

NEXT IAS

DAILY NEWS

ANALYSIS



4th December

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Playlist Link:



What to Read: <https://bit.ly/3FYdutC>

Daily News Analysis: <https://bit.ly/4ge9BgF>

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EXPLAINED

QUOTE OF THE DAY

"Learn everything that is good from others, but bring it in, and in your own way absorb it, do not become others." — Swami Vivekananda

1. RUPEE CROSSES 90 MARK AGAINST DOLLAR

Context : THE RUPEE continued its fall on Wednesday, breaching the 90-mark against the US dollar for the first time.

Key Data

1. The rupee ended at an all-time low of 90.19 against the dollar.
2. The currency hit a record low of 90.30 during intraday trading.
3. In the current calendar year (January 1 to December 3, 2025), the currency has fallen by around 5.35 percent (2.88 percent 2024 and 0.57 percent in 2023.)
4. It weakened sharply by 11.3 per cent in 2022.

Reasons For Rupee Slide

1. Persistent equity selling by foreign portfolio investors (FPIs)
 - a. Why are FPI Selling Indian Equity?
FPIs have sold Rs **1.52 lakh crore of shares so far in calendar year 2025**. In the first three days of December, **they have offloaded Rs 8,369 crore equities**.
 - i. Valuation of Indian markets
 - ii. Capex muted (The Central government's capex contracted in October by around 28% YoY)
 - iii. Earnings growth momentum
 - iv. Rupee at fresh lows
 - v. Indo-US trade uncertain
2. Uncertainty around the India-US trade deal (Export - Import Conundrum)
3. Higher importer demand for the American currency (oil, metals, and electronics Sectors)
4. RBI loosened grip over the exchange rate (440 vs 44 Billion)
 - a. Countering US tariffs
5. FDI Challenge (959 Million —> 7.4 Billion)
 - a. Entry and exit issues
 - b. Interest rate increase in developed countries

- c. Localization of Supply chains
 - d. Outward flow due to above
6. **Puzzling Slide:** Crude prices, low inflation, high GDP
 - a. Trade Deficit (Merchandise exports, oil exports drop)
 - b. Gold Imports

RBI Response

1. RBI was active in the market to moderate the fall in the rupee.
2. But did not defend any specific exchange rate level
3. Growing perception that the RBI may allow a deeper adjustment.
4. The fall in the rupee has been gradual and in line with emerging market trends.

CEA Response

1. Anantha Nageswaran said "not losing sleep" over the rupee's sharp fall in recent days.
2. FDI "terrain" had become much harder since 2024
3. Not impacting inflation or exports

Impact

1. Will help exporters.
2. Not good for importers or inflation. (Imported and otherwise)

WAY FORWARD

1. RBI should adopt no Rush Policy
 - a. Low Inflation
 - b. Liquidity concerns
2. Raise productivity
3. Raise export competitiveness
4. Finish US deal
5. Fed rate cut ———> weak dollar
6. FDI

2. HC LETS DR REDDY'S MAKE EXPORT WEIGHT LOSS DRUG

Context : The Delhi High Court on Tuesday allowed Dr Reddy's Laboratories to continue manufacturing and exporting its version of the GLP-1 drug that contains the compound semaglutide.

Court Observations

1. Marketed globally by Novo Nordisk as Ozempic for Type 2 diabetes and for obesity.

2. The company had obtained two patents for minor variants of Semaglutide - Double patenting and evergreening
3. Excluded from Genus patent
4. Filed suit patent (Species specific patent)
5. Export only - No rights infringed.

DRL Argument

1. Suit Patent on Semaglutide not novel
2. Claimed protection with GLP - 1 Compound

Key Terms to Understand

1. Double patenting
2. Evergreening
3. Compulsory licensing
4. Section 107A (Bolar exemption)

Indian patent Approach

1. India follows TRIPS-compliant but public-health focused IP law
2. Strong emphasis on: Compulsory licensing, Affordable generics, Limiting evergreening

3. VOLCANIC ASH AND FLIGHT SAFETY

Context : Director General of Civil Aviation (DGCA), India's aviation regulator, ordered airlines to brace for the impact of volcanic ash travelling from Ethiopia.

Background Information

1. Hayli Gubbi volcano in northern Ethiopia erupted on November 23 for the first time in nearly 12,000
2. Ash up to 14 km into the sky moving at around 100-120 km/hour at an altitude of 15,000 to 25,000 feet
3. Travelled across the Red Sea towards Yemen and Oman.
4. The volcanic ash reached India's western border on November 24.

What does this Ash have?

volcanic ash

sulphur dioxide

tiny particles of glass and rock

Areas in India Affected?

Guj, Raj, NW MH, Delhi, Haryana, Punjab

Why the Advisory?

1. Jet engine working principle
2. Hot engine and high speed air
3. Silicate compounds transformation

Examples from history

1. In 1982, a British Airways Boeing 747
2. In 1989, a KLM Boeing 747-400 flying to Anchorage, Alaska

4. ZHUQUE -3 ROCKET

Context : LandSpace's Zhuque-3 rocket ended in failure as the vertical landing test failed to achieve recovery.

Key points

1. LandSpace most advanced private company of China
2. First in world to launch Methane and Liq oxygen Rocket (metholox)
3. Zhuque-3 ----- Steel rocket, 20-25 tonnes payload to LEO
 - a. 20 times, 18 tonnes
4. Space x and Blue origin
5. Reusable rocket advantages:
 - a. low-cost satellite constellations,
 - b. cargo missions,
 - c. future crewed space ambitions.
6. Falcon 9 reusable core stage

Why Difficult to replicate Space X Success?

