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A Project of a Strategic and National Importance

Context

- The **Great Nicobar Island Project**, spearheaded by the Narendra Modi government, is an ambitious undertaking that seeks to transform the island into a strategic hub of maritime and air connectivity in the Indian Ocean Region.
- The plan envisions an **International Container Transshipment Terminal (ICTT)** with a capacity of 14.2 million TEUs, a **greenfield international airport**, a **450 MVA gas and solar-based power plant**, and a **16,610-hectare township**.
- While the **project is promoted as a model of balanced development**, promising infrastructure growth, employment opportunities, and enhanced defence capabilities, **it also raises questions concerning ecological sustainability**, tribal rights, and long-term social implications.

Strategic and Economic Significance

- The **location of Great Nicobar** at the mouth of the Malacca Strait makes it **vital for India's strategic interests**.
- A **modern transshipment hub will allow India to compete with existing global shipping centres** and reduce dependence on foreign ports.
- Likewise, **the airport and power facilities will strengthen connectivity and support both civilian and military operations** in a region of increasing geopolitical competition.
- The project, therefore, is **positioned not merely as an economic catalyst but as a cornerstone of India's national security** and maritime policy.

Environmental Scrutiny and Mitigation

- Given the island's rich biodiversity and fragile ecosystem, environmental safeguards have been emphasised in project documentation.
- Detailed **Environmental Impact Assessment (EIA)** and **Environmental Management Plans (EMP)** were prepared, supported by inputs from reputed research organisations such as the **Zoological Survey of India, the Botanical Survey of India, SACON, and the Wildlife Institute of India**. Mitigation strategies include:
 - **Allocation of over ₹81 crore to conservation initiatives** even before construction.
 - A **disaster management framework** addressing both natural and anthropogenic risks.

- Retention of green zones and creation of **wildlife corridors** to safeguard arboreal and marine species.
- **Compensatory afforestation in Haryana**, in line with the **Forest (Conservation) Act, 1980**, since over 75% of the Union Territory is already under forest cover.
- Nonetheless, the environmental trade-offs remain significant.
- Over **65 lakh trees** could be affected across 130.75 sq. km of forest land, raising concerns about long-term ecological damage despite mitigation plans.

Tribal Rights and Welfare Provisions

- The project's most contentious dimension concerns its implications for the **Nicobarese and Shompen tribes**, both classified as **Particularly Vulnerable Tribal Groups (PVTGs)**.
- Official assurances claim that the project will not displace tribal populations, as the only inhabited areas, such as New Chingen and Rajiv Nagar, will remain untouched.
- Measures to safeguard tribal rights include:
- Consultations with the **Anthropological Survey of India**, the **Ministry of Tribal Affairs**, and the **Andaman Adim Janjati Vikas Samiti (AAJVS)**.
- Compliance with the **Shompen Policy (2015)** and the **Jarawa Policy (2004)**, which mandate prioritisation of tribal welfare in development decisions.
- De-notification of **07 sq. km of Tribal Reserve land** for the project, offset by re-notification of **76.98 sq. km**, resulting in a marginal net increase of protected tribal land.
- Formation of committees to monitor tribal welfare during project execution.
- While these provisions suggest sensitivity to tribal concerns, **the displacement of traditional land, even with compensatory reallocation, invites scrutiny.**
- **Land is not only an economic resource but also a cultural and spiritual anchor** for indigenous communities.
- **Critics may argue that bureaucratic assurances cannot fully capture** the long-term social and cultural disruption such projects can trigger.

Challenges and the Way Forward: Balancing Development with Ecology and Identity

- The government frames the Great Nicobar Project as a synthesis of **economy and ecology**, promoting growth while safeguarding environment and culture.
- Its phased execution, stretching to 2047, demonstrates long-term vision. By limiting the footprint to just **2% of the Andaman and Nicobar Islands' total area**, proponents argue that the project balances ecological and strategic needs.
- However, **balancing growth with sustainability is complex.**
- Development-driven deforestation, compensatory afforestation outside the islands, and potential disruptions to **tribal ways of life raise fundamental questions about whether modernisation can truly coexist with ecological conservation** and indigenous protection.

Conclusion

- The Great Nicobar Island Project embodies India's attempt to align its **strategic imperatives with developmental goals** while maintaining a veneer of environmental and tribal sensitivity.
- On paper, the project incorporates safeguards, consultations, and compensatory measures.
- Yet, **the real test will lie in its execution**, whether commitments to ecology and tribal welfare are honoured not just formally but substantively.
- **Ultimately, the project reflects the broader dilemma** faced by developing nations: the pursuit of rapid economic and strategic advancement while upholding principles of sustainability and cultural integrity.

A Project of a Strategic and National Importance FAQs

Q1. What is the main objective of the Great Nicobar Island Project?

Ans. The project aims to transform Great Nicobar into a strategic hub of maritime and air connectivity in the Indian Ocean Region.

Q2. How does the project address environmental concerns?

Ans. The project includes Environmental Impact Assessments, wildlife corridors, compensatory afforestation, and the retention of green zones to minimise ecological damage.

Q3. What measures are proposed to safeguard tribal communities?

Ans. The government has consulted tribal welfare bodies, ensured no direct displacement, and re-notified tribal reserve land to compensate for de-notified areas.

Q4. Why is the project considered strategically important for India?

Ans. Its location near the Malacca Strait makes it crucial for national security, defence, and control over international shipping routes.

Q5. What dilemma does the project highlight for developing nations?

Ans. It highlights the challenge of balancing economic growth and strategic needs with ecological conservation and tribal welfare.

