

# 21 Nov 2019: Comprehensive News Analysis

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## B. GS 2 Related

### Category: POLITY AND GOVERNANCE

#### 1. Centre plans NRC exercise all over the country: Amit Shah

##### Context:

Home Minister has said that the process of creating a National Register of Citizens (NRC) will be undertaken across India and that the exercise will be repeated in Assam whenever it is done.

##### Details:

- The National Register of Citizens (NRC) was first prepared in Assam in 1951 after the Census 1951 was conducted. The main objective behind this endeavour was to check the illegal inflow of people.
- The NRC exercise was taken up in Assam alone and the updated final version of the NRC, was published in August 2019.
- The Home Ministry is now working on modalities to implement NRC across the country the exercise to identify illegal immigrants for deportation.
- An amendment in the Foreigners (Tribunals) Order, 1964, issued by the central government paves the way for expanding the scope of NRC beyond. The amended order empowers state governments and even district magistrates of all states and Union Territories to set up tribunals to identify a “foreigner” who is living in India illegally.

The issue has been covered in 11<sup>th</sup> October Comprehensive News Analysis, under the Editorial titled “Do we need a countrywide National Register of Citizens?”. [Click here to read.](#)

### Category: INTERNATIONAL RELATIONS

#### 1. U.S. Senate passes Hong Kong rights Bill

##### Context:

The U.S. Senate has unanimously adopted the legislation supporting “human rights and democracy” in Hong Kong and threatening to revoke its special economic status.

##### Background:

- The pro-democracy movement was ignited in June 2019 when millions took to streets in opposition to a now-abandoned attempt to allow extraditions from Hong Kong to the mainland.
- The protests and resulting crackdowns have turned parts of Hong Kong into violent battlegrounds for weeks.

##### Details:

- Passage of the Bill marks an important step in holding accountable those Chinese and Hong Kong government officials responsible for Hong Kong’s eroding autonomy and human rights violations.
- It mandates sanctions against Hong Kong and Chinese officials who commit human rights abuses including “extra-judicial rendition”.
- The lawmakers also approved a measure that would ban the sale of tear gas, rubber bullets and other equipment that have been used by security forces to suppress protests for nearly six months.
- China condemns and firmly opposes it stating that the United States must immediately stop interfering in Hong Kong affairs and China’s other internal affairs.

The issue has been covered in 17<sup>th</sup> October Comprehensive News Analysis. [Click here to read.](#)

## 2. U.S. ready to sell naval guns for \$1 bn

### Context:

The Trump administration has notified to the U.S. Congress its determination to sell \$1 billion worth of naval guns to India for use against warships, anti-aircraft and shore bombardment, in a move that would enhance the lethal capabilities of the Navy.

### Details:

- The proposed foreign military sale of up to 13 MK-45 5inch/62 caliber (MOD 4) naval guns and related equipment is at an estimated cost of \$1.0210 billion.
- The weapons will improve India's capability to meet current and future threats from enemy weapon systems.
- The MK-45 Gun System will provide the capability to conduct anti-surface warfare and anti-air defence missions while enhancing interoperability with U.S. and other allied forces.
- India will use the enhanced capability as a deterrent to regional threats and to strengthen its homeland defence.
- It is said that the proposed sale of this equipment and support will not alter the basic military balance in the region.
- According to the notification, this notice of a potential sale is required by law and does not mean the sale has been concluded.
- With this, India has become one of the few countries that the U.S. decided to sell its latest version (Mod 4) of its naval guns.
- The other countries to have been sold with MOD 4 naval guns so far are Australia, Japan and South Korea. The one given to Thailand is an upgraded MOD 4 version.
- The U.S. has also determined to sell these to a few other allies and friends including Britain and Canada.

## C. GS 3 Related

### Category: ECONOMY

#### 1. Govt. to sell off its entire stake in BPCL, 4 other PSUs

### Context:

Cabinet has approved strategic disinvestment of Central public sector enterprises (CPSEs).