Separation—trun around—fire—survive—restart engine.

5. CENTRAL EXCISE (AMENDMENT) BILL, 2025

Context : The Lok Sabha passed the Central Excise (Amendment) Bill on Wednesday to levy excise duty on tobacco and related products.

Background Information:

1. Compensation to states due to GST
2. Compensation cess on sin and Luxury products
3. Tobacco and tobacco products are subject to GST, compensation cess, and central excise dut
4. Change in end date for Compensation cess
5. Revenue shortage and fall in prices of sin good if cess expires

6. Introduced two bills
 - a. Central Excise Amendment Bill, 2025: the revenue stabiliser (The Bill seeks to amend the Central Excise Act, 1944.)
 - b. Health Security Se National Security Cess Bill, 2025: a new earmarked levy (Successor to Pan Masala Cess)

Provisions of the Bill

1. **The Bill increases central excise duty on unmanufactured tobacco, manufactured tobacco, tobacco products, and tobacco substitutes.**

Ex 1: unmanufactured tobacco (such as sun-cured tobacco leaves) from 64% to 70%.

Ex 2: The enhanced duty under the Bill ranges between Rs 2,700 and Rs 11,000 per thousand cigarettes.

What FM said in parliament

1. Compensation cess levied on tobacco and tobacco products, wherever applicable, will be discontinued.
2. Revenue collected will be part of the divisible pool.
3. This is not a cess, this is excise duty.
4. Excise duty came back to centre (lost too collect CC)
5. GST caps at 40 percent, CC removed will fall so duty

Advantage Central Govt - Excise duty back in game

MAINS TOPICS

1. A MISSING LINK IN INDIA'S MINERAL MISSION

Background Information

The Union Cabinet's new ₹7,280 crore rare-earth earth permanent magnets manufacturing programme, to cut reliance on imports for the elements critical to sectors ranging from electric vehicles and aerospace to defence and renewable energy.

Why Now?

1. Doubling of Consumption by 2030
2. Demand met through imports

3. China dependence
4. Export controls
5. Supply Chain Shocks

What need to done (Editorial Idea)

1. India no value addition
2. No large Scale Processing
3. Exporting Prosperity

What has India done so far for mining

Mines and Minerals (Development and Regulation) Act has been amended

1. to support domestic mining through exploration licences,
2. national auctions,
3. mining-associated minerals,
4. and a national mineral exchange.

But this helps us not process. High-purity materials are also vital for semiconductors, telecommunications, automobiles, pharmaceuticals, and defence systems.

Present Processing Scenario

1. China controls over 90% of rare earth and graphite refining.
2. Beijing weaponised these supply chains
3. U.S.–Japan and U.S.–Australia critical minerals frameworks now tie financing directly to local refining

India Scenario

Council on Energy, Environment and Water (CEEW) shows

1. India mines and processes seven critical minerals relevant for clean energy and defence. —copper, graphite, silicon, tin, titanium, rare earths, and zirconium.
2. Refining lags behind in either scale or quality.
3. Ex1: Domestic graphite reaches 92–99% purity, while batteries need 99.95% spherical graphite.
4. Ex 2Rare earths are processed into oxides but not separated into the metals required for magnets.
5. Ex 3: And India's tin production meets barely one per cent of demand.

Steps needed to develop Critical Mineral Processing In India

1. Turn Centres of Excellence into innovation engines.
2. Unlock secondary resources to recover critical minerals.

3. train and upskill a new generation of process metallurgists and technicians.
4. De-risk investment through demand assurance and financing tools
5. Link mineral diplomacy to processing capacity.

Control over processing equals control over power. The question is no longer whether we have enough mines but whether we can master the stage that turns ores into usable materials.

2. TO SCALE UP CLIMATE AMBITION - A 7 POINT PLAN

Context: India, under the Paris Agreement, needs to submit new NDCs covering the period up to 2035.

Previous NDC

India submitted its first Nationally Determined Contribution (NDC) in the year 2015 comprising, inter-alia, of following two quantifiable targets:

- i. To reduce the emissions intensity of its GDP by 33 to 35 percent by 2030 from 2005 level; and (Reduced by 33 Percent)
- ii. To achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. (43% Renewable Power)

TARGETS ACHIEVED AND NDC REVISED (AUGUST 2022)

1. GDP intensity to 45 percent by 2030
2. Non Fossil Power enhanced by 50 percent

IDEAS IN THE EDITORIAL

1. We should set a higher target for reducing the emissions intensity of GDP.
2. Non-fossil-fuel-based power generation capacity aims to raise the share to 80 per cent by 2035.
3. NDCs should include an explicit target for phasing down unabated coal-based generation.
4. Electrification of major sectors is an important part of decarbonisation, and the transport sector will be critical.
5. Carbon Credit Trading Scheme (CCTS), should be included in our NDCs.
6. Basic reforms in electricity pricing, including frameworks that move away from fixed power purchase agreements.
7. Proposed expansion in renewable generation and storage capacity require additional investment.

Way forward

1. Combination of action by the Centre, the states, and the private sector.
2. Revive the Prime Minister's Council on Climate Change as the central body to approve the national action plan, coordinate its implementation with different stakeholders, and review its progress periodically.

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