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1. Eleven agreements were signed between India and Malaysia to enhance bilateral cooperation in various sectors.

(i) Both countries have decided to promote the use of local currencies (Rupee and Ringgit) in trade and investments.

(ii) This decision was taken during high-level bilateral talks between Prime Minister Narendra Modi and Malaysian Prime Minister Anwar Ibrahim in Kuala Lumpur, the capital of Malaysia. It was agreed to expand bilateral relations in priority sectors such as trade and investment, advanced technologies, and semiconductors.

(iii) Prime Minister Modi, who was on a two-day state visit to Malaysia, met with Prime Minister Anwar Ibrahim in Kuala Lumpur. During the meeting, they extensively discussed strengthening mutual cooperation in various sectors including defence, maritime cooperation, trade, investment, digital economy, science and technology, energy, agriculture, health, education, culture, tourism, and bilateral people-to-people contacts. Regional and international issues of mutual interest were also discussed.

(iv) 11 Agreements Signed:

- An agreement was signed between the National Payments Corporation of India (NPCI) and Malaysia's 'PayNet' platform for cross-border money transfers. This will enable Indians in Malaysia to use UPI services.
- A total of 11 agreements were signed to enhance bilateral cooperation in various sectors, including expanding cooperation in the semiconductor sector, defence, disaster management, anti-corruption, the Global Tiger Forum, vocational education and training, and health and pharmaceuticals.

(v) Thiruvalluvar Centre at the University of Malaya :-

- Following the discussions between the Indian and Malaysian Prime Ministers, key announcements were made: 'A Thiruvalluvar Centre will be established at the prestigious University of Malaya in Kuala Lumpur; a new consulate will be opened in Malaysia; and scholarships in the name of Thiruvalluvar will be provided to Malaysian students studying in India.'

2. The ruling Liberal Democratic Party (LDP), led by Prime Minister Sanae Takaichi, has achieved a historic victory with an absolute majority in the Japanese Parliamentary elections.

(i) Voting took place for the 465 seats in the House of Representatives, the lower house of the Japanese Parliament. Despite the snowfall, voters cast their ballots in the election, which was held in winter for the first time in 36 years. Following this, the counting of votes began.

(ii) The LDP won 316 seats. While a majority requires 261 seats, the party secured more than two-thirds of the seats.

(iii) The LDP, founded in 1955, set a record in 1986 by winning 300 seats. The party has now broken its own record with this historic victory.

(iv) In the 2024 election, the LDP-led coalition had only a slim majority. Shigeru Ishiba, who had assumed the Prime Ministership, resigned from both the party leadership and the Prime Minister's post after an internal party election last September. Subsequently, Takaichi assumed the party leadership in October and became the country's first female Prime Minister.

(v) She called for an early election to demonstrate the party's support among the people and to strengthen its position in Parliament. Opinion polls were also in her favor, predicting that her coalition would secure a two-thirds majority. Amidst the rise of right-wing parties globally, this trend continues in Japan.

(vi) With tensions escalating with China, Takaichi has made strengthening Japan's economy and military, and reinforcing relations with the United States, her key policy priorities.

3. The US Deputy Secretary of State Thomas DiNanno has accused China of secretly conducting nuclear weapons tests. He stated that China conducted such a test on June 22, 2020.

(i) Twenty Indian soldiers were killed in a clash between Indian and Chinese troops in the Galwan Valley on June 15, 2020. It is reported that 30 Chinese soldiers also died.

(ii) According to the information released by the US official, China conducted the nuclear weapons test a week after the Galwan Valley clash.

(iii) The "New START" treaty, which imposed restrictions on the stockpiling of nuclear weapons by the US and Russia, was signed in 2010. This treaty, which was due to expire in 2021, was extended for 5 years and expired last Thursday (February 5).

(iv) The US is planning to create a new treaty on nuclear arms control that would include not only Russia but also China. Meanwhile, the US has accused China of conducting nuclear weapons tests, stating that China conducted a nuclear test following the conflict with India.

(v) China's condemnation:

- China did not directly respond to the US allegations regarding secret nuclear weapons tests. However, China has condemned the US in this regard.
- Chinese officials stated, "The US is making false accusations against China. The US possesses the largest number of nuclear weapons in the world. China will have more than 1,000 nuclear weapons by 2030. China does not wish to participate in trilateral nuclear arms control negotiations with the US and Russia."

4. Santosh Trophy - Football

Davis Cup - Tennis

5. Finance Minister Nirmala Sitharaman stated that the Government will soon set up a high-level committee to review India’s banking sector.

(i) She also stated that this Committee will provide the Central Government with an action plan regarding fulfilling the financial needs for the developed India (Viksit Bharat)goal.

(ii) The budget for the financial year 2026-27, presented last week, mentioned the formation of a high-level committee on banks for Viksit Bharat.

(iii) In an interview with the PTI news agency regarding this, she said that the financial contribution of banks is very important in achieving the Viksit Bharat goal. Banking services should be easily accessible to the common people.

