

Testing times: On India and fast-shifting dynamics in key markets

February's sharp foreign trade drop requires **nuanced** policy attention

India's goods exports fell for the third time in five months during February. The \$33.8 billion of **shipments marked** an 8.8% drop from a year ago. In recent times of generally **exuberant** export growth, the only **steeper** decline was recorded in October 2022. A sharp 29% **collapse** in oil exports, a 12% fall in chemical shipments and a 10% **contraction** in **engineering goods outflows** — **accounting for** almost half of India's **merchandise exports** — **propelled** February's decline. But the **effects** of **faltering** global demand **went** beyond, **dragging down** 13 more of India's top 30 export items. February's exports are still 7.3% above October's number, but the immediate **outlook** is **reverting** to the **gloom** that **prevailed** in the last quarter of 2022 — about large parts of the world **slipping into recession**. **Resilient** economic **data** from major markets over the past couple of months **had infused** a belief that the world economy may just **end up** avoiding the worst that was feared in 2023. But the **Ides of March dispelled** those hopes — for now, at least.

Retail sales in the U.S., India's largest export destination, **soared** 3% in January as a positive surprise, but **slumped** in February. The **failures** at two U.S. banks and the **disclosure** of **vulnerabilities** by European banker Credit Suisse **amid** the U.S. Federal Reserve's **scramble** to **rein in** inflation, **suggest** this **momentum** may not **turn around** anytime soon. On Wednesday, **Brent crude** prices dropped almost 5% — recession risks have clearly **resurfaced** after the unexpectedly **benign** start to the year. With manufacturing already **shrinking** for two quarters, a **sustained spell** of **slipping** shipments could mean factory job losses and **dent** consumption. As it is, **the 8.2% drop** in February's imports — the sharpest in a three-month **contractionary streak** and the lowest import bill in almost a year (\$51.3 billion) — **does** not **reflect well on** domestic demand that is hoped to **insulate** the economy from global shocks. Some of this may be due to prices rather than volume factors (oil and edible oil prices had **zoomed** after the Ukraine war). The government is looking to **curb inessential** imports to **keep the deficit in check** amid weaker exports. But this is **tricky** territory where **factors** such as quality, pricing and **supply chain linkages** **matter** too, and **missteps** could curb consumer (and investor) choice. With the deficit already **constricted** sharply over January and February from the record \$29.2 billion level **hit** last September, policy **bandwidth** may be better used to support exporters to **tap** new markets and react more **nimbly** to fast-shifting dynamics in key markets. The **long-dithered rejig** of the 2015-20 foreign trade policy **must** not be delayed any further, **at any cost**. **[Practice Exercise]**

- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

Vocabulary

1. **Testing time** (noun) – a challenging or difficult time कठिन समय
2. **Fast-shifting** (adjective) – Fast-changing तेजी से बदल रहा है
3. **Dynamics** (noun) – a force that stimulates change or progress within a system or process.
4. **Key** (adjective) – main, crucial, essential, prime, major, important, significant प्रमुख
5. **Nuanced** (adjective) – a subtle, sophisticated, and well-thought-out approach(to address the challenges सूक्ष्म
6. **Shipment** (noun) – the act of sending goods somewhere; Export; consignment भेजा गया माल
7. **Mark** (verb) – Indicate, Denote, Show, Demonstrate, Exhibit चिह्नित करना
8. **Exuberant** (adjective) – a state of high and enthusiastic growth; flourishing, abundant, thriving विपुलता/ प्रचुरता से (वृद्धि करना)
9. **Steep** (adjective) –sudden, sharp, rapid. तेज
10. **Collapse** (noun) – Plunge, drop, slump, downturn गिरावट
11. **Contraction** (noun) – Reduction, Shrinkage, Tightening संकुचन
12. **Engineering goods** (noun) –include metal products, industrial machinery and equipment, auto and its components, and transport equipment.
13. **Outflow** (noun) – Export
14. **Account for** (phrasal verb) – constitute, form, total compose, be responsible for के लिये उत्तरदयी होना
15. **Merchandise export** (noun) – the goods or products that are manufactured in India and exported to other countries.
16. **Propel** (verb) – prompt, push, drive, force आगे को बढ़ाना, प्रेरित करना
17. **Faltering** (adjective) –losing strength or momentum. लड़खड़ाती
18. **Drag down** (phrasal verb) – bring someone or something to a lower level or standard नीचे धकेलना
19. **Outlook** (noun) –perspective, prospect, attitude, view, viewpoint दृष्टिकोण
20. **Revert** (to) (verb) –Return to, go back, regress (a previous state) लौट आना, पलटना
21. **Gloom** (noun) – depression, gloominess, melancholy, despondency, dejection निराशा
22. **Prevail** (verb) –Exist, reign, be present प्रबल होना

