

# NEWS TODAY

## GOVERNMENT TO REVAMP FREE TRADE AGREEMENTS (FTA) STRATEGY TO ENSURE ECONOMIC BENEFITS

- Move is aimed to **ensure that FTAs provide economic and strategic benefits**. Focus is on alliances with “peaceful” countries, especially those with which India does not have a significant trade deficit.

➤ FTA is a pact between two or more nations to **reduce barriers to imports and exports among them**.

- India has viewed FTAs as an **important tool to enhance its trade and investment**, and has signed maximum number of FTAs in Asia.

### • Why the need to recalibrate?

➤ With the **exception of SAFTA**, India’s experience in major FTAs has not been very encouraging. India’s **trade deficit with ASEAN, Korea and Japan has widened** post-FTAs.

➤ Experts suggest that Chinese goods are **rerouted through these countries** and shipped to India without any value addition.

➤ **Faulty commitments, stricter rules of origin, lack of awareness** about FTAs etc. acted as hindrance in leveraging FTAs.

➤ Concerns over **loss of revenue** due to trade agreements, especially in manufacturing sector.

➤ Also, India is **expected to benefit more on the services front**, with software professionals and nurses getting easy access to markets such as Japan, Singapore, South Korea etc.

### TRADE TIES

#### Existing Agreements

- Singapore
- Thailand
- Malaysia
- ASEAN
- Chile

- Japan
- Afghanistan
- South Korea
- MERCOSUR
- Sri Lanka

#### In the Pipeline

- Australia
- EU
- New Zealand
- UK
- US
- Mauritius



## PACT TO END HARMFUL FISH SUBSIDIES DIFFICULT WITHOUT SPECIAL AND DIFFERENTIAL TREATMENT: INDIA

- WTO members are negotiating to finalise disciplines to eliminate subsidies for **illegal, unreported and unregulated (IUU) fishing**, and to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing.

➤ The negotiations **were launched in 2001 at the Doha Ministerial Conference**.

➤ Fisheries are a source of **protein and livelihoods** for the millions in coastal communities, particularly women. Of \$35 billion fishing subsidies worldwide, **\$20 billion directly contributes to overfishing**.

### • India’s proposals

➤ **Special and differential treatment (S&DT)** crucial for fish subsidy pact for developing countries.

➤ S&DT are special provisions which give developing countries special rights and allow other members to treat them more favourably.

➤ **Protect small fishing communities** in developing nations.

➤ Focus should be on **large scale industrial fishing**.

➤ Greater contribution from those who **provide large subsidies**, both in value and on per capita basis.

- However, developed countries, including US, Australia etc want **subsidy caps on countries with large fish stocks such as India and China**, irrespective of their development status.

## EXPERTS CALL FOR STRATEGY OVERHAUL FOR REVISED LAND RESTORATION TARGET

- Last year, India decided to **restore 26 million hectares of degraded land by 2030**, revising its earlier target of 21 million hectares.

➤ Land degradation is **deterioration or loss of productive capacity** of soils for present and future.

➤ Currently, nearly **one third of the country’s area i.e. 96.4 million hectares** is under land degradation.

- Land restoration is **part of India’s commitment to achieve land degradation neutrality (LDN)**, a flagship initiative under the United Nations Convention to Combat Desertification.

➤ LDN is a state whereby **amount and quality of land resources**, necessary to support ecosystem functions and services, **remains stable or increases within specified temporal and spatial scales** and ecosystems.

### • Shortcomings in present strategy:

➤ **Focus mostly on forest and revenue lands** and not on private fallows and agricultural land.

➤ **More focus on afforestation and soil and water conservation works**, without proper maintenance.

### • Strategies needed:

➤ **Comprehensive rainfed crop systems approach** rather than a 'soil conservation' approach.

➤ **Behavioural change by using schemes** like soil health cards.

➤ Encouraging **corporate support to provide scalability to efforts**.

## CENTRE CAN FUND DEFICIT AT LOWER RATES THROUGH DIRECT MONETIZATION, SUGGESTS STATE BANK OF INDIA (SBI) REPORT

- **Direct Monetization** of deficit happens when **RBI buys government securities directly from primary market** to fund government’s expenses. This allows government to print equivalent amounts of currency to meet its budget deficit.

➤ Under **indirect monetization**, RBI buys government bonds in secondary market through its open market operations.

### • Need for direct monetisation

➤ **Falling revenues and tax collection** due to pandemic.

➤ Expected **contraction in GDP this year** and with rising debt levels, **debt to GDP ratio** is expected to be 87.6% this year.

➤ Analysis shows that the **fiscal deficit of the government may exceed the 5%** this year.

- Direct monetisation was in **practice until 1997**, and was stopped over its inflationary impact and in favour of fiscal prudence.

➤ However, currently **due to demand slowdown in the economy**, this step is not likely to be inflationary.

