Editorial of the Day – 17.11.2025

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1.Deeper trade ties will help internationalise the rupee –(TH)

General Studies 2 - Governance **Topic** - Issues relating to the development and management of Social Sector/Services relating to Health.

Introduction

India's campaign against tuberculosis (TB) presents a complex picture of significant progress juxtaposed with persistent, formidable challenges. While the country has achieved the world's fastest decline in TB incidence, this success is tempered by the fact that India still accounts for a quarter of all global cases. The rise of drug-resistant TB, uneven trends across states, and enduring mortality gaps underscore why India's ambitious TB elimination target remains unmet, despite advancements in technology and strengthened public health efforts.

India’s TB Burden - A Mixed Picture (WHO 2025 Report)

Significant Progress - The WHO’s Global Tuberculosis Report 2025 highlights that TB incidence in India fell by 21%—dropping from 237 cases per lakh population in 2015 to 187 per lakh in 2024. This represents the fastest rate of decline recorded globally.

Persistent High Burden - Despite this rapid progress, India continues to have the highest TB burden in the world, accounting for 25% of all global TB cases in 2024.

State-wise Trends and Prevalence Disparities

Highest Case Load - In terms of absolute numbers, Uttar Pradesh reported the highest number of TB cases, followed by Maharashtra, Bihar, and Madhya Pradesh.

Highest Prevalence Rate - Delhi shows the highest prevalence rate (cases relative to its population), even though its absolute case numbers are lower than the large states.

Underlying Implication - This data reveals significant inter-State disparities in both the detection mechanisms and the actual spread of the disease.

The Challenge of Drug-Resistant TB (MDR-/RR-TB)

Global Epicentre - India recorded the largest number of multidrug-resistant TB (MDR-TB) cases globally in 2024.

Significant Share - The country accounted for 32% of all global MDR-/RR-TB cases, indicating a severe and entrenched burden of drug resistance.

Treatment Success Gap - A critical gap exists in treatment outcomes -

New TB Cases - Treatment success stands at a high 90%.

MDR-/RR-TB Patients - Success for patients on more complex second-line therapy drops significantly to 77%.

Mortality, Missed Targets, and Gains

Mortality Reduction - There has been positive movement in reducing TB mortality, which fell from 28 per lakh population in 2015 to 21 per lakh in 2024.

Gap Remains - Despite this reduction, the current mortality figure remains over three times higher than India’s own TB elimination target.

Missed 2025 Target - India officially missed its ambitious goal of eliminating TB by 2025, a target set five years ahead of the global (SDG) target of 2030.

Lives Saved - Nonetheless, the steady improvements and concerted efforts over the years have successfully led to millions of lives being saved.

Drivers of Progress vs. Remaining Gaps

Gains are driven by

Technological Adoption - The increased use of AI tools for screening, advanced molecular diagnostics (like CB-NAAT/TrueNat), and methods for rapid drug-resistance detection.

Nutrition Support - Rollout of improved nutrition support schemes (like *Nikshay Poshan Yojana*) for high-risk and diagnosed communities.

Newer Therapies - Implementation of new, more effective, and shorter drug-resistant TB treatment schemes, such as BPaLM.

Persistent challenges include

Diagnosis Gaps - Significant portions of the population, especially in rural and remote regions, lack access to advanced diagnostics, leading to "missed" cases.

Socio-economic Factors - High levels of socio-economic inequality and malnutrition are major drivers of TB, affecting both susceptibility to the disease and access to treatment.

Systemic Issues - The high burden of MDR-TB, recurring drug shortages or stock-outs, and the challenge of ensuring treatment adherence continue to undermine progress.

Conclusion - India's TB elimination programme clearly shows promising momentum, fuelled by AI-driven diagnostics, critical nutrition support, and newer, more effective MDR-TB therapies. However, this progress is constantly fluctuating and being held back by unresolved structural gaps. Issues like rural diagnosis shortages, deep socio-economic disparities, the severe burden of drug-resistant TB, and recurring drug stock-outs continue to impede final elimination. Addressing these specific barriers with fresh urgency and a strong focus on equity is essential to transform the current gains into a sustainable, nationwide victory over tuberculosis.

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2.Deeper trade ties will help internationalise the rupee –(IE)

General Studies 3 - Economy **Topic** - Indian Economy and issues relating to planning, mobilization of resources, growth, development.