### Details:

- Finance Minister announced that the Cabinet Committee on Economic Affairs (CCEA), chaired by the Prime Minister had given its in-principle approval to the sale of government stake in five Central public-sector enterprises (CPSEs):
  1. Bharat Petroleum Corporation Ltd (BPCL)
  2. Shipping Corporation of India
  3. Container Corporation of India
  4. THDCIL
  5. NEEPCO

Strategic Sale			DISINVESTMENT
<b>BPCL*</b> Sale of full <b>53.3%</b> stake to strategic buyer (*After removing Numaligarh Refinery from its fold)	<b>Shipping Corp</b> Sale of entire <b>63.8%</b> stake to strategic buyer	<b>Tehri Hydro</b> Entire <b>74.2%</b> stake to NTPC	<b>Reduction of govt stake in select PSUs to below 51%</b>
	<b>Concor</b> <b>30.8%</b> stake and management control to strategic buyer (Govt to retain 24% stake)	<b>Neepco</b> Entire <b>100%</b> stake to NTPC	<b>PSUs to be identified by officials</b>  <b>Govt to retain management control on case-to-case basis</b>

- The sale of stake will include transfer of management control to the strategic buyers in each of the five CPSEs.
- It was also announced that the Cabinet has approved cutting government's stake in select PSUs below 51 per cent while retaining management control.

The benefits of the announcement have been covered in 20<sup>th</sup> November PIB Summary and Analysis. [Click here](#) to read.

## 2. Nod for Industrial Relations Code Bill

### Context:

The Centre has approved the Industrial Relation Code Bill, which is the third code under labour reforms.

### Details:

- The draft code on Industrial Relations has been prepared after amalgamating, simplifying and rationalizing the relevant provisions of three Central Labour Acts — the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947.
- The bill aims to bring together and simplify provisions of three laws covering trade unions, industrial employment and disputes.
  - The government wants to codify 44 central labour laws into four broad codes.
  - While the Code on Wages has already been approved by Parliament, the Labour ministry will push the Code on Occupational Safety, Health and Working Conditions Bill in the Budget session. The Code on Social Security is in pre-legislative stage.
- Finance Minister said that the most important feature of the Bill was that fixed term employment, as opposed to contract that prevails widely today, has been given permission.
- The government said that the Bill would pave the way for setting up a two-member tribunal for industrial disputes, instead of one, which would allow for some important cases to be adjudicated jointly and the rest by a single member resulting in speedier disposal of cases.
- It also provides for vesting of powers with the government officers for adjudication of disputes involving penalty as fines thereby lessening the burden on tribunal.
- The Bill would also give flexibility for exit provisions, related to retrenchment.

For more details on the provisions of Industrial Relation Code Bill, read 20<sup>th</sup> November PIB Summary and Analysis.

## 3. Change in Portfolio Manager Services Rules

### Context:

SEBI has amended the regulatory framework for portfolio managers to enhance their net worth criteria and also the minimum investment size, which will effectively keep retail investors — who can use the mutual fund route — out of the segment that is typically for high net worth individuals.

### Details:

- While the net worth requirement of portfolio managers has been increased from Rs. 2 crore to 5 crore, the minimum investment by clients has been hiked to Rs. 50 lakh from the current Rs. 25 lakh.

#### **What was the need for stricter norms?**

- The stricter norms for portfolio managers, which cater to rich clients, are aimed at reducing mis-selling and weeding out fly-by-night operators from the business.
- Proposed tougher rules for the PMS industry come in the wake of the strong growth of asset managers.
- PMS products are not as tightly regulated as mutual funds, allowing their asset managers to follow more liberal fund management and selling practices.
- With SEBI barring mutual funds from offering upfront commissions to distributors and wealth managers on the sale of their products, many brokers are increasingly selling PMS products.

## **D. GS 4 Related**

*Nothing here for today!!!*

## **E. Editorials**

### **Category: ENVIRONMENT**

#### **1. Rajasthan's Sambhar Lake, where 18,000 birds died**

##### **Context**

- In November 2019 thousands of migratory birds have been found dead at Sambhar Lake

##### **Sambhar Salt Lake**

- It is India's largest inland salt lake in Rajasthan
  - It is spread mostly across Jaipur and Nagaur districts and also a part of Ajmer.
- The lake receives water from five rivers Medtha, Samaod, Mantha, Rupangarh, Khari and Khandela.
  - It has a catchment area of 5,700 square km, with the water depth fluctuating between 60 cm in the dry season to about 3 metres at the end of the monsoon.
- Sambhar has been designated as a Ramsar site (recognized wetland of international importance) because the wetland is a key wintering area for tens of thousands of pink flamingos and other birds that migrate from northern Asia and siberia.
- It is the source of most of Rajasthan's salt production.



**The lake attracts thousands of migratory birds.**

- A total 83 species of water birds have been recorded at the lake, the most abundant of which are little grebe, great crested grebe, great white pelican, little cormorant, black stork, and darter, apart from various species of plovers, egrets, herons, and geese.

Birds of about 25-30 species have now been found dead, including northern shoveller, Brahminy duck, pied avocet, Kentish plover and tufted duck.

