



**Sanskriti IAS**

*29th April 2026*



**IMPORTANT**

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## GS 3: INDIAN ECONOMY

THE HINDU PAGE : 1

# Industrial output growth hits 5-month low of 4.1%

Slowdown in construction and consumer-centric sectors pull down Industrial Production growth in the first month of data since the war began in West Asia, with construction growth almost halving

T.C.A. Sharad Raghavan  
NEW DELHI

**G**rowth in the Index of Industrial Production (IIP) slowed to a five-month low of 4.1% in March 2026, the first month of data after the West Asia crisis began, pulled down by a near-halving in construction sector growth rates and low growth in consumer-centric sectors.

Data released by the Ministry of Statistics and Programme Implementation on Tuesday showed that growth in the IIP has been slowing since January, even before the West Asia crisis broke out on February 28.

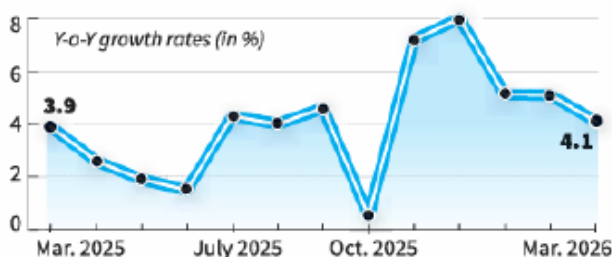
Economists point out that the full economic impact of the crisis will play out over the next few months.

For the full financial year 2025-26, growth in the IIP stood at 4.1%, marginally faster than the 4.07% recorded in 2024-25.

According to Madan Sabnavis, chief economist at the Bank of Baroda, the

## Slippery slope

Latest official data showed that IIP growth has been slowing since January 2026, even before the West Asia war began



SOURCE: MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

growth of 4.1% in March is "impressive given that the core sector growth was negative for the month".

Data released earlier this month had shown the eight core sectors, which make up about 40% of the IIP, had contracted 0.4% in March.

### Manufacturing hit

Within the IIP, the manufacturing sector slowed to a five-month low of 4.3% in March, although this was faster than the 4% recorded last March.

"Domestic manufacturing has begun to bear the

brunt of costlier and tighter supplies of petroleum products and natural gas," Dipati Deshpande, principal economist at Crisil, said.

Growth in the capital goods sector, notably, accelerated to a 29-month high 14.6% in March from an already-robust 12.4% in February. While growth in the infrastructure and construction sector slowed to a nine-month low of 6.7%, economists still felt it highlighted strength in the economy. "Importantly, the strength in capital goods and infrastructure goods [6.7%] underscores that in-

vestment-led demand remains intact, even as consumer non-durables posted a muted 1.1% rise," Vikrant Chaturvedi, associate director of research at Brickwork Ratings said. The 1.1% rise in consumer non-durables came on a low base as the sector had contracted 4% in March last year.

According to Ms. Deshpande, this is not the first data point showing the stress in the manufacturing sector.

"The Purchasing Managers' Index also slipped in March from February but remained in the expansion zone, indicating the likely uneven impact of the conflict across sectors and time based on their ability to absorb the shock."

"The March data captures only a part of the shock as uncertainty and weak producer sentiment have yet to fully manifest in production data," she added.

"The deeper impact is expected to show up down the road, particularly in the first quarter of this fiscal."

# GS 2: INTERNATIONAL RELATIONS

## THE HINDU PAGE : 1

### UAE announces exit from OPEC group weakening cartel's bargaining power

Associated Press  
DUBAI

The United Arab Emirates said Tuesday it will leave the Organization of the Petroleum Exporting Countries (OPEC) effective May 1, stripping the oil cartel of its third-largest producer and further weakening its leverage over global oil supplies and prices.

The UAE's decision had been rumoured as a possibility for some time, as it pushed back in recent years against OPEC production quotas it felt had been too low – meaning it wasn't able to sell as much oil to the world as it had wanted. "Having invested heavily in expanding energy production capacity in recent years, the bigger picture is that the UAE has been itching to pump more oil," Capital Economics wrote in an analysis.

"The ties binding OPEC members together have loosened," it said, particularly after Qatar withdrew from the cartel in 2019.

Regional politics are also likely at play. The UAE has had increasingly frosty relations with Saudi Arabia, OPEC's largest producer, over political and economic matters in the Mideast, even after both came under attack by fellow OPEC member Iran during the war.

The UAE's withdrawal from OPEC won't necessarily have any immediate effects in markets because oil supplies are sharply constrained by the war in Iran, which has closed off the Strait of Hormuz, a waterway through which one-fifth of global oil supplies – including much of the UAE's – is transported. On Tuesday, Brent crude, the international benchmark, traded above \$111 a barrel, or more than 50% above its prewar price.

OPEC accounts for roughly 40% of the world's oil output, but its market



The move had been rumoured as a possibility for some time with the UAE pushing back against production quotas in recent years. AFP

### President Trump 'unhappy' with Iran's peace proposal

Reuters  
DUBAI/WASHINGTON

U.S. President Donald Trump is unhappy with the latest Iranian proposal on resolving the two-month war, a U.S. official said. Iran's latest proposal

would set aside discussion on its nuclear programme until the war, on hold following a ceasefire is ended and disputes over shipping from the Gulf are resolved.

