DAILY CURRENT AFFAIRS 04-06-2026

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Prelims Perspective

2. **Navachar Mantra Initiative**
3. **Sakura Science Programme**

Mains Perspective

4. **Producer Price Index to replace WPI**
5. **Strengthening India's EV Supply Chains**

Agasthyamalai Biosphere Reserve

Syllabus: GS-3; Environment & Biodiversity

Context

The Supreme Court recently ordered the removal of encroachments and illegal structures in the ecologically sensitive **Agasthyamalai Biosphere Reserve**.

About Agasthyamalai Biosphere Reserve

- Located in the southern **Western Ghats**, spanning **Kerala and Tamil Nadu**.
- Declared a Biosphere Reserve in **2001** and included in the **UNESCO World Network of Biosphere Reserves** in **2016**.
- Named after the **Agasthyamalai (Agasthyarkoodam) Peak**, rising to about **1,868 m**.

Protected Areas Included

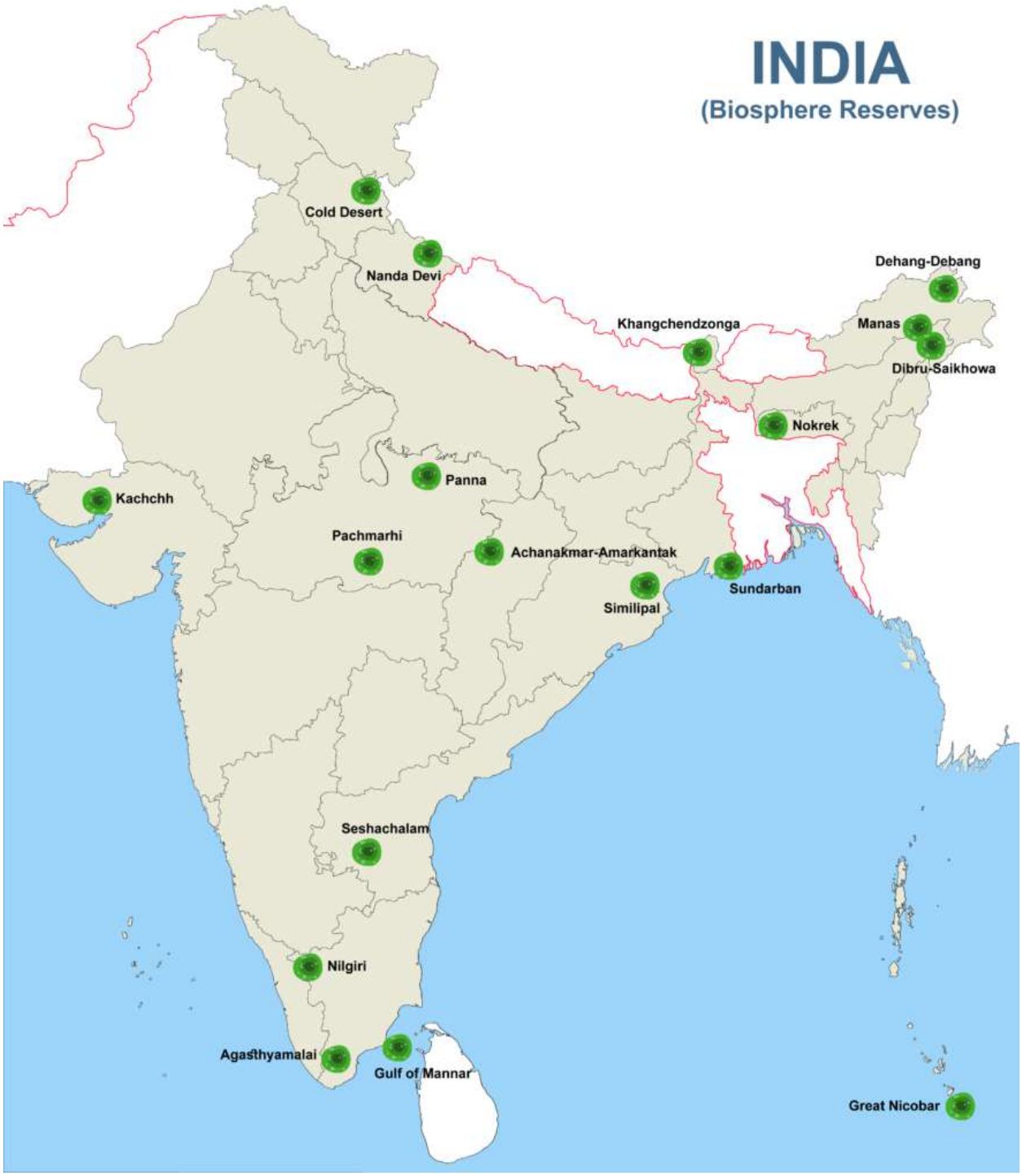
- Shendurney Wildlife Sanctuary
- Peppara Wildlife Sanctuary
- Neyyar Wildlife Sanctuary
- Kalakkad-Mundanthurai Tiger Reserve