23. **Slip into** (phrasal verb) – to gradually start to be in a bad state or situation. मैं जाना (बुरी स्थिति)
24. **Recession** (noun) –economic decline, downturn, depression, slump मंदी
25. **Resilient** (adjective) –Strong, robust, buoyant, durable, quick to recover मजबूत
26. **Infuse** (verb) – instil, breathe, inject, impart, inculcate, introduce, implant, add डालना/पैदा करना
27. **End up** (phrasal verb) – to reach or come to a place, condition, or situation that was not planned or expected पहुंचना (अंत में)
28. **Ides of march** (phrase) – A turning point or critical moment
29. **Dispel** (verb) – Dismiss, disperse; to cause to disappear (hopes) दूर करना
30. **Soar** (verb) – Rise rapidly , increase बढ़ना
31. **Slump** (verb) – decline, drop, fall, sink, collapse गिरावट आना
32. **Vulnerability** (noun) –weakness, susceptibility, liability, fragility कमजोरी
33. **Amid** (preposition) –in the middle of. के बीच
34. **Scramble** (noun) – Order (a fighter aircraft or its pilot) to take off immediately in an emergency or for action.
35. **Rein in** (phrasal verb) – Keep under control; restrain पर लगाम लगाना
36. **Momentum** (noun) – impetus, energy, impulse, speed, velocity गति
37. **Turn around** (phrasal verb) –Reverse, improve, change, bump up बदलना
38. **Brent crude** (noun) – the most traded of all of the oil benchmarks, and is defined as crude mostly drilled from the North Sea oilfields. This oil type is widely used as it is both sweet and light, making it easy to refine into diesel fuel and gasoline.
39. **Resurface** (verb) – Reappear, reemerge, rise फिर से उभरना
40. **Benign** (adjective) – mild or favorable सौम्य
41. **Shrink** (verb) – Fall, decrease, decline, diminish, lessen, dwindle, minimize सिकुड़ना
42. **Sustained** (adjective) –continuous, ongoing, steady, continual, continuing निरंतर
43. **Spell** (noun) – period, time, stretch दौर, चरण
44. **Slipping** (adjective) – going down in value घटता हुआ
45. **Dent** (verb) – reduce, lessen, diminish, shrink, weaken, undermine कम करना

46. **Contractionary** (adjective) – causing or relating to the contraction of a country's economy. संकुचन
47. **Streak** (noun) – period, time, spell, session, season, stretch दौर
48. **Reflect well/bad on something** (phrase) – make somebody/something appear to be good, bad, etc. to other people अच्छी/ खराब तरह से दर्शाना
49. **Insulate** (verb) – protect, shield, cushion, screen बचाना
50. **Zoom** (verb) – surge, soar, increase उछाल आना
51. **Curb** (verb) – Restrain, control, limit, hold back, rein in रोकना/ अंकुश लगाना
52. **Inessential** (adjective) –unnecessary, not essential, not required अनावश्यक
53. **Keep something in check** (phrase) – to keep (something) under control. नियंत्रण करना
54. **Deficit** (noun) – shortfall, deficiency, shortage, undersupply घाटा
55. **Tricky** (adjective) – Complicated, Challenging, risky चुनौतीपूर्ण
56. **Supply chain** (noun) – a network of individuals and companies who are involved in creating a product and delivering it to the consumer
57. **Linkage** (noun) – Connection, relation, relationship, link, bond संबंध/ अनुबंधन
58. **Misstep** (noun) – A mistake or blunder. गलत कदम
59. **Constrict** (verb) – Reduce, narrow, restrict, curtail सीमित करना
60. **Hit** (verb) – reach, attain, touch, arrive at (a particular level, point) पहुंचना
61. **Bandwidth** (noun) – the ability or time to deal with a situation; Clarity
62. **Tap** (verb) – use, utilize, exploit, take advantage, capitalize on लाभ उठाना
63. **Nimble** (adverb) – in a nimble way; respond quickly, swiftly तेजी से
64. **Long-dithered** (adjective) – Long-delayed, protracted लंबे समय से
65. **Rejig** (noun) – a reorganization, restructure, revamp पुनर्गठन बदलाव
66. **At any cost** (phrase) – regardless of the price to be paid or the effort needed किसी भी कीमत पर

