

# 22 Feb 2020: UPSC Exam Comprehensive News Analysis

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## A. GS 1 Related

## B. GS 2 Related

### Category: INTERNATIONAL RELATIONS

#### 1. Pakistan retained on 'grey list' of anti-terror financing watchdog

##### Context:

Financial Action Task Force's (FATF) Plenary session in Paris.

##### Background:

- Pakistan was given a September 2019 deadline to complete **the 27-point action plan** laid out by FATF.
  - The major aim was to **shut down all access to funding of United Nations Security Council-designated terrorist groups**, including the Taliban, al-Qaeda, the Lashkar-e-Taiba, and the Jaish-e-Mohammed.
  - Pakistan was also required to prosecute the leadership of the groups for any access to finance.
  - The Pakistan administration was required to **tighten laws and banking security norms**.
- In November 2019, after Pakistan was judged to have complied with only four points of the plan. Subsequently, **the FATF extended the deadline to February 2020**.

##### Details:

- **Pakistan has been retained on the 'grey list' of the FATF for the next four months.**
  - Pakistan is **one of the 12 countries on the grey list**, that are being reviewed for actions to stop terror financing and money laundering.
- FATF has stated that Pakistan had failed to comply with the deadlines in the action plan set by the FATF.
  - The FATF report notes that Pakistan needs to improve in eight specific areas. The major concerns include:
    - Pakistan needs to demonstrate that it is **identifying and investigating all terror-financing activities** in the country.
    - It needs to **freeze the funds of all the designated terrorists**.
    - The **prosecutions must result in effective, proportionate and dissuasive sanctions** against all terror entities operating in its territory.
- In light of the terror financing risks emanating from Pakistan's jurisdiction, FATF has warned Pakistan to complete the 27-point action plan it has been given, by June 2020, failing which it risks being placed in the **blacklist**.
  - **The blacklist** refers to countries for whom there has been a call to action or are placed under **strict banking and international financial sanctions**. The blacklist of FATF presently includes Iran and North Korea.

For more information, read [19th Feb 2020 CNA](#)

#### 2. U.S., Taliban to sign agreement on Feb. 29

**Context:**

**Peace deal plan** between the U.S. and the Taliban.

**Background:**

- U.S. and Taliban negotiators have been meeting in **Doha** since 2018.
- In spite of the ongoing talks between the two, fighting has raged on in Afghanistan and thousands of civilians and combatants have been killed as the **Taliban has expanded the territory under its control.**
- However, following lengthy negotiations between the Taliban and the United States of America, both parties have agreed to sign the **finalized accord** in the presence of international observers.
- The agreement could represent a chance for **peace after 18 years of war and withdrawal of the U.S. troops from Afghanistan, that dates back to 2001.**

**Details:**

- **The U.S. and the Taliban are expected to sign an agreement on February 29 2020, at the end of a week-long period of violence reduction in Afghanistan.** The Reduction In Violence (RIV) period, to be observed by Afghan, international and Taliban forces, will begin on 22 February 2020. The reduced violence period will be a critical test of the Taliban's willingness to contribute to peace.
- Afghan forces will keep up normal military operations against other groups such as Islamic State, during the RIV period.
- The agreement will **be signed in Doha between Taliban representatives and U.S. special envoy Zalmay Khalilzad.**
- The U.S. and the Taliban have also been engaged in talks to facilitate **a political settlement in Afghanistan** and to reduce the U.S. presence in the region. The period could pave the way for sustainable peace and negotiations among Afghans.

### **3. India, Maldives agree to take on terrorism, radicalization**

**Context:**

Indian Union Home Minister's meeting with the Maldivian Home Minister.

