



DAILY CURRENT AFFAIRS 23-06-2025

GS-1

1. Iran

GS-2

2. Samson Option
3. SCO

GS-3

4. Net Interest Margin (NIM)
5. B-2 Spirit Stealth Bomber

Iran

Syllabus: GS-1; Geography-Mapping,GS-2; International Relations

Context

- Israel and Iran trade heavy air attacks a day after the US struck three main Iranian nuclear facilities.

1. Basic Facts about Iran

- **Official Name:** Islamic Republic of Iran
- **Capital:** Tehran
- **Government:** Theocratic Republic (Supreme Leader + President)
- **Supreme Leader:** Ayatollah Ali Khamenei (since 1989)
- **Current President:** Ebrahim Raisi (2021–present)
- **Religion:** Shia Islam (90%), Sunni Islam (10%)
- **Language:** Persian (Farsi)
- **Currency:** Iranian Rial (IRR)

2. Geography

- **Location:** Middle East/West Asia
- **Borders:**
 - **North:** Armenia, Azerbaijan, Caspian Sea, Turkmenistan
 - **East:** Afghanistan, Pakistan
 - **West:** Iraq, Turkey
 - **South:** Persian Gulf, Gulf of Oman
- **Key Features:**
 - **Mountains:** Zagros, Alborz
 - **Deserts:** Dasht-e Kavir, Dasht-e Lut
 - **Strategic Waterways:** Strait of Hormuz (20% of global oil trade passes through it)



3. Political System

- **Theocracy + Democracy:**
 - **Supreme Leader:** Highest authority (controls military, judiciary, media).
 - **President:** Head of government (elected every 4 years).
 - **Guardian Council:** Vets laws and election candidates.
 - **Revolutionary Guards (IRGC):** Powerful military & economic force.

4. Economy

- **Key Sectors:** Oil & gas (4th largest oil reserves, 2nd largest gas reserves).
- **Challenges:**
 - U.S. sanctions (since 1979, intensified after JCPOA withdrawal in 2018).
 - High inflation & unemployment.
- **Nuclear Deal (JCPOA):**
 - Signed in 2015 (P5+1 & EU) to limit Iran's nuclear program.
 - U.S. withdrew in 2018 under Trump; negotiations ongoing under Biden.

5. International Relations

➤ India-Iran Relations:

- **Chabahar Port:** Strategic project in Afghanistan trade (bypassing Pakistan).
- **Energy Trade:** India reduced oil imports due to U.S. sanctions.
- **Cultural Ties:** Persian influence on Indian culture (Mughals, language).

➤ Iran & Middle East:

- Supports Shia groups (Hezbollah in Lebanon, Houthis in Yemen).
- Rivalry with Saudi Arabia (Sunni vs. Shia).

➤ Iran & U.S.: Tense relations since 1979 hostage crisis.

6. Strategic Importance for India

- **Connectivity:** Chabahar links India to Central Asia via International North-South Transport Corridor (INSTC).
- **Energy Security:** Iran was a major oil supplier before sanctions.
- **Balancing Act:** India maintains ties with Iran while aligning with U.S.

Samson Option

Syllabus: GS-2: International Relations – Conflicts in middle east region.

Context:

Israel's controversial Samson Option nuclear doctrine is back in global focus amid escalating strikes on Iran's nuclear facilities during Operation Rising Lion.

Samson Option – Israel's Nuclear Deterrence Doctrine

- A **nuclear doctrine** attributed to **Israel** (an undeclared nuclear power).
- Represents a **massive retaliation strategy** intended to ensure **national survival** in the event of an **existential threat**.
- A form of **psychological deterrence**, not an operational war plan.

Key Features

| Feature | Details |
|---------|---------|
|---------|---------|

| Feature | Details |
|------------------------------|--|
| Strategic Ambiguity | Israel neither confirms nor denies having nuclear weapons (estimated 80–400 warheads). |
| Massive Retaliation | Envisions total destruction of aggressors if Israel faces annihilation. |
| Delivery Platforms | Believed to include land-based missiles, aircraft, and submarines . |
| Psychological Warfare | Acts as a psychological and diplomatic deterrent to prevent enemy miscalculation. |
| Biblical Symbolism | Named after Samson , who brought down a temple on himself and his enemies — implies Israel will retaliate even at the cost of self-destruction. |

Strategic Objectives

- To **deter hostile states** from launching a full-scale attack on Israel.
- To **ensure mutual destruction** if Israel's existence is at risk.
- To **influence regional military planning** and arms race dynamics.

