sustain operations independently. This dependency has led to renewed discussions within government circles on whether the number of corporations should be reduced or some of them merged to streamline administration and improve financial efficiency.

GBA Chief Commissioner M. Maheshwar Rao acknowledged the issue, stating that the financial condition of certain corporations, especially in the western zone, is "deeply concerning." He confirmed that a proposal has been submitted to the state government seeking additional financial assistance.

Read more at https://epaper.thehansindia.com

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The Hans India

Business

India is among the globally best performing countries in climate action and having already achieved its renewable energy target eight years ahead of schedule, the country is now aiming for a 500 GW clean energy capacity by 2030

-Piyush Goyal, Commerce and Industry minister

BIZ BRIEFS

4 coal mines auctioned

The Ministry of Coal executed Coal Mine/Block Production and Development Agreements (CMDPAs) with successful bidders for four coal mines — marking the first-ever tranche of commercial coal mines in India to carry embedded provisions for Underground Coal Gasification (UCG). Reliance Industries Limited secured the Recherla and Chintalpudi Sector A1 mines, and Axis Energy Ventures India Private Limited bagged the Dip Extension of Belpahar and Tangardihi East coal mines.

MSIL's initiative

Maruti Suzuki India Limited (MSIL) shared that its employees volunteered over 2,600 hours under the company's flagship initiative, 'eParivartan,' in FY 2025–26, impacting the lives of over 8,700 individuals. Over 1,100 company employees volunteered time and skills across 30+ community activities, ranging from health and community care to education and youth engagement. Employees also participated in four blood donation drives organised across the Company's offices and manufacturing locations.

Forever New debuts in Vizag

Forever New, a women's clothing brand, forayed into Vishakhapatnam with the inauguration of its store in the city at Inorbit Mall, Upper Ground Floor. Shifali Singh, Country Director – India, Forever New said, "We are pleased to introduce Forever New to Vishakhapatnam with our first store in the city. This opening allows us to bring our design philosophy and customer experience closer to a new audience, while continuing to expand our presence in India."

DP World Tour, HCLTech in pact

HCLTech, a global technology company, and the DP World Tour announced that HCLTech will be the Official Digital Experience Partner of the Tour. Additionally, the DP World Tour – the premier men's professional golf circuit of the European Tour group – has selected HCLTech to lead a multi-year program transforming the Tour's global digital presence. HCLTech will design and deliver next-generation digital experience platforms – anchored by the DP World Tour website and app.

ICICI Bank's new feature

ICICI Bank has announced the implementation of biometric authentication for UPI transactions through iMobile, its mobile banking application. The feature enhances user experience by allowing them to authorise transactions up to Rs5,000 via facial recognition or fingerprint authentication. This new feature does away with the need to manually enter UPI PIN for transactions up to the threshold. Customers can authorise transactions such as peer-to-peer transfers, QR payments or online payments through their biometrics.

Global turbulence, local resilience

INFLATION, TRADE & RUPEE PRESSURES RISE, BUT STRONG FUNDAMENTALS PROVIDE CUSHION

New Delhi

THE ongoing conflict in West Asia poses a significant supply-side shock with rising risks to inflation, trade and financial flows, though India's strong domestic demand, policy buffers, resilient financial system and continued public investment are expected to provide a measure of insulation to the economy, the finance ministry said in a report said.

Prolonged uncertainty, particularly around energy and fertiliser supplies, could test the resilience of India's macroeconomic stability, the Monthly Economic Review for April released by the finance ministry said on Wednesday.

On top of this, the El Niño Southern Oscillation (ENSO) is expected to keep India's Southwest monsoon below normal, it said, adding that most rainfall districts are expected to receive below-normal rainfall this season.

Therefore, it said, risks are tilted to the upside for inflation, fiscal and external deficits and to the downside for economic growth.

However, it said, while striving to sustain economic growth, policy is expected to safeguard medium-term fiscal and external stability.

Observing that India enters FY2026-27 at the intersection of domestic resilience and external turbulence, the report said, encouraging a 7-7.4 per cent forecast for the upcoming financial year, only to be clouded by an altered macro-outlook in the wake of the war in West Asia.

The Indian economy is estimated to grow at 7.6 per cent, the strongest in recent years.

Noting that a 'supply shock' is apparent in the economy, it said that an accompanying demand compression is a serious concern, given high prices, rising inflation, and a reduced pace of economic activity. Inflation may become cost-push as businesses/producers pass on their increased input costs to protect their profit margins, it said.

A wide spectrum of downstream industries relies directly on the petroleum sector, and it is likely that input cost pressures will be felt widely across the economy, it said.

To temper cost pressures in critical sectors like agriculture, it said, the government has taken various measures such as increased allocation of natural gas to the fertiliser production, waiver of customs duty and around 12 per cent increase in nutrient-based subsidy for the upcoming kharif season.

Beyond the production structures, it said, the conflict has seriously dented investors' confidence, disproportionately affecting Emerging Markets and Developing Economies (EMDEs), including India.

OMCs reel under crude shock, sell fuel deep in the red

Input cost surge hits oil, gas, fertiliser, chemical sectors

New Delhi

OIL ON THE BOIL

- Petrol loss: ₹14/litre; diesel loss: ₹18/litre
- Crude at $120–125 vs $70 earlier
- LPG under-recovery: ₹80,000 crore (FY27)
- Fertiliser subsidy: ₹2.05–2.25 lakh crore
- Strait of Hormuz disruption driving supply crunch
- Broad margin pressure across oil, gas, fertiliser, chemical sectors

OIL marketing companies are selling petrol and diesel at a loss of Rs 14 per litre and Rs 18 per litre, respectively, as elevated crude prices outpace capped retail fuel rates, squeezing marketing margins.

Besides losses on petrol and diesel, the elevated energy prices post West Asia crisis are likely to leave companies with an under recovery of Rs 80,000 crore on cooking gas LPG in the current fiscal, while fertiliser subsidy is projected to rise to Rs 2.05 to 2.25 lakh crore.

Rating agency Icra said supply disruptions in the Strait of Hormuz - handling around 20 per cent of global oil and LNG trade - have tightened availability of fuels, fertilisers and chemicals, pushing up prices and increasing cost pressures across downstream industries.

Crude prices before the West Asia crisis broke out two months back were around USD 70-72 a barrel.

"The stable pump prices for auto fuels amid elevated crude oil prices are impacting the profitability of the oil marketing companies (OMCs)," said Prashant Vasisht, Senior Vice President and Co-Group Head, Icra. "At crude prices of USD 120-125 per barrel, marketing margins on petrol and diesel are estimated to be negative Rs 14 a litre and Rs 18 per litre, respectively."

Icra estimates LPG under-recoveries could reach Rs 80,000 crore in FY2027, if current trends persist, while the fertiliser subsidy burden is projected to rise to Rs 2.05-2.25 lakh crore, above the budgeted Rs 1.71 lakh crore.

Elevated raw material and energy costs are expected to weigh on profitability across oil marketing, fertilisers, chemicals and city gas distribution sectors, with limited ability to fully pass on higher costs to end consumers. "Overall, Icra's outlook on the crude oil refining segment remains stable... while the outlook on the fuel retailing, fertiliser, basic chemicals and petrochemical sectors remains negative," Vasisht added.

Icra expects the pressure on margins and credit profiles to persist in the near term, with any relief contingent on easing geopolitical tensions and normalisation of global supply chains.

The fertiliser sector is also facing sharp cost escalation, driven by higher sulphur and ammonia prices and elevated natural gas costs. Urea pool prices have risen to about USD 19 per million British thermal unit in April 2026 from USD 13 before the crisis.

"Significant raw material price inflation coupled with inadequate subsidy revision is set to moderate the profitability of the P&K fertiliser players," Vasisht said, adding that weather risks could further limit farmers' ability to absorb price hikes.

Chemical and polymer prices have surged amid disrupted trade flows and higher fuel costs, prompting stockpiling by manufacturers and consumers.

$120 oil risk clouds GDP outlook, stokes inflation fears

New Delhi

- $120 oil risk clouds GDP outlook, stokes inflation fears
- West Asia crisis could dent India growth, push inflation to 6%
- Expensive crude threatens FY27 macro balance: EY report
- Oil shock scenario: growth slows, prices rise

INDIA'S GDP growth may slip to around 6 per cent and retail inflation could rise to RBI's upper tolerance band of 6 per cent in the current fiscal, if the Indian crude basket price averages USD 120 a barrel, EY India said on Wednesday.

EY India Chief Policy Advisor DK Srivastava said, although room for policy interventions is limited, policymakers need to consider upward revision in the repo rate and accelerated diversification of sources of crude supply as the price of the Indian crude basket (ICB) may rise further if the West Asian crisis persists.

"If the ICB price averages USD 120 per barrel in FY27, India's real GDP growth may slip to about 6 per cent and CPI inflation may increase to 6 per cent... To minimise the adverse impact on fiscal deficit, increased energy prices should be passed on to the retailers to a relatively larger extent," Srivastava said.

The April 2026 release of the US Energy Information Administration EIA Short-Term Energy Outlook projects Brent crude oil prices to increase from an average of USD 81 per barrel in Q1 2026 to a peak of USD 115 per barrel in Q2 2026. Depending on how the crisis evolves, crude prices may fall in the future. The International Monetary Fund (IMF) has projected India's GDP growth at 6.5 per cent for FY27, while the Asian Development Bank (ADB) and the World Bank expect it to be 6.9 per cent and 6.6 per cent, respectively.

The Reserve Bank of India (RBI), in its monetary policy review earlier this month, projected GDP growth for FY27 at 6.9 per cent compared to 7.6 per cent estimated in FY26. The RBI also projected inflation to average 4.6 per cent for FY27.

In the EY Economy Watch report, Srivastava said current indications suggest that the West Asian crisis may last well beyond expectations of a short-lived conflict.

Bank lending takes a breather after March spike

MUMBAI: BANK credit growth slowed to 15 per cent in the fortnight ended April 15, the Reserve Bank of India (RBI) said on Wednesday.

According to the latest data, the pace of lending growth slowed down to 14.88 per cent year-on-year (YoY) in the fortnight ended April 15, as compared to 15.96 per cent recorded in the preceding fortnight.

During the reporting period, overall credit contracted by 2.06 per cent or Rs 4.51 lakh crore.

Bank credit stood at Rs 214 lakh crore in the fortnight ended April 15, as compared to Rs 218 lakh crore during the preceding 15-day period ended March 31. The total credit stood at Rs 186 lakh crore in the fortnight ended April 18 last year, the RBI data showed.

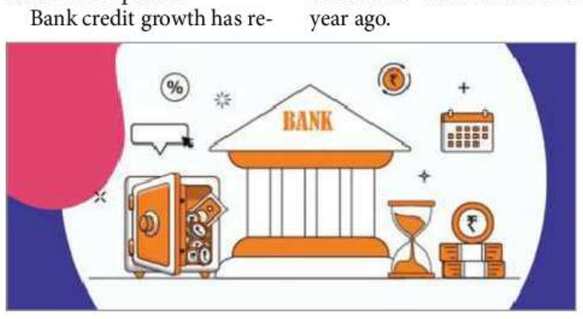
During the fortnight ended March 31, bank credit grew at the fastest pace in the last two fiscal years, as banks rushed to meet their balance sheet targets ahead of the financial year-end, resulting in a sharp increase in both loans and deposits.

Bank credit growth has remained in double digits for more than seven consecutive months, reflecting sustained momentum in lending activity. The acceleration in credit expansion gathered pace following the government's move to rationalise the Goods and Services Tax (GST) structure in September last year.

The continued double-digit growth indicates a revival in credit demand from both retail borrowers and corporates in recent months, underscoring improving economic activity and stronger financing needs across sectors.

Meanwhile, deposits of banks grew 12.12 per cent year-on-year in the fortnight ended April 15. In absolute terms, deposits stood at Rs 261.88 lakh crore during the 15-day period ended April 15 this year, compared to Rs 233.56 lakh crore in the fortnight ended April 18, 2025.

Investments by banks in state and central government securities jumped to Rs 70.64 lakh crore in the reporting period, as compared to Rs 68.49 lakh crore recorded a year ago.



Safe-haven rush reshapes India's gold market

Mumbai

INDIA'S gold demand witnessed a 10 per cent on-year rise to 151 tonnes during the January-March quarter of this year, driven by a sharp surge in investment demand amid a significant jump in prices of the yellow metal, the World Gold Council said in a report on Wednesday.

According to the World Gold Council (WGC) report, there has been a more pronounced structural shift in the country's gold demand, with investment-led buying gaining momentum, which rose by 54 per cent across bars and coins and ETFs to 82 tonnes, offsetting weakness in jewellery demand.

Jewellery demand faced notable headwinds during the quarter, declining 19 per cent year-on-year to 66 tonnes, as elevated prices and affordability constraints continued to weigh on consumption, particularly in price-sensitive segments.

For the full year, demand for gold could stand between 650-750 tonnes, compared to 712 tonnes last year, as rising gold prices in recent months have outstripped consumer budgets.

The country's total gold demand during the first quarter of 2025 stood at 137 tonnes, according to the WGC's Q1 2026 Gold Demand Trends report.

In value terms, demand nearly doubled, surging 99 per cent year-on-year in the March quarter of 2026 to a record Rs 2,27,500 crore (USD 25 billion), the report added.

Centre mulls big push for biofuels in auto sector

NEW DELHI: The Ministry of Road Transport and Highways has proposed amendments to vehicle emission rules to widen the scope for higher ethanol blends and alternative fuels, paving the way for flex-fuel and pure biofuel vehicles across all vehicle categories. The draft changes to the Central Motor Vehicles Rules, 1989 aim to provide for wider use of fuels, such as E85 (a blend of 85 per cent ethanol with petrol) and E100 (which would allow vehicles to run on nearly pure ethanol), as well as B100 biodiesel and hydrogen-CNG combinations. India has already achieved 20 per cent blending of ethanol (produced from biomass like sugarcane, corn or rice) with petrol to create a cleaner-burning fuel, reducing reliance on imported crude oil and cutting carbon emissions. In an April 27 gazette notification, the ministry said the changes would be taken up after a 30-day public consultation period, during which stakeholders can submit objections or suggestions. Among key proposals, the draft raises the vehicle weight limit from 3,000 kg to 3,500 kg, bringing regulation in sync with global standards for light commercial vehicles.

Dandy & Dandy opens branch in Hyd

Hans Business
Hyderabad

SOME spaces are visited. Others are felt shifting, unfolding, and evolving with the hour. Dandy & Dandy has inaugurated its unit in Hyderabad not as a place but as a rhythm, one that mirrors the fluidity of modern urban life. Built on the philosophy of Two Dandies. One Door. Same Room. Two Moods, it dissolves the traditional boundaries between dining and nightlife, bringing both into a single, seamless continuum. This is a space designed for the in-between the hours that don't belong to one definition. Where afternoons aren't just about meals, and evenings aren't confined to excess.

Mkts shake off global worries

MUMBAI: Benchmark Sensex rebounded nearly 610 points and broader Nifty settled above 24,100 on Wednesday following value buying in FMCG, auto and telecom shares amid earnings optimism and a rally in Asian markets.

In a volatile session, the 30-share BSE Sensex jumped 609.45 points, or 0.79 per cent, to settle at 77,496.36. During the day, it surged 1,095.6 points, or 1.42 per cent, to a high of 77,982.51.The 50-share NSE Nifty climbed 181.95 points or 0.76 per cent to end at 24,177.65.

Among Sensex firms, ITC, Tech Mahindra, Maruti, Reliance Industries, Bharti Airtel and Mahindra & Mahindra were among the biggest gainers.In contrast, InterGlobe Aviation, NTPC, Bajaj Finserv and ICICI Bank were among the laggards.

Maruti climbed 2.82 per cent after the country's largest carmaker reported a record annual consolidated net profit of Rs 14,679.5 crore in FY26, a year-on-year growth of 1.24 per cent, riding on its best-ever annual sales of over 24.22 lakh units, propelled by GST rate reduction.

"The core driver of today's strength remained earnings. Strong results from key companies reinforced confidence in underlying domestic demand and balance sheet resilience. This fundamental support, combined with easing geopolitical concerns, helped markets shift focus away from macro stress toward corporate performance," Hariprasad K, Research Analyst and Founder, Livelong Wealth, said.

Hopes of potential de-escalation in geopolitical tensions helped stabilise crude oil expectations, which is critical for India's macro outlook, he said. Broader markets also rallied as the BSE SmallCap Select index climbed 0.75 per cent, while MidCap Select index declined 0.49 per cent.

Domestic air traffic rises to 4.37 cr in Mar qtr

NEW DELHI: Indian airlines carried more than 4.37 crore passengers on domestic routes in the first three months of 2026, marking a marginal increase over the year-ago period, according to official data released on Wednesday. In March this year, the air traffic inched up to 1.44 crore from 1.41 crore in February, but was lower than the 1.45 crore recorded in March 2025. IndiGo's market share rose to 63.3 per cent in March from 63.1 per cent in February, while that of Air India Group dropped to 26.2 per cent from 27 per cent during the same period. Akasa Air and Alliance Air saw their respective market shares increase to 5.4 per cent and 0.6 per cent, respectively, in March.

DECCAN Chronicle

30 APRIL 2026

Iran war wrecks OPEC unity as UAE pulls out

At a time when the effects of the Iran war are being felt far beyond West Asia, geopolitical tremors within the region itself have led to a startling break in Arab ties. The United Arab Emirates ditching the Organisation of Petroleum Exporting Countries represents an inflection point in global oil supply as the formation of the OPEC cartel in the 1960s had changed the very fundamentals of supply and demand and global economics itself as the Gulf grew exponentially with the petrodollar.

The UAE, at the receiving end of much of Iran's counter strikes in its war against the US and Israel with over 2,200 drones and missiles aimed at it, had many reasons to move away from Saudi Arabia. Its decision to leave OPEC will, however, not have an immediate cooling effect on world oil prices as they are now at the mercy of the constrained state of the Strait of Hormuz as the choke point is virtually shut with Iran's actions as well as a US blockade of Iran ports.

In the long run, the UAE decision not to be obligated to follow OPEC's diktats on producing oil and pump away according to its will, might help cool global oil prices for the good of the consumers, including the US which imports Gulf oil to make up for its own reserves being mostly of the light variety which is good for petrol but not for heavier fuels like diesel that contain more energy.

In the long run, the UAE decision not to be obligated to follow OPEC's diktats on producing oil and pump away according to its will, might help cool global oil prices for the good of the consumers, including the US.

The UAE's ties with the Saudi royals had been under strain ever since the nations started backing rival factions in the Yemen civil war. Also, the Saudis' defence pact with Pakistan as well as Islamabad's questionable role as mediator in which it had been seen to be too soft on Iran's aggressive actions against Arab states was being frowned upon in the Emirates.

So disruptive has been the war that the US President Donald Trump waged against Iran at the behest of Israel that the world has been paying the price, literally for its oil as well as suffering the shortages caused by the virtual closure of the Strait of Hormuz.

One of the unintended consequences of the war has been this rupture in relations between Abu Dhabi, more oil-rich than other Emirates and Riyadh, which for decades has been virtually dictating the price of oil in enforcing production cuts.

Before the ceasefire came into effect, the UAE and Saudi Arabia were known to have been pushing the US to step up the aggression in the war and defeat Iran, but without being able to say so to the Gulf Cooperation Council or publicly so as not to offend Islamist sensitivities.

The current attritional standoff may not be suiting the region, but the fact is the UAE, which has for long been pushing for closer US and Indian ties, has seized an opportunity to be able to act independently once a settlement is reached and oil starts flowing again out of its wells and ports.

The latest geopolitical twist with the unity of oil producers, in place since the mid-1960s, threatened, the war may have contributed to permanent changes in the way the world buys its oil, especially from the Gulf region. More market shifts are likely to take place as the dangers of narrow waterways become apparent.

But first the world would like to see peace reigns, more so the UAE that has suffered even more than its Arab neighbours.

Kejriwal: Judge must recuse self

AAP national convener and former Delhi chief minister Arvind Kejriwal rightly believes that he was unjustly kept in jail for months on end when the investigating agencies misused the law and the judiciary looked the other way in the excise policy scam case. He has now proved his innocence in court, and wants a particular judge to recuse from hearing the appeal of the CBI against the lower court judgment. According to him, the case was part of a conspiracy hatched by the ruling dispensation which owes allegiance to the RSS, and the judge in question is also associated with the organisation.

It is normal practice for judges to recuse themselves from a case if a party wants them to do so. Even when the reasons cited are questionable, judges do not insist on hearing a particular case. Some even do this on their own volition even before a party raises the issue. Justice can be dispensed by anyone sitting on the bench. However, the judge must inspire the confidence in the petitioner or defendant that they will give them a fair hearing and their decision will not be influenced by external factors.

It is not that Mr Kejriwal has a case against every judge; he has been battling court cases for long but has not been seen to make such a demand before. As for the judge, she has recused herself from hearing another case.

Unfortunately, Mr Kejriwal holds that the judge who is assigned to hear the CBI appeal is not impartial. A person hounded by the government and denied protection by the judiciary has a right to demand a fair hearing, and he is seeking just that. It is not that Mr Kejriwal has a case against every judge; he has been battling court cases for long but has not been seen to make such a demand before.

As for the judge, she has recused herself just the other day from hearing another case which involves a politician, too. It is in the interest of justice and for upholding people's trust in the system that she recuses herself from this case as well.

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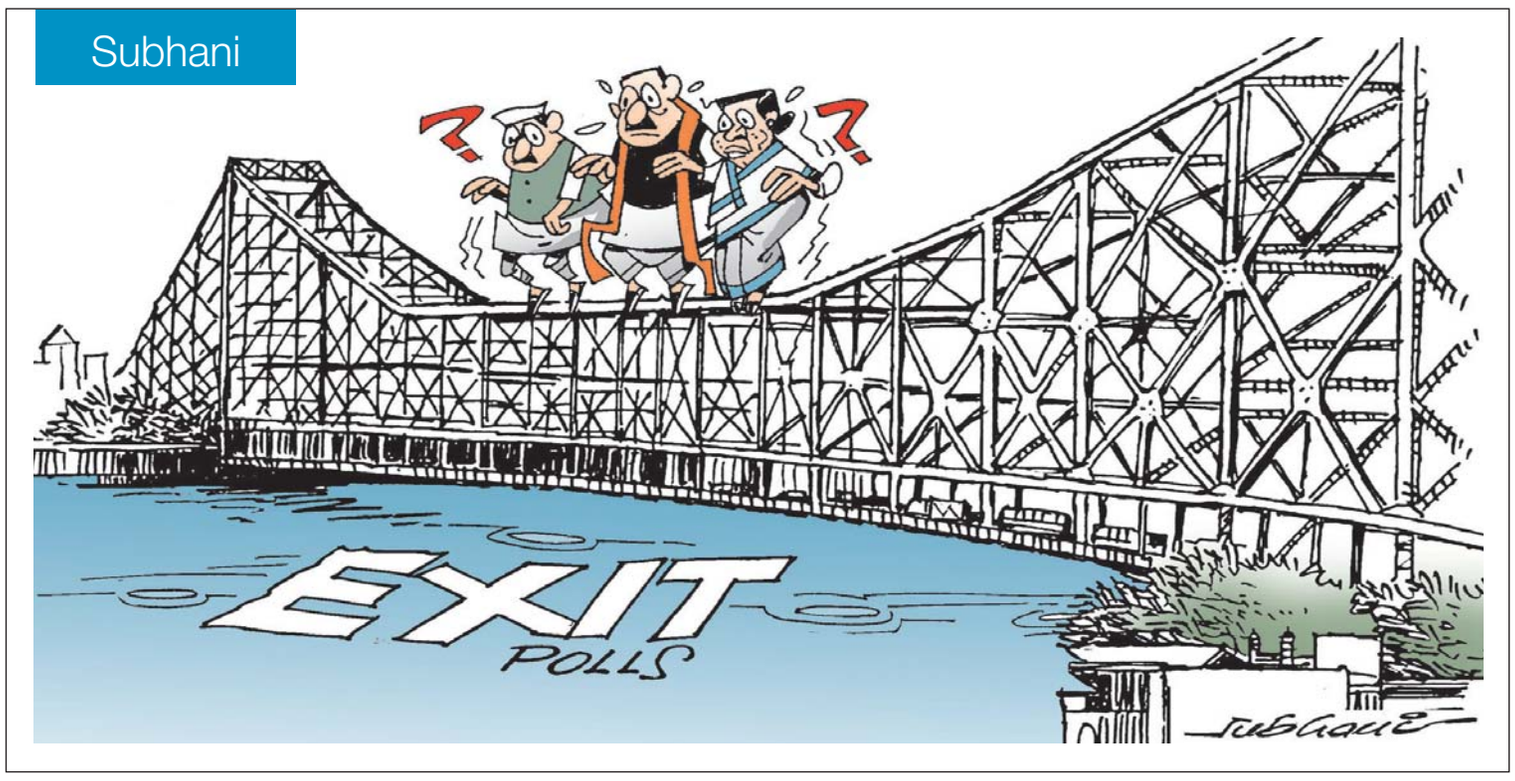
Subhani



Of Kolkata, Dhaka & the rise, end of revolutions

Sunanda K. Datta-Ray

Reflections

At one time, Calcuttans proudly told each other that the great Lenin himself had predicted 'the road to world revolution runs through Peking and Calcutta'. He hadn't, wrote Geoffrey Moorhouse...

As a new Bangladesh under Tarique Rahman spreads its net of global connections, it seems paradoxical to recall that one of Pakistan's last deputy high commissioners in Calcutta, now Kolkata, was most upset with my economic explanation for East Pakistan's unrest. "Are we only peasants?" he snapped, offended at the agrarian rationale for restiveness, and for giving more credit to Sher-i-Bangla A.K. Fazlul Huq, prime minister of undivided Bengal (1937-1943), than to Pakistan's founder, Md Ali Jinnah, for East Bengal's politicisation.

Despite their shared origins, Kolkata and Dhaka have not followed similar paths since Independence. The former tends to find solace in past glory and the achievements of veterans. Rabindranath Tagore is the all-time hero. So is Amartya Sen. The third Nobel laureate, Abhijit Vinayak Banerjee, may rule the future. Modern Bangladeshis probably attach more importance to proven organisational skills than to cerebral accomplishments. Md Yunus, the economist and politician who founded the Grameen Bank and pioneered microcredit and microfinance, for which he received the 2006 Nobel Peace Prize — the first Bangladeshi awardee — is an outstanding example.

The starting date for the revolution in both Bengals was the day that British rule ended — August 15, 1947. But while East Pakistan completed its land redistribution by 1951, the parallel process in West Bengal dragged on for nearly six more years. The single most important reason for this delay was that while the beneficiaries of land reform in East Pakistan were poverty-stricken Muslim peasants under Hindu landlords, West Bengal's ryots, landowners and professional men who dominated Congress politics, were all Hindus. So were those rebels with a cause, the jobless millions who later swelled the Naxalite ranks.

The West Bengal Land Reforms Act, which regulated holdings and aimed at equitable distribution, did not become effective until February 1956. The East Bengal State Acquisition and Tenancy Act of 1950, which eliminated zamindari, was passed on February 16, 1950, and finalised in 1951. The two developments reflected the differing composition of the social and political leadership in the two Bengals. In East Pakistan, Huq's ruling Krishak Praja Party and the Floud Commission (1939-40) introduced major land reforms. Additionally, noting Muslim economic backwardness, Huq's government reserved 54 per cent of job opportunities in the provincial administration for the community.

In West Bengal the so-called Hooghly Group, led by politicians like Prafulla Chandra Sen (chief minister, 1962-67) and the powerful Tammany Hall-style leader, Atulya Ghosh, became powerful after Partition, influencing post-Independence politics. Land reform under the 1953 West Bengal Estates Acquisition Act, whose objective was to facilitate official land acquisition, was frustrated when ownership was capped at the individual level instead of the family's, thereby encouraging massive benami property transfers. Highlighting and sharpening economic differences in the countryside, this also sowed the seeds of the Naxalbari insurgency, India's most violent political movement in recent times, which Union home minister Amit Shah claims to have at last brought under control. Mr Shah complains — not without some justification — that under Marxist and Trinamul patronage, Kolkata has degenerated into a "*Jhoparpatti ka Sheher*", or city of slums. Its vast municipal corporation is accused of having become even more heavily corrupt and dysfunctional under the stranglehold of political goons.

A report in the *Harvard International Review* once claimed that the effects of the Bangladesh genocide of 1971 "still resonate in the present" and that "genocide is a persistent problem". American social activists want Resolution 1430 "Recognising the Bangladesh Genocide of 1971", which US Representative Steve Chabot introduced in the US House of Representatives in 2022, to become law. The BJP's Tathagata Roy quotes Rafiuddin Ahmed, one of B.C. Roy's ministers, a renowned dental pioneer who was also a Muslim, as writing in *The Bengal Muslims 1871-1906: A Quest for Identity* that "a dominant feature of the 19th century Islamisation was the attempted rejection of virtually all that was Bengali in the life of a Muslim as being incompatible with the ideas and principles of Islam". No wonder a Bangladeshi politician confessed that his choice of ancestor lay between an Arab pirate and a Namasudra convert. The "*Ekushey February*" language revolt left Bangladeshis feeling that West Bengal's submissiveness had surrendered the linguistic battle to Tamils.

Given Mr Yunus' American connections — with both Bill and Hillary Clinton being special friends — it is not surprising that he shies away from ideology and instead invokes common sense and pragmatism. "All human beings are born as entrepreneurs" is probably his most famous philosophical statement, arguing that naturally creative and resourceful humans are not born to seek jobs. He believes everyone has the capacity to create their own opportunities.

Given this adventurous spirit, his Dhaka has moved away from its earlier provincial image of emulating the metropolis. No longer do Dhaka Club employees boast of matching the city's equivalent of Kolkata's famed Calcutta Club. The new pride in the city and its amenities even sounds abrasive. When I ordered smoked hilsa (a delicacy the British left behind, the hilsa being a freshwater South Asian fish) for a foreign guest at what veterans in Dhaka call "The Intercon", the snooty Bangladeshi maitre d' offered me smoked salmon instead. "We don't serve local fish!"

With over a million residents abroad, and politically important in countries like the United Kingdom, Bangladesh is the sixth largest migrant sending country globally, and the eighth largest remittance-receiving nation. At one time, Calcuttans proudly told each other that the great Lenin himself had predicted "the road to world revolution runs through Peking and Calcutta". He hadn't, wrote Geoffrey Moorhouse in his not unsympathetic account of the city. But Kolkata had moved on by then to conclude that all god-fearing Communists knew that it was Dhaka that the road really traversed.