Practice Exercise

[Editorial Page]

1. **Which of the following best describes the tone of the passage?**
 - A. Optimistic
 - B. Pessimistic
 - C. Neutral
 - D. Objective
2. **What is the main theme of the passage?**
 - A. The challenges facing India's goods exports
 - B. The impact of global economic conditions on India
 - C. The need for policy reforms to support exporters
 - D. The risks of a global recession
3. **What was the reason for the decline in India's merchandise exports in February?**
 - A. A collapse in oil exports, a fall in chemical shipments, and a contraction in engineering goods outflows
 - B. Faltering global demand for India's top 30 export items
 - C. A drop in retail sales in the U.S.
 - D. An increase in import prices due to the Ukraine war
4. **Why does the article suggest that policy bandwidth may be better used to support exporters?**
 - A. To reduce domestic demand
 - B. To curb inessential imports
 - C. To tap new markets and react more nimbly
 - D. To increase domestic consumption
5. **Which of the following statements is INCORRECT based on the passage?**
 - A. India's goods exports fell for the third time in five months during February.
 - B. The effects of faltering global demand dragged down 13 more of India's top 30 export items.
 - C. February's exports are still 7.3% above October's number.
 - D. Retail sales in the U.S., India's largest export destination, remained strong in February.
6. **What is the synonym for "shrink" as used in the passage?**
 - A. Expand
 - B. Contract
 - C. Swell
 - D. Grow
7. **What is the synonym for "benign" as used in the passage?**
 - A. Harmless
 - B. Dangerous
 - C. Malignant

- D. Severe
8. **What is the antonym for "soared" as used in the passage?**
- A. Rose
B. Climbed
C. Dropped
D. Increased
9. **Which of the following is an antonym for the word 'exuberant' as used in the passage?**
- A. Dejected
B. Calm
C. Euphoric
D. Lively
10. **What is the meaning of the phrase 'the Ides of March' as used in the passage?**
- A. A famous event in history
B. A turning point or critical moment
C. A period of financial instability
D. A day of celebration

Comprehension:

If budget making is a complex task, interpreting the Union Budget can be _____ **11** _____ given the amount of fine print that one has to pore over. Finance Minister Nirmala Sitharaman's fifth Budget, and the current Bharatiya Janata Party-led government's final _____ **12** _____ one before next year's general election, ticks all the right boxes on the face of it. Inclusive development that ensures _____ **13** _____ for all, especially the youth, women, farmers, Other Backward Classes, Scheduled Castes and Scheduled Tribes, a focus on infrastructure and investment that serves as a multiplier for growth and employment, policies to enable green or environmentally sustainable growth, the rationalisation of direct taxes, including a raft of concessions to the middle and salaried classes, and pensioners, and, most importantly, doing all this while staying the course on fiscal consolidation. Terming it the "first Budget in Amrit Kaal", Ms. Sitharaman sounded the poll bugle by _____ **14** _____ the ruling dispensation's achievements since 2014, when Prime Minister Narendra Modi first assumed office. Per capita income, she said, had more than doubled to ₹1.97 lakh as a result of the economy's growth to being the world's fifth-largest and the government's efforts to ensure a better quality of living for all. She also cited an increase in formalisation of the economy and the widespread _____ **15** _____ of digital technologies, especially in the payments sphere, as other significant achievements.