Biodiversity

- Vegetation includes tropical evergreen forests, moist deciduous forests, montane rainforests, and Shola forests.
- Rich in endemic flora, with around **400 endemic plant species**.
- Fauna includes **Asian Elephant, Bengal Tiger, Nilgiri Tahr**, and **Great Indian Hornbill**.

Tribal Community

- Home to the Kanikaran tribe.


INDIA
(Biosphere Reserves)
Cold Desert
Nanda Devi
Dehang-Debang
Khangchendzonga
Manas
Dibru-Saikhowa
Nokrek
Panna
Kachchh
Pachmarhi
Achanakmar-Amarkantak
Sundarban
Similipal
Seshachalam
Nilgiri
Agasthyamalai
Gulf of Mannar
Great Nicobar

Navachar Mantra Initiative

Syllabus: GS-2; Governance & Government Initiatives

Context

The Ministry of Skill Development and Entrepreneurship (MSDE) recently launched the **Navachar Mantra Initiative**.

About Navachar Mantra

- A national initiative to strengthen **grassroots entrepreneurship** and support early-stage innovators.
- Aims to identify, nurture, and scale promising innovators across India.

Implementation

- **Nodal Ministry:** Ministry of Skill Development and Entrepreneurship (MSDE).
- **Implementing Agency:** National Institute for Entrepreneurship and Small Business Development (NIESBUD).
- **Technical Knowledge Partner:** FITT, IIT Delhi.

Key Features

- **Structured Support Ecosystem:** Focus on Agritech, HealthTech, EdTech, Skilling, Climate & Sustainability, Rural Commerce, and MSME Enablement.
- **Stakeholder Access:** Connects innovators with policymakers, investors, industry leaders, and experts.
- **Inclusive Growth:** Special emphasis on innovators from Tier-2 and Tier-3 cities, aspirational districts, and underserved regions.
- **Business Development:** Helps refine ideas, strengthen business models, and improve market readiness.

Sakura Science Programme

Syllabus: GS-2; International Relations, GS-3; Science & Technology

Context

Recently, the Department of School Education and Literacy (DoSEL), Ministry of Education, flagged off a delegation of Indian students selected to participate in the **Sakura Science Programme 2026** in Japan.

About Sakura Science Programme

- The **Sakura Science Programme (SSP)** is a prestigious **Japan-Asia Youth Exchange Program in Science**.
- It was launched in **2014** by Japan to promote scientific cooperation and cultural exchange among Asian countries.
- **India joined the programme in 2016.**
- The programme provides students and young researchers with opportunities to experience **Japan's advanced science, technology, innovation ecosystem, and cultural heritage**.
- Selected participants undertake **short-term visits to Japan**, where they interact with leading universities, research institutions, and industries.

Implementing Agency

- The programme is implemented by the **Japan Science and Technology Agency (JST)**, a national research and innovation agency of Japan.