But Calcutta or Kolkata, the city's revolutionary vision seemed to come true briefly in 1948 when Soviet commissars, Australian ideologues, French trade unionists, Viet Minh soldiers, Yugoslav revolutionaries and Malayan Chinese guerrillas flocked to the grandiloquently titled "Conference of Youth and Students of Southeast Asia Fighting for Freedom and Independence" in a cluster of hutments that American troops had used as a wartime hospital. Inspired in Calcutta, they secretly fanned out to ignite the flames of revolution in Malaysia, Indonesia and the Philippines.

That revolution failed, leaving Dhaka with the Yunus-Rahman heritage of American-tinged pragmatism while Kolkata still struggles with ancient isms.

The writer is a senior journalist, columnist and author

LETTERS

GOOGLE DATA CENTRE

It was a historic day for AP as Google's $15 billion data centre's ground-breaking ceremony took place in Visakhapatnam *(CM launches $15 bn Google AI hub works, April 29).* This development is a game changer for AP in terms of huge developmental activities that are sure to be taken up speedily. Moreover, Union railway minister Ashwini Vaishnaw has announced that the South Coast Railway Zone will officially be notified on June 1 at Visakhapatnam along with several other rail projects in AP on this occasion, making AP people into a happy festive celebration mood.

P.V. Tirumala Rao
Eluru

UAE QUITS OPEC

The exiting of UAE, third largest oil producer from the six decades old OPEC, the organisation of petrol export countries is a landmark development on global energy security *(Will leave OPEC from May 1: UAE, April 29).* The OPEC decides how much oil to be produced and acts as a cartel regulating the business. The UAE has not been happy with that arrangement for quite some time now and is of the opinion that it could have produced more and benefitted. Now the ongoing Iran, US war has pushed it to take the call of leaving OPEC and go on its own regarding oil business. This would ease the oil supply for countries, weakening the regulatory OPEC cartel. It can be seen as an attempt of the UAE as a sovereign country to exploit its full potential in the global market.

Dr D.V.G. Sankara Rao
Srikakulam

FUEL PRICE HIKE

For our leaders political gain is more important than anything else in India (Centre: No plan to hike fuel prices, April 29). Due to the West Asia conflict crude oil prices 50% increased throughout the world. At the same time fuel charges increase in all countries except India, because of ongoing elections. People are mentally prepared. None can stop hike in fuel charges in near future.

D. Ravikumar
Visakhapatnam

Email your letters to info@deccanmail.com, editor@deccanmail.com.

Dilip Cherian

Dilli Ka Babu

Noida airport's avoidable CEO mess: Samra to stay or go?

The Noida International Airport story has taken yet another sharp turn, and not the kind you want when you're preparing for take-off.

Barely days after the Bureau of Civil Aviation Security (BCAS) refused security clearance to CEO Christoph Schnellmann, the airport moved swiftly to plug the gap. Nitu Samra, until now the chief financial officer, has been appointed interim CEO effective immediately, while the board begins the search for a permanent replacement.

This wasn't exactly a bolt from the blue. The writing had been on the wall for a while. India's aviation security rules are unambiguous: the head of a greenfield airport must be an Indian national. Schnellmann, a Swiss citizen who had led the project since 2020, simply didn't meet that requirement, and attempts to bend the rule went nowhere.

The result? A last-minute leadership reshuffle at a critical stage. Schnellmann has now been moved upstairs to the board as executive vice-chairman, a face-saving transition that preserves continuity while ticking the regulatory box.

Ms Samra's appointment, meanwhile, is less a bold new direction and more a practical fix. She's been part of the project since 2021, handling finances, governance, and the nuts and bolts of getting the airport ready. She's an insider stepping in to steady the course.

But the larger takeaway is harder to ignore. For a marquee infrastructure project that's already seen delays, this episode underscores a familiar Indian story — regulatory compliance catching up late in the day. The rule wasn't new. The consequences, however, have arrived right when the airport is supposed to be gearing up for launch.

It is hoped this course correction clears the final hurdles. The airport needs a departure schedule and not another headline.

A STEADY HAND AT CCI

At a time when India's markets are evolving at breakneck speed, stability in regulation matters. The appointment of Rakesh Bhanot as acting director general of the investigation wing at the Competition Commission of India (CCI) delivers exactly that. Yes, it's an interim arrangement. But in regulatory terms, "acting" doesn't mean inconsequential.

The DG's office is the CCI's investigative core, where cases are built, dominance is tested, and market behaviour is scrutinised. With ongoing probes spanning aviation, e-commerce, and Big Tech players like Google, continuity is critical. Any gap at the top risks slowing down momentum in matters that are already complex and time-sensitive. That's where Mr Bhanot's appointment works. As an insider familiar with the system, he brings immediate operational continuity, and in a pipeline of long-running investigations, that matters more than titles.

It also reflects a measured approach. Rather than rushing a full-time appointment, the system is keeping the machinery running while the selection process plays out.

India's competition landscape is only getting more intricate, especially with stronger enforcement powers and rising scrutiny of digital markets. In that context, a steady hand, even in an acting capacity, is not a compromise. It's a considered choice. Sometimes, holding the line is the real job.

A DIPLOMATIC WIN, WITH ONE LOOSE END

India has, over the years, built a credible reputation for stepping in to protect its citizens abroad, whether stranded workers, students in conflict zones, or professionals caught in legal trouble. That reputation rests on a series of real, tangible successes. Which is why this case stands out.

When India secured the release of seven former naval officers from Qatar earlier this year, it was rightly seen as a diplomatic win. The visuals, the sense of relief, and the official messaging all pointed to a job well done. But the picture wasn't complete. Purnendu Tiwari is still in prison.

The official explanation is straightforward. Mr Tiwari, according to the government, is facing a separate legal case involving alleged financial irregularities, which sets him apart from the others who were granted clemency. That distinction may hold legally, but it is harder to reconcile in public perception, where the case has always been seen as a collective one.

After all, these were not eight unrelated individuals picked up independently. Their arrest, trial, sentencing, and eventual diplomatic intervention unfolded as part of a single, high-profile episode. The response was coordinated; the outcome, however, has diverged.

To be clear, no one expects legal processes in another country to be bypassed, nor can complex cases be resolved overnight. Governments operate within constraints. But consistency in outcomes still matters.

If the system could move effectively to bring seven men home, the continued detention of the eighth raises legitimate questions about follow-through. At what point does a "separate case" begin to look like a convenient distinction?

Mr Tiwari's family has been speaking out, pointing to his prolonged incarceration, concerns about his health, and a growing sense of uncertainty. They have now appealed for intervention at the highest level, including from Narendra Modi.

Because unfinished cases have a way of casting a shadow over completed ones. Until this one is resolved, the story remains incomplete.

Love them, hate them ignore them at national peril, is the babu guarantee and Dilip's belief. Share significant babu escapades dilipcherian@hotmail.com.

LIVE RICH
FINANCIAL Chronicle
VIJAYAWADA | THURSDAY | 30 APRIL 2026

quick BITES

INDICATORS		%
Sensex	77,496.36	0.79
Nifty 50	24,177.65	0.76
S&P 500*	7,131.30	-0.11
Dollar (₹)	94.83	0.29
Pound Sterling (₹)	128.06	0.40
Euro (₹)	110.97	0.38
Gold (10gm)* (₹)	148,610▼1,417	-0.94
Brent crude ($/bbl)*	116.85	5.02
IN 10-Yr bond yield	6.995	0.21
US 10-Yr T-bill yield*	4.366	0.012

* As of 8:30 PM IST

EPFO to launch portal to activate old accounts

Employees' Provident Fund Organisation (EPFO) will soon launch a web portal to help members track and activate their old and inoperative provident fund accounts, labour minister Mansukh Mandaviya said. The portal, E-PRAAPTI, will enable a member to access an old EPF account, which may not have a universal account number (UAN), and update their profile after UAN linking and activation, he said.

BMW expands Mini portfolio with new launch

Luxury car maker, BMW has expanded its Mini portfolio with the launch of the new Mini Convertible John Cooper Works Pack priced at ₹61.50 lakh at pan India. "The new Mini Convertible has ultimate expression of open-top freedom, and with introduction of the John Cooper Works Pack, we are taking its unmistakable character a step further," said Hardeep Singh Brar, president and CEO, BMW Group India.

Indian Bank posts 5% rise in net to ₹3,103 cr

Indian Bank on Wednesday reported a 5 per cent increase in net profit to ₹3,103 crore for the fourth quarter of FY26 from ₹2,956 crore in same period a year-ago, aided by a decline in bad loans. During the quarter, the bank's total income increased to ₹19,980 crore from ₹18,599 crore a year ago, Indian Bank said. Interest income grew to ₹17,480 crore from ₹15,856 crore in Q4 of previous fiscal year.

Vedanta sees 89% increase in PAT to ₹9,352 cr

Vedanta on Wednesday reported an 89 per cent rise in its consolidated profit after tax (PAT) at ₹9,352 crore in quarter ended March 2026 from ₹4,961 crore in corresponding period a year-ago, citing higher sales volume amid rising global metal prices as well as weakening rupee's exchange rate. The revenue from operations during the fourth quarter also rose by 29 per cent to ₹51,524 crore from ₹39,789 crore a year ago.

Energy prices may rise to highest level since '22

Overall commodity prices to rise 16% in 2026, says World Bank Group

SANGEETHA G.
CHENNAI, APRIL 29

Global energy prices are projected to surge 24 per cent this year, potentially reaching their highest levels since Russia's invasion of Ukraine, according to a report by the World Bank Group. Prices could average $115 per barrel if geopolitical tensions escalate.

The report forecasts overall commodity prices to rise 16 per cent in 2026, driven largely by energy and fertiliser costs, alongside record highs in several key metals.

Supply disruptions, triggered by attacks on energy infra and shipping constraints in the Strait of Hormuz, have caused one of the largest oil shocks in recent history, cutting global supply by an estimated 10 million barrels per day.

Even after easing from recent peaks, Brent crude prices remained over 50 per cent higher in mid-April compared to the start of the year.

Baseline projections place average prices at $86 per barrel in 2026, up from $69 in 2025, assuming disruptions begin to ease by May and shipping gradually normalises by late 2026. However, in a scenario of prolonged conflict or deeper damage to energy infra, prices could average as high as $115 per barrel next year.

"The war is hitting the global economy in waves, first through energy prices, then food, and ultimately inflation, raising interest rates and debt costs," said Indermit Gill, chief economist at the World Bank Group.

Fertiliser prices are expected to rise 31 per cent in 2026, led by a sharp increase in urea prices. This is likely to reduce affordability, squeeze farm incomes and pose risks to future crop yields.

Base metals such as aluminium, copper and tin are also projected to hit record highs, supported by strong demand from sectors including data centres, electric vehicles and renewable energy.

Meanwhile, precious metals are forecast to rise 42 per cent, driven by heightened demand for safe-haven assets amid geopolitical uncertainty.

Rising commodity prices are expected to push up inflation and dampen global growth.

In developing economies, inflation is projected to average 5.1 per cent in 2026, compared to 4.7 per cent last year. Under a high oil price scenario, inflation could rise further to 5.8 per cent. Economic growth in these is now estimated at 3.6 per cent for 2026, down by 0.4 percentage points from earlier projections.

Countries directly affected by conflict will face the sharpest impact, while a majority of both commodity importers and exporters are likely to see weaker growth than previously expected.

DEEP DAMAGE

SUPPLY DISRUPTIONS cutting global supply by an estimated 10 mn bpd.

FERTILISER PRICES expected to rise 31% in 2026, led by increase in urea prices.

EVEN AFTER easing from recent peaks, crude prices remain over 50% higher in mid-April compared to start of year.

BASE METALS such as aluminium, copper projects to hit record highs.

BASELINE PROJECTIONS place average prices at $86 per barrel in 2026, up from $69 in 2025

RISING COMMODITY prices expect to push up inflation, dampen global growth.

THE WAR is hitting the global economy in waves - first through energy prices, then food, and ultimately inflation — raising interest rates and debt costs.
— **INDERMIT GILL**, *Chief economist, World Bank Group*

Uncertainty over energy to test economy resilience

MADHUSUDAN SAHOO
NEW DELHI, APRIL 29

The government on Wednesday said global uncertainties could present an opportunity for India, supported by strong domestic fundamentals and a tradition of strategic autonomy, said finance ministry' in its monthly economic review.

High-frequency indicators suggest the economy remains resilient, though early signs of stress were visible in March 2026, it said.

The ministry described the ongoing West Asia conflict as a significant supply-side shock with implications for inflation, trade and financial flows. It cautioned that prolonged uncertainty, particularly around energy and fertilizer supplies, could test macroeconomic stability. "While the current global drift poses vulnerabilities for most economies, it could present an opportunity for India," the report said.

Despite these challenges, strong domestic demand, policy buffers, a resilient financial system and continued public investment are expected to provide a degree of insulation.

As a manufacturing base, services hub and large consumer market, the country can pursue deeper trade engagement and diversify supply chains, the report said.

On the financial sector, the ministry said stability risks remain contained, with healthy capital adequacy, liquidity and asset quality among banks and NBFCs. The RBI is expected to maintain a proactive approach to ensure adequate liquidity.

India is projected to grow at 7–7.4 per cent in FY2026–27, although the outlook has become more uncertain due to geopolitical developments.

The ministry also warned of supply-side pressures and the risk of demand compression amid rising prices. Inflation could turn cost-push as producers pass on higher input costs to protect margins.

Meanwhile, EY India said that if the Indian crude basket averages $120 per barrel, GDP growth could slow to around 6 per cent, while retail inflation may rise to the upper tolerance limit of 6 per cent set by the RBI.

Its chief policy advisor D K Srivastava said policymakers may need to consider a calibrated response, including a possible repo rate hike and faster diversification of crude sourcing.

Passing on higher energy costs would also be necessary to limit fiscal pressures.

STABILITY RISKS

WEST ASIA conflict is a significant supply-side shock with implications for inflation.

EARLY SIGNS of stress were visible in March.

EY INDIA said India's economy in terms of GDP growth may slip to 6%.

INDIA'S DOMESTIC demand, policy buffers, resilient financial system and continued public investment expected to provide a measure of insulation to economy.

ONGOING CONFLICT in West Asia poses a significant supply-side shock with rising risks to inflation, trade and financial flows

RBI clears auto relief for calamity-hit loans

FALAKNAAZ SYED
MUMBAI, APRIL 29

The Reserve Bank of India (RBI) on Wednesday introduced a framework enabling banks and other regulated entities to extend relief measures to borrowers affected by natural calamities without waiting for individual requests.

In its final directions on Relief Measures in Areas Affected by Calamities, the central bank clarified that only borrowers classified as "standard" and not overdue by more than 30 days at the time of the event will be eligible.

The relief package may include rescheduling of payments, moratoriums, conversion of interest into a credit facility, or sanction of additional finance.

The guidelines will come into effect from July 1, 2026, and will apply prospectively to commercial banks, small finance banks, local area banks, cooperative banks, NBFCs and All India Financial Institutions.

"Lenders may extend relief measures to all eligible borrowers without waiting for a request, with an opt-out option available up to 135 days from the date of declaration of the natural calamity," the RBI said.

The regulator added that borrower accounts that slip into non-performing asset (NPA) status between the occurrence of the calamity and the implementation of a resolution plan can be upgraded to "standard" once the plan is executed.

Additionally, banks will be needed to make an extra provision of five per cent on the outstanding for accounts where a resolution plan is implemented. This will be over and above existing prudential provisioning requirements, subject to an overall cap of 100 per cent.

UAE exit from OPEC may reshape fuel prices, supply

SANGEETHA G.
CHENNAI, APRIL 29

The decision of the United Arab Emirates (UAE) to exit the OPEC could mark a turning point for global oil markets, with implications for prices and supply dynamics over the medium to long term. In the near term, however, geopolitical tensions are expected to remain the dominant driver of prices.

Market pressures are unlikely to ease immediately, as tanker movement through the Strait of Hormuz remains constrained, affecting around 10–12 per cent of global oil supply and tightening availability.

OPEC's traditional role as a price-stabilising cartel—through production quotas—has been weakening amid shifting geopolitical and economic realities, said Anindya Banerjee, head, commodity and currency research, Kotak Securities.

"The immediate impact is limited as supply flows are already disrupted. The longer the blockade continues, the higher prices could climb," Banerjee said, warning that crude could spike to as high as $150 per barrel in a prolonged disruption scenario.

Even after supply routes normalise, markets may remain tight for up to a year as countries rebuild commercial and strategic reserves following recent drawdowns. This restocking demand, along with delayed supply recovery, could keep crude prices in the $70–80 per barrel range over the next 12 months, above pre-war levels of $55–60.

As one of OPEC's largest producers, accounting for about 4 per cent of global supply, UAE's departure would weaken the cartel's ability to enforce production quotas.

Freed from such constraints, the United Arab Emirates could raise output in line with market conditions and bilateral trade priorities. It has already been expanding non-dollar oil trade arrangements with key partners such as India and China, signalling a shift away from OPEC's traditional framework.

"The quota system has long been a friction point. The incentive to remain within OPEC is now lower than the benefits of operating independently," Banerjee said.

Over time, other members will potentially reassess their positions.

Crude reaches $115, triggers profit booking

RAVI RANJAN PRASAD
MUMBAI, APRIL 29

Equity markets gave up a large part of their early gains on Wednesday as rising crude oil prices triggered profit booking at higher levels, while the rupee weakened to a record low against US dollar.

Benchmark indices had surged over one per cent in early trade but lost momentum as Brent crude climbed above $115 per barrel amid escalating tensions. Brent futures traded in a volatile range of $110.26–$117.5 per barrel.

The rupee weakened to settle at a record low of 94.82 against the US dollar, reflecting pressure from rising oil prices and global uncertainties.

The BSE Sensex rose to an intraday high of 77,982.51, gaining 1,095.6 points, before closing 609.45 points, or 0.79 per cent higher, at 77,496.36. The Nifty 50 ended at 24,177.65, up 181.95 points, or 0.76 per cent, after hitting a high of 24,334.7.

Foreign portfolio investors remained net sellers, offloading equities worth ₹2,468.42 cr, while domestic institutional investors provided some support with net purchases of ₹2,262.17 cr.

Investors are awaiting the outcome of US Federal Reserve policy meeting.

"Markets saw heightened volatility, with profit booking emerging due to sustained strength in crude prices," said analysts at Bajaj Broking.

DRL GETS CANADA NOD FOR GENERIC OF SEMAGLUTIDE

RAVI RANJAN PRASAD
MUMBAI, APRIL 29

Dr. Reddy's Laboratories (DRL) has received a notice of compliance or NOC (i.e. an approval) from Pharmaceutical Drugs Directorate, Canada (Health Canada) regarding for its generic semaglutide injection, for treatment of patients with type 2 diabetes, the company informed bourses.

The issuance of NOC authorises the commercialisation, sale, and distribution of semaglutide injection in Canada.

Dr. Reddy's becomes first company to receive market authorisation for generic semaglutide injection in Canada, the drugmaker said.

Erez Israeli, chief executive, Dr. Reddy's said, "The approval of our generic semaglutide injection by Health Canada represents a significant milestone in our GLP-1 journey and underscores our expertise in complex product development, peptide science, and our ability to meet stringent global regulatory standards."

Deny extension to ICICI chief: Bhushan to RBI

FC BANKING BUREAU
MUMBAI, APRIL 29

Activist Prashant Bhushan has urged the RBI not to extend the tenure of Sandeep Bakhshi as MD and CEO of ICICI Bank, alleging governance lapses, regulatory violations and labour-related concerns during his tenure.

In a letter to the RBI, Bhushan cited multiple penalties imposed on the lender between 2019 and 2025, amounting to several crores. He listed instances including a ₹12-cr penalty linked to loans sanctioned to entities connected with directors, delays in reporting frauds within prescribed timelines, and issues related to the sale of non-financial products.

The letter also referred to 22 recent fraud cases involving ₹245 cr, a data breach, and HR related concerns, including termination of 782 employees over attendance issues in 2024 and four reported staff suicides.

It cited alleged non-compliance with GST norms leading to penalties and liabilities.

Bakhshi took over as MD and CEO in October 2018 following the exit of Chanda Kochhar.

Bhushan argued that the cumulative effect of these developments indicates a "persistent pattern of non-compliance" and reflects weaknesses in internal controls, risk management and oversight. Such repeated regulatory issues, he said, point to broader governance concerns.

He urged the RBI to decline approval for Bakhshi's reappointment, appoint a suitable alternative, and order a comprehensive governance and compliance review of the bank. The letter also called for stricter regulatory oversight and adherence to internal codes of conduct.

An ICICI Bank spokesperson declined to comment.

A banking analyst said similar concerns are often raised but limited public disclosure makes it difficult for full assessment.

Exports increase despite West Asia crisis, says Goyal

FC CORRESPONDENT
NEW DELHI, APRIL 29

India's exports have posted a healthy increase in the first three weeks of April despite disruptions caused by the ongoing West Asia crisis, commerce minister Piyush Goyal said on Wednesday.

The minister added that recently concluded free trade agreements (FTAs) are expected to provide a significant boost to domestic industrr, he told reporters.

Official trade data for April is scheduled to be released by the commerce ministry on May 15.

Goyal further said that the government has finalised a number of trade pacts with countries.

India, however, is negotiating trade agreements with Chile, Peru, Israel, the Gulf Cooperation Council, Canada, South Africa and its neighbouring regions; Brazil and its neighbouring countries; and Russia and the Eurasian region, he said.

Rajiv to step down from Bajaj Finance

RAVI RANJAN PRASAD
MUMBAI, APRIL 29

Rajiv Bajaj will step down from the board of Bajaj Finance as a non-executive director, the company informed stock exchanges on Wednesday after its board meeting.

Bajaj has conveyed that he will not seek re-election at the upcoming annual general meeting on July 30. Accordingly, he will cease to be a director from the date of the AGM.

He is the elder son of late Rahul Bajaj, while his younger brother Sanjiv Bajaj serves as chairman and managing director of the company.

The board also approved a proposal to raise funds through debt instruments, including NCDs, by increasing the company's overall borrowing limit.

The proposal is subject to shareholder approval at the AGM.

In addition, the board approved the reappointment of Pramit Jhaveri as an independent director.

On the financial front, Bajaj Finance reported a consolidated profit after tax of ₹5,553 cr for Q4 and ₹19,332 cr for the full fiscal.

Assets under management reached ₹5,09,975 cr as of March 31, marking a 22 per cent increase.

SMART | LOOK

Software update will allow enhancing, reframing images

Apple to upgrade photo tools

Cupertino, April 29: Apple is planning a major overhaul of the built-in photo-editing features for the iPhone, iPad and Mac, leaning heavily on artificial intelligence (AI) to better compete with Android devices.

The company is developing a new suite of tools powered by its Apple Intelligence platform for iOS 27, iPadOS 27 and macOS 27, which to release in September, according to people familiar with matter.

The features will allow users to extend, enhance and reframe images using on-device AI models. Processing typically takes a few seconds, said people.

The Apple's Photos app offers four primary editing options: adjust, filters, crop and clean up. The last of those is the company's only AI-powered tool, enabling users to remove objects from images.

In upcoming software, the company is adding a new Apple Intelligence Tools section to the editing interface. It includes the extend, enhance, reframe and clean up features.

The company is already facing criticism over its first AI editing tool. Since its debut, users have complained that Clean Up can produce inconsistent results — sometimes leaving behind artifacts, distorting images or filling removed areas with inaccurate details.

Apple's broader software updates will focus on two main priorities this year. First, the company is looking to improve the Siri voice assistant and expand other parts of Apple Intelligence. Second, it's seeking to refine its operating systems to boost performance.

Additional AI-related changes in development of dedicated Siri app and a redesigned interface for assistant that resembles a chatbot. — *Bloomberg*

NEW SUITE

COMPANY's photos app offers four primary editing options

USERS CAN extend, enhance, reframe images using on-device AI Models.

APPLE's BROADER software updates will focus on two main priorities this year.

THE ASIAN AGE

30 APRIL 2026

Iran war wrecks OPEC unity as UAE pulls out

At a time when the effects of the Iran war are being felt far beyond West Asia, geopolitical tremors within the region itself have led to a startling break in Arab ties. The United Arab Emirates ditching the Organisation of Petroleum Exporting Countries represents an inflection point in global oil supply as the formation of the OPEC cartel in the 1960s had changed the very fundamentals of supply and demand and global economics itself as the Gulf grew exponentially with the petrodollar.

The UAE, at the receiving end of much of Iran's counter strikes in its war against the US and Israel with over 2,200 drones and missiles aimed at it, had many reasons to move away from Saudi Arabia. Its decision to leave OPEC will, however, not have an immediate cooling effect on world oil prices as they are now at the mercy of the constrained state of the Strait of Hormuz as the choke point is virtually shut with Iran's actions as well as a US blockade of Iran ports.

In the long run, the UAE decision not to be obligated to follow OPEC's diktats on producing oil and pump away according to its will, might help cool global oil prices for the good of the consumers, including the US which imports Gulf oil to make up for its own reserves being mostly of the light variety which is good for petrol but not for heavier fuels like diesel that contain more energy.

In the long run, the UAE decision not to be obligated to follow OPEC's diktats on producing oil and pump away according to its will, might help cool global oil prices for the good of the consumers, including the US

The UAE's ties with the Saudi royals had been under strain ever since the nations started backing rival factions in the Yemen civil war. Also, the Saudis' defence pact with Pakistan as well as Islamabad's questionable role as mediator in which it had been seen to be too soft on Iran's aggressive actions against Arab states was being frowned upon in the Emirates.

So disruptive has been the war that the US President Donald Trump waged against Iran at the behest of Israel that the world has been paying the price, literally for its oil as well as suffering the shortages caused by the virtual closure of the Strait of Hormuz.

One of the unintended consequences of the war has been this rupture in relations between Abu Dhabi, more oil-rich than other Emirates and Riyadh, which for decades has been virtually dictating the price of oil in enforcing production cuts.

Before the ceasefire came into effect, the UAE and Saudi Arabia were known to have been pushing the US to step up the aggression in the war and defeat Iran, but without being able to say so to the Gulf Cooperation Council or publicly so as not to offend Islamist sensitivities.

The current attritional standoff may not be suiting the region, but the fact is the UAE, which has for long been pushing for closer US and Indian ties, has seized an opportunity to be able to act independently once a settlement is reached and oil starts flowing again out of its wells and ports.

The latest geopolitical twist with the unity of oil producers, in place since the mid-1960s, threatened, the war may have contributed to permanent changes in the way the world buys its oil, especially from the Gulf region. More market shifts are likely to take place as the dangers of narrow waterways become apparent. But first the world would like to see peace reigns, more so the UAE that has suffered even more than its Arab neighbours.

Kejriwal: Judge must recuse self

AAP national convener and former Delhi chief minister Arvind Kejriwal rightly believes that he was unjustly kept in jail for months on end when the investigating agencies misused the law and the judiciary looked the other way in the excise policy scam case. He has now proved his innocence in court, and wants a particular judge to recuse from hearing the appeal of the CBI against the lower court judgment. According to him, the case was part of a conspiracy hatched by the ruling dispensation which owes allegiance to the RSS, and the judge in question is also associated with the organisation.

It is not that Mr Kejriwal has a case against every judge; he has been battling court cases for long but has not been seen to make such a demand before. As for the judge, she has recused herself from hearing another case.

It is normal practice for judges to recuse themselves from a case if a party wants them to do so. Even when the reasons cited are questionable, judges do not insist on hearing a particular case. Some even do this on their own volition even before a party raises the issue. Justice can be dispensed by anyone sitting on the bench. However, the judge must inspire the confidence in the petitioner or defendant that they will give them a fair hearing and their decision will not be influenced by external factors.

Unfortunately, Mr Kejriwal holds that the judge who is assigned to hear the CBI appeal is not impartial. A person hounded by the government and denied protection by the judiciary has a right to demand a fair hearing, and he is seeking just that. It is not that Mr Kejriwal has a case against every judge; he has been battling court cases for long but has not been seen to make such a demand before. As for the judge, she has recused herself just the other day from hearing another case which involves a politician, too. It is in the interest of justice and for upholding people's trust in the system that she recuses herself from this case as well.

THE ASIAN AGE

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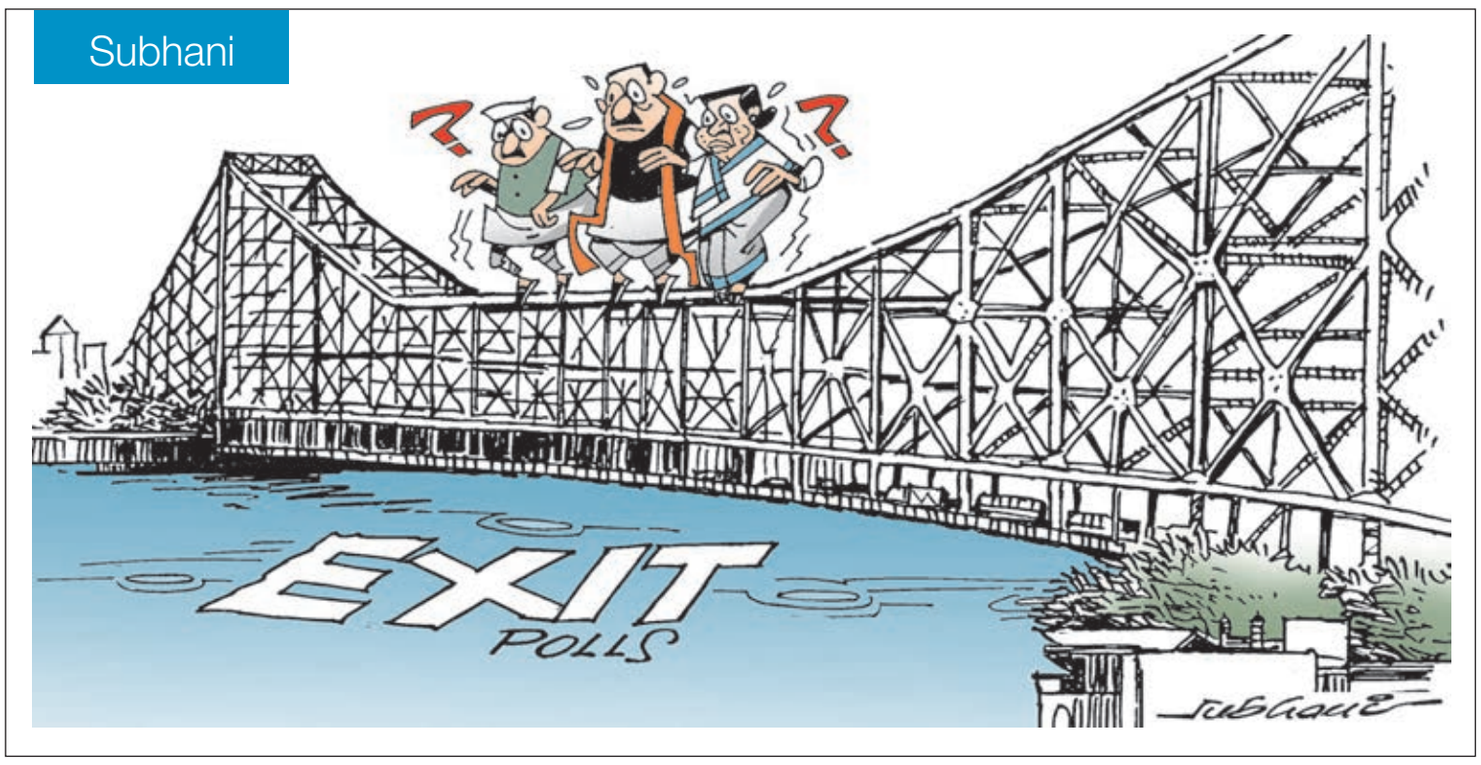


Of Kolkata, Dhaka & the rise, end of revolutions

Sunanda K. Datta-Ray

Reflections

At one time, Calcuttans proudly told each other that the great Lenin himself had predicted 'the road to world revolution runs through Peking and Calcutta'. He hadn't, wrote Geoffrey Moorhouse...