**Details:**

- India and Maldives are seeking bilateral cooperation in the **fields of counter-terrorism and counter-radicalization**, issues of mutual interest for both the countries in the area of **security and law enforcement cooperation.**
- Other potential areas of co-operation for India-Maldives Partnership, includes policing and law enforcement, **organized crime, and drug trafficking.**

## **C. GS 3 Related**

**Category: ECONOMY**

## 1. Natural gas price may halve to a 10-year low

### Background:

#### Gas pricing:

- The present Union administration scrapped the **Rangarajan Committee** recommendations in 2014.
  - The committee was set up to review among other things, the basis for **determining the price of domestically produced natural gas**. It dealt with the concept of the **Administrative Price Mechanism (APM)** in India.
- The present administration instituted its own formula for domestic gas prices in India by linking them to **12-month averages of U.S., Canada, Russia and Europe prices**.
- Following the revision, APM prices rose to \$5.6/mmbtu from the \$4.2 they were at between 2010 and 2014. Ever since the prices have witnessed a decline.

#### Gas usage:

- According to Shell's LNG Outlook 2020 report, global gas prices softened in 2019 and LNG demand growth in South Asia was notable.
- **India, Pakistan and Bangladesh imported 36 million tonnes in 2019, an increase of 19%** over 2018, pointing to increased usage in Asian countries.

### Details:

- The prices of APM gas are set to fall 45% over the next two resets in April and October 2020 to \$2/mmbtu.
- India's domestic natural gas prices are set to nearly halve to a **10-year low of \$2 per million metric British thermal units (mmBtu)**, attributable to the fall in global gas prices.
  - The sharp decline in EU prices of LNG is the major factor.
  - Prices have been subdued in **gas surplus economies of the U.S., Canada and Russia**.
- The lower gas prices would be bad for exploration and production (E&P) firms, while it is expected to **benefit city gas distributors (CGDs), fertilizer units and power firms**.

## 2. Treating medical devices on par with drugs will raise costs: ICRA

### Context:

- The latest **notification of the Union Ministry of Health and Family Welfare** notifies all **medical devices as drugs and brings them under the purview of the Drugs and Cosmetics Act, 1940**, from April 2020.

### Background:

- The recent **Union Budget had introduced a 5% health cess on import of medical devices**, making medical devices costlier for hospitals.
- Worryingly much of the price hike might be passed on to the patients, cushioning the impact on the profitability margin of hospitals.

**Details:**

- The notification covers devices used for diagnosis, life support, treatment of ailments, software used in medical instruments, etc. **Almost the entire gamut of medical devices will come under the ambit of the notification.**
- **The Central Drugs Standard Control Organization will be regulating the medical devices.**
- The consumables/devices will be brought under regulation in a phased manner up till April 1, 2021.

**Concerns:**

Higher regulation:

- The latest notification paves the way for higher regulation of medical devices under the **Drugs Price Control Order (DPCO)**.
- Companies will now have to **obtain approval to manufacture, import and sell medical devices** in India.

Higher costs:

- According to the credit rating agency ICRA, the Centre's decision is bound to push up the cost of medical devices in India.
- **The increased regulatory requirements will lead to higher input costs.** It will increase the cost of compliance, lead time and also lead to higher expenses in launching new products, resulting in an overall increase in the cost of the product.

### 3. 'Adopt a pragmatic approach on cigarette tax'

**Context:**

- **The Federation of All India Farmer Associations (FAIFA), a body of tobacco farmers, has raised concerns regarding the Union Budget 2020-21 proposal for an increase in National Calamity Contingent Duty (NCCD) on cigarettes.**

**Concerns:**

- The FAIFA has urged the Centre government to adopt a pragmatic approach to cigarette taxation as it is directly linked to the **livelihoods of millions of tobacco farmers and farm workers.**
- The increased taxation will have an adverse impact on the livelihood of **Indian Flue Cured Virginia (FCV) tobacco farmers** given the likely implications of such a move.
- The increase in excise duty on cigarettes will result in a **reduction in legal cigarette production** and it will provide a further boost to the smuggled cigarette trade in India.
- It will **reduce the tobacco purchases of domestic manufacturers**, impacting market prices for farmers and putting more pressure on farmer's earnings and causing further stress.
- The hike comes at a time when the FCV tobacco farmers have also had to withstand **torrential and unseasonal rains in Andhra Pradesh and Karnataka**, leading to loss of produce.