(iv) Therefore, the Central Government will soon constitute a high-level committee for banking sector reforms. This committee will submit an action plan to the Central Government.

(v) She added, "The concerned ministries are undertaking efforts to restructure the Power Finance Corporation (PFC) and the Rural Electrification Corporation (REC) with the aim of improving the functioning of non-banking public sector financial institutions."

(vi) The proposal for the merger of PFC and REC was announced in the budget. Following this, PFC recently gave its approval for the merger of REC with itself.

6.India is significantly reducing its procurement of Russian crude oil following a landmark trade agreement with the United States.

(i) Current Procurement Trends

- India's import of Russian crude has dropped from a peak of 21 lakh barrels per day in May 2023 to 11 lakh barrels in January 2026.
- Following the new India-US trade deal, procurement is expected to fall further to 10 lakh barrels per day in the coming months.

(ii) Drivers of the Shift

- A major factor is the finalization of an interim bilateral trade deal with the US, under which the US reduced import duties on Indian goods from 50% to 18%.
- Previously, the US had imposed an additional 25% tax on India for purchasing Russian oil; this penalty has been removed as part of the new trade arrangement.
- PM Modi has reportedly agreed to transition from Russian oil to imports from the United States and Venezuela.
- US sanctions on major Russian oil firms like Rosneft and Lukoil have made it increasingly difficult for the Indian companies to continue trade.

(iii) Status of Indian Refineries

- While no official order was issued, the Union Government has reportedly advised Indian refineries to reduce their reliance on Russian crude.
- Companies Halting Purchases:
    - Hindustan Petroleum (HPCL), Mangalore Refinery (MRPL), and HPCL-Mittal Energy have already stopped purchasing Russian oil.
    - Reliance Industries has announced it will not place new orders once its existing contracts (totaling 1.50 lakh quintals) are fulfilled.
    - Indian Oil and Bharat Petroleum are expected to significantly scale back their procurement in the near future.

7. The Central Board of Direct Taxes (CBDT) has sought public comments on the draft rules and income tax forms under the new income tax law.

(i) The new Income Tax Act, 2025, which will replace the Income Tax Act of 1961, is scheduled to come into effect from April 1st.

(ii) The Income Tax Act of 1961 was difficult to understand, which hindered the efficiency of direct tax administration.

(iii) Taking this into consideration, the Central Government enacted the Income Tax Act, 2025. The Government stated that this new act simplifies the understanding of direct tax laws and eliminates ambiguities in the interpretation of tax-related matters.

(iv) The Central Government also stated that details regarding the simplified income tax rules and forms will be released soon, and that these forms have been redesigned to be easily understood by the general public.

8. The Union Commerce Minister Piyush Goyal stated that it is possible to procure goods worth $500 billion (approximately ₹45 lakh crore) from the United States in the next 5 years.

(i) He further stated that this is not a problem for the Indian economy, which is moving towards a $30 trillion target.

(ii) To promote bilateral trade, both countries are set to reduce import duties on numerous products. The US is expected to reduce the additional 50 percent tariff imposed on goods imported from India to 18 percent.

(iii) India plans to purchase aircraft, aircraft parts, precious metals, technology, and other goods worth $500 billion (₹45,28,822 crore) from the US over the next 5 years. This agreement is expected to be signed in March.

(iv) Lower taxes compared to other countries:

- The US import duty on Indian goods is significantly lower than that imposed on goods from China (35 percent), Thailand (19 percent), Myanmar (40 percent), Cambodia (19 percent), Bangladesh (20 percent), Indonesia (19 percent), Brazil (50 percent), and Vietnam (20 percent). This will increase the demand for our country's textiles, leather goods, footwear, handicrafts, chemicals, and jewelry in the American market.

(v) Welcome from trade unions:

- Under this agreement, India has reduced customs duties. But those who accuse the US of only reducing reciprocal tariffs have no understanding of international trade. They are trying to mislead the public.
- The terms of the agreement have been welcomed by traders, exporters, and trade unions.

(vi) Benefits for Farmers:

- We export agricultural and seafood products worth $55 billion (₹5 lakh crore) every year. India is one of the largest exporters of agricultural products in the world. Since the entire revenue

generated from this goes to the farmers, their income increases manifold.
- Import concessions have been provided for dehydrated grains, which are highly nutritious, as there is a high demand for them in the livestock farming sector in India.

(vii) Sectors Attracting Investments:

- Major technology companies have indicated their intention to invest in India. As a result, the US will supply the equipment needed for 10 gigawatts of data centers. Boeing aircraft and aircraft parts alone will be purchased for $80 to $90 billion over the next 5 years.
- Therefore, we will conduct trade worth at least $100 billion with the US in the aviation sector alone. Besides this, there are also the crude oil, liquefied natural gas, and cooking gas sectors.