As a new Bangladesh under Tarique Rahman spreads its net of global connections, it seems paradoxical to recall that one of Pakistan's last deputy high commissioners in Calcutta, now Kolkata, was most upset with my economic explanation for East Pakistan's unrest. "Are we only peasants?" he snapped, offended at the agrarian rationale for restiveness, and for giving more credit to Sher-i-Bangla A.K. Fazlul Huq, prime minister of undivided Bengal (1937-1943), than to Pakistan's founder, Md Ali Jinnah, for East Bengal's politicisation.

Despite their shared origins, Kolkata and Dhaka have not followed similar paths since Independence. The former tends to find solace in past glory and the achievements of veterans. Rabindranath Tagore is the all-time hero. So is Amartya Sen. The third Nobel laureate, Abhijit Vinayak Banerjee, may rule the future. Modern Bangladeshis probably attach more importance to proven organisational skills than to cerebral accomplishments. Md Yunus, the economist and politician who founded the Grameen Bank and pioneered microcredit and microfinance, for which he received the 2006 Nobel Peace Prize — the first Bangladeshi awardee — is an outstanding example.

The starting date for the revolution in both Bengals was the day that British rule ended — August 15, 1947. But while East Pakistan completed its land redistribution by 1951, the parallel process in West Bengal dragged on for nearly six more years. The single most important reason for this delay was that while the beneficiaries of land reform in East Pakistan were poverty-stricken Muslim peasants under Hindu landlords, West Bengal's ryots, landowners and professional men who dominated Congress politics, were all Hindus. So were those rebels with a cause, the jobless millions who later swelled the Naxalite ranks.

The West Bengal Land Reforms Act, which regulated holdings and aimed at equitable distribution, did not become effective until February 1956. The East Bengal State Acquisition and Tenancy Act of 1950, which eliminated zamindari, was passed on February 16, 1950, and finalised in 1951. The two developments reflected the differing composition of the social and political leadership in the two Bengals. In East Pakistan, Huq's ruling Krishak Praja Party and the Floud Commission (1939-40) introduced major land reforms. Additionally, noting Muslim economic backwardness, Huq's government reserved 54 per cent of job opportunities in the provincial administration for the community.

In West Bengal the so-called Hooghly Group, led by politicians like Prafulla Chandra Sen (chief minister, 1962-67) and the powerful Tammany Hall-style leader, Atulya Ghosh, became powerful after Partition, influencing post-Independence politics. Land reform under the 1953 West Bengal Estates Acquisition Act, whose objective was to facilitate official land acquisition, was frustrated when ownership was capped at the individual level instead of the family's, thereby encouraging massive benami property transfers. Highlighting and sharpening economic differences in the countryside, this also sowed the seeds of the Naxalbari insurgency, India's most violent political movement in recent times, which Union home minister Amit Shah claims to have at last brought under control. Mr Shah complains — not without some justification — that under Marxist and Trinamul patronage, Kolkata has degenerated into a "*Jhoparpatti ka Sheher*", or city of slums. Its vast municipal corporation is accused of having become even more heavily corrupt and dysfunctional under the stranglehold of political goons.

A report in the *Harvard International Review* once claimed that the effects of the Bangladesh genocide of 1971 "still resonate in the present" and that "genocide is a persistent problem". American social activists want Resolution 1430 "Recognising the Bangladesh Genocide of 1971", which US Representative Steve Chabot introduced in the US House of Representatives in 2022, to become law. The BJP's Tathagata Roy quotes Rafiuddin Ahmed, one of B.C. Roy's ministers, a renowned dental pioneer who was also a Muslim, as writing in *The Bengal Muslims 1871-1906: A Quest for Identity* that "a dominant feature of the 19th century Islamisation was the attempted rejection of virtually all that was Bengali in the life of a Muslim as being incompatible with the ideas and principles of Islam". No wonder a Bangladeshi politician confessed that his choice of ancestor lay between an Arab pirate and a Namasudra convert. The "*Ekushey February*" language revolt left Bangladeshis feeling that West Bengal's submissiveness had surrendered the linguistic battle to Tamils.

Given Mr Yunus' American connections — with both Bill and Hillary Clinton being special friends — it is not surprising that he shies away from ideology and instead invokes common sense and pragmatism. "All human beings are born as entrepreneurs" is probably his most famous philosophical statement, arguing that naturally creative and resourceful humans are not born to seek jobs. He believes everyone has the capacity to create their own opportunities.

Given this adventurous spirit, his Dhaka has moved away from its earlier provincial image of emulating the metropolis. No longer do Dhaka Club employees boast of matching the city's equivalent of Kolkata's famed Calcutta Club. The new pride in the city and its amenities even sounds abrasive. When I ordered smoked hilsa (a delicacy the British left behind, the hilsa being a freshwater South Asian fish) for a foreign guest at what veterans in Dhaka call "The Intercon", the snooty Bangladeshi maitre d' offered me smoked salmon instead. "We don't serve local fish!"

With over a million residents abroad, and politically important in countries like the United Kingdom, Bangladesh is the sixth largest migrant sending country globally, and the eighth largest remittance-receiving nation. At one time, Calcuttans proudly told each other that the great Lenin himself had predicted "the road to world revolution runs through Peking and Calcutta". He hadn't, wrote Geoffrey Moorhouse in his not unsympathetic account of the city. But Kolkata had moved on by then to conclude that all god-fearing Communists knew that it was Dhaka that the road really traversed.

But Calcutta or Kolkata, the city's revolutionary vision seemed to come true briefly in 1948 when Soviet commissars, Australian ideologues, French trade unionists, Viet Minh soldiers, Yugoslav revolutionaries and Malayan Chinese guerrillas flocked to the grandiloquently titled "Conference of Youth and Students of Southeast Asia Fighting for Freedom and Independence" in a cluster of hutments that American troops had used as a wartime hospital. Inspired in Calcutta, they secretly fanned out to ignite the flames of revolution in Malaysia, Indonesia and the Philippines.

That revolution failed, leaving Dhaka with the Yunus-Rahman heritage of American-tinged pragmatism while Kolkata still struggles with ancient isms.

The writer is a senior journalist, columnist and author

LETTERS

IS BJP SERIOUS?

So an appeal to serve Bengal has been tendered by the state Opposition! Well, these Bengali lovers had every opportunity to serve the state since 2014. Yet lakhs of crores of dues have been openly withheld, not a single berth has gone to a Bengali in the Union Cabinet and there has been no criticism of the torture inflicted on the community in several "double engine" states. Well, why don't the Bengali lovers tender an unconditional apology for this economic deprivation, provide space to Bengalis in top-tier governance and treat West Bengal at par with other states? Three more years is still time enough to serve the state.

Kajal Chatterjee
Kolkata

PUT CITIZEN FIRST

THE CONSCIENCE of a society is often unsettled not by everyday hardship, but by those stark incidents that expose the fragility of its systems. One such distressing episode unfolded in Odisha, where a man carried the skeletal remains of his deceased sister to a bank to access funds in her account. It reveals about the distance between institutional procedure and lived reality. At the heart of this episode lies a cumbersome framework governing death verification and financial claims. While banks require formal documentation such as death certificates, nominee details or heirship proofs, many citizens remain unaware of these processes. But even when aware, bureaucratic delays, inaccessible offices and procedural rigidity often turn compliance into an ordeal.

Vijay Singh Adhikari
Nainital

TRUMP'S FAULT

THE RECENT attempt on Donald Trump's life is a stark reminder of how dangerous political hostility has become. When words are used to provoke anger instead of encourage understanding, democracy loses its balance. Leaders and public figures must remember that speech shapes society, and careless remarks can fuel division. The call for restraint is not about silencing opposition but about restoring respect in public life. America's strength lies in debate guided by fairness, not hatred. This moment demands reflection from all sides, a return to empathy and reason, and the recognition that true leadership begins with the courage to calm rather than inflame.

Babu Krishna
Bengaluru

Dilip Cherian
Dilli Ka Babu

Noida airport's avoidable CEO mess: Samra to stay or go?

The Noida International Airport story has taken yet another sharp turn, and not the kind you want when you're preparing for take-off.

Barely days after the Bureau of Civil Aviation Security (BCAS) refused security clearance to CEO Christoph Schnellmann, the airport moved swiftly to plug the gap. Nitu Samra, until now the chief financial officer, has been appointed interim CEO effective immediately, while the board begins the search for a permanent replacement.

This wasn't exactly a bolt from the blue. The writing had been on the wall for a while. India's aviation security rules are unambiguous: the head of a greenfield airport must be an Indian national. Schnellmann, a Swiss citizen who had led the project since 2020, simply didn't meet that requirement, and attempts to bend the rule went nowhere.

The result? A last-minute leadership reshuffle at a critical stage. Schnellmann has now been moved upstairs to the board as executive vice-chairman, a face-saving transition that preserves continuity while ticking the regulatory box.

Ms Samra's appointment, meanwhile, is less a bold new direction and more a practical fix. She's been part of the project since 2021, handling finances, governance, and the nuts and bolts of getting the airport ready. She's an insider stepping in to steady the course.

But the larger takeaway is harder to ignore. For a marquee infrastructure project that's already seen delays, this episode underscores a familiar Indian story — regulatory compliance catching up late in the day. The rule wasn't new. The consequences, however, have arrived right when the airport is supposed to be gearing up for launch.

It is hoped this course correction clears the final hurdles. The airport needs a departure schedule and not another headline.

A STEADY HAND AT CCI

At a time when India's markets are evolving at breakneck speed, stability in regulation matters. The appointment of Rakesh Bhanot as acting director general of the investigation wing at the Competition Commission of India (CCI) delivers exactly that. Yes, it's an interim arrangement. But in regulatory terms, "acting" doesn't mean inconsequential.

The DG's office is the CCI's investigative core, where cases are built, dominance is tested, and market behaviour is scrutinised. With ongoing probes spanning aviation, e-commerce, and Big Tech players like Google, continuity is critical. Any gap at the top risks slowing down momentum in matters that are already complex and time-sensitive. That's where Mr Bhanot's appointment works. As an insider familiar with the system, he brings immediate operational continuity, and in a pipeline of long-running investigations, that matters more than titles.

It also reflects a measured approach. Rather than rushing a full-time appointment, the system is keeping the machinery running while the selection process plays out.

India's competition landscape is only getting more intricate, especially with stronger enforcement powers and rising scrutiny of digital markets. In that context, a steady hand, even in an acting capacity, is not a compromise. It's a considered choice. Sometimes, holding the line is the real job.

A DIPLOMATIC WIN, WITH ONE LOOSE END

India has, over the years, built a credible reputation for stepping in to protect its citizens abroad, whether stranded workers, students in conflict zones, or professionals caught in legal trouble. That reputation rests on a series of real, tangible successes. Which is why this case stands out.

When India secured the release of seven former naval officers from Qatar earlier this year, it was rightly seen as a diplomatic win. The visuals, the sense of relief, and the official messaging all pointed to a job well done. But the picture wasn't complete. Purnendu Tiwari is still in prison.

The official explanation is straightforward. Mr Tiwari, according to the government, is facing a separate legal case involving alleged financial irregularities, which sets him apart from the others who were granted clemency. That distinction may hold legally, but it is harder to reconcile in public perception, where the case has always been seen as a collective one.

After all, these were not eight unrelated individuals picked up independently. Their arrest, trial, sentencing, and eventual diplomatic intervention unfolded as part of a single, high-profile episode. The response was coordinated; the outcome, however, has diverged.

To be clear, no one expects legal processes in another country to be bypassed, nor can complex cases be resolved overnight. Governments operate within constraints. But consistency in outcomes still matters.

If the system could move effectively to bring seven men home, the continued detention of the eighth raises legitimate questions about follow-through. At what point does a "separate case" begin to look like a convenient distinction?

Mr Tiwari's family has been speaking out, pointing to his prolonged incarceration, concerns about his health, and a growing sense of uncertainty. They have now appealed for intervention at the highest level, including from Narendra Modi.

Because unfinished cases have a way of casting a shadow over completed ones. Until this one is resolved, the story remains incomplete.

Love them, hate them ignore them at national peril, is the babu guarantee and Dilip's belief. Share significant babu escapades dilipcherian@hotmail.com.

LIVE RICH
FINANCIAL Chronicle
LONDON | THURSDAY | 30 APRIL 2026

quick BITES

INDICATORS		%
Sensex	77,496.36	0.79
Nifty 50	24,177.65	0.76
S&P 500*	7,131.30	-0.11
Dollar (₹)	94.83	0.29
Pound Sterling (₹)	128.06	0.40
Euro (₹)	110.97	0.38
Gold (10gm)* (₹)	148,610▼1,417	-0.94
Brent crude ($/bbl)*	116.85	5.02
IN 10-Yr bond yield	6.995	0.21
US 10-Yr T-bill yield*	4.366	0.012

* As of 8:30 PM IST

EPFO to launch portal to activate old accounts

Employees' Provident Fund Organisation (EPFO) will soon launch a web portal to help members track and activate their old and inoperative provident fund accounts, labour minister Mansukh Mandaviya said. The portal, E-PRAAPTI, will enable a member to access an old EPF account, which may not have a universal account number (UAN), and update their profile after UAN linking and activation, he said.

BMW expands Mini portfolio with new launch

Luxury car maker, BMW has expanded its Mini portfolio with the launch of the new Mini Convertible John Cooper Works Pack priced at ₹61.50 lakh at pan India. "The new Mini Convertible has ultimate expression of open-top freedom, and with introduction of the John Cooper Works Pack, we are taking its unmistakable character a step further," said Hardeep Singh Brar, president and CEO, BMW Group India.

Indian Bank posts 5% rise in net to ₹3,103 cr

Indian Bank on Wednesday reported a 5 per cent increase in net profit to ₹3,103 crore for the fourth quarter of FY26 from ₹2,956 crore in same period a year-ago, aided by a decline in bad loans. During the quarter, the bank's total income increased to ₹19,980 crore from ₹18,599 crore a year ago, Indian Bank said. Interest income grew to ₹17,480 crore from ₹15,856 crore in Q4 of previous fiscal year.

Vedanta sees 89% increase in PAT to ₹9,352 cr

Vedanta on Wednesday reported an 89 per cent rise in its consolidated profit after tax (PAT) at ₹9,352 crore in quarter ended March 2026 from ₹4,961 crore in corresponding period a year-ago, citing higher sales volume amid rising global metal prices as well as weakening rupee's exchange rate. The revenue from operations during the fourth quarter also rose by 29 per cent to ₹51,524 crore from ₹39,789 crore a year ago.

Energy prices may rise to highest level since '22

Overall commodity prices to rise 16% in 2026, says World Bank Group

SANGEETHA G.
CHENNAI, APRIL 29

Global energy prices are projected to surge 24 per cent this year, potentially reaching their highest levels since Russia's invasion of Ukraine, according to a report by the World Bank Group. Prices could average $115 per barrel if geopolitical tensions escalate.

The report forecasts overall commodity prices to rise 16 per cent in 2026, driven largely by energy and fertiliser costs, alongside record highs in several key metals.

Supply disruptions, triggered by attacks on energy infra and shipping constraints in the Strait of Hormuz, have caused one of the largest oil shocks in recent history, cutting global supply by an estimated 10 million barrels per day.

Even after easing from recent peaks, Brent crude prices remained over 50 per cent higher in mid-April compared to the start of the year.

Baseline projections place average prices at $86 per barrel in 2026, up from $69 in 2025, assuming disruptions begin to ease by May and shipping gradually normalises by late 2026. However, in a scenario of prolonged conflict or deeper damage to energy infra, prices could average as high as $115 per barrel next year.

"The war is hitting the global economy in waves, first through energy prices, then food, and ultimately inflation, raising interest rates and debt costs," said Indermit Gill, chief economist at the World Bank Group.

Fertiliser prices are expected to rise 31 per cent in 2026, led by a sharp increase in urea prices. This is likely to reduce affordability, squeeze farm incomes and pose risks to future crop yields.

Base metals such as aluminium, copper and tin are also projected to hit record highs, supported by strong demand from sectors including data centres, electric vehicles and renewable energy.

Meanwhile, precious metals are forecast to rise 42 per cent, driven by heightened demand for safe-haven assets amid geopolitical uncertainty.

Rising commodity prices are expected to push up inflation and dampen global growth.

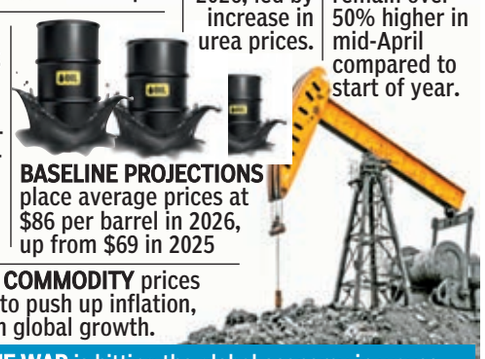
In developing economies, inflation is projected to average 5.1 per cent in 2026, compared to 4.7 per cent last year. Under a high oil price scenario, inflation could rise further to 5.8 per cent. Economic growth in these is now estimated at 3.6 per cent for 2026, down by 0.4 percentage points from earlier projections.

Countries directly affected by conflict will face the sharpest impact, while a majority of both commodity importers and exporters are likely to see weaker growth than previously expected.

DEEP DAMAGE

SUPPLY DISRUPTIONS cutting global supply by an estimated 10 mn bpd.

BASE METALS such as aluminium, copper projects to hit record highs.



FERTILISER PRICES expected to rise 31% in 2026, led by increase in urea prices.

EVEN AFTER easing from recent peaks, crude prices remain over 50% higher in mid-April compared to start of year.

BASELINE PROJECTIONS place average prices at $86 per barrel in 2026, up from $69 in 2025

RISING COMMODITY prices expect to push up inflation, dampen global growth.

THE WAR is hitting the global economy in waves - first through energy prices, then food, and ultimately inflation — raising interest rates and debt costs.
— **INDERMIT GILL**, *Chief economist, World Bank Group*

Uncertainty over energy to test economy resilience

MADHUSUDAN SAHOO
NEW DELHI, APRIL 29

The government on Wednesday said global uncertainties could present an opportunity for India, supported by strong domestic fundamentals and a tradition of strategic autonomy, said finance ministry' in its monthly economic review.

High-frequency indicators suggest the economy remains resilient, though early signs of stress were visible in March 2026, it said.

The ministry described the ongoing West Asia conflict as a significant supply-side shock with implications for inflation, trade and financial flows. It cautioned that prolonged uncertainty, particularly around energy and fertilizer supplies, could test macroeconomic stability. "While the current global drift poses vulnerabilities for most economies, it could present an opportunity for India," the report said.

Despite these challenges, strong domestic demand, policy buffers, a resilient financial system and continued public investment are expected to provide a degree of insulation.

As a manufacturing base, services hub and large consumer market, the country can pursue deeper trade engagement and diversify supply chains, the report said.

On the financial sector, the ministry said stability risks remain contained, with healthy capital adequacy, liquidity and asset quality among banks and NBFCs. The RBI is expected to maintain a proactive approach to ensure adequate liquidity.

India is projected to grow at 7–7.4 per cent in FY2026–27, although the outlook has become more uncertain due to geopolitical developments.

The ministry also warned of supply-side pressures and the risk of demand compression amid rising prices. Inflation could turn cost-push as producers pass on higher input costs to protect margins.

Meanwhile, EY India said that if the Indian crude basket averages $120 per barrel, GDP growth could slow to around 6 per cent, while retail inflation may rise to the upper tolerance limit of 6 per cent set by the RBI.

Its chief policy advisor D K Srivastava said policymakers may need to consider a calibrated response, including a possible repo rate hike and faster diversification of crude sourcing.

Passing on higher energy costs would also be necessary to limit fiscal pressures.

STABILITY RISKS

WEST ASIA conflict is a significant supply-side shock with implications for inflation.

INDIA'S DOMESTIC demand, policy buffers, resilient financial system and continued public investment expected to provide a measure of insulation to economy.

EY INDIA said India's economy in terms of GDP growth may slip to 6%.

EARLY SIGNS of stress were visible in March.

ONGOING CONFLICT in West Asia poses a significant supply-side shock with rising risks to inflation, trade and financial flows

RBI clears auto relief for calamity-hit loans

FALAKNAAZ SYED
MUMBAI, APRIL 29

The Reserve Bank of India (RBI) on Wednesday introduced a framework enabling banks and other regulated entities to extend relief measures to borrowers affected by natural calamities without waiting for individual requests.

In its final directions on Relief Measures in Areas Affected by Calamities, the central bank clarified that only borrowers classified as "standard" and not overdue by more than 30 days at the time of the event will be eligible.

The relief package may include rescheduling of payments, moratoriums, conversion of interest into a credit facility, or sanction of additional finance.

The guidelines will come into effect from July 1, 2026, and will apply prospectively to commercial banks, small finance banks, local area banks, cooperative banks, NBFCs and All India Financial Institutions.

"Lenders may extend relief measures to all eligible borrowers without waiting for a request, with an opt-out option available up to 135 days from the date of declaration of the natural calamity," the RBI said.

The regulator added that borrower accounts that slip into non-performing asset (NPA) status between the occurrence of the calamity and the implementation of a resolution plan can be upgraded to "standard" once the plan is executed.

Additionally, banks will be needed to make an extra provision of five per cent on the outstanding for accounts where a resolution plan is implemented. This will be over and above existing prudential provisioning requirements, subject to an overall cap of 100 per cent.

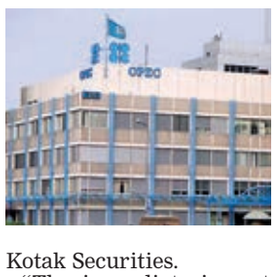
UAE exit from OPEC to reshape fuel prices, supply dynamics

SANGEETHA G.
CHENNAI, APRIL 29

The decision of the United Arab Emirates to exit the OPEC could mark a turning point for global oil markets, with implications for prices and supply dynamics over the medium to long term. In the near term, however, geopolitical tensions are expected to remain the dominant driver of prices.

Market pressures are unlikely to ease immediately, as tanker movement through the Strait of Hormuz remains constrained, affecting around 10–12 per cent of global oil supply and tightening availability.

OPEC's traditional role as a price-stabilising cartel—through production quotas—has been weakening amid shifting geopolitical and economic realities, said Anindya Banerjee, head, commodity and currency research, Kotak Securities.



"The immediate impact is limited as supply flows are already disrupted. The longer the blockade continues, the higher prices could climb," Banerjee said, warning that crude could spike to as high as $150 per barrel in a prolonged disruption scenario.

Even after supply routes normalise, markets may remain tight for up to a year as countries rebuild commercial and strategic reserves following recent drawdowns. This restocking demand, along with delayed supply recovery, could keep crude prices in the $70–80 per barrel range over the next 12 months, above pre-war levels of $55–60.

As one of OPEC's largest producers, accounting for about 4 per cent of global supply, UAE's departure would weaken the cartel's ability to enforce production quotas.

Freed from such constraints, the UAE could raise output in line with market conditions and bilateral trade priorities. It has already been expanding non-dollar oil trade arrangements with key partners such as India and China, signalling a shift away from OPEC's traditional framework.

"The quota system has long been a friction point. The incentive to remain within OPEC is now lower than the benefits of operating independently," Banerjee said.

Over time, other members will potentially reassess their positions.

Crude reaches $115, triggers profit booking

RAVI RANJAN PRASAD
MUMBAI, APRIL 29

Equity markets gave up a large part of their early gains on Wednesday as rising crude oil prices triggered profit booking at higher levels, while the rupee weakened to a record low against US dollar.

Benchmark indices had surged over one per cent in early trade but lost momentum as Brent crude climbed above $115 per barrel amid escalating tensions. Brent futures traded in a volatile range of $110.26–$117.5 per barrel.

The rupee weakened to settle at a record low of 94.82 against the US dollar, reflecting pressure from rising oil prices and global uncertainties.

The BSE Sensex rose to an intraday high of 77,982.51, gaining 1,095.6 points, before closing 609.45 points, or 0.79 per cent higher, at 77,496.36. The Nifty 50 ended at 24,177.65, up 181.95 points, or 0.76 per cent, after hitting a high of 24,334.7.

Foreign portfolio investors remained net sellers, offloading equities worth ₹2,468.42 cr, while domestic institutional investors provided some support with net purchases of ₹2,262.17 cr.

Investors are awaiting the outcome of US Federal Reserve policy meeting.

"Markets saw heightened volatility, with profit booking emerging due to sustained strength in crude prices," said analysts at Bajaj Broking.

Centre plans to allow higher ethanol blends in vehicles

MADHUSUDAN SAHOO
NEW DELHI, APRIL 29

The Centre has proposed to allow higher ethanol-blended fuels in vehicles through an amendment — a move aimed at pushing the use of alternative fuels and cutting the dependence on imported petroleum in the country.

The government is likely to update the technical terminology used in emission norms to reflect the growing adoption of ethanol and bio-fuel blends.

Issuing a notification, the ministry of road transport and highways also said that the draft includes provisions for E85 fuel, a blend of 85 per cent ethanol with petrol, and E100, which would allow vehicles to run on nearly pure ethanol.

As per the government, India has already achieved its target of 20 per cent ethanol blending (E20) in petrol in 2025 and is now looking to increase blending further to reduce costly imports of petroleum products.

"The government wants to cut the import bill and provide affordable fuel like ethanol-blended fuels as an alternative to users, especially in the auto sector," an official said.

DRL GETS CANADA NOD FOR GENERIC OF SEMAGLUTIDE

RAVI RANJAN PRASAD
MUMBAI, APRIL 29

Dr. Reddy's Laboratories (DRL) has received a notice of compliance or NOC (i.e. an approval) from Pharmaceutical Drugs Directorate, Canada (Health Canada) regarding for its generic semaglutide injection, for treatment of patients with type 2 diabetes, the company informed bourses.

The issuance of NOC authorises the commercialisation, sale, and distribution of semaglutide injection in Canada.

Dr. Reddy's becomes first company to receive market authorisation for generic semaglutide injection in Canada, the drugmaker said.

Erez Israeli, chief executive, Dr. Reddy's said, "The approval of our generic semaglutide injection by Health Canada represents a significant milestone in our GLP-1 journey and underscores our expertise in complex product development, peptide science, and our ability to meet stringent global regulatory standards."

Deny extension to ICICI chief: Bhushan to RBI

FC BANKING BUREAU
MUMBAI, APRIL 29

Activist Prashant Bhushan has urged the RBI not to extend the tenure of Sandeep Bakhshi as MD and CEO of ICICI Bank, alleging governance lapses, regulatory violations and labour-related concerns during his tenure.

In a letter to the RBI, Bhushan cited multiple penalties imposed on the lender between 2019 and 2025, amounting to several crores. He listed instances including a ₹12-cr penalty linked to loans sanctioned to entities connected with directors, delays in reporting frauds within prescribed timelines, and issues related to the sale of non-financial products.

The letter also referred to 22 recent fraud cases involving ₹245 cr, a data breach, and HR related concerns, including termination of 782 employees over attendance issues in 2024 and four reported staff suicides.

It cited alleged non-compliance with GST norms leading to penalties and liabilities.

Bakhshi took over as MD and CEO in October 2018 following the exit of Chanda Kochhar.

Bhushan argued that the cumulative effect of these developments indicates a "persistent pattern of non-compliance" and reflects weaknesses in internal controls, risk management and oversight. Such repeated regulatory issues, he said, point to broader governance concerns.

He urged the RBI to decline approval for Bakhshi's reappointment, appoint a suitable alternative, and order a comprehensive governance and compliance review of the bank. The letter also called for stricter regulatory oversight and adherence to internal codes of conduct.

An ICICI Bank spokesperson declined to comment.

A banking analyst said similar concerns are often raised but limited public disclosure makes it difficult for full assessment.

Rajiv to step down from Bajaj Finance

RAVI RANJAN PRASAD
MUMBAI, APRIL 29:

Rajiv Bajaj will step down from the board of Bajaj Finance as a non-executive director, the company informed stock exchanges on Wednesday after its board meeting.

Bajaj has conveyed that he will not seek re-election at the upcoming annual general meeting on July 30. Accordingly, he will cease to be a director from the date of the AGM.

He is the elder son of late Rahul Bajaj, while his younger brother Sanjiv Bajaj serves as chairman and managing director of the company.

The board also approved a proposal to raise funds through debt instruments, including NCDs, by increasing the company's overall borrowing limit.

The proposal is subject to shareholder approval at the AGM.

In addition, the board approved the reappointment of Pramit Jhaveri as an independent director.

On the financial front, Bajaj Finance reported a consolidated profit after tax of ₹5,553 cr for Q4 and ₹19,332 cr for the full fiscal.

Assets under management reached ₹5,09,975 cr as of March 31, marking a 22 per cent increase.

SMART | LOOK

Software update will allow enhancing, reframing images

Apple to upgrade photo tools

Cupertino, April 29: Apple is planning a major overhaul of the built-in photo-editing features for the iPhone, iPad and Mac, leaning heavily on artificial intelligence (AI) to better compete with Android devices.

The company is developing a new suite of tools powered by its Apple Intelligence platform for iOS 27, iPadOS 27 and macOS 27, which to release in September, according to people familiar with matter.

The features will allow users to extend, enhance and reframe images using on-device AI models. Processing typically takes a few seconds, said people.

The Apple's Photos app offers four primary editing options: adjust, filters, crop and clean up. The last of those is the company's only AI-powered tool, enabling users to remove objects from images.

In upcoming software, the company is adding a new Apple Intelligence Tools section to the editing interface. It includes the extend, enhance, reframe and clean up features.

The company is already facing criticism over its first AI editing tool. Since its debut, users have complained that Clean Up can produce inconsistent results — sometimes leaving behind artifacts, distorting images or filling removed areas with inaccurate details.

Apple's broader software updates will focus on two main priorities this year. First, the company is looking to improve the Siri voice assistant and expand other parts of Apple Intelligence. Second, it's seeking to refine its operating systems to boost performance.

