

26 October 2024

India's Renewable Energy Target and Solar Imports

Context: India has set an ambitious goal to install 500 GW of renewable energy capacity by 2030. This target is crucial for reducing carbon emissions and meeting energy demands sustainably.

- However, the Global Trade Research Initiative (GTRI) has raised concerns about the country's heavy reliance on imported solar equipment, particularly from China. This dependence could lead to annual solar imports reaching approximately \$30 billion, posing significant challenges in achieving renewable energy targets.

Current Status of Solar Capacity:

- India has significantly increased its solar capacity to 90.8 GW by September 2023, a remarkable rise from just 2.8 GW in 2014. This progress underscores the country's commitment to expanding its renewable energy resources.
- Annual Installation Requirement:** To meet the 500 GW target, India needs to enhance its annual solar installations to between 65-70 GW. Achieving this level of growth is vital to ensure that solar power constitutes the majority of the renewable energy mix.
- Dependence on Chinese Imports:** In the fiscal year 2023-24, India imported solar equipment worth \$7 billion, with 62.6% of these imports coming from China. This figure highlights India's reliance on foreign suppliers for crucial solar components.
- China's Dominance:** China controls 97% of polysilicon production and provides 80% of solar modules, making it difficult for India to compete effectively and secure favorable pricing.

Challenges in Domestic Solar Manufacturing:

- Current Manufacturing Landscape:** India's solar manufacturing sector primarily focuses on assembling imported components, with 90% of solar manufacturing involving this practice. Consequently, only 15% of local value addition is observed in solar products, limiting the potential benefits of domestic production.
- Impact of Predatory Pricing:** Chinese companies engage in predatory pricing, adversely affecting the viability of Indian manufacturers and undermining local efforts to

establish a competitive solar manufacturing industry.

Government Initiatives:

- The Indian government has invested over \$4.5 billion through the Production Linked Incentive (PLI) scheme to promote local manufacturing. This scheme aims to incentivize domestic production and reduce dependency on imports.
- To curb reliance on Chinese imports, the government has imposed 40% customs duties on solar modules and 25% on solar cells. However, imports from ASEAN countries are exempt from these duties under the India-ASEAN free trade agreement, complicating efforts to shield local manufacturers.



Recommendations by GTRI:

- Invest in Upstream Production:** Focus on domestic manufacturing of essential components such as polysilicon and wafers to create a self-sufficient supply chain.
- Local Production of Key Materials:** Establish local industries for materials like aluminium frames and glass to enhance manufacturing and stimulate economic growth.
- Enhance Research and Development (R&D):** Invest in R&D to foster innovation and improve manufacturing processes, helping local manufacturers compete in the global market.
- Government Support:** Expand the PLI scheme and provide additional incentives for local manufacturing to encourage investment and development.
- Global Partnerships:** India should collaborate with countries like the US, EU, and Japan to establish large-scale solar manufacturing facilities, facilitating knowledge transfer and access to advanced technologies.

Conclusion:

To achieve its 500 GW renewable energy target by 2030, India

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must prioritize developing a self-reliant solar manufacturing ecosystem. By investing in local production, enhancing R&D capabilities, and fostering international collaborations, India can significantly reduce reliance on imports and effectively realize its renewable energy goals. Transitioning to a sustainable energy future requires strategic planning, investment, and a commitment to building a resilient solar manufacturing sector.

The Kazan Summit and BRICS: A New Era of Multilateralism

Context: Recently, Kazan, Russia hosted a significant summit centered on enhancing multilateral cooperation for equitable global development and security. The key outcome was the Kazan Declaration, a comprehensive document that underscores the importance of collaboration among member countries and articulates a unified perspective on pressing global matters.

