



**Date -15 September 2022**

## Slide in Global oil prices

**News:** Brent crude prices have fallen sharply over the last ten days, in a major relief to the Indian economy. This decline in Brent Crude prices has been very sharp as Brent Crude is now trading at \$90 per barrel from \$110 per barrel in July end.

### **Impact due to rise in global oil prices:**

- **Doubling of oil import bill:** Since, India imports almost 85% of its oil and with rise in oil prices its import bill doubled to \$119 billion at the end of March 2022.
- **Change in global oil prices creates a chain of events:** Like rise in oil prices leads to inflation, weakening rupee against the dollar and hurting stock market sentiment.
- **Indirect impact of price rise** is rise in edible oil prices, coal prices and also fertilizer prices as in manufacturing of fertilizer gas is used that accounts for 80% of all fertilizer production costs.
- **Enhanced import burden** leading to reduction in demand in the economy and that finally hurts or dampen growth.
- **Rise in current account deficit and fiscal deficit** as in most cases the government chooses to bear the burden of oil price rise by way of subsidies.

### **Global impact of softening in crude oil prices:**

- **It points towards expectations of global slowdown:** Future demand for crude oil may dip due to fears of recession in Europe and decline in demand from China as there are fresh Covid lockdown measures leading to weakening of factory activity. Concerns over slowing demand gets further aggravated due to surprise rise in interest rates and inventories in U.S. For 2023, slightly higher demand and tighter supply forecasted by the US energy watchdog. OPEC also decided to cut production indicating an expectation of decline in demand.

### **Impact on India:**

- Government, Consumers and even the corporate will get big relief due to the sharp decline in crude oil prices.
- **Potential of higher Indian economic growth through revival in demand in the economy** due to lower inflation levels and higher disposable incomes if oil continues to trade at lower levels.
- **Impact on equity and debt markets:** Softening crude oil price will affect the index of companies across sectors, especially companies that are sensitive to crude oil prices. These companies have witnessed a rise in their share prices due to decline in oil prices.

### **Conclusion or Way forward:**

- **Apprehensions:** Decline in Oil prices may benefit oil marketing companies (OMCs), but it may not soften retail inflation as retail prices of fuel may continue to stay high. To get any meaning from decision on RBI policy rate crude oil prices must be sustained for a longer period of time.
- Economic environment of India continues to remain challenging and interest rates by the RBI could continue to rise further.
- Equity markets investors should invest with a long term focus in the Indian Economy even if decline in crude oil prices is positive for the Indian economy.
- High interest rates are likely to peak over the next few months, so Debt investors should prepare themselves to lock into high interest rates.

**Source:** Indian Express.

**Article:** Express Explained: In sharp slide in global oil prices, hope for easing of inflation in India

**Sharad**

**Subhas Chandra Bose**

**News:** PM Modi unveiled the statue of Subhas Chandra Bose at India Gate, along with inauguration of Kartavya Path ( renewed version of Rajpath).

### **Early Life of Subhas Chandra Bose:**

- Subhas Chandra Bose was born as the ninth child of Janakinath (a well-known lawyer) and Prabhavati Bose in 1897 in Cuttack.
- His family was upper-class Bengali family and his mother Prabhavati, was a devout Bengali Hindu well versed in Bengali Hindu customs and pujas.
- During his childhood he had to attend all the pujas performed by his mother.
- His father Janakinath sent all of their sons to an English-medium so that they could become perfect in English and assimilate into English society.

- After Schooling, Bose went to Presidency College in Calcutta in 1913 to study philosophy where he was expelled for beating Professor of History E F Oaten for his remarks on England's civilizing mission in India. Thereafter, Bose resumed his studies at the Scottish Church College in Calcutta.
- He joined the Cambridge University to prepare for the Indian Civil Services (ICS) exam in 1920
- In his determination to join India's freedom struggle he resigned from Indian Civil Services (ICS) to join the Mahatma Gandhi-led national movement. .

### Early Influence on Subhas Chandra Bose:

- Teachings of Ramakrishna and his disciple Swami Vivekananda; Themes of novel **Ananda Math** written by Bankim Chandra Chatterjee.