**Cause of death**

- Preliminary forensic reports attributed the deaths to Avian Botulism
  - Avian Botulism: It is a serious neuromuscular illness of birds caused by a toxin that is produced by the bacterium *Clostridium botulinum*.

The government is waiting for reports from various sources to establish the exact cause.

**What could be other possible reasons for the bird deaths at Sambhar Lake?**

- Viral infection
- Bacteriological infection
- Higher temperature and high water levels due to a good monsoon. This might have led to an **increase in competition for resources**.
  - The weaker individuals, exhausted from the long journey, perhaps were unable to compete, and may have succumbed to stress emanating from the shortage of food, susceptibility to disease/pollutants/toxins and other habitat-related factors in the wintering grounds
- Another possibility could be the lake's excessively salty water, which may have altered its alkalinity levels. This, too, implicates environmental degradation.

**Is there a concern for human health?**

- Humans are primarily at risk from avian botulism only if they eat infected fish or birds.

**Concerns**

- Avian deaths are thus an advance warning of the harm our development is inflicting on the natural habitats of other species.
- It is among the eight worst-rated wetlands in the country when it comes to ecosystem management, according to a draft report prepared by the environment ministry in consultation with several independent experts.
- The government has failed to handle such emergency crisis; they are overwhelmed by an unexpected calamity.



### What can the government do?

- The government should pass legislation in the Assembly to create a **Sambhar Lake Development and Conservation Authority**. This authority should be handed A to Z responsibility of Sambhar Lake.
- There is no document about management of Sambhar Lake. World Wildlife Fund had created a document about 22 years ago, and it is now outdated. A **fresh document** should study why the water from four rivers, which flows into the lake, has decreased over the years.
  - It should study the hydrology, sedimentation, the increase or decrease in depth of the lake, as well as birds, animals, their food sources, etc.

*Source: Indian Express*

## Category: ECONOMY

### 1. The myths around free trade agreements

#### Context

- India has decided to opt out of the **Regional Comprehensive Economic Partnership (RCEP)**.
- This issue has been widely discussed on the basis of four issues: exports, investments, integration into the **Global Value Chain (GVC)** and domestic industry.
- In this article a look at experiences countries have had with **Free Trade Agreements (FTAs)** will be discussed.

#### What is a FTA?

- A Free Trade Agreement is a pact between two or more nations to reduce barriers to imports and exports among them.
- Under a free trade policy, goods and services can be bought and sold across international borders with little or no government tariffs, quotas, subsidies, or prohibitions to inhibit their exchange.

#### Impact on exports

1. First, do FTAs lead to an increase in exports? Few economists have argued that by not signing the RCEP, **Indian exporters would miss on exporting to RCEP countries**.
  - They forget that India has FTAs with the Association of Southeast Asian Nations (ASEAN), Japan, South Korea, and three-fourths of the bilateral trade already happens zero duty.
    - India also has a small preferential trade agreement with China.
2. Second, the mere signing of an FTA does not guarantee an increase in exports.
  - If import duty in the partner country is high, there is a likelihood of an increase in exports by 10% when this duty becomes zero.
    - What this means is that India or any country which has free trade agreement would have preferential access which would not be present to other countries.
      - Import duty which may be high would be reduced for the partners.
  - But chances of exports increasing are **low if import duty of the partner country is low at 1-3%**.
    - From this count, FTAs are of no use for exporting to Singapore, Hong Kong, as regular (Most Favoured Nation) import duties are zero.
    - FTAs with Malaysia, Japan, Australia, New Zealand, Brunei, etc. **benefit few product groups only as more than 60% of imports into these countries happen at zero duty** for all countries.
    - There is little additional market access. Most critics have missed this detail.
3. Third, even the high import duties coming down to zero through the FTAs do not guarantee exports.

- Japan reduced duty from 10% to zero for Indian apparels through an FTA in 2011. But India's apparel exports to Japan have nosedived from \$255 million in 2010 to \$152 million in 2018.
- Blame it on Japanese **Non-Tariff Barriers to Trade (NTBs)** such as special sourcing requirements. But NTBs are generally not negotiated in FTAs.
- Countries have to resolve these bilaterally.

To summarize, FTAs cut import duties, but this is only one of many factors that decide if exports will increase.

### Investment flow

Does a lower import duty regime help in getting significant investments? Most experts have argued in its favor.