**Way forward:**

### Encouraging exports:

- FAIFA has appealed to the government **to include Tobacco in Remission of Duties or Taxes on Export Product (RoDTEP) scheme and encourage exports** through aggressive promotion schemes.
- Unlike other countries like Zimbabwe, Malawi, etc which are encouraging tobacco farmers to export tobacco, by providing incentives and subsidies, The Indian government has lately removed tobacco export incentives, making India a less competitor in the global market.

### Tax stability:

- FAIFA has requested the **withdrawal of the proposed increase in NCCD** and has called for maintaining tax stability on legal cigarettes.

### Action against illegal marketing:

- The government needs to take **strict action against the illegal market and curb the illicit trade of tobacco in India.**
- This will help contain the flourishing illegal cigarettes and also help safeguard the livelihood of tobacco farmers in the country.

## Category: INFRASTRUCTURE

### 1. Govt. may bundle power sources for grid stability

#### Context:

The Ministry of New and Renewable Energy (MNRE) has announced **a draft renewable-based, round-the-clock (RTC) hybrid tender.**

#### Details:

#### Grid stability:

- The hybrid tender format would **allow bundling renewable with conventional power sources.**
- It will allow conventional and non-conventional resources to **complement each other and provide sustainable power to the grid**, thus helping address the issue of grid stability.

#### Issue of stranded power assets:

- **The Central Electricity Authority data** shows that over 20,000 MW of power assets in Indian have been stranded for the last year for various reasons, including **uneconomic operations.**
- Institute of Energy Economics and Financial Analysis estimates that India's thermal generation sector alone is carrying \$40-60 billion **in non-performing, or stranded assets**, supported by the banking sector.
- The Ministry's plan would help address the issue of stranded power assets in India, as it would offer an **opportunity for stressed thermal asset owners to also participate and thereby reduce NPAs.** This would also help address the banking sectors woes.

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: INTERNATIONAL RELATIONS

#### 1. Forging a new India-U.S. modus vivendi

The editorial highlights how India needs USA's support to move towards a more organic rules-based order in the Indo-Pacific.

#### Current Scenario:

Both within India and in the U.S., the consensus across the mainstream of political opinion favours stronger relations between the two countries. This is notwithstanding the recent concerns expressed in Congress about the Citizenship (Amendment) Act and about the internment of political leaders in J&K.

#### Foreign policy's pro-U.S. tilt:

- If the 1971 Friendship Treaty with the Soviet Union was a response to the continuing U.S. tilt towards Pakistan and the beginnings of a Washington-Beijing entente, at present, it is the prospect of a potentially hegemonic China in the Indo-Pacific region that is helping to cement the relationship. Beijing has managed to alienate nearly all its neighbours and allies, except North Korea and Pakistan.
- In Foreign Affairs, strategic affairs analyst Ashley Tellis writes about the surprising success of the partnership and argues that Mr. Trump and Mr. Modi have deepened the defence cooperation.
- And Jeff Smith of the Heritage Foundation lists the accomplishments India-U.S. ties have made over the years, including:
  - A foundational military agreement that allows for the sharing of encrypted communications and equipment - COMmunications CompAtibility and Security Agreement (COMCASA).
  - A change in U.S. export control laws that places India in a privileged category of NATO and non-NATO U.S. allies.
  - A new '2+2' foreign and defence ministers dialogue.
  - An exponential increase in U.S. oil exports to India.
  - The inauguration of the first India-U.S. tri-service military exercise and an expansion of existing military exercises.
  - The signing of an Industrial Security Annex that will allow for greater collaboration among the two countries' private defence industries.
  - The inclusion of India and South Asia in a U.S. Maritime Security Initiative.

#### Why is it essential for India to shape a new India-U.S relationship?

- India needs the continued support of the U.S. government on many substantial issues that matters to India in its quest to be a power of substance in the international system.
- From a fairer trade regime; to accessing cutting-edge technology; to the fight against terrorism; to stabilising our region, New Delhi stands to benefit from constructive ties on all issues, given a more

sensitive United States. India must therefore seek greater understanding and engagement should there be a Trump 2.0.