Introduction - India's recent expansion of its Local Currency Settlement System (LCSS) to key partners like the UAE, Indonesia, Mauritius, and the Maldives represents a significant strategic shift in its approach to international trade. This mechanism allows for invoicing, payment, and settlement in local currencies (primarily the Indian Rupee and the partner country's currency). This move is a deliberate attempt to move away from the traditional reliance on hard currencies like the US dollar, aiming to build a more resilient, cost-effective, and autonomous financial ecosystem for cross-border transactions.

The Local Currency Settlement System (LCSS) Matters

Insulation from Global Volatility - Traditional trade, settled in US dollars, exposes emerging economies to significant external shocks. These include -

Exchange-Rate Volatility - Fluctuations in the dollar's value directly impact import costs and export competitiveness.

Monetary Policy Spill over - Actions by the US Federal Reserve (like interest rate hikes) can lead to capital outflows and currency depreciation in other nations.

Higher Transaction Costs - The need to convert the rupee to the dollar and then to a third currency adds multiple layers of fees and charges.

Conserving Foreign Exchange (Forex) Reserves - By settling trade in local currencies, India can reduce the constant demand for US dollars to pay for imports. This helps conserve its valuable foreign exchange reserves, which is a critical buffer during periods of global economic uncertainty or crises.

A Pragmatic Step Towards Rupee Internationalization - The LCSS is a core part of India's broader strategy to gradually internationalize the Rupee. It is not an attempt at full, immediate convertibility, which would require much deeper financial markets. Instead, it is an incremental step that encourages partner countries to hold and use the Rupee for trade. This process increases the Rupee's circulation, utility, and acceptance in the global financial system, building demand for it organically.

Economic and Strategic Advantages

Transactional and Cost Benefits

Reduced Hedging Costs - Exporters and importers can invoice directly in Rupee or the partner's currency, eliminating the need to buy expensive financial products (hedges) to protect themselves from dollar-rupee volatility.

Price Clarity - It simplifies invoicing and provides clear, predictable pricing for businesses on both sides.

Lower Operational Costs - The system eliminates the "dollar-conversion layer," which can add an estimated 2-5% to operational costs for businesses, making Indian exports more competitive.

Strengthening Economic Diplomacy - The LCSS acts as a powerful tool of economic diplomacy, offering partner nations a stable, predictable, and cost-effective trade mechanism. This strengthens bilateral relationships by moving beyond simple trade and creating deeper financial integration.

Building Financial Autonomy - It reduces India's vulnerability to geopolitical disruptions in global payment infrastructures, such as those linked to sanctions, which often rely on dollar-based clearing systems.

Future Financial Cooperation - The LCSS framework using Special Rupee Vostro Accounts (SRVAs) opens the door for long-term financial collaboration. Surplus rupees held by a partner country in these accounts can be channelled into Rupee-denominated investments, government securities, credit lines, and broader FinTech partnerships (like UPI integration).

Challenges and Hurdles Ahead

Despite its clear promise, the widespread adoption of the LCSS faces several significant challenges -

Rupee Liquidity - For the system to work smoothly, partner countries must have a sufficient and consistent supply of Indian Rupees in their Vostro accounts to pay their exporters. This can be a challenge, especially if the trade balance is heavily skewed in one direction.

Trade Imbalance - If India imports significantly more from a country than it exports to it (a large trade deficit), that country will accumulate a large surplus of Rupees. The limited investment options for this surplus can make the mechanism less attractive for them.

Currency Stability and Convertibility - Partners may have concerns about the stability of the Rupee compared to the US dollar. Furthermore, the Rupee is not fully convertible on the capital account, which restricts the free movement of capital and can deter foreign entities from holding large Rupee balances.

Regulatory Harmonization - Successful implementation requires aligning the regulatory, banking, and financial reporting frameworks of two different countries, which can be a slow and complex process.

Building Trust - The US dollar-based system is deeply entrenched, liquid, and trusted. Building equivalent trust in the LCSS will require consistent political will, stable macroeconomic conditions in India, and proven reliability over time.

Conclusion

The expansion of the Local Currency Settlement System (LCSS) is a carefully calibrated and strategic move by India to enhance its financial autonomy and deepen regional economic partnerships. While it is not a "silver bullet" for full currency internationalization and does not replace the need for deep structural reforms, it is a crucial step toward building a more resilient, diversified, and multi-polar trade settlement framework. The success of this initiative will depend on India's ability to maintain stable policies, manage trade balances effectively, and deepen financial integration with its partners, positioning the LCSS as a cornerstone of its long-term economic strategy.

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