- Let us look at evidence from the automobile industry in Australia and India. Australia, in 1987, produced 89% of the cars it used. It **protected the car industry through a high 45% import duty**.
- But the share of locally produced vehicles came down as the duties were reduced. Today, Australia imports nearly all cars as **tariffs came further down to a 5% level**.
- Most manufacturers such as Nissan, Ford, General Motors, Toyota, Mitsubishi, etc. which produced cars in Australia shut shop.

But, **India** could attract significant investments in the **car sector on account of high import duties**.

- This resulted in the **development of an indigenous car** and auto component industry.
- Now, with the car industry maturing, India can think of lowering import duties to promote competition.

### Do FTAs ease entry into GVCs?

Most commentators have lamented that by not signing RCEP, India will miss becoming part of GVCs. It is not so simple.

- Actual value chain activities are time critical. And a country cannot become a significant part of such value chains **unless it has efficient ports, customs, shipping, roads and a regulatory compliance infrastructure**.
- GVC production also requires harmonisation of product and quality standards.
- ASEAN, Japan and Korea constitute the core of the Asian regional value chain. But despite FTAs with these countries, India has a weak presence in the electronics, machinery or apparels value chains.
- For these reasons, FTAs alone do not make a country part of a value chain

### Steps to be taken

The **FTAs can ensure market access to only the right quality products** made at competitive prices. Improvement in firm-level competitiveness is a must.

- The government can **help by ensuring lower duties on raw materials and intermediates** than on the concerned finished products.
- It can **set up an elaborate quality and standards infrastructure** for essential products.
- Most countries regulate imports through such requirements and not through tariffs.

### Conclusion

- Finally, about India turning inward. India ranks higher than the U.S., Japan, and China in the trade openness ratio, the globally accepted measure.
- The ratio is the sum of all imports and exports as % of GDP — India (43) is more open than the United States (27), Japan (35), and China (38).



## F. Tidbits

### 1. 'Gandhi villages' to be established in Rajasthan

- The government in Rajasthan has decided to constitute a new Department of Peace and Non-Violence, along with "Gandhi villages" in each district, to apprise the people of the contributions of the Mahatma.
- The Department will act as a nodal agency for the implementation of Gandhian thought.

### 2. Listed firms to disclose defaults within 31 days

- Listed companies that default on their loan or interest payments will have to disclose such defaults to the stock exchanges within 31 days of missing the payment deadline.
- The board of the Securities and Exchange Board of India (SEBI) has made such disclosures mandatory in the light of many recent instances of default wherein the information was not available to all categories of stakeholders.
- SEBI added that the rules would be applicable from January 1, 2020.
- In 2017, SEBI had mandated such disclosure within a day of default but had to withdraw the circular due to alleged opposition from the Reserve Bank of India (RBI) and the government.

#### Note:

The SEBI board also decided to almost halve the time a company should take to complete a rights offer, from 55 days now to 31 days.

## G. Prelims Facts

### 1. Olive Ridleys

#### What's in News?

Olive Ridley turtles have begun to arrive at Odisha's Rushikulya rookery coast in Ganjam for their annual mass mating season that precedes the mass nesting that takes place there. Rushikulya rookery is a major nesting site for the Olive Ridleys along the Indian coast.

#### Olive Ridley Turtles:

- Odisha is home to 50% of the total world's population of Olive Ridleys and about 90% of Indian population of sea turtles.
- The unmanned island, located close to the Wheeler's Island defence test range centre, a prohibited territory, is one of the largest rookeries in the world.
- These turtles get their name from the olive colored carapace, which is heart-shaped and rounded.
- Olive Ridley sea turtles come in large numbers for nesting to Odisha coasts. The mass nesting draws worldwide attention on the conservation of Olive Ridley in Odisha.
- The synchronised nesting in mass numbers is called Arribadas.
- They are mostly carnivorous and feed on jellyfish, snails, crabs, and shrimp. They occasionally consume algae and seaweed.
- The major breeding ground for these turtles is Rushikulya (Odisha), Dharma (Odisha), Devi estuary (Odisha), Astaranga Coast (Odisha), Gahirmatha beach (Odisha) and Hope Island of Coringa Wild life Sanctuary (Andhra Pradesh).

They are classified as Vulnerable — IUCN Red List.