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power had been waning in recent years as the United States ramped up production. While Saudi Arabia had been producing more than 10 million barrels of oil a day before the war, the U.S. pumps more than 13 million barrels a day.

U.S. President Donald Trump has been a steady critic of the cartel during his two terms.

The UAE, which joined OPEC through its emirate of Abu Dhabi in 1967, had been producing around 3.4 million barrels of crude a day just before the U.S.-Israeli war with Iran began on Feb. 28. Analysts say it has capacity to produce 5 million barrels a day.

In its announcement on Tuesday, made via its state-run WAM news agency, the UAE said it also would leave the wider OPEC+ group, which Russia had led to try to stabilize oil prices.

"This decision reflects the UAE's long-term strategic and economic vision and evolving energy pro-

file, including accelerated investment in domestic energy production," the UAE said, adding that it would bring "additional production to market in a gradual and measured manner, aligned with demand and market conditions."

The UAE's exit removes one of OPEC's few members with the ability to quickly raise production, said Jorge Leon, head of geopolitical analysis at Rystad Energy.

"A structurally weaker OPEC, with less spare capacity concentrated within the group, will find it increasingly difficult to calibrate supply and stabilise prices," he said.

While Saudi Arabia and OPEC had no immediate reaction, Emirati Energy Minister Suhail al-Mazrouei insisted his country's decision did not stem from any dispute with its Gulf neighbour.

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## GS 3: SCIENCE AND TECHNOLOGY

### THE HINDU PAGE : 3

# Google's AI data hub project kicks off in Andhra Pradesh

Chief Minister Chandrababu Naidu laid foundation for the 1-Gigawatt centre in Tarluvada, one of India's largest FDI projects with data storage, AI cloud, and an investment of ₹1.35 lakh crore

**V. Kamalakara Rao**  
VISAKHAPATNAM

Chief Minister N. Chandrababu Naidu on Tuesday laid the foundation stone for the Google Data Centre at Tarluvada, on the outskirts of Visakhapatnam, Andhra Pradesh, one of the largest single Foreign Direct Investment projects in India.

The 1-Gigawatt hyper-scale AI data centre is coming up on 601.4 acres at an investment of ₹1.35 lakh crore. It will be managed by Google's subsidiary Raiden Infotech in partnership with Adani Infra. AdaniConneX and Airtel Nextra are also partners in the wider Google-Adani-



The project will be managed by Google's subsidiary Raiden Infotech in partnership with Adani Infra. SPECIAL ARRANGEMENT

Airtel venture, which forms part of Google's announced \$15 billion investment. The facility would offer large-scale data storage along with AI cloud infrastructure and an upcoming subsea cable

system would give Visakhapatnam direct digital links with several countries. Union Minister for Electronics and Information Technology Ashwini Vaishnaw said that the port city was set to become the country's next

technology landmark. "Visakhapatnam will become AI-patnam," he said.

Adani Digital Labs Director Jeet Adani said India currently had about 1.3 Gigawatts of total data centre capacity, and that the Visakhapatnam project alone would add nearly 1 Gigawatt at a single location.

Laura Williams, Consul General at the U.S. Consulate General in Hyderabad, said the Google project embodies the strength of the U.S.-India partnership. She emphasised that the project aligns with strategic initiatives to build secure, trusted technological systems and create new opportunities.

## GS 1: ART AND CULTURE

### THE HINDU PAGE : 3

# Prehistoric rock painting site found in Nilgiris district

**The Hindu Bureau**  
UDHAGAMANDALAM

The Yaakai Heritage Trust has reported the re-discovery of a prehistoric rock painting site in the Nilgiris district.

The site, situated near the famous rock art site of Vellarikombai village in Kotagiri, is sacred to Irula and Kurumba indigenous communities, and was reportedly rediscovered by Sudhakar Nalliyappan and Kumaravel Ramasamy during a recent field survey.

"The newly identified site, known locally among tribal communities as 'Oor Pare', lies northwest of Vellarikombai. The region is already known for important rock art locations such as Eluthuparai and Tholikiparai, which have previously drawn scholarly attention," the Yaakai Heritage Site said in a statement. The researchers added that they located the site after traversing highly challenging terrain.

"It can be reached only after climbing nearly 450 metres along a steep rocky slope. During the monsoon, water flows across the rock surface like a waterfall, making access close to impossible. The site is accessible only during the summer months, and even then, it requires the use of vine ladders, traditionally employed by tribal communities for honey collection. The rock shelter also serves as a resting place for these communities during such activities. It is approximately 1,100 metres above



A newly discovered rock painting at Vellarikombai near Kotagiri. SPECIAL ARRANGEMENT

sea level, with paintings spread over an area about 638 cm in length and 540 cm in height," they added.

#### 30 identifiable figures

They stated that around 30 identifiable figures had been recorded, along with several faint and unclear forms. "All the paintings are executed in red ochre," they said.