- The Declaration emphasized the theme “Strengthening Multilateralism for Just Global Development and Security,” highlighting commitments to fostering peace, establishing a fairer international order, and promoting sustainable development initiatives. Russia also spotlighted the necessity for a BRICS-led payment system as an alternative to the SWIFT network, particularly in light of sanctions affecting Russian banks since 2022. Additionally, discussions included the escalating dynamics in West Asia.
- During the summit, BRICS nations agreed to pursue innovative initiatives such as the establishment of a BRICS Grain Exchange and a BRICS (Re)Insurance Company. Furthermore, the summit introduced a new “BRICS Partner Country” category, allowing other nations to engage in collaborative projects with BRICS. An announcement was made regarding the creation of a BRICS R&D Vaccine Center aimed at advancing vaccine research. India’s proposal for an International Big Cats Alliance was also acknowledged as a significant contribution.

Understanding BRICS:

- BRICS, which stands for Brazil, Russia, India, China, and South Africa, is a coalition of five major emerging economies. The term “BRIC” was first introduced by British economist Jim O’Neill in 2001 to describe these rising economies. Since its inception, the group has

convened annually, starting formal summits in 2009, with South Africa joining in 2010. Recently, the coalition has expanded to include six additional nations: Argentina, Ethiopia, Egypt, Iran, Saudi Arabia, and the UAE.

- BRICS is a significant entity in the global landscape, representing about 41% of the world’s population, around 24% of global GDP, and approximately 16% of international trade.



The Importance of BRICS for India:

- For India, BRICS offers a vital platform for enhancing South-South cooperation, enabling developing nations to amplify their voices within global institutions like the UN and the World Bank. This grouping also acts as a counterbalance to Western-dominated alliances such as the G7, facilitating India’s diversification of foreign relations and reducing reliance on Western powers.
- Additionally, BRICS fosters economic cooperation and investment opportunities, with the New Development Bank (NDB) providing essential funding for infrastructure and sustainable development projects aligned with India’s growth goals.

Challenges Ahead:

- Despite the advantages, BRICS faces challenges, including differing national agendas. India’s focus on terrorism and border security may not always align with the priorities of other members, particularly China and Russia, who may emphasize their own geopolitical interests. The increasing influence of China within BRICS, especially with the accession of countries like Iran and Saudi Arabia, raises concerns about a potential tilt towards a pro-China stance.
- Moreover, the inclusion of Middle Eastern nations complicates India’s diplomatic relationships in that region. Intra-BRICS trade is also hindered by tariffs, regulatory

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discrepancies, and currency issues, which can obstruct India from fully leveraging trade opportunities within the bloc.

Way Forward:

- India's involvement in BRICS is essential for furthering its national interests and influencing global governance in a shifting geopolitical landscape. As a founding member, India has consistently worked to maintain BRICS as a cooperative platform for emerging economies.
- The organization provides India with unique opportunities to diversify trade networks, attract foreign investments, and engage in joint infrastructure projects. Strategically, India should leverage the resources of the New Development Bank (NDB) to support critical initiatives that align with its long-term development objectives.

Global Biodiversity Goals: Progress and Challenges

Context: A two-week U.N. biodiversity summit, COP16 has at started in Cali, Colombia. As nearly 200 nations gathered, addressing global biodiversity loss emerged as a crucial priority.

- This summit marks the 16th meeting of countries under the 1992 Convention on Biological Diversity and followed the adoption of the Kunming-Montreal Global Biodiversity Framework two years ago.

Background:

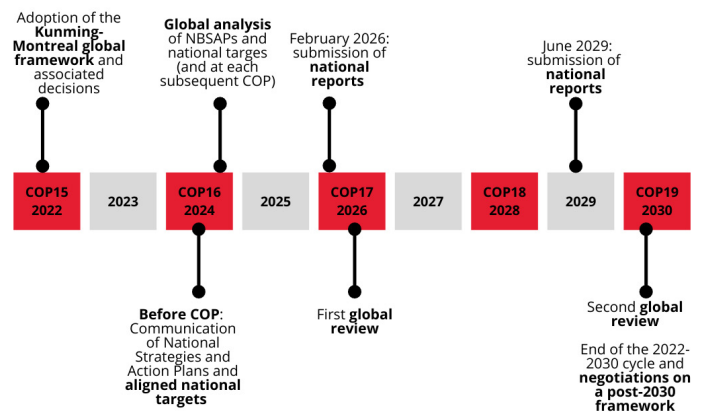
- The Kunming-Montreal Global Biodiversity Framework set a significant target of preserving 30% of the world's land and sea by 2030.
- However, as of October 2024, only 31 out of 195 countries have submitted their National Biodiversity Strategies and Action Plans (NBSAPs), which were due at the start of COP16. Most of these submissions come from wealthier nations, leaving poorer countries struggling to develop their plans.

Financial Challenges:

- A major concern at COP16 is the lack of funding for biodiversity conservation. The summit aims to establish new financial initiatives to support these efforts. At the previous COP15 talks, negotiators set a goal of raising \$20

billion annually by 2025 to assist developing nations.

- However, the current funding level is insufficient, with the OECD reporting only \$15.4 billion allocated for biodiversity in 2022. This shortfall raises doubts about achieving the 2025 target.
- The Global Biodiversity Framework Fund, designed to finance conservation efforts, has seen limited contributions, with only \$238 million raised to date. This lack of financial commitment presents a significant barrier to implementing national strategies and highlights the need for wealthier nations to fulfill their responsibilities.



Importance of National Plans:

- National biodiversity plans are essential for monitoring progress toward global conservation goals. However, many countries have submitted less ambitious plans that outline targets without clear strategies for achieving them.
- The slow submission of NBSAPs raises concerns about the global community's dedication to combating biodiversity loss. Colombia's Environment Minister emphasized the need to understand the reasons behind these delays, noting that limited funding and governmental transitions can impede progress.

Linking Biodiversity and Climate Change:

- COP16 discussions also focus on the relationship between biodiversity and climate change. Ecosystem degradation worsens climate change impacts, while rising global temperatures threaten biodiversity.
- For example, the current state of the oceans, which have faced unprecedented warming and mass bleaching events, illustrates the interconnectedness of these issues. As negotiations continue, it is essential for nations to align

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their biodiversity agendas with their climate action plans.

Conclusion:

COP16 provides a critical opportunity for nations to reaffirm their commitments to biodiversity and address the significant gaps in funding and implementation. With the deadline for the 2030 targets approaching, coordinated action is necessary

to transform commitments made two years ago into real progress. The global community must recognize that the health of ecosystems is vital for sustaining life and securing a viable future. As the summit unfolds, monitoring the commitments made and actions taken will be essential to halt ongoing biodiversity loss.

Power Packed News

Fourth Nuclear Submarine S-4

India has successfully launched its fourth nuclear submarine, S-4, from the Ship Building Centre in Visakhapatnam. This Arihant-class submarine is equipped to launch eight K-4 ballistic missiles simultaneously, boasting a range of 3,500 kilometers.

About Arihant-Class Submarines:

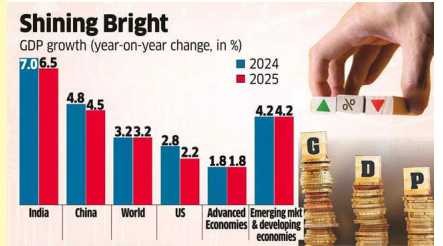
The construction of six submarines in the Arihant class is being carried out with the assistance of Russia under India's nuclear-powered ballistic missile submarine (SSBN) program:

- **INS Arihant:** INS Arihant, India's first ballistic missile submarine, was launched on July 26, 2009. INS Arihant was commissioned into the navy in 2016 and is capable of carrying K-15 ballistic missiles with a range of 750 kilometers.
- **INS Arighat:** The second submarine in the Arihant class, INS Arighat, was designed to carry double the number of missiles compared to INS Arihant. it was launched in 2017. INS Arighat was inducted into the navy on August 29, 2024.
- **INS Aridman:** The third submarine, INS Aridman, was launched on November 23, 2021. This submarine is approximately 13.8 meters longer than INS Arihant and can carry a minimum of eight K-4 ballistic missiles.