Additional AI-related changes in development of dedicated Siri app and a redesigned interface for assistant that resembles a chatbot. — *Bloomberg*

NEW SUITE

COMPANY's photos app offers four primary editing options

USERS CAN extend, enhance, reframe images using on-device AI Models.

APPLE'S BROADER software updates will focus on two main priorities this year.

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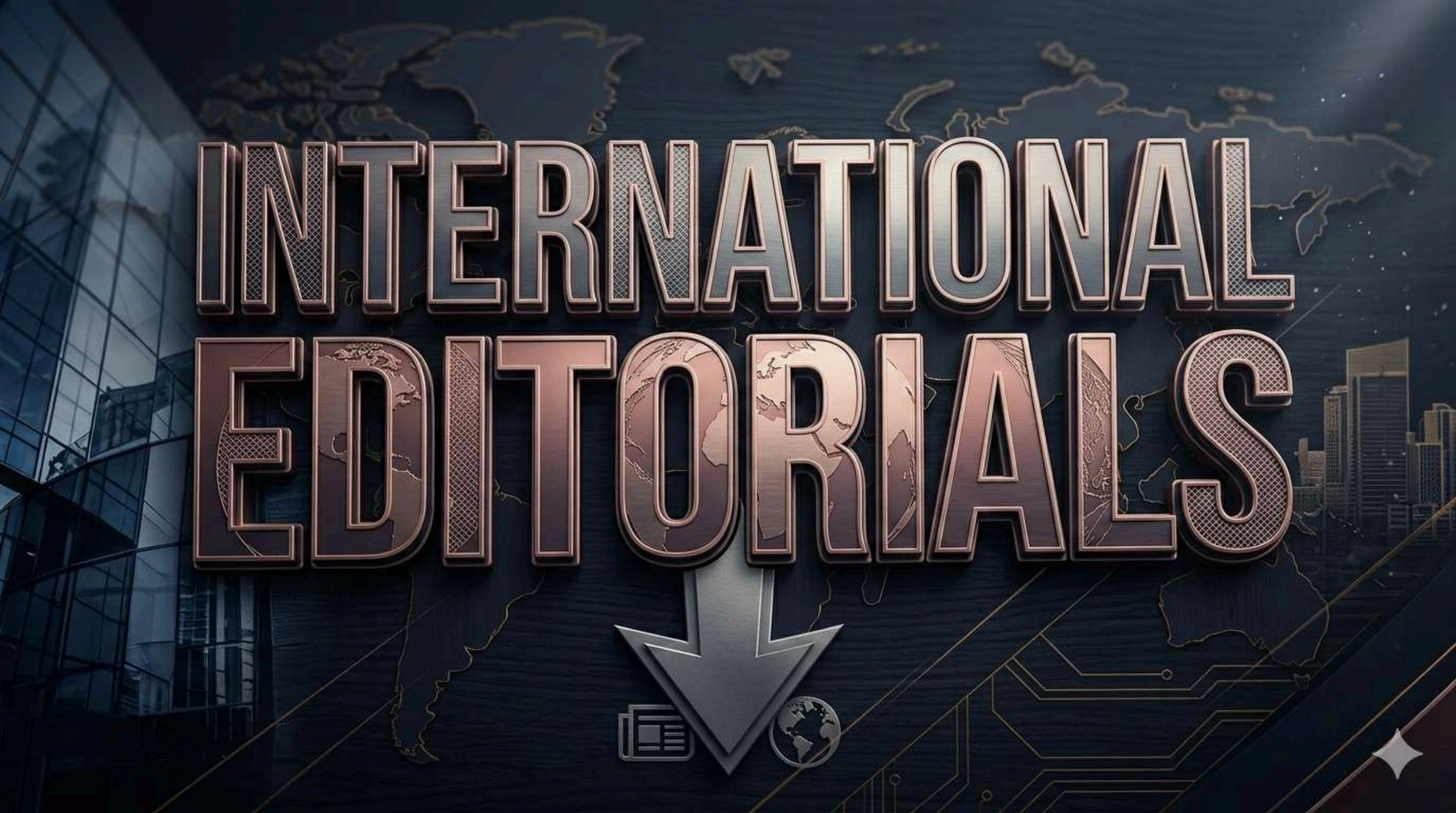

INTERNATIONAL
EDITORIALS

Opinion

The president and the king

Can King Charles III still hold sway with Trump? Courtesy can be tactical as well as virtuous.

Craig Brown

DAVID BISKUP

SUFFOLK, ENGLAND King Charles III of Britain touched down for a state visit on Monday at a moment when relations with the United States are particularly fragile. But despite President Trump being so unpopular in Britain that around half of Britons thought the visit should be canceled, it's going ahead — with increased security, after the shooting on Saturday night at the White House correspondents' dinner.

Winston Churchill's belief, first expressed in 1946, in a "special relationship" between the two countries feels like a broken dream. Is there any reason to believe it might be revived this week?

The king and the president have precious little in common. They are both in their late 70s — Charles is 77 and Mr. Trump is 79; both hold the title head of state; both inherited a lot of money.

Otherwise, they are opposites. The king is soft-spoken, artistically inclined and given to bouts of self-doubt. He wouldn't be seen dead in a baseball cap. The president is brash, loud and boastful. Charles likes to peck away at a small portion of organic vegetables and fish; Mr. Trump prefers a Big Mac and fries.

Their outlooks, too, couldn't be more different. Charles has long worried about climate change. At the COP28 climate summit in 2023, he said that humans are carrying out "a vast, frightening experiment" on the planet, and that unless the balance is restored, "our survivability will be imperiled." Mr. Trump told the U.N. last year that "windmills are pathetic," and called the idea of a climate footprint a "hoax." Charles was an author of a book called "Harmony: A New Way of Looking at Our World." Three years earlier, Mr. Trump wrote one called "Think Big and Kick Ass: In Business and in Life."

Charles is inclined to worry. In a broadcast marking the 100th anniversary of his mother's birth this month, he said, "Much about the times we now live in, I suspect, may have troubled her deeply, but I take heart from her belief that goodness will always prevail, and that a brighter dawn is never far from the horizon." Mr. Trump is confident that force will prevail, even if it means he has to bomb other countries "back to the Stone Ages."

These men are by no means natural soul mates. Nevertheless, there are signs that a British monarch can still hold some sway in the White House. In an interview with the right-leaning network GBNews in November, Mr. Trump said that when he was a child his mother would tell him to be quiet whenever Queen Elizabeth II was on television. "My mother was a great fan of the queen," he said. "Any time the queen was on, she said, 'Excuse me, don't talk. We have to listen to the queen.'" He has described these moments as formative, and said they left him with a lifelong respect for the royal family.

Mr. Trump has praised Elizabeth II's son — only last week he told the BBC that Charles is both "a fantastic man" and "a great man." And after Mr. Trump criticized the British armed forces at Davos in January — for, against all evidence, "having stayed a little back, a little off the front line" in Afghanistan — Charles, who is the head of the British armed forces, was widely reported to have sent a correction to the White House. Around the same time, in a rare course correction, the president released a statement praising "the great and very brave soldiers of the United Kingdom."

Whether from nerves or self-aggrandizement, even confident, successful people presented to royalty often spout an unstoppable stream of gibberish. Terry Wogan, a veteran broadcaster, called it "the Royal Effect." Elizabeth II once asked President Nixon's ambassador to Britain, Walter Annenberg, where he and his wife were living. His verbose reply, recorded on camera, was: "We're in the Embassy residence, subject, of course, to some of the discomfiture as a result of the needs for elements of refurbishing and rehabilitation." The queen maintained a fixed smile throughout. It was all part of her training.

No doubt Charles will employ the same technique while Mr. Trump inevitably rambles on. He is a good listener. Virtually all his working life has been spent asking people polite questions — "Have you come far?" "Have you been waiting long?" "What exactly do you do?" — and smiling and nodding empathetically at their replies.

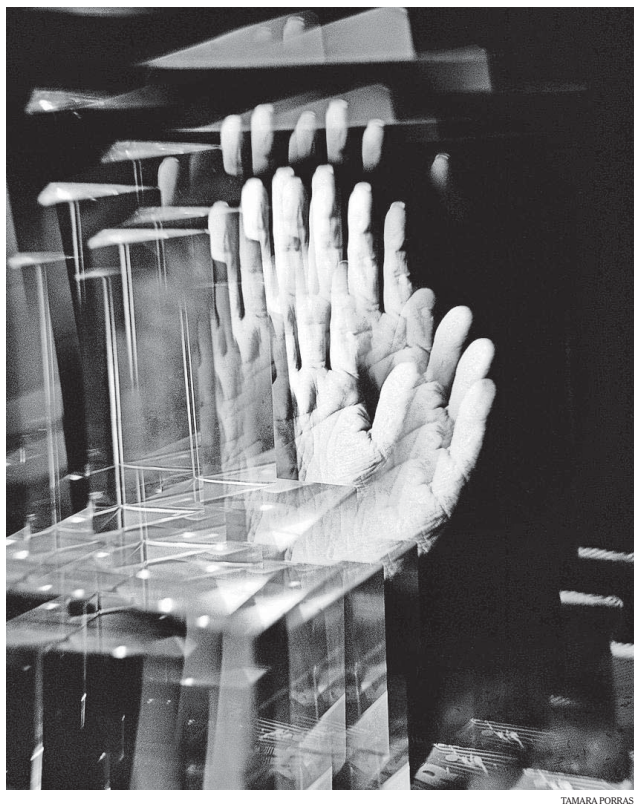
Of course, the trick of the royal family is to make everyone feel special, however brief their acquaintance. Some presidents realize that this is a necessary illusion. Mr. Trump told The Daily Mail, a British tabloid, in 2024 that he'd heard he was the queen's favorite president. Susan Page, the Washington bureau chief for USA Today, interviewed senior officials in the palace and the British

BROWN, PAGE 10

Is there such a thing as a good A.I. company?

The short answer: not really. The long answer: maybe with a little help.

Paul Ford



TAMARA PORRAS

Artificial intelligence can be wondrous, but the technology underneath is more than a little monstrous. It eats up all the words in the world, from blogs to books, often without permission. It burns whole forests' worth of energy, digesting that raw material into its models, and gulps billions of gallons of water to cool down. These are the same qualities we perceive in Godzilla, but distributed. Is it any wonder that the Japanese word "kaiju," or strange beast, has "AI" smack in the middle?

Mere greed didn't get us here. In fact, ethics did. The big A.I. labs' starry-eyed founders believed that the only way to stop the looming threat of a superintelligence that might kill us all was to create an aligned A.I. that would remain fond of humans. A friendly Godzilla could stop bad Godzillas before they got to Tokyo Bay. Sam Altman, Elon Musk and others came together to build the world's defense squad, which they called OpenAI. They built safety teams on which employees spent their days poking at the Godzilla eggs (testing chatbots) to make sure they wouldn't kill everyone when hatched. (One of the heads of those OpenAI safety teams was Dario Amodei, who left in 2020 to help found an even more aligned company, Anthropic.)

Companies are companies. They will, eventually, be expected to turn a profit. Humanistic goals will become subsumed by data-driven metrics. The idea of doing good brings everyone together — but somehow, "good" ends up a conflicted border, with angry people on either side. An A.I. company may want to do good, but it cannot do so on its own. It needs to be guided through rules and regulations.

A good portion of the earlier crop of A.I. thinking came out of the effective altruism movement, which calls for maximizing the good you can do by pursuing research-driven philanthropy. (One prominent practitioner is the incarcerated crypto entrepreneur Sam Bankman-Fried.) It's not a simple credo, but a big part of the ideology is oriented around preventing long-term threats to humanity. For instance, if you believe that A.I. can become self-aware enough to modify itself and get smarter, then you might imagine it would modify itself into a state of total control of all the world's digital resources.

What can you, a bright, nerdy person, do to stop this? Only one thing: Build your superintelligence first and make it good, like you. Whatever your methods, they will seem valid — spinning up crypto schemes, possibly breaking copyright laws so you can feed your model every pirated text on the internet, blowing a hole in the labor market or raising the earth's temperature. Preventing an A.I. calamity is just that important.

Ten years ago, this was normal Silicon Valley conversation — solipsistic and nerdy, a big, expensive thought experiment in which people like Mr. Musk and Stephen Hawking would opine about how A.I. must be built to serve humans.

Then in late 2022, people started to realize that ChatGPT could do their homework. The money exploded.

Fast-forward to the present: Nearly a billion people are using ChatGPT. What appears to be a multitrillion-dollar economic bomb has been unleashed into the world. The loudest voices believe A.I. will either demolish the labor market — creating a jobless dystopia or creating a (similarly jobless) utopia — or reveal itself soon as a huge fraud and a bubble.

With every passing week, there are new fights over what these companies should and should not be allowed to do. Anthropic is suing much of the federal government, including the Defense Department; Mr. Musk is suing OpenAI; The New York Times is suing OpenAI and Microsoft. The nest of A.I.-related lawsuits is so vast that you need A.I. to keep track of it. Social outcry is at a fever pitch, often focused on the rise of data centers increasingly peppering the American map. Someone firebombed Mr. Altman's family home. This is, without irony, a disturbing outcome for an ethical movement designed to protect humanity.

Over three decades of watching the tech industry and watching big companies grow from tiny teams to global powers, I've observed the same pattern: Ethics don't scale up. Tech companies like to start with a mission. Google wanted to connect the world's information; Microsoft wanted to put a computer on every desktop; Twitter wanted to give all people a platform to publish their thoughts. These are good ideas — the

FORD, PAGE 10

OPINION

The New York Times
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Political violence isn't just evil. It's counterproductive.

Michelle Goldberg

Cole Tomas Allen, who was arrested during an attempt to storm the White House Correspondents' Association dinner on Saturday, may be America's first normie liberal terrorist.

The right, naturally, sees Allen as part of a pattern, lumping him in with figures like Thomas Matthew Crooks, who fired on Donald Trump in 2024, grazing his ear; Ryan Wesley Routh, who carried a semiautomatic rifle to one of Trump's golf courses a few months later; or Tyler Robinson, charged in the killing of Charlie Kirk last year. But all those men had weird or heterogenous politics. Crooks was a nihilistic Republican misfit. Routh had a history of violence and a delusional fixation on Ukraine, where he reportedly tried to join the war effort. Robinson seems to have cooked his brain in online fetish subcultures.

But Allen, who on Monday was charged with attempting to assassinate the president, seemed to be a man with remarkably ordinary political opinions. Social media posts that appear to come from him suggest that he despised ICE, cared a lot about Ukraine, and, like the majority of Americans, wanted to see Trump impeached. Far from a radical leftist, he reposted criticisms of pro-Palestine protesters and the left-wing streamer Hasan Piker. He wasn't exactly a standard Democrat — he was registered to no political party, and at least at one point was an evangelical Christian — but from what we know so far, before he showed up at the Washington Hilton, he had fairly mainstream beliefs.

Each act further frays our threadbare social fabric, laying the foundation for authoritarianism.

This makes Allen's apparent attempt at political martyrdom particularly convenient for conservatives who want to stigmatize Democratic denunciations of the president. National Review blamed "the feverish opposition to Trump" for allowing "sundry fanatics and losers to resort to political violence." The Wall Street Journal's editorial board tied Saturday's attack to a political culture in which Trump's opponents have lost "all judgment and proportion." Some nonpartisan journalists have parroted this framing. On CNN, Dana Bash asked Representative Jamie Raskin whether he's thinking twice about "heated rhetoric" against the president, such as calling him "terrible for this country."

I can't really blame Republicans for exploiting the attack; Allen has provided them with an irresistible rhetorical cudgel. The problem, of course, is that Trump is indeed terrible for this country. The fact that people have tried to kill him can't be a reason to eschew frankness about his depravity. Rather, it's a reason to reiterate that even depravity doesn't justify political violence, which is morally abhorrent, socially corrosive and counterproductive.

It's true that the manifesto attributed to Allen contains exaggerated accusations. "I am no longer willing to permit a pedophile, rapist and traitor to coat my hands with his crimes," the manifesto declares. There is no convincing evidence that Trump has ever abused children; all the women who've credibly accused him of sexual assault have been adults. Calling Trump a "pedophile" has become a too-common way to describe the president's intimate relationship with Jeffrey Epstein and coverup of the Epstein files. The manifesto is a reminder that all of us should be more precise in our language. To describe Trump accurately, however, will always sound to some like incitement.

There's a fierce argument in America about whether the right or the left is more violent. Until very recently, there was no contest: The right was. (A 2024 study using National Institute of Justice data found that in the United States since 1990, "far-right extremists have committed far more ideologically motivated homicides than far-left or radical Islamist extremists.") In recent years, however, there's been an uptick in left-wing terrorist attacks and plots.

A report on this phenomenon from the Center for Strategic and International Studies suggests that there's a ratchet at work. It noted that both Republicans and Democrats overestimate their foes' approval of violence, and said, "Widespread polarization and misperceptions that the other side is far more violent than it actually is creates a dangerous environment where extremists can more easily rationalize using violence." Each act of political violence further frays our threadbare social fabric, laying the foundation for authoritarianism.

After any act of political terror, conspiracists will often make "false flag" accusations, and Saturday was no different; as The New York Times reported, uses of the word "staged" soared on X. There is, of course, no defense for spreading disinformation or indulging in ideological self-delusion. Still, we can recognize that people start such rumors because they correctly intuit that violence often discredits the causes that inspire it. The left-wing terrorism rampant in the 1970s helped usher in Ronald Reagan, not socialist revolution. The 1995 Oklahoma City bombing ended up being a boon to Bill Clinton's political fortunes. By attempting to kill Trump in 2024, Crooks helped to elect him. Violence isn't just ethically reprehensible; it's strategically stupid.

At least one person at the White House correspondents' dinner was elated by the chaos the shooter caused. Describing agents running into the room with guns amid screaming and flipping tables, Dana White, the Trump-supporting head of Ultimate Fighting Championship, said it was "awesome — I literally took every minute of it in." Perhaps he understood that the attack had given his movement a gift. Whatever evil the would-be assassin thought he was fighting, all he did was feed it.

ALEKSEY KONDRATYEV FOR THE NEW YORK TIMES

The president and the king

BROWN, FROM PAGE 9

government for her book "The Queen and Her Presidents." She wrote that she asked them about Mr. Trump's claim that he was the queen's favorite and "they responded with startled laughter." The British monarchy has not managed to survive for more than a thousand years without a ruthless sense of self-preservation.

In "The Godfather, Part II," Michael Corleone tells his treacherous brother Fredo that he no longer means anything to him. "You're not a brother, you're not a friend," he says. "I don't want to know you or what you do. I don't want to see you at the hotels, I don't want you near my house. When you see our mother, I want to know a day in advance, so I won't be there. You understand?" Michael issues strict instructions to his aides that nothing should happen to his brother while his mother is alive.

It's a story that might ring a bell. Just a few years after the queen's death, Charles stripped his brother, Andrew Mountbatten-Windsor, of his title and evicted him from his home. The image handed down to posterity will be of Mr. Mountbatten-Windsor slumped in the back of a police car, desperately trying not to be seen.

This week Charles will be smiling benignly and nodding politely, but it's worth remembering that beneath that good humor and politesse there is a layer of steel. Courtesy can be tactical as well as virtuous.

CRAIG BROWN *is the author, most recently, of "Q: A Voyage Around the Queen."*

KENNY HOLSTON/THE NEW YORK TIMES

President Trump and King Charles III on Monday at the White House. During his state visit this week Charles will be smiling benignly and nodding politely, but it's worth remembering that beneath that good humor and politesse there is a layer of steel.

Is there a good A.I. company?

FORD, FROM PAGE 9

stuff of TED Talks. But users show up with their own beliefs and ideas, by the millions. As a tech founder, you end up putting enormous work into making users behave (and stopping them from breaking the law). Lawsuits pour in, saying you did wrong, some because you're a convenient target.

All the while, money keeps gushing in. You start out transparent, sharing your journey, but then before an initial public offering of shares, you must honor the S.E.C.-mandated quiet period and restrict promotional communications. After that, the transparency never quite returns. The market demands a rising stock price. Your company still makes a lot of software, but a huge amount of time goes to tax strategy and compliance.

At that scale, people start to blur together, and human users can become aggregate pools of statistics and growth vectors that go up and down — a mulch into which you plant your products.

The entire culture of American technology is built around two terms: disruption and, of course, scale. But ethics are constraints on disruption and scale. Truly ethics-bound organizations — the U.S. justice system, the American Medical Association, the Catholic priesthood — have hard scaling limits. Their rules run deep, and their requirements to serve are so onerous that only a few people can do the job. Punishments for transgressors include losing their licenses, being defrocked and being disbarred. Software industry people might have good degrees and are often good people, but they are making it up as they go along. They take no oath, are inconsistently certified and can only be fired, not exiled from the trade.

OpenAI set out to be inherently good — a dot-org. But it stumbled into a seam of pure digital gold in the form of large language models. To develop that technology further, it has made a painful, awkward transition to being a dot-com. (OpenAI says the for-profit arm continues to be overseen by the original nonprofit entity.) The subsequent level of drama has been difficult to behold. A few years ago, Mr. Altman publicly called for industry regulation, and he still does, but OpenAI has also lobbied against it — for example, supporting an Illinois bill that, if it becomes law, will limit the liability of A.I. companies in mass deaths.

But regulation is absolutely in the interests of both America and the big A.I. companies themselves. Let me add two more terms people should know: "Google zero" and "model collapse." Google zero (coined by Nilay Patel, the editor in chief of The Verge) is when Google stops sending traffic to websites and just provides an A.I. answer instead. When that happens, websites get less traffic, sell fewer ads and make less money. As a result, they may not be able to produce as much content. Model collapse is related: It's when the A.I. models run out of knowledge to digest. What then? Do they excrete their own prose to redigest? Do they just give up?

Silicon Valley types like to say that data is the new oil. I think that's right in two ways: Data is valuable, but it's also a commodity, and these new A.I. tools are infrastructure. We regulate the electric grid, so why not these?

In this new world, there are so many new things to regulate: Deepfakes, A.I. liability, copyright rules, model bias concerns and ecological costs top the list. And we will also need to protect the digital commons and incentivize people to write and do things online. So there will need to be a very long A.I. bill, and Congress will probably use ChatGPT to write it. At the risk of overstepping, I'd call it the Keeping American Ingenuity, Jobs and Unity Act. Or, the KAIJU Act. I hope that eventual bill's authors consider restoring the web a little, like a wetlands — if for no other reason than we should be feeding our Godzillas healthy discourse, to help settle their nuclear heartburn.

PAUL FORD *is an essayist and a technologist. He is a founder and the president of Aboard, an A.I.-powered software acceleration platform.*

Trump can still get out of this mess

BURNS, FROM PAGE 1

redo in statecraft. There is still, however, an outside possibility of addressing the most acute dangers that Iran poses against its neighbors, the United States and the rest of the world if the administration can prioritize, focus and overcome its addiction to quick fixes.

Second, there is no substitute for harnessing all the instruments of U.S. national security. You never get very far in diplomacy without military and economic leverage. But force alone — without patient, painstaking diplomacy, backed up by good intelligence taken seriously by policymakers — rarely delivers. Nor are negotiations dictation. They almost always involve a complicated, drawn-out process of give and take, in which expertise matters and many different points of pressure are applied.

That will be critical, if the cease-fire holds, for negotiations on the two core challenges: the nuclear issue and the Strait of Hormuz. At the heart of any good deal will be tight nuclear inspections, an extended moratorium on the enrichment of uranium and the export or dilution of Tehran's existing stockpile of enriched uranium in exchange for tangible sanctions relief for Iran. On the reopening of the strait, some agreement involving littoral states and other key global players could help durably protect free passage and generate some revenue for demining and economic recovery — without allowing an Iranian tollbooth.

The United States has a strong hand to play, but a lasting agreement will require imagination, mobilizing allies and partners and expert attention to detail with deeply experienced and occasionally duplicitous Iranian negotiators. Unless the lines are clearly drawn and strictly monitored, the Iranians will paint outside them. We can't afford to wing it.

IOULEX FOR THE NEW YORK TIMES

A last and vital lesson of the conflict is that mowing the grass — using blunt force against immediate threats with no long-term plan for success — has only seeded the lawn with wider problems. The list is long: The Iranian regime is battered but intact, weaker in many respects but even nastier and more hard-line in its instincts. The Strait of Hormuz, geography's strategic gift to Iran, is now a more potent source of influence for Tehran than its nuclear program, ballistic missiles or proxies have ever been. The United States has eroded trust with the Persian Gulf Arabs and with our European allies. Our friends in the Indo-Pacific are economically damaged and losing confidence in American leadership.

The war has also thrown a lifeline to Vladimir Putin, resulting in more energy revenue and diminished U.S. military inventories at a time when Ukraine had been making progress on the battlefield and the Russian economy was facing its own dire straits. Xi Jinping appears to believe the conflict has put China on higher strategic ground as Mr. Trump prepares to visit Beijing in mid-May, giving Mr. Xi an opportunity to extract concessions on trade, technology and Taiwan. And there will be longer-term challenges in the global economy, with a significant lag in impact even if a cease-fire is sustained.

We didn't have to dig the hole this deep. Fortunately, there's still time to put our shovel down, learn some hard lessons and apply them with a little more humility.

WILLIAM J. BURNS *was the eighth head of the C.I.A. A career Foreign Service officer, he served as deputy secretary of state and led secret nuclear talks with Iran for President Barack Obama. He is a past president of the Carnegie Endowment for International Peace.*

FROM READERS

The generations of tears at 'Death of a Salesman'

Re "Why American Jews still weep for Willy Loman," by Eric Alterman (Opinion, April 18):

Mr. Alterman's wonder at why he and his father cried at "Death of a Salesman" (which I have done over the decades that I have seen the play) only confirms my long-held belief: that it changes perspective depending on the age of the viewer.

Sitting in the audience might be a young person who wonders if this is the story of his father. What does he do for a living? Will he be able to support us?

Beside him, his middle-aged father wonders: Will this be my fate? Will I be able to keep my job? Am I a good father? And the grandfather whispers, "There but for the grace of God go I."

No other play, in my opinion, has this ability to be read differently by different generations at the same time. Not Shakespeare, Chekhov, Ibsen or Albee. And this is what makes "Death of a Salesman" timeless.

MASHEY BERNSTEIN,
SANTA BARBARA, CALIF.

Surely you don't have to be Jewish to weep while seeing "Death of a Salesman." It's enough to understand what propelled men like my father and two brothers to embrace salesmanship. Not just as a way to make a living but also — what Arthur Miller understood so well — as a way of life.

My father always told me, "Son, whatever you do in life, you have to sell yourself." Which is why I never wanted to be a salesman.

But that conviction captures the existential nature of salesmanship: Every successful sale is an affirmation of self-worth. My elder brother especially relished the challenge of making a cold call (calling on someone who did not know him or the manufacturers he represented) and walking away having made a new customer.

The downside is that every failure can be interpreted as a failure of self. Isn't that part of what eventually led Willy Loman to take his own life?

I have seen five Broadway productions of "Death of a Salesman," and I know why I cried profusely every time.

KENNETH L. WOODWARD,
CHICAGO

Regardless of how Arthur Miller intended to portray Willy Loman in "Death of a Salesman," over the years many ethnic groups have felt a connection with the doomed protagonist and his family. Such is the power of the play.

Years ago, I heard Miller speak at a Jewish community center in Manhattan. During the Q&A period, someone asked whether audiences should assume that the Lomans are Jewish. Miller said no — and noted with some amusement that when the play was staged in Boston, a local critic praised it as "an honest depiction of the Irish American experience."

PHILIP BERROLL,
NEW YORK

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لا يوجَدُ حزنٌ كبيرٌ يتكلّم
(كوليت الخوري)

YOUR DAILY ARABIC PROVERB

Deep grief is silence ... no profound sorrow ever finds words.

Colette Khoury
(Syrian novelist)

Opinion

Removing Netanyahu must not be rivals' sole aim

HANI HAZAIMEH

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Israel's political landscape is once again entering a period of profound uncertainty, as the emerging rapprochement between Naftali Bennett and Yair Lapid signals one of the most serious challenges yet to Prime Minister Benjamin Netanyahu's long-standing dominance. This alliance, bridging the nationalist right and the political center, reflects not ideological harmony but political necessity — a calculated response to growing public exhaustion with Netanyahu's leadership after years of war, internal division and strategic stagnation.

For decades, Netanyahu successfully cultivated an image of himself as Israel's ultimate security guardian, the indispensable leader capable of defending the state against mounting regional threats. His political survival depended heavily on this narrative.

Rather than building lasting security, Netanyahu's policies have entrenched a dangerous cycle of perpetual confrontation. He has often appeared to manage crises for political survival rather than resolve them through sustainable long-term planning.

This reality has left many Israelis questioning whether Netanyahu's leadership model — built on fear, division and military force — has reached its limits. They will soon get to have their say, as elections are due to be held by Oct. 27.

The Bennett-Lapid alliance emerges directly from this political fatigue. Although Bennett represents a more nationalist and right-wing constituency, while Lapid appeals to centrist and secular voters, both figures recognize that Netanyahu's prolonged rule has become increasingly synonymous with national paralysis. Their cooperation is less about shared political philosophy and more about dismantling Netanyahu's monopoly over Israeli governance.

This alone is politically significant. Netanyahu's strength has long been built on fragmenting his opponents and positioning himself as the only viable leader amid chaos. A unified opposition, even among unlikely partners, threatens this formula.

However, while this alliance may pose a credible electoral threat, it suffers from a fundamental weakness: it appears primarily designed to remove Netanyahu rather than redefine Israel's future.

There is little evidence that Bennett and Lapid possess a transformative political vision capable of addressing Israel's deep structural crises. Their coalition may be tactically effective, but strategy requires more than replacing one leader with another.

The deeper problem facing Israel is not merely Netanyahu as an individual, but the broader political system that enabled and sustained his model of governance. Over the years, Israeli politics has increasingly shifted toward populism, ethnonationalism and the prioritization of force over diplomacy. Netanyahu may have perfected this model, but he did not create it alone.

Removing him without confronting these entrenched systemic dynamics risks little more than a cosmetic transition.

The real question is whether Israel's opposition can evolve beyond anti-Netanyahu sentiment and articulate a new national direction — one that addresses both domestic democratic erosion and the broader regional instability that decades of military dominance have failed to resolve.

Without such a vision, Israel may simply enter a post-Netanyahu era that reproduces many of the same failures under different leadership.

If Bennett and Lapid fail to move beyond tactical maneuvering and confront the foundational crises consuming Israeli society, then Netanyahu's fall may represent less of a political revolution and more of a reshuffling of power within the same troubled system.

Israelis are questioning whether Netanyahu's leadership model — built on fear, division and military force — has reached its limits

COURTESY: AMJAD RASMI/ASHARQ AL-AWSAT

There is a striking contrast between what Israel could and should be and what it has become

Israel marks independence under shadow of war

YOSSI MEKELBERG

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National days are meant to highlight what unites a country: a shared vision, collective values shaped across generations and achievements worth celebrating. They are occasions for unity and camaraderie. This was not the case last week, when Israel marked its 78th independence day.