The figures include anthropomorphic (human-like) figures with conical headdress, human forms, "elongated-limbed figures, ladder-like body structures and ritual symbols consisting of dot-filled rectangular patterns".

"These visual elements suggest strong associations with supernatural beliefs and ritual practices of prehistoric communities," the statement said.

Stating that water seepage, moss growth, and insects had damaged the site, the Yaakai Heritage Trust appealed for its protection.

# GS 3: ECONOMY

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• AGRICULTURE

### Indonesia's new biofuel push could make cooking oil expensive in India



**EXPERT EXPLAINS**  
PRERNA PRABHAKAR

FELLOW AT THE CENTRE FOR SOCIAL AND ECONOMIC PROGRESS

**AMID THE surge in oil prices because of the Iran war, Indonesia is rolling out the biofuel B50, a blend of 50% palm oil-based biodiesel and 50% conventional diesel. The fuel is being tested and should be in use by July. This could translate into a tighter supply and pricier cooking oil in India, which relies heavily on Indonesian palm oil imports.**

**What's driving Indonesia's push? Indonesia's net imports of crude oil**

stood at around \$7.8 billion as of 2025. The proposed B50 biodiesel programme aims to partially substitute these imports with palm oil-based fuel. This policy push comes during a period of heightened geopolitical uncertainties and a recent surge in global oil prices, which have crossed \$100 per barrel in recent days.

The policy also aligns with Indonesia's broader sustainable aviation fuel (SAF) roadmap. From 2027 onwards, the government has indicated that flights operating from Soekarno-Hatta International Airport and I Gusti Ngurah Rai International Airport are expected to begin using aviation fuel blended with around 1% SAF, potentially derived from palm oil. While the initial blending ratio is modest, it signals Indonesia's intent to extend its biofuel strategy beyond road transport into aviation.

In parallel, the expansion of biofuel use is aimed at supporting domestic palm oil producers by absorbing surplus supply within the domestic market, especially in light of tightening regulations in key export

destinations such as the EU (e.g., deforestation-related rules targeting palm oil).

Overall, the policy serves multiple objectives: reducing import dependence on crude oil, stabilising domestic palm oil demand, advancing alternative fuel adoption, and contributing to emissions reduction goals, positioning Indonesia as an emerging green energy leader in the region.

**How might this reshape the global vegetable oil markets, especially for India?**

As Indonesia accounts for half of global palm oil exports (as of 2024), the shift toward a B50 programme, which reorients supply from export markets to domestic consumption, is expected to significantly influence global palm oil markets. Export availability will tighten, pushing international prices up.

For India, the implications are particularly pronounced. India imports around \$8.5 billion of palm oil, and more than 50% of it comes from Indonesia (as of 2024). Palm oil is extensively used across household cook-

ing, the food processing industry, and industrial sectors such as soaps and oleochemicals. A supply-demand imbalance in global markets is therefore likely to translate into higher import prices, with broad-based spillovers. These include rising household expenditure, elevated food inflation, and increased input costs for industry, potentially feeding into higher output prices.

While India can partially adjust by increasing imports of alternative vegetable oils, the scope for substitution is limited. Imports of sunflower oil (primarily from Russia and Ukraine) and soybean oil (from Argentina and Brazil) are relatively smaller in volume. Moreover, these oils are more expensive and sourced from distant markets, increasing both cost and supply-chain risks.

At the same time, there is a potential upside for the domestic edible oil sector. Higher international prices can incentivise greater domestic production of oilseeds, benefiting farmers through improved price realisation and potentially strengthening the domestic value chain over time.

**Why is India such a major importer of vegetable oils?**

India's demand for vegetable oils has far exceeded its domestic supply, driven by a growing population and rising consumption. A key structural reason for this gap is low farm productivity in oilseeds, which results in lower yields per hectare compared with global benchmarks.

Another important factor is the policy incentive structure. The farming community has largely responded to Minimum Support Price (MSP) signals, which have traditionally favoured cereals such as wheat and rice. This has led to relatively lower acreage and investment in oilseeds.

In terms of alternatives to palm oil, the next best options are sunflower, soybean and mustard oil. However, imports of sunflower oil (from Russia and Ukraine) and soybean oil (from Argentina and Brazil) are typically more expensive than palm oil and involve longer supply chains. Mustard oil, while domestically produced, has limited scalability and regional consumption preferences.

**Is palm oil-based biodiesel climate-positive?**

Biodiesel can be environmentally beneficial when it is produced from existing resources and driven by productivity improvements, rather than expansion. However, if feedstock production requires deforestation or conversion of carbon-rich land to establish new plantations, the environmental impact can turn negative, potentially offsetting or even exceeding the emissions savings from replacing fossil fuels. For Indonesia, which already has large-scale palm plantations and relatively high yields, biodiesel expansion under programmes like B50 can be closer to climate-positive outcomes, provided that further land expansion is limited and sustainability standards are enforced.

For India, where agricultural productivity is a constraint, feedstock-based biofuel expansion does not automatically translate into climate-friendly outcomes. Scaling biofuels may require diverting food crops or expanding cultivation, raising concerns around land use, food security and resource stress.