Fill in the blanks with the most appropriate combinations of words

11. If budget making is a complex task, interpreting the Union Budget can be _____ **11** _____ given the amount of fine print that one has to pore over.
- A. Foregone
B. Evident

- C. Laudable
D. Hazardous
12. Finance Minister Nirmala Sitharaman's fifth Budget, and the current Bharatiya Janata Party-led government's final _____12_____ one before next year's general election, ticks all the right boxes on the face of it.
A. Unprecedented
B. Full-fledged
C. Marginal
D. Uneven
13. Inclusive development that ensures _____13_____ for all, especially the youth, women, farmers, Other Backward Classes, Scheduled Castes and Scheduled Tribes, a focus on infrastructure and investment that serves as a multiplier for growth and employment.
A. Hinterland
B. Resolve
C. Prosperity
D. Contraction
14. Terming it the "first Budget in Amrit Kaal", Ms. Sitharaman sounded the poll bugle by _____14_____ the ruling dispensation's achievements since 2014, when Prime Minister Narendra Modi first assumed office.
A. Emphasizing
B. Woo
C. Allocating
D. Pegging
15. She also cited an increase in formalisation of the economy and the widespread _____15_____ of digital technologies, especially in the payments sphere, as other significant achievements
A. Front
B. Leeway
C. Adoption
D. Fallout

Direction (Q16 – Q19): Spot the grammatical error, if any –

16. The factory always emits (A)/ a loud sound of hammering while (B)/ operations of its machines generate a strong vibration, (C)/ causing severely inconvenience to residents. (D)
17. Slick advertising campaigns, (A)/ soaring gold prices and (B)/ increasing purchasing power for consumers have (C)/ helped develop a market for diamonds. (D)
18. The society for animal welfare has (A)/ urged people to keep an eye out (B)/ injured birds (C)/ during the forthcoming festival. (D)
19. In the afternoon (A)/ devotees organised a programme (B)/ in which the name of the deity (C)/ was chanted one lakh times. (D)

20. Arrange the following sentences to form a coherent paragraph

- P.** December 2021 and December 2022 could not have been more contrasting for India's pharmaceutical industry.
- Q.** In both cases, it is not conclusively established that consuming the syrup directly led to the deaths.
- R.** While The Gambia case was highlighted by the World Health Organization (WHO), the second case has been flagged by the Uzbek Health Ministry
- S.** This year, two Indian drug-manufacturing firms stand accused by two countries of producing toxic cough syrup linked to the deaths of children — at least 66 in The Gambia and 18 in Uzbekistan.
- T.** Last year, it was hailed for developing vaccines that inoculated billions against the coronavirus and underlined its moniker as the 'pharmacy of the world'.
 - A. PQRST B. TSPQR C.SPQRT D.PTSRQ

Answers

1. B 2. A 3. A 4. C 5. D 6. B 7. A 8. C 9. A 10. B 11. D 12. B
25. C 14. A 15. C 16. D 17. D 18. B 19. D 20. D

[Practice Exercise]

Explanations

1. B) Pessimistic

Explanation: The passage conveys a sense of gloom and pessimism regarding India's goods exports, the global economy, and domestic demand. The author uses phrases like "faltering global demand," "slipping shipments," "recession risks," and "tricky territory" to emphasize the challenges and risks facing India's economy. Therefore, option B) Pessimistic is the most appropriate choice.

2. A) The challenges facing India's goods exports

Explanation: The passage primarily discusses the challenges faced by India's goods exports, as highlighted by the decline in shipments in February and the various factors contributing to it. The author also mentions the impact of global economic conditions and domestic demand on India's exports, but these are secondary themes that support the main theme. The passage does mention the need for policy reforms to support exporters, but this is not the main theme, as it is only briefly mentioned towards the end. Therefore, option A) The challenges facing India's goods exports is the most appropriate choice.

3. Option A is the correct answer. The passage clearly states that the decline in India's merchandise exports in February was propelled by a sharp 29% collapse in oil exports, a 12% fall in chemical shipments, and a 10% contraction in engineering goods outflows, which accounted for almost half of India's merchandise exports. The passage does not mention options B, C, and D as reasons for the decline in exports.

