

06 May 2019: UPSC Exam PIB Summary & Analysis

Launch of Fourth Scorpene Class Submarine – VELA

Context

Vela, the fourth Scorpene class submarine being constructed by Mazagon Dock Shipbuilders Limited for the Indian Navy, was launched. MDL is one of the India's leading shipyards with a capacity to meet requirements of the Indian Navy.

Scorpene class

- The Scorpène-class submarines are a class of diesel-electric attack submarines. It features diesel propulsion and an additional air-independent propulsion.
- Jointly developed by the French Direction des Constructions Navales (DCN) and the Spanish company Navantia, and now by Naval Group.
- These submarines can undertake multifarious tasks typically undertaken by any modern submarine which include anti-surface as well as anti-submarine warfare.
- In 2005, India chose the Scorpène design; purchasing six submarines. The first Scorpène submarine, named INS Kalvari, was undocked for the purpose of starting sea trials in April 2015 and will be delivered in September 2016.
- The transfer of technology involves appropriate technical support by Naval Group to MDL in the field of construction, integration and tests of the submarines in India
- This will be done by transfer of technical data package to MDL through information system as well as on job training to MDL's personnel on critical technologies.

India and U.S. Hold Bilateral Trade Meeting

Context

India and the United States held the India-U.S. Bilateral Trade meeting in New Delhi.

Suresh Prabhu, Minister of Commerce & Industry and Civil Aviation, Government of India and Mr. Wilbur Ross, Secretary of Commerce, United States of America co-chaired the bilateral meeting.

India-U.S meeting

- Both sides appreciated the strong, robust and growing bilateral ties between India and the U.S. across the entire spectrum of trade and commerce.
- During the year 2018, with bilateral trade in Goods and Services registered a growth of 12.6% from \$ 126 billion in 2017 to \$142 billion in 2018.
- Both co-chairs also complimented the new bilateral private sector led Small Business Interaction initiative, the US - India SME Forum
- This is the first event of its kind and would pave the way for collaboration and partnership between the U.S. and Indian small and medium enterprises (SMEs) in the areas of manufacturing and services.
- Both sides also discussed various outstanding trade issues. Both sides agreed to engage regularly at various levels to resolve outstanding trade issues by exploring suitable solutions, which are mutually beneficial.

- Both sides agreed to deepen economic cooperation and bilateral trade by ensuring greater cooperation amongst stakeholders, including Government, businesses and entrepreneurs.

15th Finance Commission to hold meetings with RBI

Context

- The 15th Finance Commission has scheduled meetings with the Reserve Bank of India (RBI) and with the Banks and Financial Institutions.

FC meeting with RBI

In the meeting with the RBI, headed by Governor Shri Shaktikanta Das, the Commission is likely to discuss the following issues:-

- Views on key macro-economic assumptions for the Fifteenth Finance Commission (FCXV), keeping in view the key parameters central to macro-financial stability.
- Views on the cost of borrowings of the Centre and the States during the award period of the FCXV.
- Modalities for ensuring that the borrowing cost becomes increasingly market-driven.
- Issues in quantifying contingent liabilities of States and off-budget transactions of States, and other issues of public financial management.
- Views on possible debt trajectories of States and State-specific consolidation road map.
- Requirements of recapitalisation of banks and their impact on the cost of borrowings of governments.
- Possible scenarios of the Bimal Jalan Committee Report on surplus capital available with the RBI for transfer to the Government of India.
- RBI's own assessment of the dividends and surpluses that can be transferred to the Government of India during the award period of FCXV.

FC meeting with other Banks

In the meeting with the Banks and Financial Institutions the following issues are likely to be raised:-

- Cost of borrowings of the Centre and the States during the award period of the FCXV.
- Modalities for ensuring that the borrowing cost becomes increasingly market-driven.
- Recapitalization of banks and their impact on the cost of borrowings of governments.