(viii) $500 Billion Trade Possible:

- Currently, we import goods worth $300 billion (₹27.1 lakh crore) from various countries worldwide. This value will increase to $2 trillion in the next 5 years. As India is the world's fastest-growing economy, the demand for semiconductor chips, data centers, aircraft, and aircraft parts will increase.
- India currently imports US goods worth $45 billion to $50 billion annually.
- The Indian economy, which is moving towards a $30 trillion target, can potentially purchase goods worth $500 billion from the US over the next 5 years, at a rate of $100 billion per year.

9. India-Malaysia relations - Prime Minister Narendra Modi’s high-level visit to Kuala Lumpur in February 2026.

(i) Historical and Cultural Foundations

- The relationship between the two nations spans over a thousand years, built on deep historical, political, and cultural connections.
- Over 30 lakh people of Indian origin live in Malaysia, where Tamil culture is so deeply embedded that spiritual centers like Batu Caves draw massive crowds.
- India’s foreign policy has evolved from the "Look East" policy of the 1990s to the current "Act East" policy, which prioritizes intense engagement with Southeast Asian neighbors like Malaysia.

(ii) Economic and Financial Breakthroughs

- In a major shift to reduce dependency on the US Dollar, both nations agreed to use the Indian Rupee and Malaysian Ringgit for bilateral trade and investment.
- An agreement between India’s NPCI and Malaysia’s "PayNet" will allow Indians to use UPI services in Malaysia for cross-border transactions.
- Bilateral trade has already exceeded $18 billion, and the visit is expected to push this figure significantly higher across all sectors.

(iii) Key Agreements and Strategic Cooperation

- A total of 11 agreements were signed, covering critical areas such as semiconductors, defense, maritime cooperation, AI, and disaster management.
- Both nations issued a joint statement condemning all forms of terrorism and agreed to strengthen cooperation in intelligence sharing and maritime security.

- Malaysia has officially voiced its support for India to become a permanent member of the UN Security Council.

(iv) Educational and Cultural Initiatives

- A new Thiruvalluvar Center will be established at the prestigious Malaya University in Kuala Lumpur to promote Tamil heritage.
- The Indian Government announced Thiruvalluvar Scholarships specifically for Malaysian students who wish to pursue higher education in India.
- To better serve the large Indian community and enhance diplomatic reach, India will open a new Consulate in Malaysia.

(v) Strategic Independence

- Malaysia has maintained a principled diplomatic stance, recently rejecting pressure from Pakistan to criticize India and stating that it does not agree with a religion-based approach to international diplomacy.

10. China's Looming Challenge - the world's second-largest economy is transitioning from a period of rapid growth to a severe demographic crisis.

(i) Global and Economic Standing

- China is currently the world's second-largest economy after the United States.
- It is the third-largest country by land area, covering approximately 96 lakh sq. km.
- China ranks fifth globally in natural wealth and holds a near-monopoly on rare earth minerals, controlling 60% to 90% of the global supply.
- China historically used its massive population as a strategic asset, notably for constructing the 21,196 km long Great Wall.

(ii) The Demographic Decline ("China's Great Sorrow")

- While the Yellow River was historically called "China's Sorrow" due to floods, the declining population is now considered the nation's "Great Sorrow".
- In 2025, China recorded a birth rate of 5.63%, the lowest since the Mao Zedong-led revolution in 1949.
- In 2025, only 79.2 lakh babies were born, which is a 17% decrease (16.2 lakh fewer births) compared to 2024.
- For the fourth consecutive year, China's total population has fallen, reaching 140.4 crore in 2025.

(iii) China vs. India: Projections

- India's Lead: India surpassed China as the world's most populous nation in 2023 with 143 crore people.
- While India is projected to reach a peak of 169 crore by 2054, China's population is expected to drop to 121 crore by the same year and plummet to 63.3 crore by the end of the century (2100).

(iv) The Aging Crisis

- Current Statistics: Approximately 32.3 crore people, or 23% of the total population, are currently over the age of 60.

- By 2035, this demographic is expected to reach 40 crore, meaning one-third of China's population will be senior citizens.
- Economic experts warn that China is "getting old before getting rich," meaning its population is aging faster than the nation can achieve widespread wealth to support them.

(v) Economic and Social Consequences

- The decreasing number of young workers is disrupting production chains and slowing the GDP growth rate, which stood at 5% in 2025 and is expected to decline further.
- A smaller workforce means lower tax revenue, putting immense pressure on the Government's ability to fund pensions and healthcare for the elderly.
- Declining youth populations lead to a reduction in new ideas, the closure of schools/universities, and labor shortages in critical sectors.

(vi) Policy Responses and Limitations

- To encourage births, the State has introduced direct cash incentives, tax breaks, marriage services, and subsidies for education and housing.
- China is aggressively pursuing STEM education and high-tech automation (AI/Robots)to replace human labor; however, this creates a cycle where human workers—the original driver of China's growth—are being phased out entirely.

China's demographic struggle serves as a stark warning to other global powers, including India and Europe, about the long-term risks of falling birth rates.