EDITORIALS - 23RD OCT 2026

1. CANARY IN COAL MINE (GS PAPER III ECONOMY)

This editorial '**Canary in coal mine**' was published in **The Hindu** on 23rd Oct 2026, highlights the fragility of **core-sector growth** and shrinking **fiscal space** amid rising **oil import** costs.

Industrial Growth: Sustainability Concerns

- The **Index of Core Industries** grew a series-high **7.9%** in September 2026, marking a second consecutive acceleration, though its underlying drivers raise sustainability concerns.
- **Coal** output rose **10.7%** in September despite contracting 1.1% during April–September; a low statistical base and heatwave-driven replenishment of depleted power-plant stocks suggest a temporary surge.
- **Electricity** grew **11.4%** in September, completing six months dominated by double-digit growth; coal demand may weaken as the El Niño conditions behind the heatwave bring a milder winter.
- **Steel** growth accelerated insufficiently to sustain September's coal output, but restored double-digit growth in **iron ore**, supporting the mining component of the Index of Industrial Production.

Oil Dependence and Fiscal Constraints

- **Crude oil** and natural gas output have contracted continuously since 2024, while **refinery output** grew 10.3% in September, increasing dependence on expensive imported crude.
- September's oil import volume rose **7%**, but its value jumped **47%**; attacks on Saudi energy infrastructure pushed global oil prices above $112 a barrel, nearly a six-month high.

- U.S. reprieve over potential tariffs linked to **Russian oil** preserves reliable supplies, but vanished discounts and premium prices drain **foreign exchange reserves** also needed to defend the rupee.
- **Cement and steel**, the only sustainably growing core sectors, depend on **government infrastructure spending**, leaving industrial growth vulnerable as fiscal space contracts.

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Reviving Private Investment for Sustainable Industrial Growth

- **Demand certainty:** Predictable orders encourage expansion; India mandates 25% annual procurement from micro and small enterprises by Central Ministries, Departments and public sector enterprises.
- **Policy stability:** Tax certainty supports investment; the Taxation Laws (Amendment) Act, 2021 conditionally removed retrospective demands on specified offshore indirect transfers before 28 May 2012.
- **Working-capital access:** TReDS enables MSMEs to discount accepted invoices through competing financiers without recourse to sellers, improving liquidity for production.
- **Approval efficiency:** The National Single Window System helps investors identify and apply for business approvals, reducing procedural fragmentation.
- **Infrastructure reliability:** Dedicated Freight Corridors strengthen rail capacity and freight reliability, improving the logistics conditions needed for industrial investment.
- **Technology adoption:** SAMARTH Udyog Bharat 4.0 centres demonstrate smart-manufacturing technologies, helping firms assess modernisation options and build technical preparedness.
- **Risk-sharing partnerships:** The highway Hybrid Annuity Model provides 40% government construction support, with the remaining project cost repaid through operational-period annuities.

2. FOSSIL FUEL IN THE FARM, AND FOOD AS FUEL — A DOUBLE BIND (GS PAPER III ECONOMY)

This editorial '**Fossil fuel in the farm, and food as fuel — a double bind**' was published in **The Indian Express** on 23rd Oct 2026, highlights **agriculture's vulnerability** to fossil-fuel dependence, food diversion into **biofuels** and overlapping energy–climate shocks.

Agriculture's Fossil-Fuel Dependence

- **Mechanisation** has increased energy dependence: tractors rose from 8,500 in 1950–51 to over 1.2 crore; combines and electric/diesel pumps increasingly replaced **animal power**.
- **Fertiliser consumption** rose from 69,800 tonnes of nutrients in 1950–51 to 33.5 million tonnes in 2025–26; **urea and DAP** supplied roughly 67.5%, replacing predominantly manure-based nutrition.
- **Crop protection chemicals** depend on naphtha-derived ingredients and petroleum-based solvents, emulsifiers and surfactants, extending **hydrocarbon dependence** beyond machinery and fertilisers.

Overlapping Energy and Food Vulnerabilities

- **Import dependence** exposes farming to conflicts: West Asian and Black Sea disruptions raised LNG, the primary urea feedstock, from about $11 to $30 per million British thermal units and **naphtha** from $515–520 to $910–915 per tonne over a year.
- **Sulphur**, an oil-refining and gas-processing byproduct essential for phosphatic fertilisers, rose from below $300 per tonne until around 2021 to $1,000–1,100 amid **energy infrastructure attacks** involving Russia and the Persian Gulf.

