

# NEWS TODAY

## VIOLENT FACE-OFF BETWEEN THE ARMIES OF INDIA AND CHINA IN EASTERN LADAKH

- The clash occurred in Galwan area at Patrolling Point (PP) 14 (see fig.) along Line of Actual Control (LAC) and it is the first fatal clash since 1975.
- Recent stand-off is believed to be triggered due to:**
  - > **China moving in troops and equipment to stop construction activity** by India along border i.e. construction of new Darbuk-Shyok-Daulat Beg Oldie (DSDBO) along LAC in eastern Ladakh.
    - ⇒ DSDBO highway provides Indian military access to the section of Tibet-Xinjiang highway that passes through Aksai Chin.
  - > **Other reasons include** change in the area's status quo (Kashmir's constitutional status in 2019), China's expansionist nature, India's collaboration with US etc.
- Face-off and stand-off situations occurred **along LAC in areas where India and China have overlapping claim lines.**
  - > LAC is the demarcation that separates **Indian-controlled territory from Chinese-controlled territory.** (Note: Line of Control(LOC) is with Pakistan)
  - > **LAC is divided into three sectors:**
    - ⇒ eastern sector which spans Arunachal Pradesh and Sikkim
    - ⇒ middle sector in Uttarakhand and Himachal Pradesh
    - ⇒ **western sector in Ladakh** (major disagreement is over this sector).
  - > India considers the LAC to be 3,488km long, while the Chinese consider it to be only around 2,000km.



## FARM SUBSIDIES IN INDIA ARE FAR LOWER THAN IN RICH COUNTRIES

- Developed countries, including the US, Canada, Australia, New Zealand and EU, have been asking **India to cut support it offers to its farmers saying it is more than the de minimis entitlement** under the WTO's Agreement on Agriculture (AoA).
  - > De minimis is **minimal amounts of domestic support that are allowed even though they distort trade-** up to 5% of the value of production for developed countries, 10% for developing.
- However, according to Report by Centre for WTO Studies **per-farmer Amber box entitlement for India is a small fraction** of that of developed nations.
  - > US farmer gets support of \$7253 a year, a EU farmer gets \$1068 and an Indian Farmer gets just \$49.
  - > It is also indicated that **number of people engaged in agriculture is significantly higher** in most developing countries and majority of farmers are low-income or resource-poor.
- Under **AoA**, subsidies are classified into three boxes (see fig.).

<b>Green Box</b>
Subsidies that do not distort trade, or cause minimal disruption. No limit.
<b>Amber Box</b>
Broad range of subsidies. Limited to 5% of agricultural production (10% for developing countries)*.
<b>Blue Box</b>
Broad range of subsidies allowed but must be designed to minimise trade distortion. No limit.

## RBI RELAXES NORMS FOR DEPLOYMENT OF ATMS BY WHITE-LABEL PLAYERS

- Now, White Label ATMs (WLATM) players will have **manageable annual targets** rather than stiff run-rates set under licence terms in 2012.
  - > For e.g. earlier under various schemes which WLATM players opted at time of license placed ratio requirements (number of ATMs setup in tier-III to VI centre and number of ATMs installed in tier-I to II centres.)
  - > Such targets were hard to meet and also increased operational costs.
- WLATM** are set up, **owned and operated by non-banks entities.**
  - > **Cash in ATMs is provided by sponsored bank** while ATM machine does not have any branding of Bank.
  - > It will help in **increasing geographical spread of ATMs** especially in semi-urban and rural areas.
  - > Companies have to **get license from RBI** to run business under **Payment & Settlement Systems Act, 2007.**
  - > Tata Communications Payment Solutions Limited (**Indicash**) is **first company** authorized by RBI to open WLAs in country.
  - > National Payments Corporation of India (NPCI) links all the ATMs in India.
- These **differ from brown-label ATMs**, which are owned and branded by banks, but operated and maintained by third party operators.

## WORLD INVESTMENT REPORT (WIR) 2020 RELEASED BY UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

- WIR focuses on **trends in foreign direct investment (FDI) worldwide**, at the regional and country levels and emerging measures to improve its contribution to development.
  - > UNCTAD is permanent organ of UN General Assembly, **established in 1964 to promote trade, investment, and development in developing countries.**

### Key highlights

- Related to India**
  - > India jumped with **\$51 bn of inflows** from 12th position in 2018 to **9th in 2019** in World's top FDI recipients (with US and China at first two places).
    - ⇒ Most of the investments were in **ICT and construction industry.**
  - > **FDI into India may shrink sharply in 2020** because of COVID-19 lockdown, supply chain disruptions and economic slowdown.
    - ⇒ However, **India's economy could prove the most resilient in the region** as India's large market will continue to attract market-seeking investments to the country.
- Global level**
  - > Global FDI flows are forecast to **decrease by up to 40% in 2020** from their 2019 value.
    - ⇒ FDI is projected to **decrease by a further 5% to 10% in 2021.**
  - > Investment flows are **expected to slowly recover starting 2022.**