- With Indo-Pacific having arrived at an ‘Iron Curtain’ moment in its history, without the United States, the region could become willy-nilly part of a new Chinese tributary system; with a fully engaged United States, the region has at least the chance of creating a more organic rules-based order.
- Estrangement with the United States, during the Cold War (as described by the diplomat Dennis Kux), has had consequences for vital national interests that continue to cast their shadow on the present. Jammu and Kashmir (J&K), nuclear non-proliferation, the festering of the Pakistan “problem”, the Chinese humiliation of 1962, are a few examples.

### **Conclusion:**

Much work needs to be done for the two countries to fulfil the potential of the relationship, especially in the area of defence. This, together with other key issues including trade, is on the centrepiece of the Trump-Modi agenda for the visit.

## **Category: POLITY AND GOVERNANCE**

### **1. Litmus test for a judicial clean-up order**

#### **Context:**

Flagging the alarming increase in the incidence of criminals in politics, the Supreme Court has ordered political parties to publish the entire criminal history of their candidates for the Assembly and Lok Sabha elections along with the reasons that provoked them to field suspected criminals over decent people.

#### **The Supreme Court Verdict:**

The Supreme Court’s verdict has been covered in 14<sup>th</sup> February 2020 Comprehensive News Analysis. [Click here](#) to read.

#### **What are the Concerns?**

- Political parties and candidates have often voiced their concern that cases tend to be foisted on them by political opponents.
  - When the Election Commission of India (ECI) recommended to the government that legislation was warranted to exclude those candidates against whom charges had been framed by a court of law for heinous offences punishable by imprisonment of five years and more, the Parliamentary Committee that had been set up to examine the proposal unanimously ruled against the ECI recommendation.
  - It was pointed out that many such cases had risen out of political vendetta.
- Not all first information reports lodged against political players are criminal in intent.
  - The violation of Section 144 of the Code of Criminal Procedure as a result of civil protest is one such example.
  - The case of a Medha Patkar or other social activists can hardly be considered criminal.
  - Which is why the ECI, has addressed various Prime Ministers to pass legislation on the ground that charges framed by a court of law for only heinous offences, and cases registered (not on



the anvil of elections, but up to one year prior) would amount to a “reasonable restriction” and that such a person be barred from contest. But so far to no avail.

- Although the recent judgment has decreed that political parties will give much wider publicity to the criminal antecedents of their candidates, it is possible that this alone may not suffice.
  - Voter behaviour is most often conditioned by their own immediate needs.
  - In many cases, where muscle and money get combined in the rural landscape, the contestants often win by large margins.

### **Conclusion:**

So far whatever significant electoral reforms have taken place have emanated from the Supreme Court. It remains to be seen how the recent judgment will affect the choices of the political establishment and whether it will have the desired effect in eliminating or significantly purging criminality from future legislatures.

**This issue has been comprehensively covered in 15<sup>th</sup> February 2020 Comprehensive News Analysis under the Editorials segment in the article titled “Choice and candidacy”. [Click here](#) to read.**

### **Category: ECONOMY**

#### **1. Asleep at the wheel**

##### **Context:**

Recently, a crash has killed 19 bus passengers on a national highway, at Tiruppur, Tamil Nadu.

##### **Details:**

- A preliminary inquiry points to human error involving the container lorry driver who is suspected to have fallen asleep at the wheel.
- The probe is also looking at whether the container was overloaded, and lacked an assistant.

##### **Concerns:**

- The transport operators and the authorities have the duty to guarantee road safety.
- Unfortunately, Central and State officials feel little compulsion to do their duty when it comes to road safety.
- In spite of amendments made to the Motor Vehicles Act, and new engineering standards enforced for vehicle safety, the risk on the roads is on the rise.
- State governments responsible for enforcement remain apathetic and their negligent bureaucracies ignore safety laws in cities and highways.
- The cost of such indifference is borne by families of victims in the form of bereavement, loss of income and enduring trauma. Moreover, the economy is deprived of productivity and output.