### 2. ISRO uses satellite data to gauge N. Korea's 2017 nuclear test impact

- Scientists at the Indian Space Research Organisation (ISRO) have used a novel mathematical technique and analysed satellite images to estimate the strength of North Korea's underground nuclear test of September 2017.
- Those tests are considered the most powerful thermonuclear devices to have been exploded by the country.
- In the normal course, the detection and estimation of nuclear device explosions is based on the reading of earthquake monitoring sensors. However, North Korea's relative isolation has meant that there were no accessible seismic stations near the test site at Mount Mantap, Punggye-ri, to accurately gauge the intensity of the explosion, and how deep into the earth the device was detonated. Such information is also important for determining the type of bomb, and consequently, the degree of know-how the detonating country possesses.
- For the analysis, researchers used images of the location after the explosion, sourced from the ALOS-2, a Japanese satellite, and Sentinel 1B, a European radar imaging satellite.

#### **InSAR:**

- InSAR refers to the interferometric synthetic aperture radar and is a radar technique used to generate maps of how a place would look after an earthquake, or a detonation.
- While other groups have also used InSAR based approaches to estimate impact from a detonation, the ISRO group claims to have used a mathematical technique called Bayesian inversion that can correct for errors associated with InSAR data.
- The Bayesian modelling of the InSAR data reduced the uncertainties in the yield and depth by 25-85% and 40-97%, [respectively]" the ISRO team underlined.
- It was inferred that the explosive yield estimated is about 17 times that of the Hiroshima explosion of 1945.

## **H. UPSC Prelims Practice Questions**

**Q1. Consider the following statements about Olive Ridley Turtles:**

1. Hope Island of Coringa Wildlife Sanctuary of Andhra Pradesh is one of the major breeding grounds for these turtles.
2. Olive Ridley turtles feed on algae and seaweed only.
3. They are classified as Critically Endangered as per the IUCN Red List.

Which of the given statement/s is/are incorrect?

- a. 1 only
- b. 2 only
- c. 1 and 2 only
- d. 2 and 3 only

**Answer: d**

#### **Explanation:**

Olive Ridley sea turtles come in large numbers for nesting to Odisha coasts. The mass nesting draws worldwide attention to the conservation of Olive Ridley in Odisha. The synchronised nesting in mass numbers is called Arribadas. They are mostly carnivorous and feed on jellyfish, snails, crabs, and shrimp. They occasionally consume algae and seaweed. The major breeding ground for these turtles is Rushikulya (Odisha), Dharma (Odisha), Devi estuary (Odisha), Astaranga Coast (Odisha), Gahirmatha beach (Odisha) and Hope Island of Coringa Wildlife Sanctuary (Andhra Pradesh). They are classified as Vulnerable — IUCN Red List.

**Q2. Interferometric Synthetic Aperture Radar (InSAR) is a radar technique used in**

1. Geodesy
2. Remote sensing
3. Mapping ground deformation

Which of the given statement/s is/are correct?

- a. 1 only
- b. 1 and 3 only
- c. 1, 2 and 3 only
- d. 3 only

**Answer: c**

**Explanation:**

Interferometric synthetic aperture radar, abbreviated InSAR is a radar technique used in geodesy and remote sensing. This geodetic method uses two or more synthetic aperture radar (SAR) images to generate maps of surface deformation or digital elevation, using differences in the phase of the waves returning to the satellite. The technique is also used for mapping ground deformation using radar images of the Earth's surface that are collected from orbiting satellites. Unlike visible or infrared light, radar waves penetrate most weather clouds and are equally effective in darkness. InSAR helps in generating maps of how a place would look after an earthquake, or a detonation.

**Q3. "Ghamr" and "Baqura" in news are territories in conflict between which two countries?**

- a. UAE-Saudi Arabia
- b. Israel – Jordan
- c. Turkey-Syria
- d. Pakistan-Afghanistan

**Answer: b**

**Explanation:**



Q4. Which of the following is/are correctly matched?

1. Indo-Tibetan Border Police (ITBP) -China
2. Border Security Force – Pakistan
3. Sashastra Seema Bal - Bangladesh

**Choose the correct option:**

- a. 1 and 2 only
- b. 2 and 3 only
- c. 3 only
- d. 1, 2 and 3

**Answer: a**

**Explanation:**

The following are the Central Armed Police Forces of India, their deployment along India's border is as follows:

- Border Security Force (BSF)- Pakistan and Bangladesh
- Indo-Tibetan Border Police (ITBP)-China
- Sashastra Seema Bal (SSB)- Nepal and Bhutan

## I. UPSC Mains Practice Questions

1. Explain why Free Trade Agreements with countries will not always result in increasing exports and investments. (15 Marks, 250 Words).
2. PSUs are subject to over-governance, which in turn, promotes conservative, cautious and risk-averse organizational culture, with procedures being paramount and outcomes becoming secondary. In the light of this statement, discuss your strategies to overcome problems of over-governance. (15 Marks, 250 Words).