Significance in Geopolitics

- Reinforces Israel's strategic depth as the **only nuclear-armed state in the Middle East**.
- Complicates adversaries' calculations in conflicts involving **Iran, Hezbollah, Syria**, etc.
- Gains renewed relevance during crises like **Operation Rising Lion** (targeted strikes on Iranian nuclear infrastructure).
- Adds weight to **deterrence posture** without formal nuclear acknowledgment — consistent with Israel's policy of *opacity*.

Criticism & Controversy

- **Destabilizing:** Critics argue that such doctrines raise the stakes of regional conflict.
- **Lack of transparency:** Absence of formal acknowledgment fuels speculation and uncertainty.

- **Ethical concerns:** Raises moral questions on nuclear retaliation as a last-resort strategy.

SCO

Syllabus: GS-2: International Organisations.

Context:

China is the host of the SCO leaders' Summit in Tianjin, and these meetings are preparatory for the leaders' meeting to be hosted by President Xi Jinping.

Shanghai Cooperation Organization (SCO) – Overview

- **Founded:** 2001
- **Origin:** Emerged from the **Shanghai Five** (1996) – China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan
- **Headquarters:** Beijing, China
- **Working Languages:** Russian and Chinese
- **Core Philosophy:** **Shanghai Spirit** – mutual trust, mutual benefit, equality, consultation, cultural diversity, and common development.

Objectives of SCO

- **Strengthen relations** among member states.
- **Promote cooperation** in politics, economics, trade, science-tech, education, culture, energy, transport, and environment.
- **Safeguard regional peace and security.**
- Work towards a **democratic, equitable international order.**

Membership

- **Member States (9):** China, India, Russia, Pakistan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan
- **Observer States:** Afghanistan, Belarus, Mongolia
- **Dialogue Partners:** Armenia, Azerbaijan, Cambodia, Egypt, Nepal, Qatar, Saudi Arabia, Sri Lanka, Turkey

Organizational Structure

| Body | Role |
|---|--|
| Council of Heads of State | Highest decision-making body; meets annually |
| Council of Heads of Government | Discusses multilateral cooperation, esp. economic |
| Council of Foreign Ministers | Coordinates foreign policy issues |
| Council of National Coordinators | Manages current activities and prepares major meetings |
| SCO Secretariat | Administrative and executive body; based in Beijing |
| RATS (Tashkent) | Anti-Terrorism coordination (terrorism, separatism, extremism) |
| Business Council | Promotes economic ties among member countries |
| Interbank Consortium | Enhances financial cooperation among central banks |

Significance of SCO

- **Security Cooperation:** Joint anti-terrorism, anti-drug efforts, military drills like *Peace Mission*.
- **Geopolitical Reach:**
 - 40% of world population
 - 22% of landmass
 - 20% of global GDP
- **Counterweight to Western alliances** like NATO and Quad
- **Promotes Eurasian connectivity and regional integration**

India and the SCO

Relevance for India

- **Counter-Terrorism:** Supports India's security interests
- **Regional Stability:** Enhances India's role in Central Asia

- **Connectivity & Energy:** Supports India's *Connect Central Asia* policy
- **Economic Potential:** Market access, energy partnerships, technology cooperation
- **Diplomatic Engagement:** Platform for engaging China, Pakistan, and Central Asian nations

Challenges for India

- **China-Pakistan Axis:** Managing bilateral tensions within a multilateral setting
- **Conflicting Memberships:** Balancing SCO and Quad
- **Low Trade Volumes:** Limited economic engagement with Central Asia
- **Belt and Road Issue:** India's opposition to BRI stands alone in SCO
- **Strategic Autonomy:** Maintaining a neutral stance amid conflicting global powers

Way Forward for India in SCO

- **Leadership Role:** Utilize 2023 SCO Presidency to shape regional agenda
- **Push for Rupee Trade:** Encourage trade in national currencies
- **Boost Connectivity Projects:** Like Chabahar port and INSTC
- **Enhance Counter-Terror Ties:** Strengthen coordination via RATS
- **Soft Diplomacy:** Promote cultural exchanges and tourism
- **Avoid Isolation:** Maintain dialogue even with adversarial members
- **Economic Diplomacy:** Leverage the platform to attract investment & tech partnerships

Net Interest Margin (NIM)

Syllabus: GS-3; Economy

Context

- Public sector lender **Indian Overseas Bank (IOB)** has implemented strategic measures to counter the potential squeeze on its **Net Interest Margin (NIM)** following the recent **Repo Rate cut** by the **Reserve Bank of India (RBI)**.