➤ The Fiscal Responsibility and Budget Management (FRBM) Act also allows DM of deficit in certain exceptional circumstances, COVID-19 pandemic being one such.

- Report suggested the government to **raise funds directly from RBI through issuance of “Covid perpetual bonds” or such instruments**.

➤ Perpetual bonds are debt instruments that do not have a fixed maturity date. They are generally offered at lower interest rates.

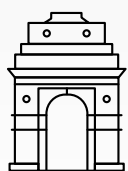
# CENTRE'S INDECISION ON GENETICALLY MODIFIED (GM) CROPS LEAVES FIELD OPEN FOR BLACK MARKET OPERATORS

- Environmentalists and pro-GM seed farmers' organisations asked **government to take concrete stand on GM crops.**
  - > Currently, **Bt cotton is the only GM crop** allowed for commercial cultivation in India.
  - > But the GM crops like HT cotton, Bt brinjal, and HT soya seeds **are available** in the black market and farmers are already cultivating these GM crops.
- GM crops are crops whose DNA is altered or modified through genetic engineering to create better versions of crops in terms of productivity, quality etc.
  - > Proponents argue that, **goal of food security and nutritional requirements** for a growing population can be met by GM crops.
  - > However, environmentalists have raised concerns on negative impact on environment, human health and crop diversity etc.
- **Genetic Engineering Appraisal Committee** is apex regulatory body responsible for the appraisal of proposals relating to the release of genetically-engineered organisms and products.
  - > **Cartagena Protocol on Bio-safety**, provides well-defined mechanism of regulation of GM crops, including bio-safety evaluation and environmental release.

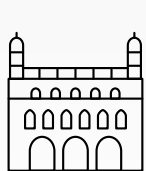
## ALSO IN NEWS

<p><b>Securities and Exchange Board of India amends insider trading norms</b></p>	<ul style="list-style-type: none"> <li>• According to amended norms, <b>listed entities will have to maintain a structured digital database</b> containing nature of unpublished price-sensitive information.</li> <li>• <b>Insider trading is a malpractice</b> wherein trade of a company's securities is <b>undertaken by people who by virtue of their work have access to the otherwise non-public information</b> which can be crucial for making investment decisions.           <ul style="list-style-type: none"> <li>&gt; It is <b>prohibited under Companies Act, 1956.</b></li> </ul> </li> </ul>
<p><b>Euro coronavirus Recovery Fund</b></p>	<ul style="list-style-type: none"> <li>• European Union leaders agreed on a stimulus package that will see the bloc issue 750 billion euros (\$860 billion) of joint debt to <b>help member states mitigate the economic downturn.</b></li> <li>• European Commission <b>will borrow the money on financial markets</b> and distribute just under half of it <b>as grants to the hardest hit EU states, with the rest provided as loans.</b></li> </ul>
<p><b>National Sample Survey (NSS)'s survey on household consumption related to health</b></p>	<ul style="list-style-type: none"> <li>• <b>According to survey</b> <ul style="list-style-type: none"> <li>&gt; 80% Indians don't have health expenditure coverage.</li> <li>&gt; Among rural Indians, 85.9% don't have any health expenditure coverage. In case of urban Indians, it is marginally better at 80.9%.</li> <li>&gt; Majority of Indians continue to depend on private healthcare facilities.</li> </ul> </li> </ul>
<p><b>Serological survey</b></p>	<ul style="list-style-type: none"> <li>• A Serological survey in Delhi showed that <b>22.86% of the people surveyed had been exposed</b> to the novel coronavirus.</li> <li>• In a <b>serological survey blood samples are collected from general population</b> and tested for <b>immunoglobulin G (IgG) antibodies.</b> <ul style="list-style-type: none"> <li>&gt; If a person is IgG positive, it means they were infected with SARS-COV-2 in the past.</li> </ul> </li> </ul>
<p><b>Inflammageing</b></p>	<ul style="list-style-type: none"> <li>• According to a study, the <b>increased severity and mortality of SARS-CoV-2 infections in older individuals</b> may be related to inflammageing.</li> <li>• Inflammageing is defined as <b>low-grade chronic systemic inflammation</b> established during physiological ageing which can inhibit immunity.</li> <li>• There is an age-related <b>increase in the levels of pro-inflammatory markers</b> in blood and tissues.</li> </ul>
<p><b>Form 26AS</b></p>	<ul style="list-style-type: none"> <li>• <b>Form 26AS is a consolidated annual tax statement</b> that includes information on tax deducted/collected at source, advance tax, etc.</li> <li>• Income Tax Department has launched a <b>revised Form 26AS from this assessment year</b>, which will reflect details of all high-value transactions.</li> <li>• This will <b>enhance the flow of information</b> between taxpayers and tax authorities.</li> </ul>

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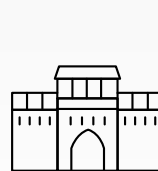
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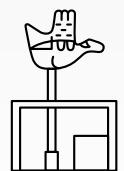
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