Instead, the day served as a somber reminder that, under the current government, the country is doomed to face the prospect of years of multifront wars with no clear end in sight. At the same time, divisions among different segments of society have deepened at an unprecedented pace, deliberately instigated from the top of the political system by Prime Minister Benjamin Netanyahu.

There is a striking contrast between what Israel could and should be and what it has become. The longer Netanyahu and his allies remain in power, the further the country appears to be steadily drifting away from the vision of its founding fathers.

In more normal times, Israel's independence day is marked by large public celebrations, including concerts attended by hundreds of thousands, if not millions, of people. This year, however, the mood was markedly subdued. Many municipalities canceled such concerts and other public events.

This year's independence day also fell just months before a general election that could prove one of the most consequential in Israel's history. It may shape not only the country's political leadership but also its broader trajectory.

It could be argued that it is almost impossible to separate Israel's identity from the conflicts with its neighbors — and even more so with the Palestinians. After all, what for Israel is a celebration of achieving self-determination is, for Palestinians, the time of marking the Nakba, their catastrophe of dispossession.

Yet, beyond the conflict, Israel represents a remarkable historical achievement: the establishment of a homeland for Jewish people, the vast majority of them refugees, and the creation of a state with a highly developed, innovative economy, a vibrant society and one of the most powerful militaries in the world.

Despite these accomplishments, the state has struggled in two critical areas, placing it at significant risk.

First, it has failed to secure lasting peace with several of its neighbors, especially the Palestinians, and instead has perpetuated the conflict by entrenching the occupation with the intention of annexing at least the West Bank, if not Gaza too.

Second, it has not succeeded in building a cohesive and unified society grounded in a shared sense of values, one that sees democracy as important as being Jewish and hence ensures equality for all its citizens. What we are now witnessing is a country developing a siege mentality in its relations with the international community and relying heavily on military strength, which also harms its domestic politics.

The main threat to Israel comes from the internal fractures that have been enhanced and exploited by Netanyahu over the past three decades. Instead of using his position to bridge divides, he has cultivated them to maintain a loyal base of support, even in the face of policy failures and allegations of corruption.

If Israel's 79th independence day is to be more hopeful and celebratory than this year's, significant political change is vital. The upcoming election offers voters an opportunity to shape the country's direction. For this to happen, the opposition will also need to up its game and present a credible alternative to the character of the country and how it engages with the world — an alternative that is diametrically opposite to that of the current government.

Opinion

Lebanon: The Israeli project and its regional cost

EYAD ABU SHAKRA

Before the momentum generated by Lebanon's breaking of the taboo by engaging in direct negotiations with Israel began to subside, there began to emerge European reverberations that complemented the projects of Benjamin Netanyahu for the future of the Middle East.

Having last week hosted the negotiation process in the presence of President Donald Trump, Washington's position is understandable. Trump's apparent unawareness that engaging with Israel is prohibited by law in Lebanon shows that the negotiations' "program" had been set by another party, with Washington adopting it in full.

The country's current divisions are perhaps the worst since the civil war that erupted in 1975

In reality, this program is the product of joint efforts between Israel and Lebanese-American groups aligned with it — groups that played a similar role during the 1982 invasion and the May 17 Agreement of 1983. Today, Netanyahu seeks to achieve one of two desired outcomes, or both: a civil war leading to partition and fragmentation or full occupation backed and endorsed by the West.

The general atmosphere in Lebanon is unsettling. The country's current divisions are perhaps the worst since the civil war that erupted in 1975. At the sectarian level, this division is reflected in statements, media appearances and social media discourse.

Within Christian politics, there are signs, particularly the broad support for direct negotiations with Israel, that some Lebanese Christian leaders are highly optimistic about regaining what they have lost over recent decades.

On the other hand, within the Muslim space, many Shiites feel they would be the biggest losers if Israel were to strip them of the political, economic and security influence they gained during the era of Hezbollah's arms and Iran's regional expansion. They also fear that their heavy reliance on Iran may have already cost them what should have been automatic support from their Sunni partners in any confrontation with their "common enemy," Israel.

After losing their successive bets on Nasserist Arabism, then Palestinian fedayeen Arabism and later Saddam Hussein-era Arabism, the Sunnis, who had been politically divided for decades, found stability under the prosperity brought by Hariri-style politics.

But the assassination of Rafik Hariri in Iran-dominated Lebanon and the sectarian dimensions of the Syrian war have reconfigured the Sunni scene. Multiple factions emerged and direct negotiations with Israel are likely to add a dilemma, potentially deepening Sunni fragmentation.

The role of the Druze remains. Though they are among the smaller sectarian components in Lebanon, Syria and the Occupied Territories, they possess highly significant advantages that have allowed them to go on despite their religious isolation for more than 1,000 years, with many of their figures rising to political prominence.

Unfortunately, the ignorance of certain extremist groups has placed Druze communities and regions in the Levant under a kind of demographic, cultural and economic siege. The current Israeli leadership claims concern for the well-being of the Druze and it seeks to exploit their fears of regional sectarian strife by committing to their protection.

A 'global Christian war against Muslims,' as Netanyahu envisions it, would not serve anyone's interests

This claim, of course, finds some resonance among fearful members of the community and those who believe in such "protection." Some have been swayed through social media campaigns. The more prudent among them, on the other hand, tend toward caution.

Going back to the start of this article and the "European echoes" of Netanyahu's projects, which go beyond Iran to include targeting Turkiye and perhaps others as well. Unfortunately, some Western European leaders close to Israel have aligned themselves with these ideas in their statements.

However, in my view, a "global Christian war against Muslims," as Netanyahu envisions it, would not serve anyone's interests, including Israel's. And while Israel's leader may still feel confident in his lobbies' ability to pressure and steer Western governments as he wishes, there are indications that his ambitions could be thwarted.

There is currently a split — even within the American Christian-Jewish base — and it may widen further after Trump.

Moreover, the positions of Pope Leo reflect a complete rejection of the logic of war and hatred. Alongside European reservations, there are also the positions of Russia and China — these are forces that cannot be dismissed.

Finally, in the Arab and Islamic worlds, there remain rational actors who understand the dangers of the current scheme and the scope of its targets. They know that there can be no leniency in the face of plots to aggravate strife, division and fragmentation.

Eyad Abu Shakra is managing editor of Asharq Al-Awsat, where this article was originally published.
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AI growth will not match computer revolution

CARL BENEDIKT FREY

Artificial intelligence startup founder Matt Shumer wrote "something big is happening" in a recent viral essay that captured his industry's swelling confidence that the technology will power the next great productivity boom. So far, the economy has not played along. In fact, since slowing sharply in the 1970s, US productivity has experienced only one brief burst of growth: the computer age. Output per hour surged by roughly 3 percent per year in the late 1990s and early 2000s and then petered out.

AI automates something fundamentally different from what the personal computer did

Could AI be different? In the fourth quarter of 2025, labor productivity grew just 0.2 percent year on year. That is hardly suggestive of "something big."

On the contrary, we would be fortunate to see the technology match even the short-lived computer revolution. Productivity growth will likely underwhelm, not because the technology is weak but because it automates something fundamentally different from what the personal computer and the internet did. More to the point, AI creates a bottleneck that earlier digital tools largely avoided.

Consider what the computer revolution actually automated — faster calculation and access to knowledge. PCs, email, spreadsheets and the web removed friction from the process of finding, storing and transmitting information. A researcher who needed a source no longer had to search in a library or wait for it to arrive by mail. The productivity gains were relatively straightforward because humans could simply substitute the faster method (Google) for the slower one (a library). Information found online was the same as what you would have found on a shelf.

AI automates something different: the production of cognitive outputs themselves — from writing to coding. It often performs these tasks quite well. But because it can also be confidently wrong in ways that look plausible, it creates a tension that those navigating the computer revolution never faced: if humans need to remain in the loop to verify AI outputs, they will still need the domain knowledge that AI is supposedly substituting for.

The deeper issue is not merely that AI can be wrong. It is that the cost of errors is changing. As systems become more agentic — as they act autonomously, rather than just generating text or code in response to discrete prompts — mistakes become more consequential. A chatbot that hallucinates a paragraph is annoying. An agent that changes code, moves money, files paperwork, deletes a database or triggers actions across systems can create real damage at machine speed.

Call it the verification tax. In any setting where someone is accountable for an outcome — law, medicine, regulated finance, engineering or public policy — an AI output is not a finished product. It is a draft that must be checked. The work does not disappear; it shifts from producing to supervising.

The deeper issue is not merely that AI can be wrong. It is that the cost of errors is changing

When the context is complicated and correctness is hard to observe, the verification burden can overwhelm the benefit. A randomized trial of experienced open-source developers working on their own repositories found that access to frontier AI tools made them about 19 percent slower — largely because their time went into prompting, waiting, reviewing and correcting.

These results imply that AI's payoff depends on task structure. Where errors are cheap and outputs are easy to test, AI can accelerate work. Where mistakes are costly and correctness is hard to observe, the bottleneck shifts from "doing the work" to "certifying" it.

This framing also clarifies a longer-run risk. If firms respond to AI by hiring fewer junior lawyers and analysts, training less and assuming the machine will handle the first draft, they erode the very expertise needed to check the machine's output. The organization will look leaner until the hidden error surfaces in public.

What, then, would it take for AI to deliver broad productivity gains, rather than a lot of activity and a pile of unpriced risk? The answer is verification infrastructure. For example, a federal judge in Texas now requires lawyers to certify that any AI-drafted language has been verified using traditional legal research.

A similar shift is needed across white-collar work. If companies want AI agents to change code, move money and file paperwork, they will need provenance for claims, audit trails and clear standards of due diligence. Such institutional change does not happen at the speed of model releases. Until regulations, compliance departments, professional norms, insurance and courts catch up, AI's potential will remain limited.

Carl Benedikt Frey, associate professor of AI & Work at the Oxford Internet Institute and director of the Future of Work Program at the Oxford Martin School, is the author of "How Progress Ends: Technology, Innovation, and the Fate of Nations" (Princeton University Press, 2025).
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EDITORIALS

Shedd Aquarium is up there with the Cubs when it comes to visitors. More power to the fish

Americans, fresh, salty and otherwise, love to watch fish.

What other explanation could there be for the more than 2 million people who showed up in 2025 to Chicago's 95-year-old Shedd Aquarium?

That's more than the combined seasonal attendance at the Chicago White Sox, four times the numbers that attended Chicago Bears games at nearby Soldier Field and a total that handily tops the other museums in Chicago, including the world-class Art Institute of Chicago.

Many Chicagoans first visit the Shedd as part of a school group, many of which were in evidence when we recently toured the aquarium, much of which is under construction. But, impressively, more than half of that 2 million is is made up of out-of-state visitors, and it's hardly some elitist crowd; all walks of life could be seen on our visit, clearly in the tank for the fishes, penguins and sea otters.

The Shedd benefits from what people in the entertainment businesses call "clearance," meaning the lack of any credible rivals within an easy drive. Unlike the ubiquitousness of sports franchises, the only aquariums generally seen as comparable to the Shedd are no closer than Atlanta, Baltimore and Monterey, California. The Shedd has oceans of Midwestern landmass to itself and, of course, it combines its stellar reputation with an enviable lakefront location.

Slowly but surely, the Shedd has taken better advantage of its positioning; we noted that the renovation in progress will open up windows offering Lake Michigan views that have not been seen in decades. And, over the years, the sexier saltwater tanks have been paired with living representations of the Great Lakes, which contain far more life than many assume. President Bridget C. Coughlin described this to us as indicative of the Shedd's desire to "honor our geography," and every Chicagoan should be down with that.

The Shedd dates back to 1930. That's just before the feds finally fingered Al Capone and a year synonymous with a Chicago era when "sleeping with the fishes" did not reference a sleepover at the Shedd.

But the Shedd outlasted the mobsters and Lord knows what else in its home city's colorful history and now is trying to raise $500 million over eight years in honor of its pending 100th anniversary in 2030. Already, it's blowing up its own footprint to explore, in Coughlin's words, "how we can serve more people in the same square footage." At the same time, the Shedd is one of Chicago's most overlooked historic buildings and a good chunk of the $300 million being apportioned for the facility is aimed squarely at preservation, including restoring the terracotta detailing from 1930 and opening up new vistas and rooms within its neoclassical beaux arts structure.

As the rest of the construction barriers come down by the end of 2027, Chicagoans will get to enjoy anew the Shedd's marine-themed architecture, replete with representations of fish, dolphins and Neptune's trident. Much already is newly visible.

Museum staffers told us that they believe sea creatures are empathy-building organisms with a unique capacity to make people care more about the quality of the water that covers about 71% of our planet. After all, we're all likely descended from the now-extinct, lobe-finned sarcopterygians that summoned up the courage to climb out of the water and onto land, even breathing oxygen through their small, internal air sacs, the precursors of our lungs.

Lots of people known the phrase farm-to-table. Fin-to-limb is less discussed, yet more central to our collective existence.

At the Shedd, they like to point out that most of us have a "very land-based view of the world" (guilty, right here), a bias for which there is little excuse for those of us who live and work so close to the shores of a truly great lake that endlessly fascinates us with its changing whims and moods, sometimes benign, sometimes riled up, sometimes downright predatory. Every Chicagoan, surely, has had an out-of-town guest who remarked that Lake Michigan was really more like a sea. They're right; we locals just forget.

The Shedd is, of course, part of the larger Museum Campus, which still has issues of accessibility and far too limited public transportation options. We're glad Chicago Park District CEO Carlos Ramirez-Rosa is working on redeveloping neighboring Grant Park to better relate to the museums at the lakefront, and we'd like to see that much-discussed footbridge over the daunting DuSable Lake Shore Drive at Buckingham Fountain get quickly built. Much else could be done to expand the water transportation options to the Shedd and its neighbors.

Simply put, access to the Museum Campus needs rethinking for an era of Waymo (coming, like it or not) and rideshare, not to mention more people cycling or on scooters. Along with affordable parking, it needs better public transportation, whether that is dedicated bus service or some kind of tram or light rail. All of this, of course, would also serve the redevelopment of Soldier Field, post-Chicago Bears. Navy Pier, where access has been greatly improved, could serve as a helpful model here for the attractions to its south.

As the warm weather arrives, the Museum Campus will suffer mightily from congestion, especially the case when big events like Lollapalooza are happening nearby. And for someone in a Loop or North Michigan Avenue hotel, the journey over there to see the fishes can look daunting.

That did not stop 2 million people, though. The Shedd funds more than 75% of its budget at its own ticket counters, a healthy ratio that few nonprofit cultural organizations can match.

Coughlin told us that she wants the Shedd, which has often kept too quiet for its own good, to be "part of the strategic vision of the city." With an economic impact worth north of $300 million to Chicago, that is something it has earned.

SCOTT STANTIS/FOR THE CHICAGO TRIBUNE

Exterior of a portion of the Shedd Aquarium in Chicago currently under construction on April 22. CHRIS SWEDA/CHICAGO TRIBUNE

Indianapolis acts on school consolidation. Chicago refuses, despite a projected deficit

School's almost out for summer, great news for class-weary kids looking forward to a break.

For Chicago Public Schools, though, the year is winding up in the red.

CPS is projected to end the current school year with a $45 million deficit, WBEZ reported, following a $102 million deficit last year, a shift that returned the district to deficits for the first time since 2017, when the state updated its school-funding system. In the years that followed, $2.8 billion in federal COVID aid propped up CPS spending. That money dried up last year, but it did allow the district to paper over its underlying financial problems for a while.

District officials used one-time COVID cash to fund ongoing costs without aligning spending to a post-pandemic revenue reality. All as the district works to put together a budget, which is projected to face a $529 million — and growing — deficit for next school year.

The problem isn't hard to explain. CPS is now paying for a school system sized for far more students than it serves today. Since 2020, CPS has added roughly 7,000 employees even as enrollment has fallen by about 8%, as Civic Federation President Joe Ferguson testified last year at a hearing on Chicago Public Schools' finances.

Now would be a good time to have some unpleasant but necessary conversations, such as identifying near-empty schools that should be closed.

CPS is educating a little over 80% of the students it did a decade ago, with enrollment of 316,224 down from 392,285. By the Civic Federation's analysis, CPS is using far more building space than it needs: 58% of schools are underutilized, and about 1 in 10 are running at one-third capacity or less. CPS spends thousands more per student at these nearly empty schools — roughly $5,000 more in elementary schools and more than $12,000 more in high schools.

In the face of such realities, the Chicago Teachers Union and Mayor Brandon Johnson speak of school consolidation as if it's unthinkable. But it's inevitable.

Indianapolis, just 180 miles southeast of here, serves as a cautionary tale.

Indianapolis' consolidation story gained momentum several years ago, when IPS closed multiple schools amid a structural deficit and declining enrollment. But the steps were too tepid for Republicans who dominate state government.

In 2025, the state legislature considered dissolving the district entirely before ultimately creating a new agency — the Indianapolis Public Education Corporation. In this restructuring process, the new agency of mayorally appointed members will control IPS facilities, transportation, and wield key financial powers for both IPS and charter schools.

This isn't just a budget fix, it's a governance workaround designed to move faster on decisions elected school board members have struggled to make.

What happened in Indianapolis is unlikely to be replicated in Chicago. Indiana's approach depends heavily on mayoral control and alignment between city and state leaders — conditions that don't exist here.

If Chicago continues to avoid consolidation, however, the pressure for more drastic fixes will grow. In Indianapolis, lawmakers shifted significant authority to the mayor.

In Chicago, the risk is losing control of the district altogether.

Talk of greater state oversight already surfaced here when state Rep. Curtis Tarver, a Chicago Democrat, in 2025 introduced a bill to place the district under the state's watch. That bill didn't go anywhere, but it was consequential, coming not from a downstate or suburban conservative, but a city Democrat.

And it's not without precedent, as we wrote after Tarver's bill emerged. In January 1980, Gov. Jim Thompson hammered out a deal with the city, the Chicago Teachers Union and CPS to have the state essentially take over financial decision-making for Chicago's public schools.

CPS itself describes its three biggest financial drivers as increasing labor costs, outstanding pension obligations and aging infrastructure. CPS says it "must divert between $400 and $500 million from the classroom annually to pay for debt service to fund school construction and repairs." That makes little sense for a system with so many empty seats.

Until CPS aligns its footprint with the number of students it actually serves, deficits will persist.

Chicago isn't Indianapolis, and the particulars in terms of public-school politics differ. If CPS' fiscal mess gets to the point, for example, where it's shut out of the bond markets, it's highly unlikely control of Chicago's schools would revert to the mayor.

But the dynamics otherwise are eerily similar. CPS next year will be overseen by a fully elected school board for the first time in its history. Job One for that board will be making these tough decisions.

ON THIS DAY 86 YEARS AGO BALANCE SHEET OF WAR IN THE NORTH

The attack upon Norway and Denmark opened a new phase in the European war. What it portends is a matter about which there are many opinions, amateur and professional. A dispatch to The Tribune from Washington the other day attempted to summarize the judgments of our army's strategists.

They saw a number of reasons to support the view that the German move in Norway was essentially a feint. One was the comparatively small number of German troops involved; not more than 75,000 and probably fewer if the information received in this country is at all correct. Significance was attached to the fact that this relatively small force was entrusted not to an army commander ... but rather to a man of lower rank, Gen. Nikolaus von Falkenhorst, a corps leader.

If the German maneuver was merely a feint ... Hitler's main purpose must have been to pin a substantial part of the British navy to the Norwegian coast ... While much of the British fleet was thus fully occupied ... the Germans might move into the Balkans or ... start operations in the Mediterranean region. ... If the Germans should follow the Scandinavian stroke with an invasion of the low countries ... the British fleet might find itself so heavily occupied elsewhere that it could not interfere successfully ... In any event the diversion of British and French troops to Norway ... would hamper the defense in Belgium and Holland.

Hitler no doubt counted also upon obtaining valuable stores ... From Denmark he could get ... dairy and pork products ... poultry and eggs. ... Both invaded countries appear to have had substantial stores of gasoline, lubricants, and metals ... The invasion placed these materials in German possession ...

Against these gains certain disadvantages for Germany must be listed. ... If Britain and France succeed in driving the Germans from Norway ... they will suffer a considerable loss of prestige. ... German access to the Swedish iron deposits thru Narvik has been prevented. Finally, the occupation of Denmark has provided Hitler's enemies with a new point from which to attack him.

In the main the American army analysts appear to believe that Hitler's position has been strengthened if he intends to launch war on a grand scale thru Holland and Belgium. Unless that is his purpose the disadvantages ... about cancel out any advantages ... So far as the British fleet is concerned ... it can continue to maintain the blockade. ... the fleet can be transferred to western Ireland or even to Iceland without serious impairment of its efficiency.

Tribune editorial board, April 29, 1940

OPINION

The new dawn of federal anti-violence initiatives in Chicago

By Andrew S. Boutros and Christopher C. Amon | SPECIAL TO THE TRIBUNE

"It's Halloween, and somebody is going to die tonight." Those were the chilling words of a Chicago gang member who made good on his threat by firing a hail of bullets into a car on Halloween night in 2009 in Chicago's Humboldt Park neighborhood. A passenger in the car was shot multiple times and died. It's a tragedy we sadly see all too often in Chicago. It also was entirely preventable.

I, Andrew S. Boutros, was then a new assistant U.S. attorney in Chicago when I received a call from an experienced federal agent about a large-scale case that had just been reassigned. Turns out the gang member who committed the drive-by murder had been under federal investigation for months. Prior to Halloween, federal agents coordinated undercover firearm purchases from him and referred the matter for federal prosecution. Federal agents had identified the defendant as highly dangerous and volatile, but the U.S. attorney's office had opted not to charge him then while prosecutors looked for more evidence. The agent soon came to meet with me, and he did not mince words. I heard him; he was right.

Working alongside another assistant federal prosecutor returned multiple indictments charging nearly two dozen members of that violent gang and others. All defendants were convicted and sent to prison. But should the case have sat for as long as it did in the quest for better evidence and case building? After all of our experience, the answer to that question is almost always: No.

As I, Andrew, embark on my second year leading the Chicago U.S. attorney's office and working closely with many law enforcement partners, including Christopher Amon, special agent in charge with the Bureau of Alcohol, Tobacco, Firearms and Explosives, I can now do something about cases that trouble me, such as what happened in Humboldt Park in 2009.

We, Andrew and Christopher, decided to chart a different course, which we will describe here.

With dozens of newly minted federal criminal prosecutors coming on board in Chicago, many with deep experience handling violent crime cases in federal and state courts around the country, we are building the team to do it. Indeed, we will do it, all while we continue to prosecute corrupt public officials, narco-terrorists, drug traffickers, large-scale fraud, corporate crime, government benefit schemes, child predators, human traffickers and other worthy federal targets. Just scroll through our office's news releases from last year and this year — including the first-ever annual report we issued in January: Under fresh office-wide leadership, we are doing significantly more with far fewer resources.

On the violent crime front, there has long been a perception from some in Chicago that federal prosecutors must turn to large-scale conspiracy cases against street gangs as a centerpiece of urban violence reduction. The theory is intuitive: Dismantle the organization, incapacitate its leadership and send a deterrent message that reverberates across the streets. These noteworthy prosecutions, often built under racketeering or similar statutes, are resource-intensive, multiyear undertakings that culminate in sweeping indictments, dramatic news conferences and lengthy sentences. They are also, as a primary strategy for reducing today's street violence, not the principal tool for the job.

If the goal is reducing shootings this week, next month or even this year, the overwhelming evidence based on empirical research and law enforcement experience — including Christopher's more than two decades of experience in multiple cities — as well as common sense, points toward rapid, targeted and responsive interventions that interrupt violence in real time.

Top: Evidence markers are placed on the pavement as Chicago police investigate a shooting at a BP gas station at Marquette Road and Stony Island Avenue in Chicago on Feb. 25. **CHRIS SWEDA/CHICAGO TRIBUNE**

Middle: U.S. Attorney Andrew Boutros at the Dirksen U.S. Courthouse on April 3. E. **JASON WAMBSGANS/CHICAGO TRIBUNE**

Above: Christopher Amon, ATF special agent in charge of the Chicago Field Division, speaks on Feb. 7, 2024, at a news conference to announce a sentence given to a Latin Counts member in connection with a shooting that killed two in 2015. **KYLE TELECHAN/FOR THE POST-TRIBUNE**

If the goal is reducing shootings this week, next month or even this year, the overwhelming evidence based on empirical research and law enforcement experience — including Christopher's more than two decades of experience in multiple cities — as well as common sense, points toward rapid, targeted and responsive interventions that interrupt violence in real time.

This is the strategy that gets results quicker. It's the strategy that reduces violent crime and saves lives. It means measuring success not by the size of an indictment but by the absence of violence and, even more pointedly, the prevention of violence. And with the summer months ahead, it's the strategy that will drive our violent crime initiatives at the federal level here in Chicagoland.

Long-term federal gang and violence cases are built deliberately and painstakingly. Investigations often take years, involving wiretaps, informants, controlled drug and firearm transactions, financial tracing and coordination across agencies. Arrests and charges often occur long after the individuals contributed to cycles of violence and retaliation. That means by the time an indictment is returned, the factual narrative typically reflects a backward-looking account of conduct that may stretch over a decade. That retrospective orientation is inherent to the model. It is designed to tell a comprehensive story of enterprise criminality, not to disrupt the next retaliatory shooting.

Violence, however, operates on a different clock. Most shootings are not the product of hierarchical gang directives or long-term conspiracies; they are reactive, situational and often impulsive. A slight, a social media post, a perceived encroachment on territory, a dispute involving a girlfriend can escalate into lethal violence in hours or even minutes. The individuals involved are frequently known to local law enforcement and community members. What is missing is not information. What is needed is clear deterrence and accountability through immediate arrest, detention and prosecution of worthy targets. Arresting and federally charging a dangerous felon in possession of a firearm before he shoots someone are far more effective — and decent — actions than prosecuting that defendant for murder after he has already killed somebody.

There is also a mismatch in scale. Long-term federal gang and violence prosecutions are designed to take down organizations. But as the data shows, violence is largely concentrated among a small number of individuals and increasingly smaller, yet no less violent and lethal, groups of street gangs and crews. Strategies that focus on rapid, targeted intervention operate at the right level of analysis and on the right timeline. They are not about building perfect courtroom cases; they are about preventing the next act of violence.

When it comes to dangerous offenders, simple and straightforward gun cases spearheaded through violent crime prevention centers like ATF's Chicago Gun Intelligence Center and charged swiftly by federal prosecutors can do more with less to immediately curb violence in Chicago. As the head of ATF Chicago, I, Christopher, have seen firsthand that by leveraging technology such as ballistic evidence, law enforcement can identify the true drivers of violence to intervene early and disrupt the violence cycle. In doing so, we can focus on individuals with extensive criminal histories who illegally possess guns as well as those linked to prior shootings.

Federal law can also serve as a backstop when state prosecutions face complicated legal or factual scenarios, such as self-defense. In those instances, perpetrators can be charged under federal firearms statutes that carry a maximum 15-year prison sentence.

Critically, real-time prosecutions also are far less resource-intensive. A single long-term federal gang case can consume enormous prosecutorial, investigative and judicial resources. Agents are tied up for years. Prosecutors devote substantial time to managing multidefendant litigation, complex evidentiary records and massive volumes of discovery. Even successful prosecutions may not bring about the desired force-multiplier effects. Convictions have frequently resulted in retrials for one reason or another. Lengthy prison sentences imposed years after the crime may not influence other individuals making split-second decisions in volatile situations.

Meanwhile, those same law enforcement resources, if redeployed toward proactive intervention such as gun prosecutions and rapid-response initiatives, can produce swift, predictable justice that is more immediate, measurable, exact and effective in reducing violence, even if they lack major headlines, courtroom drama, celebrated outcomes and obvious career advancement.

Rapid-response strategies are not ad hoc; they depend on structured, robust collaboration among law enforcement partners and prosecutors. In Chicago, when it comes to anti-violence work, we are lucky to have first-rate federal agents and experienced federal, state and local leadership in place at all those levels, including FBI Special Agent in Charge Doug DePodesta, Drug Enforcement Administration Special Agent in Charge Todd Smith, Homeland Security Investigations Special Agent in Charge Matthew Scarpino, U.S. Marshal LaDon Reynolds, Chicago police Superintendent Larry Snelling, Illinois State Police Director Brendan Kelly, Cook County Sheriff Thomas Dart, Cook County State's Attorney Eileen O'Neill Burke, Illinois Attorney General Kwame Raoul and many others.

This shift in mindset took hold in the federal law enforcement community many years ago, even if it has not made its way to some former prosecutors and others who practiced decades ago or never really practiced in this space at all. Those who reminisce about large-scale, multiyear violence prosecutions often speak of a bygone era when prosecutors and defendants operated with beepers, typewriters, fax machines, Dictaphones and cassette players — as opposed to the lightning speed of social media, encrypted messaging apps, drones and other forms of modern technology, such as computers, the internet and smartphones.

The Chicago U.S. attorney's office and the ATF's Chicago Field Division play a key role in providing investigative and prosecutorial muscle for tough-on-crime enforcement that quickly disrupts the cycle of violence and leads to safer streets and fewer victims. The next shooting will not be prevented by a case that will be indicted three years from now. It will be prevented by what happens in the next 24 to 72 hours.

The tragic murder of that young man in Humboldt Park years ago is a prime example of what we speak. But his senseless death has informed the thinking of today's law enforcement leaders, who are working, strategizing and innovating to try to prevent such tragedies from happening again.