Source: [The Hindu](#)

A 'Health Check' For the New GST Health-Care Reforms

Context:

- India's latest GST reforms are a major step toward **universal health coverage**. By restructuring healthcare taxation, the government aims to make medical care more affordable and accessible.
- The changes are expected to particularly benefit those struggling with high treatment costs and essential health products, easing the financial burden and improving access to services for millions.
- This article highlights India's newly announced **GST reforms in healthcare**, which aim to make medical care more affordable by reducing insurance costs, cutting taxes on medicines and equipment, and supporting preventive health services.

Sectoral Changes in GST for Healthcare and Insurance

- One of the most significant reforms is the **complete removal of GST on individual health and life insurance premiums**.
- Earlier, families paying ₹50,000 annually for health insurance had to bear an additional ₹9,000 as GST, making coverage costlier.
- From **September 22, 2025**, this extra burden is removed, reducing costs by 18%.
- The exemption applies to all categories of **life insurance** — including **term, ULIP, and endowment policies** — as well as **health insurance plans** such as family floaters and senior citizen policies.
- Even reinsurance premiums are covered, meaning the entire insurance chain benefits.
- This measure supports India's broader policy goal of expanding insurance coverage, which currently stands at only **7% of GDP**, well below the global average of **6.8%**.
- However, the real impact for consumers will depend on whether insurers pass on the full benefit.
- Without strict monitoring, there is a risk that some of these savings may be retained by companies rather than reaching policyholders.

GST Rules for Hospital Rooms

- The treatment of **hospital room charges** under GST remains largely unchanged. Rooms priced **below ₹5,000 per day** continue to be **exempt from GST**, offering relief to middle- and lower-income families.
- Non-ICU rooms costing above ₹5,000 per day still attract a 5% GST, but without input tax credit.
- On the other hand, all critical care units — ICU, CCU, ICCU, and NICU — remain fully exempt from GST, regardless of the room tariff.
- This ensures that **lifesaving and emergency medical care remains tax-free**, while only premium accommodation choices during in-patient care attract tax.

Core Medical Services Untouched

- Beyond insurance and room charges, the core medical services offered by hospitals, doctors, and paramedics remain exempt from GST.
- This means that consultation fees, surgeries, and treatments themselves continue to be outside the tax net, ensuring that the essential act of receiving medical care does not get costlier for patients.

Business Impact of GST Cuts on Healthcare and Wellness

- **Cheaper Medicines and Medical Devices**
 - The recent GST reforms have lowered costs for health product manufacturers and service providers.
 - Most medicines are now taxed at 5%, while life-saving drugs are zero-rated.
 - Medical devices and diagnostics also fall under a uniform 5% slab, down from earlier higher rates.
 - For instance, CT scan machines are now taxed at 5% instead of 18%, reducing hospital capital costs and potentially lowering patient charges.
- **Affordable Diagnostics and Services**

- Laboratories themselves remain GST-exempt on services, but inputs like kits, reagents, and equipment are taxed less.
- This should reduce procurement costs and may make blood tests, X-rays, MRIs, and other diagnostics cheaper if labs pass on the savings.
- Pharmacies and small clinics also benefit from simplified tax structures and stronger competitiveness, while hospitals can negotiate better terms with insurers and corporate clients.

- **Push for Preventive Health**

- The reforms go beyond treatment to encourage preventive health.
- GST on gyms, yoga centres, fitness studios, salons, and wellness services has dropped from 18% to 5%, making healthy lifestyle choices more affordable.

- **Sin Goods and Sugary Drinks**

- While healthy living gets a boost, harmful products face stricter taxation.
- Cigarettes continue to attract 28% GST plus cess, leading to an effective tax of 52%–88%.
- Sugary beverages — aerated, sweetened, or flavoured — have been moved to a new 40% slab, up from 28% plus cess, discouraging consumption and raising revenue for public health.

GST Reforms in Perspective

- The new GST reforms aim to align India's healthcare system with the **2047 Viksit Bharat vision** by easing financial barriers across the health-care chain.
- Removal of GST on insurance, lower taxes on medicines and equipment, and reduced rates for preventive services create a more accessible and affordable framework.
- However, the real measure of success will lie in outcomes: whether
 - more people can access treatment;
 - preventive services become routine;
 - consumer trust in healthcare strengthens;
 - misuse of antibiotics is curbed, and
 - ultimately, whether these changes save more lives.

A 'Health Check' For the New GST Health-Care Reforms FAQs

Q1. What is the most significant change in the GST reforms for healthcare?

Ans. The complete removal of GST on individual health and life insurance premiums, making coverage 18% cheaper and directly reducing financial burdens for households.

Q2. How do the GST reforms affect hospital room charges?

Ans. Rooms below ₹5,000 remain exempt, ICU and critical care units stay tax-free, while non-ICU rooms above ₹5,000 attract 5% GST without credit.

Q3. What benefits do medical devices and diagnostics receive under the reforms?

Ans. They are now taxed at a uniform 5% rate, lowering procurement costs for hospitals and potentially reducing patient charges for advanced diagnostics and treatments.

Q4. How do the reforms promote preventive healthcare and wellness?

Ans. GST on gyms, yoga centres, salons, and wellness services has been reduced from 18% to 5%, making preventive health and fitness more affordable.

Q5. What will determine the long-term success of these GST reforms?

Ans. Their effectiveness will depend on increased access to treatment, routine preventive care, reduced misuse of medicines, improved consumer trust, and measurable lives saved.

Source: TH

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