Objectives of the Programme

- To nurture talented young individuals with the potential to contribute to scientific and technological innovation.
- To encourage international collaboration in science and technology.
- To promote the global circulation of knowledge, skills, and researchers.
- To strengthen partnerships between Japanese educational and research institutions and their counterparts abroad.
- To enhance diplomatic relations through science and technology cooperation.

Significance for India

- Provides Indian students with exposure to cutting-edge scientific research and technological advancements.
- Strengthens **India–Japan cooperation** in education, innovation, and research.
- Encourages scientific temperament, innovation, and global outlook among young learners.
- Helps build future networks of researchers, scientists, and innovators between the two countries.

Producer Price Index to replace WPI

Syllabus: GS-3: Indian Economy – Macroeconomic Metrics.

Context:

- The Department for Promotion of Industry and Internal Trade (DPIIT) is close to finalising a model to launch a **Producer Price Index (PPI)** in India that may eventually replace the **Wholesale Price Index (WPI)**.
- The government has been attempting to determine a suitable methodology for constructing a PPI in the Indian context for over two decades; the major challenge is developing a framework that improves upon the existing WPI.

Wholesale Price Index (WPI)

Definition

- WPI represents the price of goods at the wholesale stage, i.e., goods sold in bulk and traded between organisations rather than consumers.
- It is used as a measure of inflation in some economies.

Calculation of WPI

- Reported monthly to indicate average price changes of goods.
- Total cost of selected goods in a given year is compared with the total cost in the base year.
- Base year prices are assigned a value of 100.
- Prices of subsequent years are expressed as a percentage change from the base year.

WPI in India

- Important measure of inflation that captures changes in prices of goods only.
- Published by the **Office of Economic Adviser, Ministry of Commerce and Industry**.

- Current WPI series has **base year 2011–12**; it is the **7th revision** and has been in use since 2017.

Major Components of WPI

- **Primary Articles**
  - Food Articles
  - Non-Food Articles (Oil Seeds, Minerals, Crude Petroleum)
- **Fuel & Power**
  - Petrol, Diesel and LPG
- **Manufactured Products** (largest basket)
  - Textiles, Apparels, Chemicals, Cement, Metals, Sugar, Tobacco Products, Vegetable & Animal Oils, etc.

WPI Food Index

- Sub-index within WPI.
- Includes:
  - Food Articles from Primary Articles basket.
  - Food Products from Manufactured Products basket.

Significance of WPI

- Easy and convenient method to measure inflation.
- Fiscal and monetary policy decisions are significantly influenced by WPI trends.

Criticism of WPI

- Does not reflect inflation faced by ordinary consumers as they do not purchase at wholesale prices.
- Excludes the service sector, which accounts for about **55% of GDP**.
- Has an inbuilt bias due to double counting of products.
- Does not include exports and imports.

Producer Price Index (PPI)

Definition

- PPI measures wholesale prices from the perspective of producers of goods and services by tracking prices at different stages of production.
- Measures inflation from the viewpoint of industry and business.
- Captures price changes before consumers purchase final goods and services.

Global Relevance

- Has replaced WPI in most countries.
- Conceptually aligned with the internationally accepted **System of National Accounts (SNA)** used for measuring economic activity.

Challenges in Shifting from WPI to PPI

Methodological Challenges

- Preparing appropriate samples.
- Assigning suitable weights.
- Deciding the periodicity of price collection (monthly or weekly).

Inclusion of Services

- Biggest challenge is identifying which services should be included.
- Need to determine representative services that accurately reflect the sector.

Continued Relevance of WPI

- WPI remains the most widely followed inflation measure.
- Used along with the **Consumer Price Index (CPI)** as a deflator for converting nominal GDP into real GDP.
- Government is also working on revising the current WPI base year of 2011–12.