IMF Maintains India's GDP Growth Forecast at 7% for FY25

- In its latest World Economic Outlook report, the International Monetary Fund (IMF) has retained India's GDP growth forecast for the fiscal year 2024-25 at 7%. The report highlights a projected moderation in growth from 8.2% in 2023 to 7% in 2024, and further to 6.5% in 2025.
- This slowdown is primarily due to the depletion of pent-up demand that built up during the COVID-19 pandemic, as the economy adjusts back to its potential growth levels.
- On a global scale, the IMF expects economic growth to remain steady at 3.2% in both 2024 and 2025. While inflation is declining, projected to fall to 3.5% by the end of 2025, there are still risks to economic stability. These risks include possible escalations in regional conflicts, changes in trade policies, and the chance of monetary conditions remaining tight for an extended period.
- The IMF's report underscores the importance of effective policy measures in India to support economic growth and address vulnerabilities as the country continues its recovery from the pandemic.



Justice Sanjiv Khanna

- Recently, Justice Sanjiv Khanna has been appointed as the 51st Chief Justice of India and will take his oath on November

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11, 2024, succeeding Justice D.Y. Chandrachud, who is retiring upon reaching the age limit. Justice Khanna's tenure will be a little over six months, concluding on May 13, 2025.

Significant Contributions:

- **Electoral Bond Scheme:** In 2024, he was part of the bench that ruled the Electoral Bond Scheme unconstitutional, emphasizing the need for transparency in political funding.
- **Article 370:** He was involved in the five-judge bench that upheld the abrogation of Article 370, which removed Jammu and Kashmir's special status, noting that its removal did not disrupt the federal structure of India.
- **Divorce by Supreme Court:** In 2023, he affirmed the Supreme Court's authority to grant divorces directly under Article 142, based on the concept of "irretrievable breakdown of marriage."
- **RTI for Chief Justice:** In 2019, he ruled that the Chief Justice of India's office could be subject to RTI requests, highlighting the balance between judicial transparency and privacy.



Shillong Tops Travel Trends Report for Indian Travelers in 2025

- Shillong has emerged as the most popular destination for Indian travelers in 2025, surpassing Baku, Azerbaijan, according to the recently released 'Travel Trends Report' by Skyscanner, an international travel service. This annual report highlights that 66% of Indians plan to "travel more" in the coming year.
- Known as the "Scotland of the East," Shillong is the sole Indian city featured in the report, followed closely by Baku and Malaysia's Langkawi. The report also includes notable international destinations such as Saudi Arabia's Al-Ula, Norway's Tromsø, and Uzbekistan's Tashkent.
- In addition, a new category called "Best Value Destination" has been released that showcases places that offer significant savings in airline costs from India over the past year.
- Kazakhstan's Almaty tops this list, with flight costs decreasing by 44%. Jakarta in Indonesia ranks second with a 27% reduction, while Kuala Lumpur in Malaysia follows with a 19% drop.
- This report highlights the changing travel preferences of Indian tourists, focusing on new destinations and budget-friendly options.

Justice Yahya Afridi Appointed as Next Chief Justice of Pakistan

- Justice Yahya Afridi has been appointed as the next Chief Justice of Pakistan by a special parliamentary committee. The committee selected him from among the three most senior judges of the Supreme Court. This decision follows the recent passage of the 26th Constitutional Amendment, which has introduced significant changes in the judiciary.
- Justice Afridi will succeed Justice Mansoor Ali Shah, who was previously in line for the position under the old system.
- The committee's decision will now be presented to the Prime Minister and subsequently forwarded to the President for final approval. This appointment marks a crucial development in the leadership of Pakistan's judiciary amid ongoing reforms.



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