- **Food-to-fuel diversion** becomes more attractive when Brent remains above $100: India blends crop-derived ethanol up to 20% in petrol, while Indonesia mandated **50% palm-oil-derived biodiesel** from July.
- **Energy–climate shocks** can compound agricultural stress: in 1979–80, farm output contracted 12.8% and oil imports doubled in value after Iran's Islamic Revolution; a prospective strong **El Niño** could again coincide with war-driven disruptions.
- **Diversification** into dairying, poultry, aquaculture and horticulture, alongside **irrigation** covering 56% of gross cropped area against 29% in 1979–80, reduces the likelihood of similarly sharp output declines.

Reducing Agricultural Exposure

- Reduce **urea and DAP** consumption given poor **nutrient-use efficiency**: crops absorb only one-third of urea's nitrogen, while three-fourths of DAP's phosphorus becomes locked in soil; gradually adopt ammonium sulphate and balanced complex fertilisers.
- **Biostimulants** can improve nutrient absorption, while activating plants' internal defence mechanisms can reduce pesticide use; expand **solar pumps and drip irrigation** to lower energy dependence.
- **Biofuel policy** must account for food availability: the government has banned sugarcane juice and B-heavy molasses for ethanol; intensifying **El Niño** conditions could prompt similar restrictions on grains.

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Distributional Consequences of Agricultural Energy Shocks

- **Smallholder vulnerability:** Rising input costs threaten small cultivators' margins; small and marginal holdings constituted 86.08% of operational holdings in Agriculture Census 2015–16.

- **Tenant disadvantage:** Landownership-based assistance can exclude non-owning cultivators; PM-KISAN's ₹6,000 annual support targets eligible landholding farmer families.
- **Input deprivation:** FAO's 2023 Ukraine survey identified high input prices and fuel or electricity shortages as major constraints facing small agricultural enterprises.
- **Livelihood insecurity:** Sri Lanka's 2022 fuel shortages and power cuts disrupted agricultural supply chains and contributed to income losses, illustrating wider rural exposure.
- **Consumer burden:** Food inflation strains household budgets; HCES 2023–24 recorded food expenditure shares of 47.04% in rural areas and 39.68% in urban areas, excluding imputed welfare benefits.
- **Regional exposure:** Bihar's diesel subsidies during rainfall shortages illustrate how supplementary irrigation increases farmers' exposure to fuel expenditure.
- **Transition barriers:** Solar pumps require financing despite subsidies; PM-KUSUM's standard standalone-pump arrangement provides 30% central and at least 30% state support, leaving farmers to finance the balance.

3. ON CLIMATE, A LONG ROAD BACK TO PARIS (GS PAPER III ENVIRONMENT)

This editorial '**On climate, a long road back to Paris**' was published in **The Indian Express** on 23rd Oct 2026, highlights the widening **emissions gap** and challenges of restoring the **Paris temperature goal** while protecting climate-vulnerable populations.

Climate Targets and Emissions Gap

- **UNEP's Emissions Gap Report 2026** finds the **1.5°C goal** unattainable in the near term; its lowest-overshoot pathway projects warming peaking at 1.7–1.8°C around 2050 before returning to 1.5°C.

- This pathway requires **GHG emissions** cuts of 18% by 2030, 45% by 2035 and 69% by 2040 from 2025 levels; full implementation of **national climate plans** delivers only 5–8% by 2030 and 11–15% by 2035.

Implementation and Climate Protection

- **Carbon storage** features in the proposed pathway, but **cost uncertainty** limits confidence in its contribution.
- **Solar and wind installations** have increased 2.5 times since Paris but must triple from 2025 levels within a decade; technological progress and falling costs support expansion, while **geopolitical pressures** complicate markets and clean-energy storage.
- Unavoidable near-term damage demands **compensation** for vulnerable populations; the **Loss and Damage Fund**, formalised three years ago, exposed delivery failures by not assisting Nepal after August's floods.

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Equitable Burden-Sharing in Global Climate Action

- **Historical responsibility:** The IPCC attributes 57% of cumulative fossil-fuel and industrial CO_2 emissions during 1850–2019 to developed countries, against 0.4% to least developed countries.
- **Differentiated obligations:** Paris Agreement Article 2.2 recognises common but differentiated responsibilities; Article 4.4 expects developed countries to lead through economy-wide absolute emission reductions.
- **Consumption inequality:** The IPCC estimates that the highest-emitting 10% of households generate 34–45% of global consumption-based household greenhouse gas emissions.
- **Development space:** Paris Agreement Article 4.1 recognises later emissions peaking for developing countries, accommodating development needs and poverty eradication.

- **Financial responsibility:** Developed countries first exceeded the annual $100-billion climate-finance goal in 2022, mobilising and providing $115.9 billion, two years after its original deadline.
- **Technology accessibility:** The Climate Technology Centre and Network assists developing countries with climate technologies through requests submitted by nationally designated entities.
- **Domestic fairness:** South Africa's Just Energy Transition Partnership, announced in 2021 with an initial $8.5-billion commitment, illustrates international support for a socially managed transition.