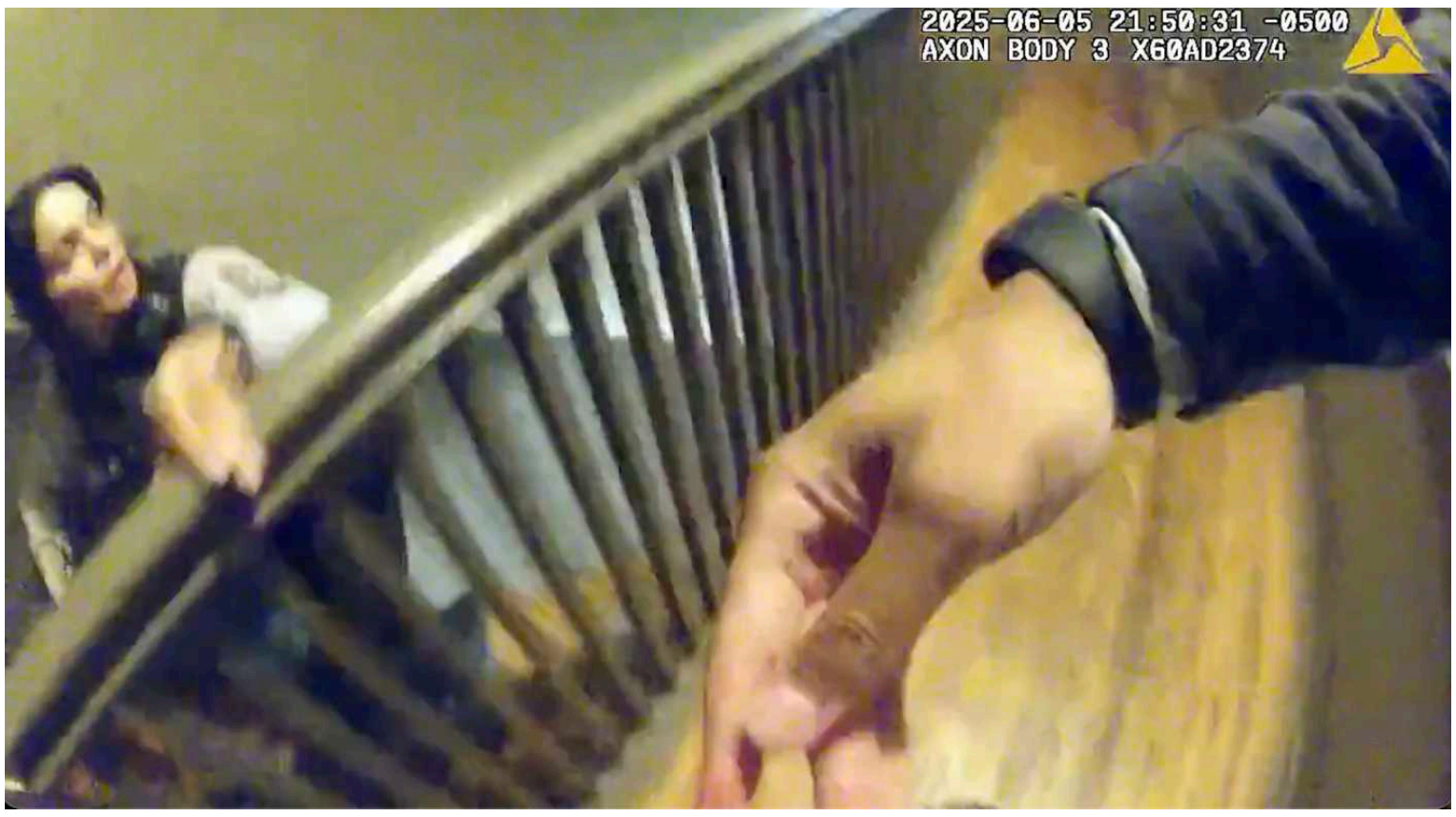
Against that backdrop, at the U.S. attorney's office and ATF, our collective focus squarely resides in acting now, all while upholding the most cherished traditions of our storied offices.

Andrew S. Boutros is the U.S. attorney for the Northern District of Illinois. Christopher C. Amon is the special agent in charge for the Bureau of Alcohol, Tobacco, Firearms and Explosives' Chicago Field Division.

OPINION

As the Krystal Rivera case shows, transparency in Chicago is a work in progress

By Jamie Kalven
SPECIAL TO THE TRIBUNE



An image from the body camera of Chicago police Officer Carlos Baker shows fellow Officer Krystal Rivera following him up the stairs in pursuit of a suspect moments before Baker fatally shot her in June 2025. **COPA**

On the night of June 5, 2025, Chicago police Officer Krystal Rivera was fatally shot by her partner Officer Carlos Baker as they pursued a suspect into a Chatham apartment building. Questions about that night have persisted for more than 10 months. The Civilian Office of Police Accountability's April 17 release of body camera footage partially answers those questions.

This video release marks a telling moment in the city's long-term project of building a transparency regime worthy of the people's right to know. On one hand, it demonstrates the strength of the norms and expectations that have taken hold since the city adopted its current video release policy in the wake of the Laquan McDonald scandal. On the other hand, it reveals the limitations of that policy and the need for further reforms.

Under the policy, video evidence in police shooting cases is to be released within 60 days of an incident. In this instance, it took more than 10 months. That was not, however, due to backsliding by the city. Rather, what derailed the process was a secrecy order imposed by Cook County Judge Barbara Dawkins in the criminal case of Adrian Rucker, one of the two men charged with felonies in connection with the sequence of events that led to Rivera's death. Neither the defense nor the prosecution requested such an order; Dawkins issued it on her own initiative.

Several media organizations intervened to challenge the order. (I was among the intervenors.) On March 27, the Illinois Court of Appeals overruled Dawkins, finding she had exceeded her authority. In doing so, the court made it clear that the city could withhold the videos on other grounds: "Nothing in this decision requires the release of the material named."

The city did not take the court up on that suggestion and should be commended for adhering to its transparency policies in a case that reflects so poorly on the Chicago Police Department. Arguably, Baker should never have been on the police force, and he certainly should not have been partnered with Rivera. While a probationary officer, Baker accrued a sufficient number of troubling misconduct complaints to warrant terminating him — among them, an allegation that he brandished a gun at an ex-girlfriend in a bar.

Even more disturbing, Rivera and Baker had had an off-and-on intimate relationship. According to a wrongful death lawsuit that Rivera's family brought against the city of Chicago and Baker, she had ended the relationship and asked her supervisors to assign her another partner because of Baker's "prior reckless conduct." Her request initially was granted, but she later was reassigned to Baker.

The family's lawsuit alleges that Baker had refused to accept the end of his personal relationship with Rivera and had appeared unannounced at her home the night before he shot her.

Two months after the shooting, Baker allegedly attacked another female officer in an off-duty incident at a bar. It is further alleged that he posed as an investigator in an effort to get surveillance video of the incident from a nearby business. Those allegations finally resulted in his being stripped of his police powers.

That was the context in which COPA released two videos — one that is five minutes and 40 seconds long from Baker's body camera and another that is two minutes and 45 seconds long from Rivera's body camera. The footage reveals that after Baker shot Rivera, 90 seconds elapsed before he acted to render aid or call for emergency aid. When he eventually called dispatch, he did not provide accurate information about what had happened but instead declared: "Shots fired at the police."

Although revealing, the footage released by COPA is also seriously incomplete. Immediately after the appellate court decision striking down Dawkins' secrecy order, I submitted Freedom of Information Act requests to CPD and COPA seeking video footage of the incident. In its April 10 denial of my request on grounds of undue burden, CPD explained that "a minimum of 500 minutes of responsive video" would require at least 41 hours to review before it could be released.

Thus, out of more than eight hours of "responsive video," COPA released around eight minutes and 30 seconds of footage. The issue here is not whether the city is deliberately hiding anything. The problem resides rather in the language of the ordinance that leaves it to the editorial judgment of COPA staff to determine what footage is "related" to an incident and hence of public interest.

Since the city adopted the video release policy more than a decade ago, experience has repeatedly demonstrated the fallacy of limiting inquiry to the precise moment when a police officer fires their gun. Before that moment, we have repeatedly seen how actions by the police can produce the "split second" in which they chose to use lethal force. And after that moment, we have seen how quickly interactions among officers at the scene can generate self-serving official narratives.

COPA to its credit has been moving by degrees away from the "split second" paradigm of analysis, but that welcome tendency has made apparent the deficiencies of the current transparency policy. Once analysis is no longer limited to a narrow focus on the split second, it is not possible to determine relevance until the full investigation is completed, a process that routinely takes a year and often longer.

The time has come to act on this body of experience and revise the ordinance.

COPA should not make editorial decisions about "relevance." Rather, all body camera footage of all officers at the scene (not only the officers directly involved in the incident), as well as all video from other sources, should be released in its entirety.

The core principle is simple: Release it all, and let the public determine what is in the public interest.

Jamie Kalven is founding executive director of the Invisible Institute, which was awarded two Pulitzer Prizes in 2024. His reporting first brought the police murder of Laquan McDonald case to public attention.

This video release marks a telling moment in the city's long-term project of building a transparency regime worthy of the people's right to know. On one hand, it demonstrates the strength of the norms and expectations that have taken hold since the city adopted its current video release policy in the wake of the Laquan McDonald scandal. On the other hand, it reveals the limitations of that policy and the need for further reforms.

Voice of the People

Distracting from child welfare efforts

Professors Sarah A. Font and Emily Putnam-Hornstein's op-ed ("Children are being harmed by Illinois' tepid response to abuse and neglect," April 23) turns a legitimate concern — child fatalities — into a false policy choice between prevention and removal of children from their home.

Every day, in every community across Illinois, front-line child welfare professionals are providing critical help to families with young children.

They're providing them with a vast array of support — everything from mental health counseling to food assistance and emergency child care. I know this because I'm the CEO of Brightpoint, a statewide organization that has served children and families for more than 143 years.

The Illinois Department of Children and Family Services office building at 6201 S. Emerald Drive in Chicago on Jan. 17, 2025. **TERRENCE ANTONIO JAMES/CHICAGO TRIBUNE**

Severe child maltreatment is not reducible to a single cause, and serious child welfare policy cannot be reduced to a single response. Many of the underlying causes — including substance use, domestic violence, mental illness, chronic stress, poverty and social interaction — are often intertwined. In the case of some families, an immediate removal is necessary; other families need earlier stabilizing support. Still others require both, at different points in time.

That is why the most horrific cases should be handled with care in public argument. They demand scrutiny but not overgeneralization. Font and Putnam-Hornstein offer no evidence that the tragedies they cite reflect a broader rise in danger caused by prevention-oriented policy.

Here's the data-backed truth: We can keep children safe and provide families with early support to prevent abuse and neglect. We can fund prevention and help children who are unsafe in their own homes.

We're doing both in Illinois, and it's working.

■ From 2020 to 2024 (the most recent data available), the number of child fatalities in Illinois decreased by more than 35%.

■ During the same period, the total number of child maltreatment victims decreased by more than 10%.

■ And the total number of children in foster care dropped 10%.

To be clear, there is no acceptable number of child fatalities or child maltreatment cases. But these are encouraging data points supporting policy and programs — such as home visiting, Head Start and crisis nurseries — that help keep families together and children safe.

Child welfare makes advancements when we are willing to test what we do not fully understand with discipline and humility and then build policy accordingly. We need more disciplined policy thinking equal to the seriousness of the challenge.

Researchers and academics should be raising the level of the policy debate, not flattening it.

— Mike Shaver, president and CEO, Brightpoint, Chicago

Professors, seek more perspective

The focus of the professors' op-ed is that child maltreatment has not changed. I wholeheartedly agree; it is a chronic, terrible and sometimes deadly problem.

Yet, these authors and their peers such as Naomi Schaefer Riley continually shrink this extraordinarily complex problem to outcomes only — framing broken families in deeply dark narratives of horror, highlighting failures and demanding accountability.

It is time to shift how we perceive the problem.

Prevent Child Abuse America, Children's Trust Fund Alliance and the National Family Support Network are other voices in the conversation examining how social conditions correlate to child maltreatment. There are several national philanthropic agencies, trusted by our American government, pursuing collaborative efforts to help children, families and the systems serving them. These organizations also acknowledge children should be safe in their homes.

When the professors talk about families refusing services, they indicate those services are just (and only) what parents need and that the families' flat refusal makes subsequent child abuse shockingly intentional. Are those the exact services a family needs and can rely on to avoid tragedy?

Chronic social conditions that impede parents' "capacity to provide safe and appropriate care indefinitely" were not created by them.

There are more stories than the meticulously curated horrible ones cited by the professors and their peers. There are stories abounding in hope, growth, and strength, from people with lived experiences. Their perspectives rarely are given sufficient amplification.

Stories are the best way to gain the perspectives of others. Sit with people without titles, perceived influence and clout and talk about problems and solutions together. It is time to abandon the "your problem, our solution" framework. Be Strong Families can help the professors put down the gauntlet and join the conversation.

No single person or family, agency or department can change conditions. It takes a multisector approach, not a siloed one.

Making something great is easier and more meaningful when we build it together.

— Tecoria Jones, secretary of the board, Be Strong Families, Chicago

Support, not separation, is needed

If you were to talk about the child welfare system, would it be an anecdote about your adventurous and accident-prone toddler or a story of shame, fear and anxiety?

If you know anything about the history of the child welfare system, often referred to as the family regulation system, you understand that the way you experience and talk about the system correlates to a very high degree with your race and income level. The family regulation system impacts more than half of Black children over the course of their lifetime, with each intervention carrying the risk of an indication for abuse or neglect or worse — separation from your children.

If these investigations and interventions solely were focused on rooting out physical abuse, few people would dispute their necessity — and as an anti-violence organization, we fully support targeted efforts to prevent abuse. Unfortunately, the system's net has expanded well beyond those targeted efforts, sweeping up cases of children playing outside, accidental injuries that are promptly reported and treated, housing instability stemming from poverty, and survivors of domestic violence who are investigated as wrongdoers and punished for seeking help. In these cases — which, framed as neglect, make up the vast majority of family regulation investigations — the impact of the intervention is almost always more harmful than the alleged conduct, and the impacts fall disproportionately on Black mothers.

Moreover, the sheer volume of these cases distracts from cases in which serious abuse is alleged, making it harder to focus on and serve kids who may be in real peril.

Until you've spoken to parents whose lives were upended by an investigation, it's easy to imagine a system that whisks children out of harm's way and delivers them to a better, safer life. While most of the people who work in the system really do want to help families, research shows that except in very rare circumstances, children have better outcomes with family members than in foster care.

So, despite professors Sarah A. Font and Emily Putnam-Hornstein's call for more family separations, we'll continue to advocate for responses that support Illinois families: legal representation for impacted parents and caregivers, domestic violence advocates partnering with Department of Children and Family Services investigators to serve survivors, and systems that support, rather than separate, families.

— Margaret Duval, executive director, Ascend Justice, Chicago

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OPINION

From 'Fine People' to Assassinations

BUSINESS WORLD
By Holman W. Jenkins, Jr.

In a federal indictment last week the Southern Poverty Law Center, a longtime activist group against right-wing extremism, was accused of shoveling money to a right-wing extremist "informant" to help organize the notorious 2017 melee in Charlottesville, Va. If so, the disclosure by now is hardly even a cherry on top.

Charlottesville has long since come to betray all the cynicism of a pseudo-event. The neo-Nazi organizers knew a similar legal demonstration weeks earlier had ended in a riot when a much larger group of left-wing counterprotesters descended on the small, overwhelmingly liberal city. The city knew what was coming too when it issued the right-wing extremists a new permit. Its police department deliberately would opt to stand back and allow a publicly sanctioned event to be attacked by counterdemonstrators, inviting the state police, mustered nearby, to intervene and declare an unlawful assembly.

In the most neglected journalistic coup of all time, an article days before in the Atlantic provided readers a surprising preview of what to expect in Charlottesville, all the more borne out by last week's federal disclosures. Left- and right-wing violent activists, writer Peter Beinart explained, had become the "unlikeliest allies" in manufacturing such episodes for media consumption.

"The extremist show is just starting," I wrote at the time, as perhaps the only journalist in America not instantly to memory-hole Mr. Beinart's instructive insight.

A young woman would be killed in the second Charlottesville riot. In discursive remarks, President Trump would note that outsiders were exploiting a local debate about a Robert E. Lee statue that featured "very fine people" on both sides, Mr. Trump adding, "I'm not talking about the neo-Nazis or the white nationalists, because they should be condemned totally."

If you later wondered how the press could be so stupid, so gullible, as to fall for the unsourced, implausible, made-up allegations of the Russia-collusion hoax, Charlottesville is your answer.

Lacking is even the unprovability of a negative that collusion thumpers still cite to protect their self-esteem. Mr. Trump's plain and accurate words about Charlottesville can be found in video and transcript form on the websites of news outlets that continue to mislead their audiences about what he actually said. Claiming that Mr. Trump called neo-Nazis fine people is a lie anybody from Joe Biden and Barack Obama on down can repeat with serene impunity.

An old-school Washington Post editor would later lamely wish his paper had treated a former British spy making up Russia allegations as the real story, rather than straining to legitimize claims for which it found no evidence.

That is, he wished his paper had done what an intelligent 9-year-old, in a spirit of science, possessed of curiosity, would have done when presented with a new and unexplained phenomenon.

Left-wing extremists subsidize right-wing extremists because the audience is the media.

But that's not how today's media operates. Readers won't fail to notice that, in the latest assassination attempt on Saturday night, Mr. Trump's assailant offered a sheaf of rationalizations of a predictable kind. They were exactly the characterizations (traitor, rapist, pedophile) that major outlets indulge on air and in their pages because, gee, insisting to their audiences that these characterizations are unsupported by evidence wouldn't be good for ratings or clicks.

Ad nauseam, I've written that Mr. Trump's own defining political trait is his bottomless cynicism: Cynicism about the game of politics. Cynicism about the people who play it. A cynical determination to beat them at their own game of nonstop cynicism.

This engulfing cynicism goes a long way toward explaining a certain American public's appetite for Mr. Trump. You might do worse than notice, in the Trumpian age, the media's overly moist and repetitive celebration of the movie and play "Good Night, and Good Luck," about CBS reporter Edward R. Murrow's challenging of the lies of Joseph McCarthy in the 1950s.

Today's media idealizes exactly what it isn't—being too stupid, to boot, to realize how much its own lying about Mr. Trump legitimized him in the eyes of voters.

Next to the "fine people" hoax, only one thing has struck me as more completely cynical, to the point where I almost couldn't believe what I was watching in real time. In the period 2022-24, this was Joe Biden's deliberate, premeditated helping of Mr. Trump on the path back to the White House. Why? In Mr. Trump, the Biden campaign saw its only slender hope of sneaking its own visibly senile, unpopular incumbent to a second term.

Cynicism, of course, is the stuff of politics and will be until human nature changes. But it's also true that an authoritative news media, defiantly standing as the guardian of the public space against provable, demonstrable lies, can be a check against it. What else might play this role is hard to see, though I guess some are holding out hope for artificial intelligence.

Trump Holds the Cards on War Powers

POLITICS & IDEAS
By William A. Galston

Despite the limited number of U.S. casualties, President Trump's massive attack on Iran is one of the most unpopular wars in modern American history. From the beginning, more Americans opposed the war than supported it.

According to RealClearPolling, opposition averaged 55% in public opinion surveys conducted during the past month, while support averaged 41%. This is unusual. Historically, U.S. wars start with relatively high support, which erodes over time. The Vietnam War and the 2003 war in Iraq enjoyed majority or plurality support for more than two years after the major deployment of U.S. forces, according to Pew Research Center.

The Iran war is shaking the coalition that returned Mr. Trump to power after his four years in political exile. Twenty-six percent of Americans who voted for him in 2024 disapprove of how he's handling the war in Iran, as do 29% of Republicans, according to a Fox News survey in late March. Seventy-five percent of respondents under 30 disapprove of his handling of the war, as do 79% of independents and 79% of Hispanics—groups that swung in Mr. Trump's direction in 2024. Among white men without college degrees, a core part of his demographic base, 57% disapprove.

Although the war lacks broad-based political support, it's likely to continue until Mr. Trump decides to end it, for a few reasons. First, 7 in 10 Republicans still back the president on the war, and most House Republicans represent districts where Republicans are a strong majority of the electorate. Nearly 90% of GOP representatives were elected in 2024 with margins of 10 points or more. Although many of the 23 House Republicans who won by less than 10 points are likely to lose their seats in November, the rest have strong incentives not to break with the president.

Second, presidents now enjoy a structural advantage over Congress on matters of war and peace. This wasn't always the case. Nearly five million Americans served in uniform during World War I. After the war, the U.S. drew down the Army to a minimal level and kept it there for two decades. In 1939 the Army consisted of around 200,000 regular soldiers, fewer than Portugal had. The U.S. mobilized to fight World War II, then rapidly demobilized after it ended. The outbreak of the Cold War, soon followed by the Korean War, halted demobilization and led to the largest standing military in American history. Mr. Trump is only the latest in a series of presidents of both parties to use the military without first asking Congress for permission or immediate funding.

Third, the War Powers Resolution, which Congress devised in response to the Vietnam War to restrict presidential discretion, has proved ineffective. It requires the president to end any war Congress hasn't authorized after 60 days. (The president can request another 30 days to wind down hostilities and withdraw American forces.) But presidents have routinely ignored these provisions, and the judiciary hasn't held them to account. Courts have said that lawmakers don't have legal standing to sue, have told the legislative branch that it has other remedies at its disposal (such as cutting off money), or that such conflicts between the president and Congress present "political questions" beyond the judiciary's competence to adjudicate.

The founders stacked the deck in Congress's favor, but presidents now have the edge.

Under the War Powers Resolution, Mr. Trump's 60-day window closes this Friday, May 1. Most Democrats and a handful of Republicans would probably support a joint resolution to end hostilities against Iran. But even if this resolution passes (the previous five haven't), Mr. Trump is almost certain to veto it, and the two-thirds House and Senate majorities needed to override the veto are beyond reach. The same thing would likely happen if Congress passed a law forbidding the president from using appropriated funds to continue the war. Congress would gain leverage over Mr. Trump only when the Defense Department runs out of discretionary funds and the president is forced to request a supplementary appropriation to continue the war. Until that happens (and no one knows for sure when it will), the president holds the cards.

The post-World War II emergence of the U.S. as a superpower with global reach and responsibilities has changed the constitutional balance between the executive and legislative branches, especially regarding the power to take the nation to war. As president, George Washington asserted the primacy of the executive in foreign policy, but he insisted that because "the Constitution vests the power of declaring war with Congress . . . no offensive expedition of importance can be undertaken until after [Congress has] deliberated upon the subject, and authorized such a measure." Other members of the founding generation who supported a strong executive, including Alexander Hamilton and Chief Justice John Marshall, took the same view. We have yet to devise an appropriate remedy for today's distortion of our constitutional design.

King Charles on the Common Defense

Editor's note: This is excerpted from King Charles III's speech to Congress Tuesday:

The first reigning British sovereign to set foot in America was my grandfather, King George VI. He visited in 1939 with my beloved grandmother, Queen Elizabeth the Queen Mother. The forces of fascism in Europe were on the march, and some time before the United States had joined us in the defense of freedom. Our shared values prevailed.

Today, we find ourselves in a new era, but those values remain. It is an era that is, in many ways, more volatile and more dangerous than the world to which my late mother spoke, in this chamber, in 1991.

The challenges we face are too great for any one nation to bear alone. But in this unpredictable environment, our alliance cannot rest on past achievements or assume that foundational principles simply endure. As my prime minister said last month: "Ours is an indispensable partnership. We must not disregard everything that has sustained us for the last 80 years. Instead, we must build on it."

Renewal today starts with security. The United Kingdom recognizes that the threats we face demand a transformation in British defense. That is why our country, in order to be fit for the future, has committed to the biggest sustained increase in defense spending since the Cold War—during part of which, over 50 years ago, I served with immense pride in the Royal Navy, following in the naval footsteps of my father, Prince Philip, Duke of Edinburgh; my Grandfather, King George VI; my great-uncle, Lord Mountbatten; and my great-grandfather, King George V.

'The threats we face,' he says, 'demand a transformation in British defense.'

This year, of course, also marks the 25th anniversary of 9/11. This atrocity was a defining moment for America and your pain and shock were felt around the whole world.

During my visit to New York, my wife and I will again pay our respects to the victims, the families, and the bravery shown in the face of terrible loss. We stood with you then. And we stand with you now in solemn remembrance of a day that shall never be forgotten.

In the immediate aftermath of 9/11, when NATO invoked Article 5 for the first time, and the United Nations Security Council was united in the face of terror, we answered the call together—as our people have done so for more than a century, shoulder to shoulder, through two world wars, the Cold War, Afghanistan and moments that have defined our shared security.

Today, Mr. Speaker, that same unyielding resolve is needed for the defense of Ukraine and her most courageous people—in order to secure a truly just and lasting peace.

From the depths of the Atlantic to the disastrously melting ice caps of the Arctic, the commitment and expertise of the United States armed forces and its allies lie at the heart of NATO, pledged to each other's defense, protecting our citizens and interests, keeping North Americans and Europeans safe from our common adversaries.

Today, thousands of U.S. service personnel, defense officials and their families are stationed in the United Kingdom, as British personnel serve with equal pride across thirty American States. We are building F-35s together. And we have agreed the most ambitious submarine program in history—Aukus—in partnership with Australia, a country of which I am also immensely proud to serve as sovereign.

We do not embark on these remarkable endeavors together out of sentiment. We do so because they build greater shared resilience for the future.

BOOKSHELF | By Peter Cozzens

An America That Might Have Been

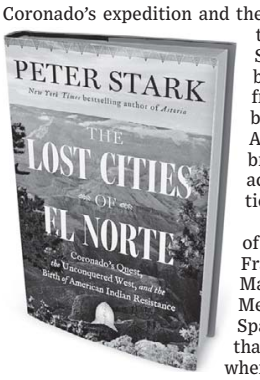
The Lost Cities of El Norte

By Peter Stark
Mariner, 432 pages, $35

It was the summer of 1540. Francisco Vázquez de Coronado and his Spanish conquistadors had marched many miles through the desert in search of the reputed Seven Cities of Gold. They expected to find monumental temples and limitless wealth. Instead they encountered Hawikku, an adobe pueblo in what is now western New Mexico.

Denied entrance by the Zuni inhabitants, the starving Spaniards decided to attack. Coronado climbed a ladder up the pueblo walls in his clanking armor. The Zunis rained stones down on the invaders; one well-aimed boulder struck Coronado's helmet. "He tumbled off the ladder and landed in a gilded heap on the earth," Peter Stark writes. "Another shower of rocks pounded his sprawled limbs while arrows winged around him and into the crevices of his dented armor."

In "The Lost Cities of El Norte," Mr. Stark chronicles Coronado's expedition and the Native American resistance to the Spanish incursion. Mr. Stark, the author of several books about the American frontier, smoothly alternates between Spanish and Native American perspectives as he brings to life his cast of characters along with their aspirations and conflicts.



The expedition grew out of the false assurances of a Franciscan friar. In 1538 Fray Marcos de Niza set out from Mexico City, the capital of New Spain, to investigate rumors that the Seven Cities lay somewhere in *El Norte Misterioso*, the Mysterious North. Nothing excited 16th-century Spaniards like the prospect of gold, and Fray Marcos's report that the Seven Cities existed caused a sensation.

Coronado, a nobleman around 30 years old, set out in early 1540 with 350 Spaniards, 1,500 indigenous allies and five friars. The highborn Spaniards brought slaves and servants. The goal was to find gold and save souls. When the expedition departed, Coronado left behind his 16-year-old wife, Beatríz, whom he had married when she was 12, along with their two small children and a governorship on the frontier of New Spain.

Coronado survived the fight with the Zunis at Hawikku. While he recovered in the captured pueblo, Coronado sent scouting parties in search of the elusive Seven Cities. They found no gold but became the first Europeans to explore the Grand Canyon, the Rocky Mountains and the Great Plains. After Coronado recuperated, he marched east until the Spaniards encountered 12 Tiwa pueblos near present-day Albuquerque, N.M. A brutal campaign ensued. During the winter of 1540-41, the Spaniards destroyed the pueblos and killed hundreds, committing atrocities that contravened a royal dictate that the indigenous be treated humanely.

A Native American informant had told Coronado of a golden land to the southeast called Quivira. The Spaniards journeyed in that direction until a friendly guide told Coronado that Quivira actually lay to the north. Losing faith in the reality of Quivira, Coronado sent most of his men back to the Tiwa pueblos.

With a small party of horsemen, Coronado pressed on to what is now Kansas and found Quivira. He was disappointed to discover it was nothing more than a scattering of agricultural villages. But the land was fertile, and the Native Americans told of even richer soil to the east, ideal for *encomiendas*, as large Spanish-ruled plantations exploiting indigenous labor were called. Turning back to join the rest of his men for the winter, Coronado vowed to return in the spring of 1542.

Coronado's expedition was unable to find the Seven Cities of Gold. Yet his men explored a vast expanse of the American interior.

As the expedition prepared to return to Quivira, Coronado was badly hurt after falling from his horse. Suffering what was likely a traumatic brain injury, he sank into a deep depression. Mr. Stark vividly evokes Coronado's poor condition: "His mind dredged up material to spin into darker thoughts. He was thousands of miles from home, from loved ones and comfort, and the life of a respected aristocrat." Coronado longed for Beatríz and wondered if she had remained faithful. "He lay on his pillows, brooding, for hours, for days, the passage of time dissolving into bleakness, the hearth flames and candlelight playing on his bedchamber walls and transforming the adobe's soft ripples into grotesque figures."

A broken man, Coronado decided to turn back over the objections of many of his noblemen. He made the trip home lying in a horse-borne litter. The expedition failed to find gold or save souls. It did, however, lead to the European discovery and exploration of at least 300,000 square miles. Coronado also inadvertently shaped the course of Native American plains culture when Puebloans captured some of his horses. Those animals were the progenitors of the vast Native American pony herds of later centuries.

Mr. Stark ponders what might have happened had Coronado continued the expedition. He finds it plausible that Coronado could have built a Spanish empire of encomiendas in the American Midwest. With the Mississippi River in his grasp, Coronado could have ensured reliable communication, which might have halted the growth of the future United States.

"The vast region of the West," Mr. Stark writes, "might have evolved into something very different from the largely Anglo-American culture we know today. Rather, it might have been a woven fabric of Indian tribes and Spanish descendants, a composite culture of Indigenous and European, something like today's Brazil." It is a fascinating idea, belied only by the weakness of a Spanish colonial government that eventually proved unable even to hold on to Mexico.

Mr. Stark concludes by imagining a parent, seeing Coronado ride by on a Mexico City avenue, bend down to explain to a child: "He was a great conquistador once. He went off to the unknown lands with a great parade of people and animals. And he came back alone, with nothing."

Mr. Cozzens is the author of "Deadwood: Gold, Guns, and Greed in the American West."

OPINION

REVIEW & OUTLOOK

The Supreme Court vs. Lower Courts

The political left lambastes the Supreme Court for ruling on its emergency docket. But the Justices might not have to step in so often if lower courts didn't keep overstepping their legal writ. Consider the history of two cases the Justices will hear on Wednesday (*Mullin v. Doe, Trump v. Miot*).

The Justices may use migrant cases to rein in defiant federal judges.

At issue is President Trump's termination of Temporary Protected Status (TPS) for refugee Syrians and Haitians—some 360,000 people. Congress in 1990 enacted the program, which authorizes the Secretary of Homeland Security to designate foreign nationals for protection if they cannot safely return to their home countries because of armed conflicts, natural disasters, or other "extraordinary and temporary conditions."

TPS protects foreign nationals from removal and grants work authorizations. Congress required the DHS Secretary to periodically review the country determinations, and it limited extensions to 18 months at a time. But TPS has turned into a form of de facto permanent legal status because presidents have rarely sought to terminate designations.

The number of foreigners protected by TPS tripled during the Biden Presidency as he used the program to protect many migrant groups that flooded across the border. The Trump Administration has since moved to terminate TPS for many countries, only to be repeatedly blocked by lower courts.