4. C) To tap new markets and react more nimbly

Explanation: The article suggests that supporting exporters to "tap new markets and react more nimbly to fast-shifting dynamics in key markets" may be a better use of policy bandwidth than curbing inessential imports. The long-dithered rejig of the 2015-20 foreign trade policy must not be delayed any further, according to the article.

5. The correct answer is D) Retail sales in the U.S., India's largest export destination, remained strong in February. The passage states that retail sales in the U.S. slumped in February, indicating a potential downturn in India's exports to the U.S.

6. b) Contract

Explanation: The word "shrink" is used in the passage to refer to the decrease in manufacturing. The synonym of "shrink" is "contract," which means to become smaller or narrower.

7. a) Harmless

Explanation: The word "benign" is used in the passage to refer to the unexpectedly harmless start of the year in terms of recession risks. The synonym of "benign" is "harmless," which means not causing harm or injury.

8. c) Dropped

Explanation: The word "soared" is used in the passage to refer to the increase in retail sales in the U.S. The antonym of "soared" is "dropped," which means to fall or decrease.

9. a) Dejected

Explanation: The word 'exuberant' means full of energy, excitement, and cheerfulness, whereas the antonym 'dejected' means sad and depressed. The passage mentions that in recent times of generally exuberant export growth, the only steeper decline was recorded in October 2022, indicating that the export growth was high and positive, and the decline was unexpected and disappointing.

10. b) A turning point or critical moment

Explanation: The phrase 'the Ides of March' refers to the 15th of March in the Roman calendar and is associated with the assassination of Julius Caesar, which is considered a turning point in Roman history. In the passage, the phrase is used to suggest that the recent economic events, such as the failures of U.S. banks and the drop in Brent crude prices, have created a critical moment in the global economy and have dispelled the hopes of avoiding a recession.

11. **Hazardous** (adjective) – risky; dangerous, perilous, harmful खतरनाक

- **Foregone** (adjective) – sacrificed, waived, relinquished, declined, give up छोड़ दिया गया
- **Evident** (adjective) – obvious, apparent, noticeable, conspicuous, perceptible स्पष्ट
- **Laudable** (adjective) – Creditable, praiseworthy, worthy, admirable, commendable, impressive प्रशंसनीय

12. **Full-fledged** (adjective) – Complete, developed, mature, full-size पूर्ण

- **Unprecedented** (adjective) – Never having happened or existed in the past अभूतपूर्व
- **Marginal** (adjective) – slight, small, minimal, negligible, insignificant मामूली
- **Uneven** (adjective) – irregular, unequal, rough, jagged, lopsided असमान

13. **Prosperity** (noun) – The condition of prospering; having good fortune समृद्धि

- **Hinterland** (noun) – A remote and undeveloped area आंतरिक इलाके
- **Resolve** (noun) – Determination, resolution, purpose, दृढ़ निश्चय, संकल्प
- **Contraction** (noun) – Reduction, Shrinkage, Tightening संकुचन

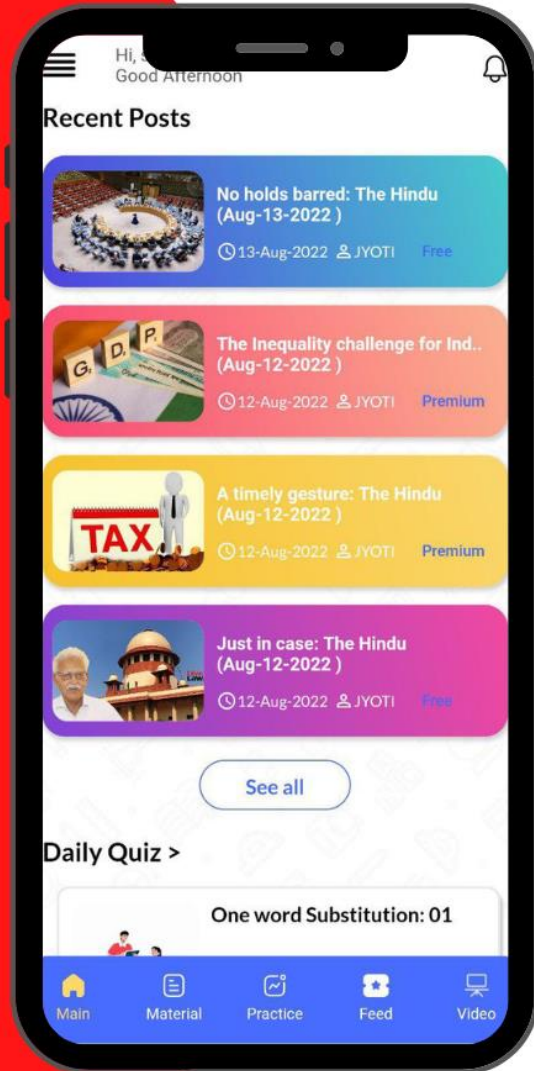
14. **Emphasize** (verb) – highlight, underline, accentuate, underscore ज़ोर देना

