

'Sharing is Caring'

If you have friends preparing for Civil Services, tell them that they can also receive Updates from PrepMate IAS by sending 'Name' and 'State' through WhatsApp on 75979-00000

## 1. Champai quits, Hemant Soren set to return as Jharkhand CM

### Why in News?



#### Hemant Soren back as Jharkhand CM for third term after 5 months in jail

Jharkhand Mukti Morcha (JMM) leader Hemant Soren took oath as Jharkhand Chief Minister for the third term on Thursday. The state governor C.P. Radhakrishnan administered the oath ceremony at the Raj Bhavan in Ranchi.

Jharkhand Chief Minister Champai Soren resigned on Wednesday, paving the way for his predecessor Hemant Soren to stake his claim to form the government and return to the State's top post after being unanimously elected leader of the ruling alliance's legislators at a marathon meeting in Ranchi.

#### Why Hemant Soren resigned earlier?

Mr. Hemant Soren, son of Jharkhand Mukti Morcha (JMM) supremo Shibu Soren, had resigned as Chief Minister in January shortly before he was taken into custody by the Enforcement Directorate in a money laundering case linked to an alleged land scam. He was released on bail on June 28.

### Intervening Chief Minister Resigned

Ending his five-month term, Mr. Champai Soren met Governor C.P. Radhakrishnan at the Raj Bhavan and tendered his resignation in the presence of Mr. Hemant Soren, who staked his claim soon afterwards.

As per the sources, the outgoing CM is said to be "upset" over the development, though he has denied this, and is likely to be given a new responsibility as the chairperson of INDIA bloc coordination committee in the State or as executive president of the JMM.

Relevance: GS Prelims & Mains Paper II; Governance

Source: The Hindu

## 2. BRICS undergoing expansion

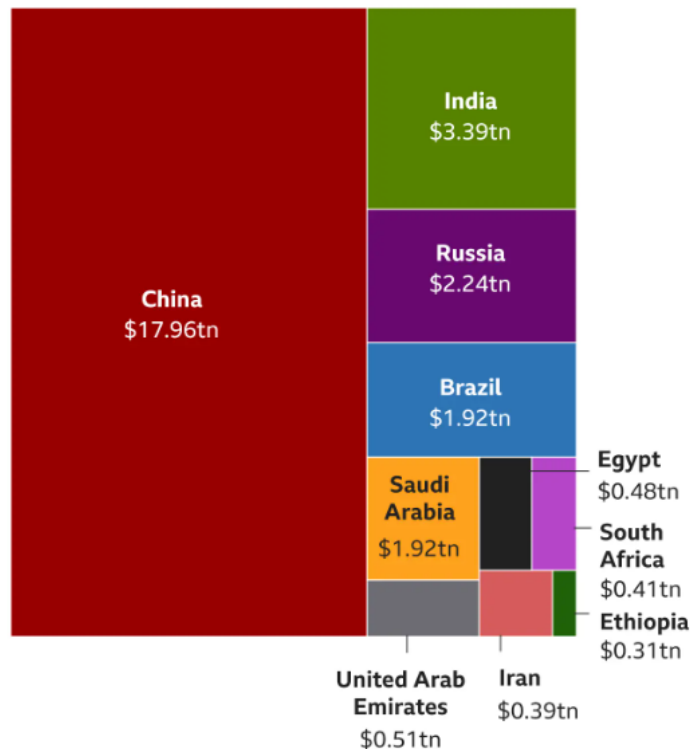
### Why in News?

BRICS is attracting Southeast Asian countries, with Thailand and Malaysia being the latest to express their interest in joining the bloc.

Last month, Thailand submitted a membership request, while Malaysian Prime Minister Anwar Ibrahim said in an interview with Chinese news portal Guancha that his country would soon begin formal procedures.

### Brics countries and their GDPs

GDP in trillions of US dollars



### Earlier expansion of BRICS

Last year, BRICS — an acronym that was originally used to refer to Brazil, Russia, India, China, and South Africa — decided to expand its membership, inviting Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates to join the bloc. The name for the expanded group has not yet been officially announced, but it could be called "BRICS+."