Comparison: WPI vs PPI

Aspect	**WPI**	**PPI**
Coverage	Goods only	Goods and Services
Perspective	Wholesale market prices	Producer/industry perspective
Stage of Measurement	Wholesale stage	Different stages of production
Service Sector Coverage	Not included	Included
Global Practice	Largely replaced	Widely adopted internationally
Alignment with SNA	Limited	Fully aligned

Conclusion

- Transition from **WPI to PPI** aims to provide a more comprehensive and internationally comparable measure of inflation by incorporating the services sector and producer-level price changes, though methodological and data-related challenges remain significant.

Strengthening India's EV Supply Chains

Syllabus: GS-3: Indian Economy – Supply Chain Management.

Context:

- India's EV sector is growing fast — around **2.5 million vehicles were sold in FY26**, up significantly from FY25.
- Government policies such as **purchase subsidies, road tax exemptions, and registration waivers** have successfully created market demand.
- However, rising EV adoption has created a new concern: **dependence on imported batteries, mainly from China**.

Core Problem: Trading One Dependency for Another

- Earlier, India's energy security concern centred on **oil imports**; EVs were viewed as a solution.
- However, EV adoption has **not eliminated import dependence; it has changed its form**.
- The **lithium-ion battery**, the most critical and expensive EV component, is largely imported.
- Domestic battery manufacturing remains inadequate.

Extent of Battery Import Dependence

- Under the **ACC (Advanced Chemistry Cell) Production Linked Incentive (PLI) Scheme**, India awarded **40 GWh** of battery manufacturing capacity.
- However, only about **1 GWh** has been installed so far.
- In 2025, passenger EVs sourced batteries from **14 global manufacturers**, importing **7,987 MWh** worth of cells.
- A significant share of imports came from **Chinese manufacturers**.
- Consequently, **higher EV sales currently translate into higher battery imports from China**.

Why Dependence on China Is a Strategic Risk

- China is not merely a supplier but also a **competitor with its own industrial and geopolitical priorities**.

Key Challenges

- Tighter technology export restrictions.
- Prioritisation of domestic Chinese demand over exports.

- Withdrawal of VAT exemptions on battery exports.
- Rising manufacturing and transport costs.
- West Asia conflict increasing raw material costs and shipping risk premiums.

Implications

- Combined impact leads to **battery inflation**.
- Rising battery costs may be passed on to consumers.
- In a price-sensitive market like India, EVs could become less affordable.
- India's EV adoption and electrification targets may face serious risks.

Measures Required

1. Short Term: Diversify Suppliers ("China + 1" Strategy)

- Source batteries from at least one **non-Chinese supplier**.
- Currently:
  - Premium EVs increasingly use non-Chinese**NMC (Nickel Manganese Cobalt)** batteries.
  - Mass-market EVs continue to rely on cheaper Chinese **LFP (Lithium Iron Phosphate)** cells.
- Diversification should extend across:
  - Suppliers
  - Battery chemistries
  - Geographies
- Though costs may rise initially, diversification reduces the risk of supply disruptions.

2. Medium Term: Smarter Product Design

- Develop more efficient EVs through:
  - Lighter vehicle architectures
  - Smarter drivetrains
  - Better software integration
  - Batteries sized for actual Indian usage patterns
- India may benefit from **lean, purpose-built EVs** rather than models dependent on expensive imported battery systems.

3. Emerging Technology: Sodium-Ion Batteries

- Encourage testing and adoption of **sodium-ion batteries**.
- Advantages:
  - Sodium is abundantly available.
  - Less dependence on lithium supply chains.
  - Acts as a strategic hedge against lithium-related vulnerabilities.
- Though not yet a full replacement for lithium-ion batteries, it broadens India's technology base.

4. Long Term: Global EV Supply Chain Alliance

- Build structured partnerships with trusted countries covering:
  - Critical minerals
  - Manufacturing
  - Technology
  - Standards
- Such alliances can distribute risks and strengthen supply-chain resilience.
- Reduces vulnerability to external geopolitical and economic shocks.

Conclusion

- India has successfully created **demand for EVs** through supportive policies.
- The next challenge is building **domestic industrial depth and supply-chain resilience**.
- The objective should be not merely to electrify faster, but to **electrify intelligently, securely, and strategically**.