The TPS law says there "is no judicial review of any determination of the [Secretary] with respect to the designation, or termination or extension of a designation, of a foreign state." But lower courts have cut a gaping loophole in this statute for lawsuits citing procedural faults under the Administrative Procedure Act.

This has allowed plaintiffs and lower courts to second-guess the Administration's reasons for terminating TPS. A federal judge in New York ruled DHS failed to engage in a "good-faith review of country conditions" before ending TPS for Syrians. A federal judge in Washington, D.C., blocked the Trump termination for Haitians on grounds that DHS failed to adequately "consult appropriate agencies." The D.C. and Second Circuit courts of appeal declined to stay the lower court rulings.

The Supreme Court twice stepped in last year on its emergency docket to stay district court decisions that had blocked the Trump team's termination of TPS for Venezuelans. This suggested the Justices believed the Administration was likely to prevail on the legal merits. Yet lower courts continue to block TPS terminations.

The Second and D.C. Circuits dismissed the Supreme Court's emergency orders as "not dispositive." Yet the Justices stressed in an emergency order last summer (*Trump v. Boyle)* that "although our interim orders are not conclusive as to the merits, they inform how a court should exercise its equitable discretion in like cases."

Our own view on the policy merits is that TPS designations of longstanding should be renewed on grounds that the migrants have built lives and families here. They add to American vitality as long as they avoid welfare and work.

But as a matter of law, the TPS statute precludes judicial review. As Ninth Circuit Judge Patrick Bumatay wrote in another TPS case, when Congress says "no judicial review," it does not mean "no judicial review unless the district court disagrees with the Secretary's internal process."

The Supreme Court scheduled arguments in Wednesday's cases on an unusually expedited basis, perhaps to send a message to lower courts that ignore its emergency rulings. The more lower judges flout the Court's orders, the more the Justices will have to slap them down.

Why the U.A.E. Broke Up With OPEC

What do you know? U.S. shale fracking has achieved Washington's longtime strategic goal of curbing the Organization of the Petroleum Exporting Countries's control over oil prices. The cartel is fracturing, with the United Arab Emirates announcing its exit on Tuesday. This is another foreign policy victory for American fossil-fuel energy.

U.S. fracking and the Iran war are causing the oil cartel to fracture.

The U.A.E. has chafed for years at OPEC's per-country production quotas that are intended to limit global supply and push up oil prices. Saudi Arabia and the U.A.E. are the cartel's two swing producers that have excess capacity to ramp up output, with Abu Dhabi capable of producing 1.4 million barrels a day more than OPEC's quota.

Some OPEC members like Libya, Iran and Venezuela have been exempted from quotas because of internal strife and sanctions, while others like Iraq have exceeded their quotas. Internal discipline has eroded as oil production in the U.S. and the rest of the Americas has surged thanks to new technology and investment.

The U.S. produced 13.2 million barrels a day in January, up from 5.4 million in January 2010. Production over the last two decades has also climbed in Canada, Guyana and Brazil. U.S. fracking pioneer Harold Hamm is making a big bet that Argentina's Vaca Muerta shale deposit could become as productive as the Permian basin in Texas.

The result is that OPEC's ability to fix global supply and prices has waned. In 2014 OPEC tried to flood the market in an effort to drive down prices and squash America's fracking boom. The gambit boomeranged. Some over-leveraged wildcatters did fail. Others were acquired by large producers that caught the fracking wave late.

But plunging prices ultimately forced U.S. producers to become more efficient and competitive. Now U.S. producers can turn a profit at lower oil prices (about $50 a barrel) than what most OPEC countries need to balance their budgets ($80 to $120 a barrel).

While OPEC's control over prices has waned, its quotas have hurt the U.A.E., which has a lower break-even price than other OPEC members. Abu Dhabi has also sometimes clashed with the Saudis because the U.A.E. has been forced to bear a disproportionate share of the cartel's production cuts. To add insult to injury, Iran's production has increased thanks to its quota exemption.

The U.A.E. has previously flirted with leaving the cartel, and the Iran war may be a convenient time to formalize the divorce. Iran's closure of the Strait of Hormuz has rendered OPEC quotas meaningless as producers must throttle back production. The Energy Information Administration estimates production shut-ins will hit 9.1 million barrels a day this month.

Even once the Strait reopens, it will take time for countries to ramp up production, and the world will need all of the spare capacity the U.A.E. can bring. By breaking up with OPEC, Abu Dhabi is also strengthening its ties with the U.S. Critics say the Iran war has reduced U.S. influence in the region, but the behavior of the Gulf Arab states suggests otherwise.

If the U.A.E. exit is a portent, the OPEC cartel may eventually break up on its own under the weight of competition.

The Florida Gerrymander Gamble

After Republicans gerrymandered Texas, and Democrats gerrymandered California, and Republicans did Missouri and Ohio, and Democrats did Virginia, the GOP's parting shot before the midterms is aimed at Florida. Gov. Ron DeSantis on Monday unveiled a House map that's billed as giving Republicans an edge in four more seats, tilting Florida to 24-4. Well, maybe not.

Mr. DeSantis's plan looks remarkably like the existing map, under which eight seats are held by Democrats. It isn't a crime against compactness and aesthetics, the way that Virginia's 10-1 map, supported by Gov. Abigail Spanberger, has that infamous "Lobstermander" to catch the incredulous eye. Yet that doesn't make Florida's proposal any less of a loss for competitive democratic politics.

Kamala Harris won 43% of the state's vote in 2024. As recently as two years earlier, Florida Democrats held 11 of 27 House seats, or 41%. The GOP's gerrymander in 2022, after the last census, squeezed that to today's 29%. Now Mr. DeSantis wants to twist the thumbscrews and leave Democrats with 14%. While Florida is a longtime swing state, it has trended Republican since Donald Trump arrived on the political scene. Yet it isn't *that* red.

If Mr. DeSantis's effort is successful, it will mean more safe seats decided by polarized primary voters instead of the broader electorate in November. But the gerrymander also could fall short of the GOP's expectations. "We probably would rate at least one of the new proposed Republican pickups as a Toss-up, and an additional two as just Leans Republican," say the election handicappers at the University of Virginia's Center for Politics.

Mr. DeSantis's map is designed to wipe out one Democratic seat near Tampa (Rep. Kathy Castor), one in Orlando (Rep. Darren Soto), and two in South Florida (Reps. Jared Moskowitz and Debbie Wasserman Schultz).

But making a blue district more Republican means making a red one less Republican. GOP Rep. Mario Diaz-Balart has a district that Mr. Trump won by 35 points in 2024. As the lines are configured in Mr. DeSantis's proposal, that would have been 18 points, and Mr. Trump would have carried it by a single point in 2020.

How confident are Republicans that November won't bring a blue wave that swamps their House levee? Not so long ago, President Obama won Florida twice. Mr. Trump's success in 2024 included gains among minority voters, and the exit poll says he won 58% of Latinos in Florida. The risk of thinning out the GOP's margins is that a straight-line extrapolation of political trends can turn out to be wrong.

The President's party usually loses Congressional seats in the midterms, as voters react to the White House's political mistakes and policy blunders. Given Mr. Trump's dismal approval rating, Democrats have reason to bet that their gerrymanders will hold up better in seven months than the Republican versions. Meantime, both parties are frustrating the public, which largely hates gerrymandering as an unfair rigging of the political game.

Ms. Spanberger put the Democratic Party's national partisan interests first. Mr. DeSantis is doing the same for Republicans. Maybe one of the parties should try to win by simply being more appealing to voters.

LETTERS TO THE EDITOR

Your Taxes Shouldn't Platform Hasan Piker

Last week, your editorial "Yale Takes Itself to Reform School" (April 20) said the university isn't what it once was. No kidding. Two weeks ago, Yale University hosted a debate with Hasan Piker—a socialist podcaster who sees successful entrepreneurs as a problem for which the solution is to take their money and kill them (in no particular order).

Where socialism creeps in, decline always follows. Mr. Piker has said I should be killed. He has said America deserved 9/11. He wishes for the fall of the "American empire." Different views ought to be welcomed on university campuses, but is that the high-level thought of the supposed intellectual titans known to attend Yale? I hope not. These are the ravings of an America-hating, terrorist-supporting lunatic.

While I'm glad the university at least acknowledged its academic decline in its recent report, failure demands accountability. The Florida taxpayer shouldn't have to foot the bill for any of it.

That's why I'm calling on Congress to deny Yale federal funding.

America is $39 trillion in debt. Yale has a $44 billion endowment and is tax-exempt. The annual cost of attending Yale is roughly $94,000. Half of Americans earn less than $45,000 per year.

You don't need an Ivy League degree to do that math. Why make Americans subsidize a wealthy private school that invites antisemitic socialists who advocate violence?

If Yale wants to host "intellectuals" who call for the murder of their political opponents, that's their choice. They just have no business receiving any of your tax dollars.

Sen. Rick Scott (R.)
Naples, Fla.

Cuomo Helped Create Today's Penn Station

Former Gov. Andrew M. Cuomo is right that Penn Station is a disgrace ("Trump Is on the Right Track on Renewing Penn Station," op-ed, April 23). What he omits is his own role in keeping it that way.

The reason Penn redevelopment stalled isn't just bureaucratic inertia or federal indifference. It's primarily that Mr. Cuomo's plan for the surrounding neighborhood collapsed under its own weight. His financing model to redevelop the station depended on a wave of luxury office buildings in the neighborhood generating the revenue to fund renovation. That bet failed. Post-Covid office demand evaporated, the towers were never built, no one came up with a new plan, and the revenue never materialized.

But Mr. Cuomo's General Project Plan (GPP) also prevented anything from happening above ground. For years that plan has blocked new affordable housing and meaningful development on some of the most valuable and transit-accessible land in the world. We're left with a neighborhood frozen in place, property owners unable to build, storefronts sitting vacant and small businesses locked out.

The result: no station progress, no neighborhood investment, and a vacuum large enough for the federal government to walk right in. President Trump taking over what should be a New York project is the consequence of years of failed leadership.

Gov. Kathy Hochul has a chance to amend the GPP and unlock the Penn area for thousands of units of mixed-income housing, a world-class park to rival Bryant Park, small businesses, and the kind of live-work-play neighborhood this community deserves. That can begin today, years before Mr. Trump delivers his station. But it starts with an honest accounting of how we got here.

Rep. Tony Simone (D.)
New York

Mr. Simone represents New York's 75th Assembly District, which includes Penn Station.

There's No Spirit Bailout Without Congress

Your editorial "A Dispiriting Airline Bailout" (April 24) is correct that there is no economic justification for a government bailout of Spirit Airlines. There is no legal justification either.

A president's executive order won't do the job, and neither can the Treasury secretary. An act of Congress would be necessary, and the current Congress doesn't have the time or interest in another government bailout. Nor should it.

I was on the professional staff of the authorizing committee when Congress passed the Chrysler Corporation Loan Guarantee Act of 1979. I was a Treasury Department official when Congress passed the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987 to save the savings and loan industry. Acts of Congress were required then, and they would be now.

A failing, low-budget airline is best left to the bankruptcy courts and the private sector to resolve under the rule of law. Taxpayers can't afford to subsidize another failing private company. The president should know better.

Greg Wilson
Deputy assistant secretary (1986-89) Treasury Department
Estero, Fla.

Retirement's New Horizons

I read Carol Hymowitz's "How I Became Less Ambitious—and Happier—in Retirement" (Encore, April 20) with real recognition. After working from my mid-30s into my early 80s, I found myself ready, if somewhat unexpectedly, for something new. That "something" became "Fierce Voices: Women Reflecting on the Pleasures and Indignities of Aging," a collection of reflections from 37 women. What struck me most in reading their stories is that there is no single way to age well. They write about the centrality of friendship, the challenge and necessity of continuing to learn, the importance of maintaining agency, and the simple but profound need to have fun.

Like many of the women Ms. Hymowitz describes, I've pushed myself into unfamiliar territory—learning to produce podcasts, to build a website. None of it came easily, but all of it has been energizing. Aging is not just a diminishment, but an opportunity to keep evolving, often in surprising ways.

Diane B. Frankel
San Francisco

While your editorial raises some interesting points, I have a difficult time agreeing with your position since it was the government, albeit the Biden administration, which blocked Spirit's merger in 2024 with Jet Blue. That may not have resulted in a successful new airline, but we will never know, will we?

Robert Oristaglio
Lake Worth, Fla.

It's Worse Than a Tragedy

Your editorial "Oncologists vs. the FDA and RFK Jr." (April 22) quotes a recipient of Replimune's drug for metastatic melanoma, who has been in remission for three years, as saying that it is "unfortunate that others won't have access to such a life-changing medication" because of Food and Drug Administration action. It is far worse than unfortunate. I'd call it a tragedy, but a tragedy is typically accidental or a natural occurrence. Perhaps it is best described as an intentional affliction.

Darryl May
Johns Island, S.C.

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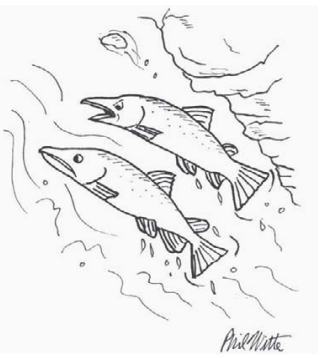
Pepper ... And Salt

THE WALL STREET JOURNAL



"Try doing this while carrying 5,000 eggs."

OPINION

The Trump Tax Increase of 2026

By Phil Gramm And Michael Solon

Republicans are counting on voters being pleasantly surprised by larger-than-expected tax refunds this spring thanks to new tax cuts from the One Big Beautiful Bill Act. Republican lawmakers hope this will ameliorate what Democrats call the "affordability crisis" and make it possible for the GOP to maintain control of Congress. The problem is that although the government is putting money back into taxpayers' pockets on the one hand via tax refunds, it is taking more money out via tariff-driven price increases, leaving Americans worse off financially.

The Trump administration insists that other countries are eating the cost of tariffs. That is a myth. If foreigners were absorbing the costs, import prices would drop: To keep their products at the same prices in U.S. stores, foreigners would have to lower their products' prices to make room for the tariff. Instead, a Bureau of Labor Statistics analysis found that "U.S. import prices were unchanged (0.0 percent) in 2025." It's hardly surprising, therefore, that a Federal Reserve Bank of New York analysis finds that "there is 100 percent pass-through from tariffs to import prices, and therefore on U.S. consumers and firms."

The burden of new tariffs more than offsets the benefit of last year's One Big Beautiful Bill Act.

The Joint Committee on Taxation estimates that taxpayers will receive about a $188 billion reduction in federal tax liability for 2025 that they wouldn't have received if the president's tax cuts hadn't become law. Those refunds and tax benefits, however, have been more than offset by the $195 billion in new tariffs collected in 2025.

Things will get worse in 2026. The Congressional Budget Office projects that Mr. Trump's tariffs will generate $331 billion this year, while the CBO estimates the new tax cuts will save taxpayers $230 billion. Families and businesses will be worse off on net. This will matter in the election. By October, Mr. Trump's new tariffs from his second term will have cost American consumers and businesses $443 billion, while the tax cuts will have provided them with $379 billion. If the president successfully restores his tariffs to the levels where they were before the Supreme Court's decision in February, the tariff tax in 2026 will be 44% larger than the new tax cuts contained in the Big Beautiful Bill.

JOE RAEDLE/GETTY IMAGES

Container ships deliver tariffed products in Fort Lauderdale, Fla.

The Trump administration's economic policies feel like a bad deal to the average American because consumers bear most of the direct costs of the tariff bill while most of the tax refunds go through businesses. The CBO estimates that businesses are absorbing 30% of the tariffs' cost while consumers are paying 70%. But individuals received only $60.5 billion, or 32%, of new tax cuts for calendar year 2025, while businesses received about twice that amount, $127.7 billion.

Those ratios will reverse for 2026, with individuals getting $140 billion and businesses getting $90 billion from the new tax cuts. But the gap between the tax relief and the tariff bill is growing. The business tax cuts in 2025 and 2026 are principally in business investment expensing. Eighty percent of those benefits go to corporations and will accrue to investors, who won't identify the increased value of their retirement funds with Trump tax policies.

Defenders of the president's tariff policies might argue that the tax cuts not only provide new benefits but also extend provisions that would have expired without changes in the law. This argument isn't likely to make voters view the GOP more favorably. If Democrats had won the 2024 election, they likely would have extended many of the 2017 tax-cut provisions that were set to expire. President Obama extended some 90% of expiring provisions from the Bush tax cut, but he didn't get credit for doing so in the ensuing political debate. Instead, critics attacked Mr. Obama for his proposed tax changes. Few taxpayers even knew parts of the 2017 tax cuts were expiring, and no one had his taxes increased. Voters don't give politicians credit for getting back things they never lost.

Mr. Trump clearly believes that using tariffs to replace income taxes would be popular. If he studied the history of tariffs, however, he would know that Americans have always hated them. From Britain's Townshend Acts of 1767, which helped fuel the American Revolution, to the Smoot-Hawley Tariff of 1930, which deepened the Great Depression, tariffs have proved politically toxic.

Voters don't reward politicians for enacting tariffs. In the election that followed the 1890 McKinley tariffs—tariffs that Mr. Trump has cited as a prototype for his own—Republicans lost 93 representatives (including Rep. William McKinley, the tariff's namesake) and four senators. So bitter was the subsequent Republican experience with tariffs that a Republican President, William Howard Taft, pushed for the 16th Amendment, giving Congress the power to impose income taxes as an alternative funding source to tariffs. A Republican Congress overwhelmingly proposed it, and state legislatures ratified it with bipartisan support. Republicans feared the income tax, but they had grown to hate tariffs.

If Mr. Trump had implemented his tax cuts, deregulation and welfare reforms and left tariffs alone, the economy would be booming. His obsession with tariffs has denied us the "golden age" he promised.

Mr. Gramm, a former chairman of the Senate Banking Committee, is a visiting scholar at the American Enterprise Institute. Mr. Solon is a senior fellow at the Hudson Institute.

Pot Reclassification and the Victims of Violent Crime

UPWARD MOBILITY *By Jason L. Riley*

There aren't many issues that unite us politically these days, but marijuana legalization seems to be one of them. In recent years, the number of Americans who smoke weed frequently has surpassed those who consume alcohol as often, according to research published in the journal Addiction in 2024.

"A good 40% of current cannabis users are using it daily or near daily, a pattern that is more associated with tobacco use than typical alcohol use," said Carnegie Mellon University's Jonathan Caulkins, the study's author. Even people who don't indulge have concluded that the criminal-justice system comes down too hard on people who do.

During President Trump's first term he signed the First Step Act, a bipartisan law that reduced mandatory-minimum sentences for convicted drug offenders. Last week the administration reclassified state-licensed medical marijuana as a less-dangerous drug under federal law—removing it from a category that includes LSD and heroin and placing it in one shared by anabolic steroids and Tylenol with codeine.

Anticipating a lucrative new revenue stream to tax, states have led the way in normalizing the consumption of cannabis products. But the Journal reported last year that only about 27% of legal marijuana businesses nationwide are profitable, down from 42% in 2022. Lawmakers have responded by using tax dollars to create and sustain marijuana-dispensary startups.

In 2021, California "dedicated $100 million to buttress struggling legal marijuana businesses," according to Steven Malanga of the Manhattan Institute. New York "created a working capital fund with $8 million in taxpayer money to finance minority entrepreneurs" seeking to open licensed pot shops. Some readers are old enough to remember when politicians and policymakers wanted to remove drug dealers from the streets and discourage substance abuse. Now we subsidize the dealers and play down the negative health effects of their products.

Reclassifying cannabis is "common-sense," according to the Trump Justice Department, yet marijuana today is significantly more potent than it used to be. The primary compound in cannabis that produces the high is known as THC. In the 1960s, the level of THC potency was about 3%. Today the street product averages around 15%, and what's sold in dispensaries can have a potency as high as 90%.

To promote 'social justice,' don't subsidize marijuana dealers. Protect the poor from street predators.

Numerous studies have indicated that heavy marijuana use, particularly in young people, can affect brain development and lead to addiction. Frequent use has been linked to hallucinations, delusions, schizophrenia and bipolar disorder. Opponents of drug bans promise safeguards against youth access, but teen use of marijuana has increased in states where pot is now legal.

Nevertheless, legalizing the drug remains popular. Forty states have medical marijuana programs, and 24 allow recreational use of the drug. Polling from Gallup shows that support for marijuana legalization has increased steadily among Democrats, Republicans and independents over the past quarter-century. While support has dipped since the pandemic among all three groups, it remains well above where it was 15 years ago.

For many on the left and right, drug legalization has become a "social justice" issue more than anything. President Biden said that "far too many lives have been upended because of our failed approach to marijuana." His support is based on notions of racial equity, not science and health. But if reducing racial disparities in arrests and incarceration rates is the goal, drug legalization won't do much to move the needle. Those disparities are driven by violent offenses, not drug offenses.

Our prisons aren't full of nonviolent young black men who were swept off the streets for possessing small amounts of weed. Violent offenders outnumber drug offenders in our prison system by nearly 4 to 1. And the racial disparities are mainly because young black men are far more likely to commit violent crime than other demographic groups. The real social-justice outrage isn't our drug laws but the failure of the criminal justice system to protect law-abiding black people in dangerous communities who are the most common victims of violent predators.

In a recent academic paper, "Don't Black Lives Matter? Confronting the Problem of Disproportionate Black Victimization," Paul Robinson and Jeffrey Seaman of the University of Pennsylvania note that blacks are more than 50% of U.S. homicide victims despite comprising just 13% of the population. "Black Americans are more likely to be killed, shot, raped, robbed, assaulted, and stolen from than White Americans," the authors write. "Yet, the disproportionate criminal victimization of Black Americans receives little attention, even as public discourse often centers on racial injustice."

How about a little less sympathy for drug dealers and a little more sympathy for victims of violent crime?

Reagan's Military Lessons for the New Cold War

By John Lehman And Anand Toprani

Facing major challenges in the Middle East, the Pacific and Eastern Europe, Congress is considering an increase in military spending to 5% of gross domestic product. This has long been the objective of several conservative lawmakers inspired by the Reagan buildup of the early 1980s. That buildup, the largest-ever increase in U.S. peacetime military spending, played a significant role in ending the Cold War. By the mid-1980s Soviet military leaders concluded they couldn't keep up with Western rivals in the quality of conventional or strategic nuclear forces. They lacked the economic means, as the chief of the Soviet General Staff later admitted.

But it takes more than an open checkbook to secure strategic advantages. Leadership is also needed, as a look at four different aspects of the Reagan defense buildup makes clear.

The Reagan buildup was modest. Soon after President Reagan took office, his team secured double-digit increases to Jimmy Carter's fiscal 1981 and 1982 budgets. But, as the deficit swelled, Republicans in Congress pressured the Reagan administration to trim military spending.

Also, the increases of 1981-83 were less impressive considering that military spending at the end of the Vietnam War had declined to below prewar levels. During the war, the Johnson administration steered funds to continuing operations at the expense of readiness, procurement and maintenance. After the war, public sentiment made it impossible to replenish diminished defense coffers.

The defense buildup also began before Reagan took office. Carter finally proposed to increase military spending by 4.5% (plus adjustments for inflation) in late 1979, weeks before the Soviet Union invaded Afghanistan. The Carter administration invested in modernizing U.S. forces. It developed high-tech weapons necessary to implement Defense Secretary Harold Brown's concept of "Assault Breaker," including stealth technology and precision-guided munitions. New war-fighting doctrines emphasized disrupting Soviet supply lines over fighting a defensive war of attrition with the more numerous Soviet army.

When the Reagan defense team took over, they found Brown and Undersecretary William Perry had developed many of the systems the U.S. needed to win a conventional war. All the new administration had to do was find the money to pay for them. Even Reagan publicly admitted in 1986 that his criticism of Carter's defense record had been excessive.

Third, a wider military and grand strategy was developed alongside the buildup. The Army and Air Force had studied conflicts such as the Yom Kippur War, in which the Israelis smashed numerically superior Soviet-backed Arab armored forces. These branches adopted doctrines and systems to implement their portions of Assault Breaker. Thanks to new intelligence, the Navy developed a maritime strategy to strike at Soviet flanks, hitting infrastructure and nuclear submarines, in the hope of convincing Moscow to terminate an offensive war even if it was successful on land. Another part of U.S. strategy was empowering allies and partners not only in Europe but in Asia. Japan and even China received considerable U.S. military assistance.

Securing America's strategic advantage takes strong leadership as well as an open checkbook.

Fourth, the Reagan administration adopted a long-term view. It never expected the Cold War to end as quickly as it did. If U.S. forces deteriorated following the initial buildup, the country wouldn't derive any long-term strategic gains. It was vital that the U.S. find a way to sustain, at a politically acceptable cost, its expanded military forces.

Consequently, with the backing of Defense Secretary Caspar Weinberger, the Navy adopted acquisition reforms to hold down the growth in weapon costs by eliminating the use of sole-source suppliers, encouraging competition and adopting fixed-price contracts that motivated contractors to lower. Since the U.S. is likely closer to the beginning than the end of its competition with China, we must return to those proven reforms to create a force we can sustain over the long term.

The U.S. isn't in the position it was in the 1980s. Its relative power has decreased, the size and sophistication of its primary rival are greater, and the battlefield is more dangerous due to the proliferation of cheap weaponry that can defeat even expensive systems. To extract the greatest benefits from higher military spending, we need to remember why the Reagan buildup succeeded. We need civilian and military leadership to develop, fund and execute a strategy that can end this new cold war without bloodshed. Spending alone won't be sufficient.

Mr. Lehman served as Navy secretary, 1981-87. Mr. Toprani is a fellow at the American Enterprise Institute and author of "The Man in the Middle: John Lehman, Naval Power, and the End of the Cold War."

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Notable & Quotable: NICE

Ashleigh Fields reporting for the Hill, April 27:

President Trump on Sunday endorsed the idea of changing the name of Immigration and Customs Enforcement (ICE) to National Immigration and Customs Enforcement, which would give the agency the acronym NICE.

The idea was promoted by conservative influencer Alyssa Marie last month.

"I want Trump to change ICE to NICE (National Immigration and Customs Enforcement) so the media has to say NICE agents all day everyday," Marie wrote in a March post on social platform X. . . .

"GREAT IDEA!!! DO IT," Trump wrote in a Truth Social post.

Other conservative influencers chimed in with statements of support. . . .

A federal agency name change typically requires congressional action through legislation to amend the statutory authority that established the agency.

However, the Trump administration has sought to change the name of the Department of Defense to the Department of War without congressional buy-in.

The FT View

FINANCIAL TIMES
'Without fear and without favour'

Beijing's blunt message to its tech sector

China's ban on Meta-Manus deal is a warning to keep AI innovations at home

There was little detail in the brusque one-line statement with which China this week retrospectively banned Meta's $2bn acquisition of artificial intelligence app Manus. But the message to Chinese entrepreneurs and early-stage investors was clear: keep your AI technology at home.

The team behind Manus developed the AI agent in China, but moved to Singapore in mid-2025 after receiving a major investment from US venture capital firm Benchmark — a shift that prompted some Chinese online media to call the developers "defectors". The sale in December of the now Singaporean venture to Facebook's US owner Meta was seen by Chinese officials to be "conspiratorial". Beijing has now ordered it to be unwound.

The ruling looks likely to chill foreign investment in Chinese tech start-ups, making it harder for their early-stage investors to exit and closing off one route to growth. It is also likely to deter "Singapore-washing", the practice of moving headquarters and operations offshore in order to avoid restrictions on access to markets and technologies imposed on Chinese companies by the US and its allies.

Beijing's motivations are clear. US efforts to use such restrictions to maintain tech supremacy have only strengthened China's determination to develop its capabilities in sectors such as AI and semiconductors. Anxiety about the loss of Manus reflects its considerable success in doing so, even if opinions vary on how advanced the app actually is. A desire to hold on to leading companies is understandable, and President Xi Jinping has stressed the need to "strike a balance between openness and security" when it comes to tech, even if the latter is clearly the bigger priority. "We must . . . move faster to achieve greater self-reliance and strength in science and technology," he said in a speech published last year.

Still, there will be a cost to both sides from the decoupling of the Chinese and US tech sectors. Beijing is hardly short of capital to fund technology start-ups, but it lacks the skills and experience of US venture capital.

Its opaque handling of the Manus-Meta deal also adds to regulatory uncertainty that is a drag on innovation. Travel restrictions imposed on Manus's chief executive Xiao Hong and chief scientist Ji Yichao, who were told in March they could not leave China, smack of a heavy-handed approach that risks discouraging the entrepreneurs on which future success depends.

Monday's ruling by China's National Development and Reform Commission also raises questions about the institutions in charge of regulating tech sector links with the rest of the world. The NDRC's traditional role is setting out and coordinating broad economic and development strategy, but it has become increasingly involved in regulatory enforcement in areas such as data, AI and chips. The shift blurs lines of authority with government ministries and agencies. It also contrasts with the commission's stated goal of focusing "primarily on managing macro matters" and minimising "direct government intervention in market activities".

> The ruling looks likely to chill foreign investment in Chinese start-ups, making it harder for their early-stage investors to exit

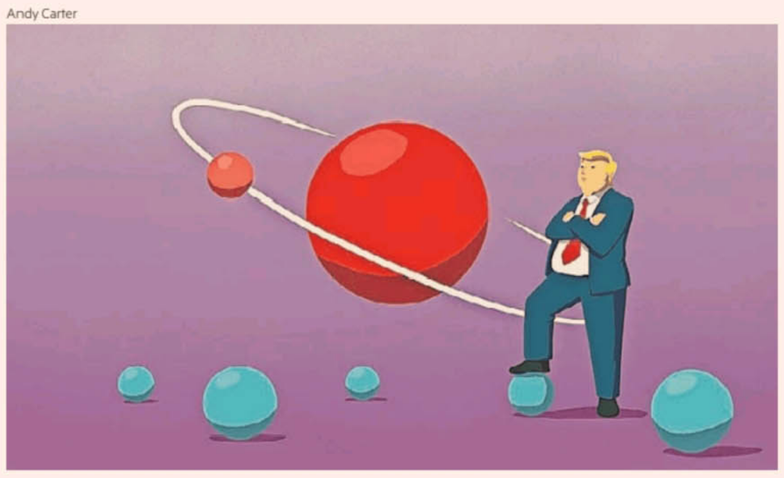
Whichever department in Beijing calls the shots, the move against the Meta-Manus deal highlights the growing barriers between the tech sectors of China and the US. As well as making life more difficult for companies and investors, this could further complicate already faltering efforts to work towards global regulation of AI, one of the biggest policy challenges of our time. Given current geopolitics, some degree of tech decoupling was probably inevitable. But any reduction of co-operation between these two great engines of global innovation is regrettable all the same.

ft.com/opinion

Opinion US

Firing all your science advisers is a bad idea

Andy Carter



Anjana Ahuja

In 1944, Franklin D Roosevelt asked Vannevar Bush, then director of the US Office of Scientific Research and Development, how the extraordinary ingenuity shown in the war effort could be mobilised in peacetime. In answering that request, Bush, an accomplished engineer and organiser of the Manhattan Project to develop the atomic bomb, became the leading postwar architect of the US scientific landscape.