Combined, its members account for about 45% of the world's population — around 3.5 billion people. Their economies are worth around \$30 trillion (€28 trillion) — about 28% of the global economy, according to World Bank data.

### Advantage to Thailand and Malaysia

The bloc "can help Malaysia's digital economy grow faster by allowing it to integrate with countries that have strong digital markets and also take advantage of best practices from other members.

Thailand would also be able to draw investments in important industries including services, manufacturing, and agriculture.

The trade ties that Malaysia and Thailand already have with China have influenced their decisions to join BRICS. China has been Malaysia's largest trading partner for the past 15 years and Thailand's biggest for 11 years, according to official data. Both these Southeast Asian nations becoming BRICS members "will enhance their relationship with China.

### Thailand Neutrality

Last month, Thai Foreign Minister insisted that Bangkok did not view joining BRICS as an act of "choosing sides," or as a way to counterbalance any other bloc.

Apart from BRICS, Thailand has also applied to join the Paris-based Organization for Economic Cooperation and Development (OECD), which has 38 mostly Western members.

### Malaysia bias towards China

In Malaysia, public sentiment is currently more in favor of China, the world's second-largest economy after the United States.

### **Will other ASEAN nations follow?**

Malaysia and Thailand are not the only countries in Southeast Asia interested in joining BRICS. Vietnam representative told a press briefing that "like many countries around the world, we are closely monitoring the process of BRICS membership expansion."

Vietnam, Laos and Cambodia "could be the potential applicants" as they already have good ties with China, India, and Russia — all key players in BRICS.

Relevance: GS Prelims & Mains Paper II; International Organisations

Source: Indian Express

## **3. What Labour election win means for India-UK Free Trade Agreement (FTA)**

### **Why in News?**

New Delhi and London have been negotiating a proposed free trade agreement (FTA) for more than two years to boost trade between the two nations. The agreement could result in a mutual tariff relaxation on a range of goods such as cars, clothes, alcoholic beverages, and medical instruments.

However, a landslide victory for the Labour Party in the UK elections could lead to a change in the dynamic of the FTA negotiations.



### **Political certainty a plus**

Since the UK unexpectedly voted in a referendum to leave the European Union (EU), London has not seen the kind of political stability needed for a deal with India that has a high tariff regime.

But if Labour wins comfortably, there might finally be enough political legroom to sign a deal with India. Since Brexit, the majority of the trade deals signed by the UK have been rollover agreements, that resemble deals that London previously had when it was an EU member.

### **Not an 'anti-India' Labour Party**

Under Keir Starmer, Labour has changed. It is not the same party as that headed by his predecessor, Jeremy Corbyn, who called for international intervention in Kashmir.

Starmer has recognised the growing political clout of the UK's Indian origin population — the largest immigrant group in the country — and has tried to stamp out 'anti-India sentiments' within his party.

In fact, under Starmer's leadership, Labour has even raised questions regarding the Tories' delay in signing the FTA with India.

### **Visas a likely sticking point**

That said, immigration remains among the most heated issues in British politics. While the Tories and Labour disagree on how to restrict immigration into the UK, there is a bipartisan consensus on the fact that it must be restricted. This could be a sticking point for a trade deal with India.

New Delhi is seeking temporary visas for its service sector workforce under the FTA — this is where it expects to gain the most in the deal. With the UK being a powerhouse in the IT and financial services segment, India's service sector could benefit from the integration. But given the UK's political climate, Labour is likely to negotiate hard on the visa issue.

### **Tougher negotiations on climate**

India will also likely face tougher negotiations on climate from a Labour government, which has repeatedly cornered the Tories for deviating from the UK's 2030 net zero goals.

India has sought a relaxation on the carbon tax that the UK is expected to implement along the lines of the EU. New Delhi argued during the FTA negotiations that the proposed carbon border adjustment mechanism could take away much of the tariff concessions agreed during the FTA.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: Indian Express