

Editorial of the Day – 12.02.2026

Index

- 1. The CPI base revision exercise measures a slice of life (TH) - 01
- 2. SpaceX to prioritise building self-growing city on moon, Musk says (IE) - 02

1. The CPI base revision exercise measures a slice of life (TH)

General Studies 3- Economy

Topic- Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment.

Sub Topic- Inflation and Monetary Policy; Inclusive growth and issues arising from it.

Introduction

The Ministry of Statistics and Programme Implementation (MoSPI) has initiated the revision of the Consumer Price Index (CPI) base year from 2012 to 2024. This exercise is designed to transition from an outdated consumption basket to one that reflects the contemporary spending habits of a digital, urbanizing, and service-oriented India. As the primary tool for the Reserve Bank of India's (RBI) monetary policy, an accurate CPI is vital for maintaining price stability and protecting the purchasing power of citizens.

The Core Purpose of CPI

Definition- CPI tracks the change in prices of a specific "basket" of goods and services consumed by households.

Real-World Impact- It measures the actual cost of living, covering essentials like food, fuel, rent, and clothing.

Policy Anchor- It serves as the nominal anchor for the RBI's inflation-targeting framework ($4\% \pm 2\%$), directly influencing repo rate decisions.

Socio-Economic Linkage- CPI data is used to calculate Dearness Allowance (DA) for government employees and adjust social security benefits, ensuring incomes keep pace with inflation.

Drivers for the 2024 Base Revision

The 12-year gap since the last revision (2012) created a "representation gap." The 2024 revision addresses

Rapid Urbanization- A larger share of the population now lives in cities with different spending priorities compared to rural areas.

The Digital Shift- The explosion of e-commerce, digital payments, and app-based services (gig economy) was non-existent or minimal in 2012.

Rise of the Services Sector- Increased spending on telecommunications, internet, healthcare, and private education.

Consumption Diversification- As incomes rise (Engel's Law), the proportion of income spent on basic food decreases while spending on "lifestyle" or discretionary items increases.

Key Methodological Upgrades

Updated Consumption Basket & Weights

Data Source- The revision is grounded in the Household Consumption Expenditure Survey (HCES) 2023-24.

Weightage Realignment

1. Higher Weight- Assigned to services, electronics, and modern amenities.
2. Lower Weight- Assigned to traditional goods that now occupy a smaller share of the average household budget.

Lifestyle Focus- Inclusion of modern lifestyle expenditures to reflect rising aspirations.

Modernized Data Collection

Digital Integration- For the first time, CPI will systematically track online prices for sectors like air travel and telecommunications.

Technology-Driven- Transitioning to computer-assisted price collection to eliminate manual errors and allow for real-time data verification.

Administrative Data- Leveraging official records for regulated prices like rail fares, postal charges, and the Public Distribution System (PDS).

Institutional Rigor and Global Alignment

International Standards- The new series aligns with global statistical best practices, making India's inflation data comparable with G20 peers.

Expert Oversight- MoSPI has collaborated with economists, domain experts, and field offices to ensure the transition is methodologically sound.

Transparency- The process involves wide-ranging consultations to ensure the data is perceived as credible by both domestic markets and international investors.

Significance of the Exercise

Responsive Policy- Accurate inflation data allows the RBI to avoid "policy errors" (e.g., raising rates based on outdated food weights when the actual inflationary pressure lies elsewhere).

Poverty Measurement- Updated consumption data helps in more accurately defining poverty lines and identifying beneficiaries for social schemes.

Economic Stability- By capturing "a slice of life" as it is lived today, the government can better manage the macro-economy while protecting the micro-interests of the common man.

Conclusion

The shift to the 2024 base year is more than a technical update; it is a structural necessity. By integrating digital spending, service-sector growth, and modernized collection tools, India is ensuring that its economic "thermometer" remains sensitive to the actual heat felt by its billion-plus consumers.