Perhaps his crowning achievement was establishing the National Science Foundation in 1950. Its rotating cadre of advisers, the National Science Board, has set the long-term strategic direction of American research ever since. On Friday, the White House abruptly fired all its 22 members.

The purge comes after the nomination last year of Jim O'Neill, a close associate of Peter Thiel, as the agency's new head (the tech investor is yet to be confirmed). Separately, Donald Trump has remoulded the usual presidential circle of science advisers to include 12 technology or business figures, including Meta's Mark Zuckerberg and Nvidia's Jensen Huang, and just one academic.

> Trump is spurning, rather than nurturing, the work that makes progress possible

These events tell us something important: first, that Trump does not grasp the value of investing in research for the long term; second, that he does not believe in diversifying the national portfolio, and is instead betting heavily on AI; and finally that Bush's ideas on how nations should best foster scientific enterprise no longer apply in the country that pioneered them.

The 22 dismissed advisers — who include computer scientists, chemists and engineers — received an email saying their posts had been terminated with immediate effect. In a statement, Sudip Parikh, who heads the American Association for the Advancement of Science and was not an adviser, called the firings "the latest in a string of erratic decisions that are destabilizing not only the National Science Foundation, but all of American science". The country, Parikh fumed, was "abdicating" its position as a global leader in research.

The advisers were next due to convene on May 5. According to the journal Nature, the board was preparing a report on how the US is losing scientific ground to China. The Trump administration has a habit of junking advisers with inconvenient opinions. Last year, the health department, led by vaccine sceptic Robert F Kennedy Jr, ousted members of a committee advising on immunisation policy. The White House Office of Science and Technology Policy did not respond to a request for comment.

The unpredictable, politically charged climate that US scientists face today is a world away from Bush's vision, set out in a landmark 1945 report entitled Science: The Endless Frontier. It argued that science was a proper concern of government and offered a blueprint for accelerating progress. "The most important ways in which the Government can promote industrial research," Bush wrote, "are to increase the flow of new scientific knowledge through support of basic research and to aid in the development of scientific talent."

Underpinning basic research with stable, long-term funding, Bush insisted, was vital, because "many of the most important discoveries have come as a result of experiments undertaken with very different purposes in mind." He cited plastics, air conditioning and synthetic fibres as breakthroughs that were newly providing mass employment and raising living standards.

He advocated independence from political whim, a principle still reflected in the staggered six-year terms served by NSF advisers. Bush, who died in 1974, also believed government should promote the international flow of scientific information, to enhance competitiveness.

His overarching principle, though, was freedom of inquiry: "Scientific progress on a broad front results from the free play of free intellects, working on subjects of their own choice, in the manner dictated by their curiosity for exploration of the unknown."

The Trump administration is moving ever farther from these principles: halting projects it disagrees with or does not understand (such as shelving mRNA vaccine research which, it now turns out, is showing promise in tackling cancer); withdrawing from the World Health Organization and climate treaties; spurning, rather than nurturing, the workforce that makes progress possible.

Science and technology are about more than AI, important though that is. In any case, a rising China makes the all-or-nothing gamble feel risky. Science produces technology that in turn produces prosperity — without that ongoing process, the frontier will cease to be endless.

The writer is a science commentator

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Public should be better informed why foreign aid matters

That a survey has found that G7 citizens significantly overestimate their governments' foreign aid spending (Report, April 23) highlights an information failure with dire humanitarian consequences.

The reality is that UK aid amounts to less than 1 per cent of public spending: far less than the 15.2 per cent guessed at by British respondents to the survey.

This has implications for the UK's efforts on international co-operation, as the public may support devastating cuts to humanitarian and development programmes that affect millions of people without having a full picture of the scale of this spending.

It is therefore vital that we — the international non-governmental organisations who receive government funding — and the government itself, scale up our efforts to give the UK public a clearer picture of the UK's international assistance, and the impact it has for people around the world, including the impact it has domestically in the UK. In the past 20 years, UK aid has achieved significant progress in eradicating diseases like polio, helping girls into education, and providing life-saving support to communities facing crises and conflict.

The survey shows that citizens in the G7 view international co-operation as a long-term investment (78 per cent), recognising that in an interconnected world, events abroad directly affect their own societies.

They understand that tackling global challenges and supporting communities abroad helps to protect us all — by strengthening health systems that prevent future pandemics, building peace in fragile states that guards against shocks to food and energy prices, and tackling the effects of climate change.

It is also important to make clear to the public that, while investment in the private sector has an important role to play in sustainable development, return-seeking development finance is no magic fix for complex global challenges — and cannot replace public money in contexts of extreme poverty, conflict, climate disasters and urgent humanitarian need.

Official development assistance remains an impactful and agile tool to help us respond quickly to crises, like Hurricane Melissa in Jamaica, and to support communities facing poverty so they can build sustainable and inclusive economies.

Gideon Rabinowitz
Director of Policy and Advocacy at Bond, the UK network of NGOs, London NW1, UK

Palantir's NHS software has measurable benefits

Dr Devan Moodley's letter ("NHS Palantir data sharing 'is not bold leadership'", April 14) gets two things right and two things wrong.

"Right across the NHS," he says, "the wealth of data collected on patients just isn't accessible to doctors, nurses and managers. And too often it just can't be used effectively to better support patients or improve how healthcare services are delivered."

Spot on. But that's precisely what the Federated Data Platform — which he appears to want to get rid of — is fixing, after decades of false starts and billions of pounds of wasted taxpayer money.

The concept is simple: it is software that brings together information currently held on lots of different, incompatible IT systems into one place. Information flows within an NHS trust but also between NHS trusts — because all have their own version of the same software. And it's delivering meaningful, measurable benefits — more operations, fewer delays to discharge and more people finding out if they have cancer within 28 days.

The other thing he is right about is that no data should leave the UK for the US. And with Palantir software, not one bit of it will.

Louis Mosley
Executive Vice President for UK & Europe, Palantir Technologies, London W1, UK

Stablecoins' role in settling sports bets

In her Markets Insight ("Stablecoin threat to Wall Street deposits is limited for now", April 24), Wenxin Du questions whether yield is the primary motivation to hold stablecoins and only briefly mentions their role as payment infrastructure. Early signs suggest she may be underestimating the appeal of stablecoins to settle payments.

Many Americans now engage in short-term bets across sports, meme stocks, prediction markets, and crypto, and want a settlement asset that makes winnings available for the next bet, instantaneously. According to a survey published by the Siena Research Institute, more than half of American men under 50 now have a sports betting account. There is substantial overlap between this group and active meme-stock, crypto and prediction-market traders. These traders want to move seamlessly between the markets.

It can take one to three days for winnings from a sports bet to settle and be transferred to a bank account. Stablecoins eliminate that lag. Stablecoins are the natural "digital dollar" to power settlement across all of these markets simultaneously. Robinhood and Coinbase are already capturing this demand by offering prediction markets, equities, and crypto on a single platform. Banks should worry less about losing yield-sensitive savers to stablecoins, and more about losing the deposits of a generation that increasingly treats a Coinbase account as its financial home base.

Dini Ajmani
Former Deputy Assistant Secretary, Capital Markets, Hoboken, NJ, US

Subsidies do not explain China's industrial progress

It is encouraging to see the FT's "China shock 2.0" editorial (The FT View, April 20) call for "better industrial strategies", rather than "knee-jerk protectionism" in response to the latest wave of competitive pressure from China.

Yet the piece still overstates subsidies as the main driver of China's shift from low-cost exports to advanced manufacturing.

Subsidies matter, but they do not explain how China repeatedly converts frontier technologies into manufacturable products. Treating state support as the whole story is not only analytically thin; it is strategically unhelpful for countries trying to design these "better industrial strategies". Governments seeking advanced manufacturing capabilities need more than a warning label about Chinese subsidies. They need to understand the underlying enablers that make investment effective.

China's recent progress in humanoid robotics, biopharma and AI points to several of those conditions: a deep engineering talent pool and dense domestic supplier networks, geared towards rapid product iteration and scaling.

Zongshuai Fan
Senior Policy Analyst, Cambridge Industrial Innovation Policy, University of Cambridge, UK

Recalling the Lavon Affair – two years before Suez

Alex von Tunzelmann's piece ("Iran is America's Suez crisis and just as ridiculous", Opinion, April 16) draws parallels between the American and Israeli war on Iran today and the disastrous Suez Crisis of 1956 that saw the prime ministerial career of Anthony Eden end in disgrace.

The invasion of Egypt by Israel was indeed used to justify Britain and France's attempt to seize the Suez Canal to protect global trade.

However, the column neglects to mention the failed 1954 false flag operation, the Lavon Affair, also known as Operation Susannah.

Israeli intelligence used Egyptian Jews to bomb western targets in Egypt to create instability and prevent Britain from withdrawing troops from the canal. The plot was exposed when a bomb ignited prematurely leading to the arrest and execution of the perpetrators.

The scandal forced the resignation of Israeli defence minister Pinhas Lavon. Israel officially only recognised the perpetrators decades later.

Dr Izhar Khan
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Bots on the board. Are we ready to take such a step?

I read with interest the Work & Careers article "Should your board appoint a bot?" (April 27). Given the exponential rise in the volume of board papers that directors are expected to read through prior to board meetings, I can see the temptation for boards to use AI tools to condense information or play out different scenarios. While undoubtedly useful for meeting prep and research, bots absolutely should not replace humans in the boardroom. Bots are not people and do not have the judgment that comes with experience in knowing how to weigh multiple experiences against each other.

Furthermore, bots use the information given to them. We all know that AI is currently far from perfect. If garbage goes in, it gives you garbage back. While experienced humans can detect garbage in, AI hallucinations have fabricated facts, misrepresented data and offered incorrect logic. So, while AI can definitely be useful, are we ready to give them a board seat? Definitely not. As author of *Disaster in the Boardroom: Six Dysfunctions Everyone Should Understand*, I really don't want to be adding another chapter looking at the boardroom disasters that have occurred because board directors have abdicated responsibility to a bot!

Randall S Peterson
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Here are three things the Fed is actually good at

Your Big Read feature "Is Warsh set to be the next Fed fall guy?" (April 20) repeats a myth which should be long dead: that the Federal Reserve's job includes "the management of the biggest economy on the planet".

On the contrary. To "manage the economy" would require knowledge of the future that neither the Fed nor anyone else has, or can have.

At its creation in 1913, it was thought that the Fed would prevent future financial crises and panics. Obviously it didn't.

In the heyday of Keynesian hopes in the 1960s, it was thought that the Fed could be part of ending financial cycles. Obviously it couldn't.

As Fed chairman Jerome Powell brilliantly observed in August 2023, the Fed is "navigating by the stars under cloudy skies". So it is and always must be.

The Fed actually is good at three things. One, printing money to finance financial crises. Two, creating constant inflation and depreciation of the currency it creates, and three, supporting the power of the government by monetising the government's debt.

But "managing the economy" is far and forever beyond its capability.

Alex J Pollock
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The remarkable recovery of the Keats-Brawne letters

To read the letters John Keats wrote to his fiancée Fanny Brawne in 1819 and 1820 is to witness the young poet opening his heart to his beloved, and to hear the magic of his writing.

It is a beautiful, tragic story at the very core of literature.

She saved his letters; after her death in 1865, a transcript of the correspondence was published in 1878; and the letters were sold in 1885.

Harvard, the British Library, and other institutions hold most of them.

The "collection of 37 letters" is the known universe of Keats-Brawne letters: what is remarkable about the Jock Whitney album, recently recovered by the Manhattan District Attorney ("Keats's love letters among rare books returned to Whitney heirs 40 years after theft", Report, April 21), is that it holds some of the actual stars in the sky!

The album is extra-illustrated with eight of the original autograph letters from Keats to Brawne.

How wonderful that these have survived theft and occlusion and will now shine again!

Henry Wessells
Upper Montclair, NJ, US

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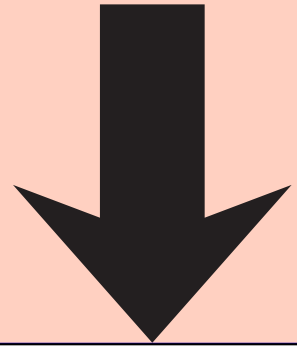

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Opinion

Get used to the long Iran war

GLOBAL AFFAIRS

Edward Luce

It took America 12 years from the first Gulf war in 1991 to the second to get rid of Saddam Hussein. The dictator's capture was followed by years more of Iraqi insurgency. Starting with the financial markets, there is a lot of complacency on how soon the third Gulf war is likely to end. Donald Trump's Operation Epic Fury on Iran has turned into an epic search for a way out. There is no obvious off-ramp, however, that does not lead back to the highway.

Iran's latest offer illustrates why. Under the plan, Trump would lift the blockade, Iran would open the Strait of Hormuz and they would tackle the nuclear issue later on. Though Trump rejected Iran's proposal, it is unclear at this point that he can get anything much better. It was offered shortly after the US president had for the second time had to cancel his negotiators' trip to Islamabad. Much has been said about how unqualified Steve Witkoff and Jared Kushner are to conduct complex nuclear talks. It may be a while before we find out the extent of their inexpertise.

The war's most salient feature is that Iran has a strong incentive to keep it going. No matter how many times Trump offers a new golden age for the Middle East, Iran will find it hard to believe he will not flip back to regime change if things do not go his way. He has been veering from promising heaven to vowing hell on an almost daily basis. That Iran's regime is brutal and fanatical is no excuse. Even the gentlest of negotiating counterparts would find it hard to take him at his word.

From Iran's standpoint, the longer the waterway is closed, the more likely Trump will be to digest that lesson. But let us imagine that he agrees to some variation of Iran's recent offer. Each side would hold a threat over the other in case the nuclear talks faltered or failed.

> The most salient feature of the conflict is that Tehran has a strong incentive to keep it going

Trump's weapon would be a resumption of bombing that would include more decapitation strikes as well as targeting bridges, power stations and even desalination plants. Iran's weapon would be to close the Strait of Hormuz again. It does not take a grand strategist to see which threat carries more leverage. Whatever he may say about Iran's nuclear ambitions, Trump has made it clear that reopening the waterway is his chief war aim. Iran has made it clear that it can absorb plenty of punishment from the air.

If they do somehow manage to reach a nuclear deal, that would still leave Iran's missile programme and regional proxies unaddressed. That Trump appears to have dropped the latter two goals as part of his framework is under-appreciated outside the Middle East. For the Gulf states, closing Iran's missile production matters as much as giving up its stockpile of enriched uranium. Their expatriate-based economic models depend on ending Iran's missile and drone threat. Anything less could be disastrous for business.

For Israel, ending Iran's support for militant groups is almost as important as killing its nuclear programme. At any point, Israel could scupper a Trump deal by fully resuming hostilities with Hizbollah. Iran would retaliate and the situation would revert to square one. Trump and Benjamin Netanyahu's chief criticism of Barack Obama's 2015 Iran-US nuclear deal was that it omitted those two goals. Trump is now ready to do what Obama did.

The bet is that Trump will take a temporary off-ramp in the Gulf before his China summit with Xi Jinping in mid-May. From the moment he returned to the White House in 2025, Trump has been pushing for a Xi meeting. After the two leaders agreed a trade war truce in October, Trump finally got the invitation he had been soliciting. His China state visit was originally scheduled for late March. He requested a delay to mid-May because Epic Fury was still raging. He will not want to postpone again.

Wars come to an end when one side wins or when both sides are exhausted. Short of gambling on a US ground invasion — a spectre to which Trump is rightly allergic — we can discount the chances of either side winning. Iran's willingness to outwait Trump is thus the key question. Here again China's role is critical. Trump's blockade on Iranian vessels and ports in practice seems to exclude ships that are destined for China. Seizing Chinese property would be tantamount to declaring war. Trump will not risk that. Which means Iran can rely on Chinese revenues to help keep it going.

Meanwhile, Pakistan, effectively a client state of China, as well as mediator in the talks, just gave Iran permission to use its territory as a land route for trade. As has often been observed, Trump started this war but Iran will decide when it ends.

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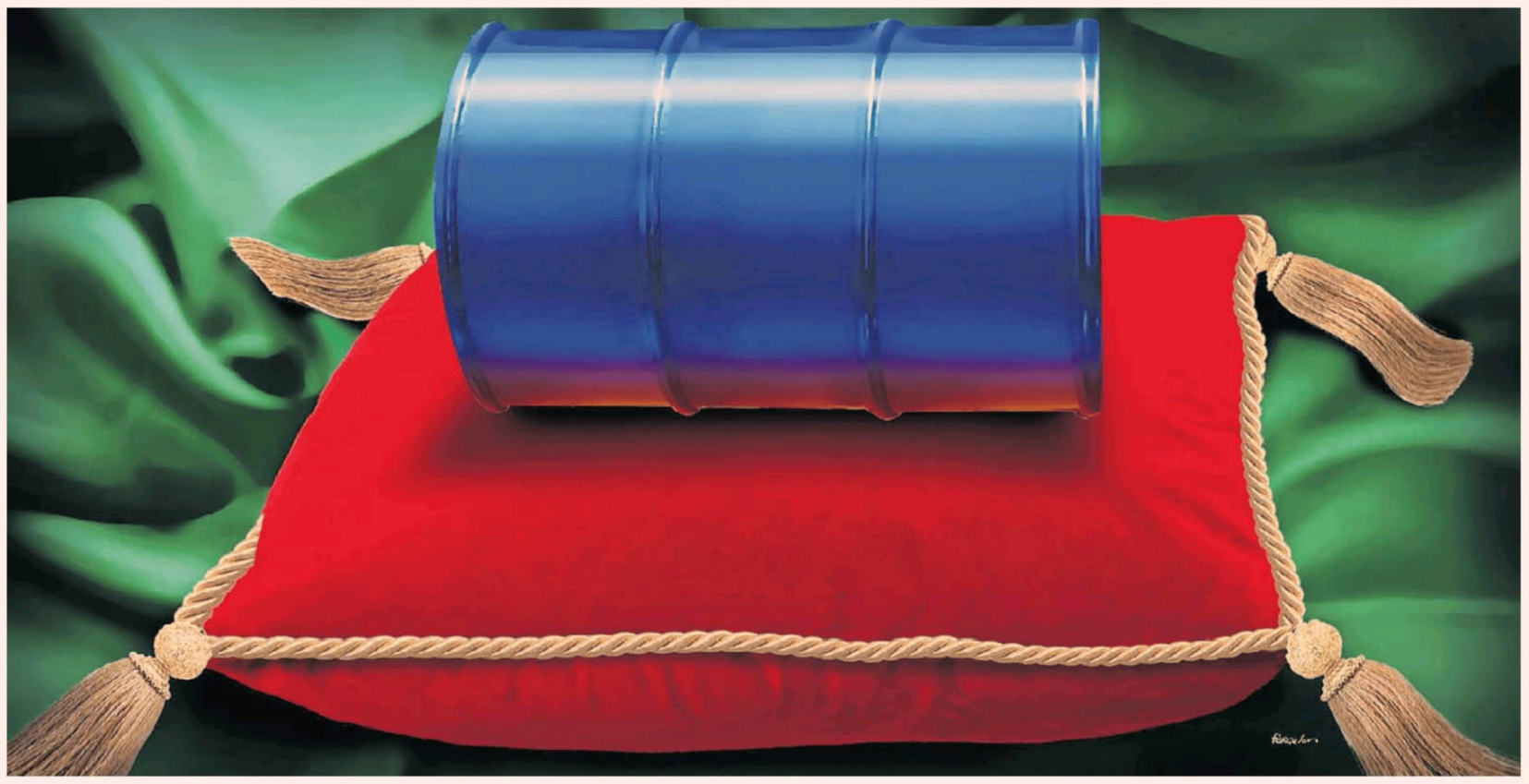
The great commodities disruption

Martin Wolf Economics

Trump's attack on Iran has served as a reminder of how interconnected the global economy remains



Fifty per cent of the world's seaborne trade in sulphur passes through the Strait of Hormuz. So does 34 per cent of trade in crude oil, 29 per cent of liquefied petroleum gas, 19 per cent of liquefied natural gas, 19 per cent of refined oil products, 13 per cent of chemicals, including fertilisers, and nearly 10 per cent of aluminium. This is a chokepoint of the world economy. It is a place in which one starts a war only after careful consideration of goals, means and risks. That is not what happened before the assault on Iran on 28 February 2026. As a result, two months later, we are where we are. (See charts.)

Yet where are we? The World Bank's Commodity Markets Outlook, out yesterday, presents a detailed picture of the most important global outcome, namely its impact on supplies of all the stuff listed above. This war is a reminder that we do not live in an intangible world. Not only do we eat tangible food, wear tangible clothes and so on, but behind everything intangible — artificial intelligence and renewable energy included — lies an enormous quantity of tangible stuff, as the British writer Ed Conway showed in his book *Material World*.

So, if trade in vital stuff is blocked, unpleasant things quickly start to happen. As the World Bank notes, the initial impact of the closure of the strait was a global loss of 10.1mn barrels a day of oil in March. This was much larger than the impact of the Iranian revolution in 1979, the Arab oil embargo in 1973, Saddam Hussein's invasion of Kuwait in 1990, or the Iran-Iraq war in the 1980s. It is the direct result of the closure, which reduced the number of tankers passing through the strait from some 60 a day to close to zero after March 5. The inevitable outcome has been very large jumps in price: the price of oil per barrel jumped by $46 in March, far more than any other monthly rise in the 2000s. Between the beginning of the war and April 20, the price of Singapore jet fuel doubled, that of urea rose by 85 per cent, of Asian LNG futures by 46 per cent, and of Brent crude by 32 per cent.

What is next? Two big questions arise.

The first is how far the oil now blocked up in the Gulf can be replaced from other sources. On this the bank provides an intriguing and important analysis. Of the gross loss of 20mn barrels a day, 1.5mn can be made up by other Opec producers, 5.5mn by use of alternative pipelines, 3.3mn from inventories, 3.9mn from sanctioned oil in transit, 0.5mn from additional supply from high-income countries, and 0.5mn from biofuels (more difficult now, given the fertiliser shortage). This leaves a shortfall of 4.6mn barrels a day — a little over 4 per cent of global consumption. Yet the drawdown of inventories cannot last for ever. When they run out, the shortfall would rise towards 8 per cent of global consumption.

The second and crucial question is how long the near-total closure of the strait will last and how long it will take to get things back to normal. Not surprisingly, the Iranian elite is split over what concessions it might make, not least on its nuclear programme. If one thing must be obvious to them it is that having a nuclear bomb would make them safer. Donald Trump has cycled through a dizzying number of objectives. Maybe a Strait Protection Corporation, with tolls shared between the US and Iran, would be the ideal answer for him.

The bank's forecasts of commodity prices assume that the most acute phase of the supply disruptions ends in May.

> We are vulnerable to rogue actors, which today means the president of the US and the prime minister of Israel

Thereafter, shipping volumes through the strait are assumed to recover haltingly, to stabilise around prewar levels by the final quarter of this year. On those assumptions, the bank's energy price index is forecast to rise by 24 per cent this year. Prices of fertilisers are forecast to rise 31 per cent, with urea up 60 per cent. But food prices are only expected to rise 2 per cent this year, because large stocks were carried over from 2025. Next year might be more difficult for food supplies, particularly if the strait is closed longer than expected.

Risks are definitely on the upside: the bank's forecast for the average oil price this year is $86 a barrel, more or less what the futures market suggests. But with more prolonged disruption and greater damage to facilities, it might reach an average of $115 (or more), with a legacy well into next year.

What are the conclusions from this?

The first and most obvious is that our interconnected world economy is vulnerable to the behaviour of rogue actors. In the past, that meant people such as Saddam Hussein or Vladimir Putin. Now they are the president of the US and the prime minister of Israel. That danger remains.

Second, while it is impossible to be truly safe from disruption, the case for insurance against shocks in the supply of fossil fuels is strong. The need to switch more rapidly to renewables and nuclear power has been underlined.

Third, the US, alas, is unreliable. It has shown that with its trade war and the doubt it has cast on its relationship with its Nato allies. This is likely to be true of its role as energy supplier, too.

Fourth, this is a sizeable disruption, which is sure to hit many of the world's poorest people and most vulnerable countries hard. The rise in oil and fertiliser prices guarantees that. This underlines the moral case for continuing to provide international assistance.

Fifth, central banks are going to have a tricky time navigating the consequences. But they must not let inflationary expectations slip out of control.

Finally, the world economy will adjust. But how quickly and well it does so depends on an early end to the blockade. The one piece of good news is that Trump and the Iranians have powerful reasons to end the conflict: their peoples, economies and allies need it. Will they do it? Let us hope so.

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The Strait of Hormuz has been closed

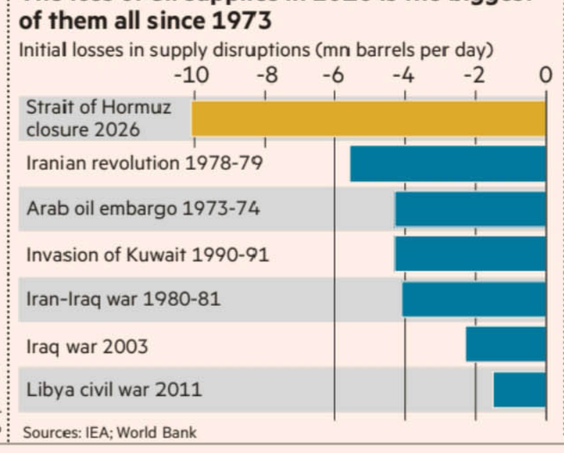
Tankers passing through the strait

Five-day moving average of vessel transits of the Strait of Hormuz. Last observation is April 20 2026

Sources: Bloomberg; World Bank

The loss of oil supplies in 2026 is the biggest of them all since 1973

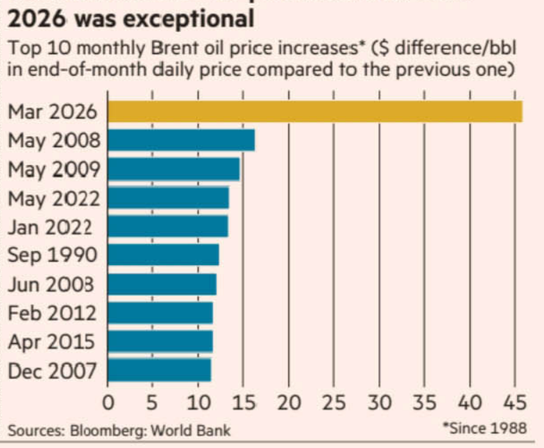
Initial losses in supply disruptions (mn barrels per day)



Sources: IEA; World Bank

The rise in the dollar price of oil in March 2026 was exceptional

Top 10 monthly Brent oil price increases* ($ difference/bbl in end-of-month daily price compared to the previous one)



Sources: Bloomberg: World Bank

*Since 1988

What the Grasset affair tells us about modern elites

Hugo Drochon

Two weeks ago, more than 130 authors signed an open letter announcing their intention to leave the famous French publishing house Grasset. Around a hundred more have since followed. Signatories to the original letter included the philosopher-activist Bernard-Henri Lévy, punk-feminist Virginie Despentes and Vanessa Springora, whose book *Consent* recounts how she was groomed by a famous French novelist as a teenager.

Their reason for leaving was the sacking of Grasset's longstanding chief executive Olivier Nora, until then considered by many in the literary world as the last bastion of intellectual independence from the publisher's owner Vincent Bolloré, a conservative Catholic Breton industrialist whose media empire includes Hachette Livre, France's biggest publishing group, and CNews, the country's most-watched TV news channel.

The authors said that they "refuse to be hostages in an ideological war that seeks to impose authoritarianism everywhere in culture and the media". In response, Bolloré, in a column in the Journal du Dimanche, which he owns, dismissed the "uproar of a small caste", vowing that Grasset "will go on".

One of the lessons of this episode is that democracy must be understood as the perpetual challenge by a rising elite to an established one. This contest occurs through institutions, whether political parties or, in this instance, a publishing house.

Allied to social movements, rising elites need to convince a faction of the established elite to come over to their side. Together they then overthrow the old order, before being challenged by a new elite in turn. This is what can be termed "dynamic democracy".

> Dynamic democracy is the perpetual challenge by insurgents to the establishment

Much of recent politics in the west can be understood in this way. The Maga wave carried Donald Trump to power in the US in 2016. But that was made possible because established elites within the Republican Party, including figures such as Speaker of the House Paul Ryan and Senate Majority Leader Mitch McConnell threw in their lot with him, abandoning more established contenders such as Jeb Bush or Ted Cruz.

During his first term Trump found established elites — bureaucratic, judicial, economic — arrayed against him. But he returned in 2025 with a full apparatus behind him, having convinced the "tech bros", Silicon Valley's technological elite, to back him. In another register, Péter Magyar's recent unseating of Viktor Orbán in Hungary can also be seen in this light: Magyar was a member of Orbán's Fidesz but broke with the party during a child sex abuse scandal it faced, joined protest movements and set up his own formation, Tisza, to challenge Orbán.

Back in France Marine Le Pen has been studying Trump's second term closely. In early April, she had lunch for the first time with France's richest man, Bernard Arnault, owner of luxury group LVMH. Her designated successor Jordan Bardella — who might run for the French presidency next year if she is not cleared of financial wrongdoing — was invited to lunch last week with the country's largest employers' federation, having recently made public his relationship with Italian socialite Princess Maria Carolina of Bourbon-Two Sicilies. Like others before them, Le Pen and Bardella are trying to bring members of the established elite, whether financial or hereditary, over to their side. In doing so they want to show they have the legitimacy, and the backing, to rule.

That strategy, however, might backfire: it becomes harder to maintain the posture of an insurgent party when its leaders are hobnobbing with France's economic elite or consorting with the inheritor of a royal house and distant descendant of France's Sun King, Louis XIV. This is the same dilemma that Reform UK faced when the party welcomed former Conservative ministers into its ranks.

Which brings us back to Grasset. Bolloré's aim seems to be to legitimise far-right ideas by associating them with one of France's most distinguished publishing houses, best known for having published the first volume of Marcel Proust's masterpiece, *À la recherche du temps perdu*. But if new elites always rise to challenge established ones, this does not mean that established elites don't fight back. Authors and other figures in the publishing world have called for the creation of a "conscience clause" so they might retain their intellectual independence. And Emmanuel Macron, speaking at the Paris Book Festival, emphasised the importance of diversity of opinion in the publishing world. In the struggle between rising and established elites, the war is never over.

The writer is associate professor of political theory at the University of Nottingham and author of 'Elites and Democracy'