### Ideological stance of Bose:

- **During the National Movement:** Uncompromising anti-imperialism.
- **After Independence of India:** Undiluted socialism.

### Ideological divide between Subhas Chandra Bose and Mahatma Gandhi:

- In 1921, at Mumbai then Bombay he met Gandhi but left the meeting after unsatisfactory discussion with Gandhi.
- Despite tensions between Bose and Gandhi, Bose respected Gandhi a lot and was well aware of Gandhi's significance.
- In his address from the **Azad Hind Radio** from Singapore in July 1944, Bose was the first to call Gandhi the "**father of the nation**".

### Comparison between Mahatma Gandhi and Subhas Chandra Bose:

Mahatma Gandhi	Subhas Chandra Bose
1. Gandhi was willing to wait a long time for Independence.	1. Bose's focus was on immediate action, if not immediate results.
2. Gandhi was hostile towards modern technology and anti-materialistic.	2. In Bose's world view technology and mass production are essential for survival and dignity.
3. Gandhi opposed the modern state and his focus was on decentralized society.	3. According to Bose, a modern state and strong central government was necessary for strong India.
4. <b>Means to achieve independence:</b> Non-Violence.	4. Bose was not averse to violent means to achieve independence.

### Bose's role in Congress party:

- Bose's devotion towards the national movement made him one of the most powerful political leaders in the Congress party.

- During the **Haripura Congress session in 1938**, he was elected as Congress president. During his presidency, he opposed the idea of an Indian federation under British rule and pushed for swaraj as a “National Demand”.
- He defeated **Dr Pattabhi Sitaramayya (Gandhi-backed candidate)** in his re-election bid in 1939. Gandhi took this defeat as a “personal defeat” and 12 of the 15 members of the Working Committee resigned from their roles including Jawaharlal Nehru, Vallabhbhai Patel and Rajendra Prasad.
- Bose tried to setup another working committee but after being unable to set up another working committee, he was forced to resign and replaced by Rajendra Prasad.
- He created the “**Forward Bloc**” within the Congress Party, to bring the radical-left elements of the Congress party together and to provide Indian people with an alternative political leadership.
- He was arrested in 1940 before launching a campaign against a monument dedicated to **Black Hole** victims of Calcutta (In Black Hole tragedy, a number of imprisoned European soldiers died in 1756).
- He escaped from prison and reached Nazi Germany through Soviet-controlled Kabul via the northwest of India.
- During his stay in Germany, he started the **Azad Hind Radio** and was provided with a few thousand Indian prisoners of war captured by Germany.
- Soon Bose’s focus turned towards South East Asia, specifically Singapore that had been taken over by Japan from the British. He left Germany with his aide Abid Hasan at the peak of World War II and reached Tokyo after traveling down the Atlantic Ocean, crossing the Cape of Good Hope in Africa and entering the Indian Ocean past Madagascar.

### **Formation of Indian National Army (INA) and World War II**

- **In 1942, Indian National Army (INA)** was formed, supported by Japanese troops and consisting of Indian prisoners of war (PoW) captured by the Japanese.
- In INA women were also recruited for the **Rani of Jhansi regiment**.
- **In October 1943 at Singapore**, the provisional government of the Azad Hind was formed. Thereafter, **In January 1944**, headquarters of the provisional government was moved to Rangoon.
- INA, after fighting at the **Arakan Front**, crossed the Indo-Burma border and marched towards Imphal and Kohima in March, 1944.
- However, this “**Chalo Dilli**” campaign ended at Imphal due to the defeat of Japanese forces by the British and British Indian armies, with the help of American air support.
- **In April-May 1945**, INA soldiers faced incessant enemy fire and soldiers along with Bose were forced to retreat on foot to Thailand.
- **In August 1945**, after atomic bombs were dropped on Hiroshima and Nagasaki by USA war comes to an end leading to surrender of Japanese forces on August 16.
- After that Bose left South East Asia on a Japanese plane and headed toward China where his plane got crashed.

**Source:** Indian Express.

**Article:** 5 things about life and times of Subhas Chandra Bose

**Sharad**