- **Woo** (verb) – Persuade, encourage, entice, pursue लुभाना
- **Allocate** (verb) – Assign, allot, distribute, earmark, hand out आबंटन करना

- **Peg** (verb) – to fix or keep something at a certain level एक विशेष स्तर पर स्थिर बनाए रखना
15. **Adoption** (noun) – Acceptance, implementation, espousal, acquiring अपनाना
- **Front** (noun) – a particular area of activity मोर्चा
 - **Leeway** (noun) – freedom, scope, room to manoeuvre, latitude, elbow room, छूट, स्वतंत्रता
 - **Fallout** (noun) – the unpleasant results or effects of an action or event प्रभाव
16. (D) 'severely' के बदले 'severe' का प्रयोग होगा क्योंकि 'severely' एक Adverb है जिसका अर्थ है 'कठोरता से, निर्दयता से, प्रचंडता से' जबकि 'severe' एक Adjective है जिसका अर्थ है 'कड़ा, सख्त, कठोर, असहनीय' और Noun 'inconvenience' (असुविधा, तकलीफ) की विशेषता एक Adjective बताएगा, न कि एक Adverb.
- 'severe' will be used instead of 'severely' because 'severely' is an Adverb which means 'mercilessly, fiercely' whereas 'severe' is an Adjective which means 'tough, strict' 'Hard, Unbearable' and Noun 'inconvenience' (discomfort, discomfort) will be characterized by an Adjective, not an Adverb.
17. (D) 'diamonds' के बदले 'diamond' का प्रयोग होगा क्योंकि 'हीरा' के अर्थ में 'diamond' एक Material Noun है जिसके चलते यह Uncountable Noun होता है, जैसे -
- i. Diamond is a precious stone.
- 'diamond' will be used instead of 'diamonds' because 'diamond' is a Material Noun in the meaning of 'diamond', due to which it is an Uncountable Noun, like –
- i. Diamond is a precious stone.
18. (B) 'out' के बदले 'on' का प्रयोग होगा क्योंकि 'keep an eye on' का अर्थ है 'पर नजर रखना'; जैसे-
- i. Keep an eye on your new servant.
 - ii. He keeps an eye on his peon's activities.
- 'on' will be used instead of 'out' because 'keep an eye on' means 'to keep an eye on'; like-
- i. Keep an eye on your new servant.
 - ii. He keeps an eye on his peon's activities.
19. (D) 'time' के बदले 'times' का प्रयोग होगा क्योंकि 'on lakh' के बाद Plural Noun का प्रयोग होता है।
- 'times' will be used instead of 'time' because 'on lakh' is followed by Plural Noun.
20. **PTSRQ**
- The paragraph talks about the contrasting situations of India's pharmaceutical industry in December 2021 and December 2022. It mentions that last year, India was praised for developing vaccines against COVID-19, while this year, two Indian pharmaceutical companies are accused of producing toxic cough syrup that caused the deaths of children in The Gambia and Uzbekistan. Sentence P introduces this contrast, while sentence T talks about India's

success in developing vaccines. Sentence S provides specific details about the toxic cough syrup cases in The Gambia and Uzbekistan. Sentence R provides additional information about the two cases, mentioning the organizations that highlighted them. Finally, sentence Q concludes the paragraph by mentioning that it is not conclusively established that consuming the syrup led to the deaths.

Therefore, the correct sequence of sentences to form a coherent paragraph is PTSRQ.



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