What is Net Interest Margin (NIM)?

- Net Interest Margin (NIM) is a **key profitability metric** for banks and financial institutions. It measures the difference between the **interest income earned** (from loans and investments) and the **interest expense paid** (on deposits and borrowings), relative to the total interest-earning assets.

Formula for NIM:

$$\text{NIM}(\%) = \left(\frac{\text{Interest Earned} - \text{Interest Paid}}{\text{Average Interest-Earning Assets}} \right) \times 100$$

Why is NIM Important?

1. **Indicator of Bank's Profitability** – A higher NIM suggests better efficiency in managing interest income and expenses.
2. **Reflects Lending & Deposit Policies** – Banks with higher lending rates and lower deposit rates tend to have a higher NIM.
3. **Used by RBI & Regulators** – Helps assess the financial health of banks.
4. **Comparison Tool** – Allows comparison between different banks and financial institutions.

Factors Affecting NIM:

- **Interest Rate Changes (RBI Policy Rates)** – Repo rate, Reverse Repo rate, CRR, SLR.
- **Loan Demand** – Higher demand for loans can improve NIM.
- **Deposit Costs** – Higher interest on deposits reduces NIM.
- **Non-Performing Assets (NPAs)** – Bad loans reduce interest income, lowering NIM.
- **Competition** – Intense competition among banks can squeeze NIM.

Relation with Monetary Policy

- **If RBI increases Repo Rate** → Banks may raise lending rates → **NIM may improve.**
- **If RBI cuts rates** → Banks may reduce deposit rates → **NIM may shrink.**

Conclusion

- NIM is a crucial indicator of a bank's core profitability and efficiency. It is influenced by RBI policies, loan demand, deposit costs, and competition.
- A stable or rising NIM indicates strong financial health, while a declining NIM may signal stress.

Prelims Possible Questions:

Which of the following best defines Net Interest Margin (NIM)?

- a) Difference between total income and total expenses of a bank.
- b) Difference between interest earned and interest paid, relative to interest-earning assets.
- c) Ratio of net profit to total assets.
- d) Difference between a bank's lending rate and borrowing rate.

Answer: (b)

B-2 Spirit Stealth Bomber

Syllabus: GS-3: Science and Technology – Defence technology.

Context:

The United States has deployed **B-2 Spirit stealth bombers** for **precision airstrikes on Iran's nuclear infrastructure**, marking a significant military escalation.

About B-2 Spirit Stealth Bomber

| Feature | Details |
|--------------------------|-------------------------------------|
| Type | Long-range stealth strategic bomber |
| First Flight / Induction | 1989 / Inducted into USAF in 1993 |
| Builder | Northrop Grumman Corporation |

| Feature | Details |
|--------------------------|---|
| Current Units in Service | 19 |
| Cost per Unit | ~\$2.1 billion (world's most expensive military aircraft) |
| Crew | 2 (Pilot and Mission Commander) |
| Engine | 4 × turbofan engines |
| Top Speed | 628 mph (~1,010 km/h) |
| Range Without Refueling | ~6,000 nautical miles (~11,112 km) |
| Global Reach | Achievable via aerial refueling |
| Payload Capacity | > 40,000 lbs (~18,144 kg) |
| Stealth Features | Flying-wing design, radar-absorbent coating, IR suppression, RCS ≈ 0.001 m ² |

Key Weapons Capability

- Can deliver both nuclear and conventional weapons.
- Equipped to carry **GBU-57A/B MOP (Massive Ordnance Penetrator)**:
 - ~30,000 lbs “bunker buster” bomb.
 - Specifically designed to **destroy fortified underground nuclear bunkers**.
- Internal weapon bays preserve stealth while allowing heavy ordnance deployment.

Strategic Significance

- Capable of **penetrating highly sophisticated enemy air defense systems**.
- **Only aircraft in the U.S. arsenal** that can carry the MOP.
- Serves as a **credible strategic deterrent** in both **conventional and nuclear domains**.
- Plays a vital role in **first-strike or retaliatory options** in U.S. military doctrine.