# THE IMPACT OF COVID-19 ON FOOD SECURITY AND NUTRITION REPORT RELEASED BY FAO

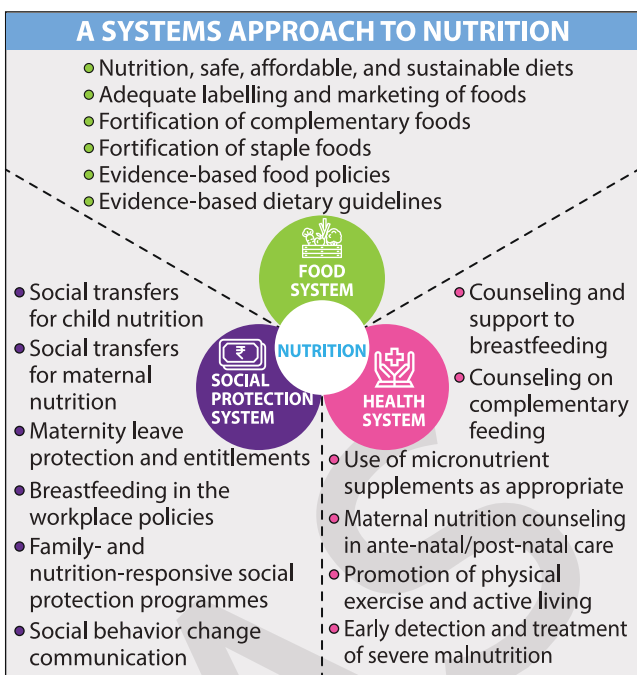
• It presents a **qualitative and quantitative assessment of the pandemic's impacts** on areas like food trade, food supply chains and markets, people's lives, livelihoods and nutrition.

• **Key Highlights:**

- Almost **45 million people** were pushed into acute food insecurity since February 2020 because of the COVID-19 pandemic.
  - Almost **33 millions of those reside in South and Southeast Asia**, with the remainder in Sub-Saharan Africa.
- **Over 49 million may fall into extreme poverty as well**, with the most-affected region being, again, Sub-Saharan Africa.
- Pandemic and measures to curb it may result in **\$8.5 trillion being shaved off the global economy** in the next two years.
- There could be a **shrinkage of global and especially local food supply in many countries** in the second half of 2020, with resulting price rises and food access issues.

• **Suggestions**

- **Integrating systems approach to nutrition** in COVID-19 socio-economic response (refer to infographics).
- **New and adaptable models of food and nutrition distribution** that minimise physical contact.
- **Maintain liquidity and promote financial inclusion**, particularly in rural areas.



## ALSO IN NEWS

<b>World Competitiveness Index</b>	<ul style="list-style-type: none"> <li>• It was released by Institute for Management Development (independent academic institution).</li> <li>• India ranked 43rd out of 63 nations (same as last year).                     <ul style="list-style-type: none"> <li>➢ It highlighted traditional weaknesses like <b>poor infrastructure, low investment in education and health system</b>.</li> <li>➢ India has recorded improvements in areas like long-term employment growth, high-tech exports, foreign currency reserves, political stability etc.</li> </ul> </li> <li>• <b>Singapore has retained its top position.</b></li> <li>• <b>Note:</b> This is <b>different from Global Competitiveness Index</b> released by World Economic Forum.</li> </ul>
<b>P.K. Mohanty committee</b>	<ul style="list-style-type: none"> <li>• It is setup by RBI to <b>review the existing guidelines on ownership and corporate structure of private sector banks.</b></li> <li>• <b>Mandate:</b> <ul style="list-style-type: none"> <li>➢ Suggest appropriate norms to address excessive concentration of ownership and control</li> <li>➢ <b>Examine and review eligibility criteria</b> for individuals or entities to apply for a banking licence, and</li> <li>➢ <b>Review promoter shareholding norms</b> at initial licensing stage.</li> </ul> </li> </ul>
<b>MP 2nd largest wheat producer</b>	<ul style="list-style-type: none"> <li>• Madhya Pradesh has overtaken Punjab to become the <b>second largest wheat producer after Uttar Pradesh.</b></li> </ul>
<b>2020 Desertification and Drought Day (June 17)</b>	<ul style="list-style-type: none"> <li>• <b>Theme:</b> Food. Feed. Fibre. - the links between consumption and land.</li> <li>• <b>Desertification</b> is the persistent degradation of dryland ecosystems by climate change and mainly human activities.                     <ul style="list-style-type: none"> <li>➢ Land degradation <b>affects some 3.2 billion people. 70% of the world's land has been transformed</b> by human activity.</li> <li>➢ <b>SDG 15</b> aims to halt and reverse land degradation.</li> </ul> </li> <li>• UN General Assembly had also declared <b>2010-2020 the United Nations Decade for Deserts and the fight against Desertification.</b></li> </ul>
<b>Dexamethasone</b>	<ul style="list-style-type: none"> <li>• A UK based research found out that administering low dosages of Dexamethasone drug could <b>help patients suffering from severe COVID-19.</b></li> <li>• Dexamethasone has been used to <b>treat diseases such as asthma, allergies, rheumatism, arthritis, blood/hormone/immune system disorders</b>, allergic reactions, certain cancers etc.</li> <li>• It is also being hailed for being a <b>cheap and easily available remedy</b>, as compared to some of the other experimental medicines.</li> </ul>
<b>Pashupatinath Temple, Kathmandu, Nepal</b>	<ul style="list-style-type: none"> <li>• Recently, India Nepal signed MoU for to improve the infrastructure in temple complex.                     <ul style="list-style-type: none"> <li>➢ Project is part of <b>Nepal-Bharat Maitri: Development Partnership</b> as a high impact community development scheme by India.</li> </ul> </li> <li>• It is a Hindu Temple and is the <b>largest temple complex in Nepal.</b> It stretches on <b>both sides of the Bagmati River.</b></li> <li>• It is one of the <b>UNESCO Cultural Heritage Sites.</b></li> </ul>

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