Source- <https://www.thehindu.com/opinion/op-ed/the-cpi-base-revision-exercise-measures-a-slice-of-life/article70620362.ece>

2. SpaceX to prioritise building self-growing city on moon, Musk says (IE)

General Studies 3- Science & Technology

Topics- Awareness in the fields of IT, Space, Computers, Robotics, AI; Achievements of Indians in science & technology; Indigenization of technology.

Sub Topic- Commercialization of space; Space governance (Outer Space Treaty); Environmental impact of data centres; Geopolitics of the "New Space Race."

The Vision- Lunar AI Factory & Mass Driver

The Proposal- An integrated facility on the Moon to manufacture satellites specialized for AI computing.

The Mass Driver- An electromagnetic catapult designed to fling payloads into orbit without traditional chemical rockets, exploiting the Moon's low gravity (1.62 m/s^2) and lack of atmosphere to reduce launch costs to near-zero.

xAI-SpaceX Merger- A strategic vertical integration combining launch capability (SpaceX) with advanced large language models (xAI) to create "orbital data centers."

Drivers of Space-Based AI Infrastructure

The Energy Crisis- Terrestrial AI data centers consume roughly 1.5% of global electricity. Training next-gen models (like GPT-6 or Grok-3) requires multi-gigawatt power, straining Earth's grids.

Thermodynamic Advantage- In space, satellites can harness uninterrupted solar energy (100% duty cycle in certain orbits) and utilize the vacuum of space for passive cooling, eliminating the massive water and power footprint of Earth-bound cooling systems.

Scaling Compute- Moving "compute-heavy" tasks to space allows for scaling toward a Kardashev Type II civilization (harnessing the total energy output of a star).

Shift in the Global Space Economy

Privatization- Exploration has shifted from state-led (ISRO, NASA) to private-dominant (SpaceX, Blue Origin), where profit-driven innovation accelerates deployment.

The \$1 Trillion Frontier- The space economy is projected to cross \$1 trillion by 2040, moving from simple communication (Starlink) to off-world manufacturing and edge computing.

Reusable Rockets- Tech like the Falcon 9 and Starship has already reduced the cost of reaching Low Earth Orbit (LEO), making lunar logistics economically viable.

India's Strategic Position

Regulatory Evolution- The Indian Space Policy 2023 and the creation of IN-SPACe have opened the doors for Indian startups (e.g., Skyroot, Agnikul) to mirror the private-led model.

Cost-Effective Heritage- ISRO's success with Chandrayaan-3 proves India's capability in lunar precision. However, India must pivot from "exploration" to "industrialization" to remain competitive.

Sovereign AI- To avoid dependence on foreign private constellations, India may need its own space-based "Sovereign AI" infrastructure.

Legal, Ethical, and Geopolitical Challenges

The Treaty Gap- The Outer Space Treaty (1967) prohibits "national appropriation" but is silent on private ownership of lunar resources. This creates a "gray area" for lunar factories.

The Artemis Accords- While promoting resource utilization, they lack universal consensus (notably contested by China and Russia), leading to a bifurcated lunar legal regime.

Orbital Congestion- Launching "millions of tons" of AI satellites annually increases the risk of Kessler Syndrome (cascading satellite collisions) and space debris.

Digital Inequality- A "Moon-based AI" could create a massive technological divide, where a few corporations control the world's primary "intelligence" resources.

Way Forward

Global Governance- Updating the UN Committee on the Peaceful Uses of Outer Space (COPUOS) frameworks to regulate private lunar manufacturing and space-based data sovereignty.

Sustainable Space Practices- Developing international norms for "De-orbiting" AI satellites and managing the environmental impact of massive lunar excavations.

Public-Private Partnerships (PPP)- Governments should act as "anchor customers" for private space-AI firms while maintaining strict security and ethical oversight.

Source- <https://indianexpress.com/article/technology/science/spacex-to-prioritise-building-self-growing-city-on-moon-musk-says-10521680/>