##### **Data related to Road Accidents:**

- The latest World Bank assessment of India’s loss from road accidents, which was released at the Stockholm meet, points out that, road users between 18-45 years constitute 69% of fatalities.

- Also, 54% of deaths and serious injuries occur mainly among vulnerable groups: pedestrians, cyclists and two-wheeler riders.
- In the Bank's estimate, it will take an additional \$109-billion of investment in 10 years to achieve a 50% reduction in road deaths.

### Steps taken by the Government:

- Union Transport Minister has focused on:
  - Removing dangerous 'black spots' on highways
  - Making consultants and contractors liable for road conditions
  - Imposing stiffer penalties for traffic offences.
- The amended Motor Vehicles Act (MV Act) makes all this possible, but many State governments have faltered at enforcing it.

Read more about the Government's [Road Accident database](#).

### Way forward:

- The Tiruppur crash highlights the gap that India must bridge before it can hope to bring down road fatalities by at least half during the current decade.
- India is committed to achieving a reduction in Road Accidents under the UN Sustainable Development Goals, and the promise was reiterated by Union Transport Minister, at the recently held, Third Global Ministerial Conference on Road Safety, at Stockholm.
- It is imperative that the Centre forms an empowered Road Safety Board at the national level to advise States on all related concerns as envisaged under the MV Act.
- State enforcement agencies must be made accountable for safety.

## F. Prelims Facts

### 1. Kolkata pays tributes to Ghalib

- Kolkata is organizing a week-long celebration titled Bayaad-e-Ghalib (Remembering Ghalib), on the International Mother Language Day.
- **Mirza Asadullah Khan Ghalib** was born in Agra in 1797 and died in Delhi in 1869.
- Mirza Ghalib is considered **one of the greatest Urdu poets of all time**. Mirza Ghalib basically a poet also wrote **prose, known as Qate Burhan** which is one of the literary differences he had with other poets.
- The important works of Mirza Ghalib include the **Charagh-e Dair**.

## G. Tidbits

### 1. GoM meet discusses the Juvenile Justice Act

- **A Group of Ministers (GoM)** chaired by Home Minister met to discuss proposed amendments to the Juvenile Justice (Care and Protection of Children) (JJ) Act, 2015.
- The meeting was steered by the Women and Child Development Minister.
- The Juvenile Justice (Care and Protection of Children) (JJ) Act, 2015, addressed two key issues:

- **Apprehension, detention, prosecution, penalty or imprisonment, rehabilitation and social reintegration of children in conflict with the law.**
- **Procedures and decisions or orders** relating to rehabilitation, adoption, re-integration, and restoration of children in need of care and protection.
- The meeting was convened to seek views from all the senior Cabinet Ministers based on Prime Minister's call for **greater synergy between Ministries on proposed laws.**

## H. UPSC Prelims Practice Questions

**Q1. Which of the following statements are correct?**

1. Renewable energy (including large hydro) accounts for almost 36% of India's total power capacity mix.
2. Cumulative solar installations capacity is higher than the Windpower installations capacity in the country.

Options:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

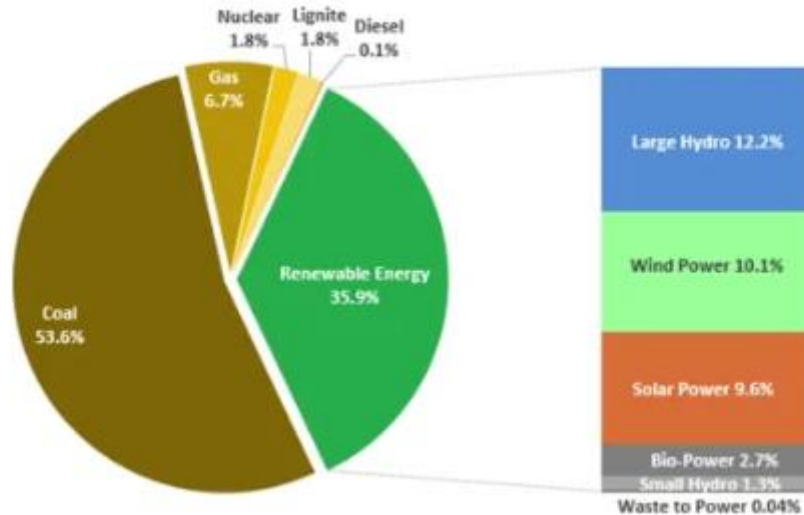
**Answer:**

**Option a**

**Explanation:**

- Subsequent to the Cabinet Committee on Economic Affairs (CCEA) approval to the proposal put forward by the Ministry of Power to include large hydropower projects over 25 MW under the aegis of renewable energy, Large Hydro Power Projects are Now Officially Categorized under Renewable Energy Sources.
- Renewable energy (including large hydro) accounted for almost 36% of India's total power capacity mix at the end of the calendar year (CY) 2019, according to data from the Central Electricity Authority ([CEA](#)), and the Ministry of New and Renewable Energy ([MNRE](#)).
- The country's total installed power capacity stood at about 371 GW as of December 31, 2019. Of this, renewables (including large hydro) accounted for about 133.2 GW, up from 122.8 GW last year, an 8.5% rise.

Renewables (including Large Hydro) comprise ~35.9% of India's total installed capacity, with solar accounting for ~9.6%. Among renewables, solar accounts for ~26.7% of the installed capacity



**Q2. Which of the following statements are correct?**

1. India is the largest producer of tobacco in the world.
2. Flue-cured tobacco cultivation is concentrated in the states of Telangana, Karnataka and Andhra Pradesh in India.

Options:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer:**

**Option b**

**Explanation:**

- China is the largest Tobacco producing country in the world.
- Tobacco is one of the major commercial crops grown in India. Various types of tobaccos are cultivated in India for use in tobacco products such as Cigarette, Bidi, Cigar, Cheroot, Hookah, Chewing, and Snuff, etc.
- Following are the tobacco varieties grown in different parts of the country:

## Types of tobacco cultivated in India

Type	Cultivated States
1. FCV Tobacco	Andhra Pradesh & Karnataka
2. Bidi Tobacco	Gujarat & Karnataka
3. Cigar & Cheroot	Tamil Nadu & West Bengal
4. Hookah Tobacco	Assam, West Bengal, Bihar & UP
5. Chewing & Snuff	Tamil Nadu, West Bengal, Bihar, Assam & U.P.

**Q3. Which of the following statements are incorrect?**

1. Currently, North Korea and Iran are the only two countries included in the black list of the FATF.
2. Currently, Yemen, Mongolia, and Iceland are among the other nations placed under the grey list of the FATF.

Options:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer:**

**Option d**

**Explanation:**

Bahamas, Botswana, Cambodia, Ghana, Iceland, Mongolia, Panama, Pakistan, Trinidad and Tobago, Yemen and Zimbabwe have been included in the grey list of the FATF.

**Q4. Which of the following statements are correct?**

1. Madhya Pradesh and Andaman and Nicobar Islands have the maximum number of National Parks in India.
2. Maharashtra is the state with the largest number of wildlife sanctuaries in India.

Options:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer:**

**Option c**

**Explanation:**

- There are 96 National Parks and 510 Wildlife Sanctuaries in India. Madhya Pradesh and Andaman and Nicobar Islands have the maximum number of National Parks (9) while Maharashtra is the state with the maximum number of Wildlife Sanctuaries in India. Andaman and Nicobar has 96 Wildlife sanctuaries.

## I. UPSC Mains Practice Questions

1. What are the judicial measures taken so far in decriminalizing politics in India? Discuss the challenges in implementing the judiciary's recent clean-up order? (15 Marks, 250 Words)
2. What is Integrated Road Accident Database (IRAD)? Discuss the steps taken by the Government in devising safety interventions to curb Road fatalities in India. (15 Marks, 250 Words)

