

# 17 June 2021: UPSC Exam Comprehensive News Analysis

## TABLE OF CONTENTS

### A. GS 1 Related

### B. GS 2 Related

#### HEALTH

1. [Soon, drones might ferry vaccines](#)

### C. GS 3 Related

#### ECONOMY

1. [Inland Vessels Bill receives Cabinet nod](#)
2. [Cabinet panel approves additional fertilizer subsidy](#)

#### SCIENCE AND TECHNOLOGY

1. [India to launch deep ocean mission](#)

### D. GS 4 Related

### E. Editorials

#### ECONOMY

1. [‘Record’ FDI inflows, yes, cause for celebration, no](#)

#### ENVIRONMENT AND ECOLOGY

1. [Energy inefficiency can short circuit cooling India](#)

#### INTERNATIONAL RELATIONS

1. [Closure, compensation](#)

### F. Prelims Facts

1. [Cabinet approval for OFB corporatisation](#)

### G. Tidbits

1. [India extends \\$100 mn loan to Sri Lanka](#)
2. [Acquitted but not forgotten](#)

### H. UPSC Prelims Practice Questions

### I. UPSC Mains Practice Questions

## A. GS 1 Related

*Nothing here for today!!!*

## B. GS 2 Related

### Category: HEALTH

#### 1. Soon, drones might ferry vaccines

##### Context:

The [Indian Council of Medical Research \(ICMR\)](#) has invited expression of interest from drone operators to develop a **delivery model**.

##### Details:

- With the growing need for **smart vaccination instead of mass vaccination** to stem the epidemic, a study was conducted to **check the feasibility of delivering vaccines using drones**.
- **With an innovative vaccine delivery mechanism**, the surge in the number of cases can be checked.
- Drones could be used for **delivering COVID-19 vaccines in remote and hard to reach geographies in the country**.
- Technical specifications for this include:
  - The ability of drones to fly beyond visual line of sight (BVLOS)
  - The ability to carry a payload of up to 4 kg
  - To cover a distance of up to 35 km
- While at present, government rules **permit only those drone operations that are within visual range**, the ICMR project comes at a time the **Ministry of Civil Aviation has allowed 20 entities to conduct trials for long-range or “beyond visual line of sight” drone flights**.
- Based on learnings from test flights, the government will frame the guidelines for BVLOS operations.

## C. GS 3 Related

### Category: ECONOMY

#### 1. Inland Vessels Bill receives Cabinet nod

##### Context:

The Union Cabinet gave the nod to the Inland Vessels Bill, 2021.

##### Details:

- **Inland Vessels Bill, 2021 will replace the Inland Vessels Act, 1917**.
- Draft Inland Vessels bill proposes to **streamline and regulate how vessels travel in the inland water fields of India**.
- A total of 4,000 km inland waterways have been operationalised.
- The Bill will **regulate the safety, security and registration of inland vessels**.
- A key feature of the Bill is a **unified law for the entire country**, instead of separate rules framed by the States.

- The certificate of registration granted under the proposed law will be deemed to be valid in all States and Union Territories, and there will be no need to seek separate permissions from the States.
- The Bill provides for a **central database for recording the details of the vessel, vessel registration and the crew on an electronic portal.**
- It requires **all mechanically propelled vessels to be mandatorily registered.**
- All **non-mechanically propelled vessels will also have to be enrolled at the district, taluk or panchayat or village level.**
- **It enlarges the definition of ‘inland waters’**, by including tidal water limit and national waterways declared by the Central Government.
- It also deals with **pollution control measures of Inland Vessels.** This bill directs the Central Government to designate a list of chemicals, substances, etc. as pollutants.

## 2. Cabinet panel approves additional fertilizer subsidy

### Context:

The Cabinet Committee on Economic Affairs has approved the proposal to **hike subsidy rates for phosphorus and potassium-based fertilizers by 140%.**

### Details:

- The move is aimed at **providing relief to farmers as the Kharif sowing season begins.**
- It is a **one-time measure as part of COVID-19 relief.**

### Fertilizer Subsidy:

- For **urea, the Centre sets a fixed maximum retail price.**
- For **non-urea fertilizers, prices are decontrolled** and the **Centre fixes nutrient-based subsidy rates.**

### Note:

- Fertilisers supply one or more plant nutrients essential to the growth of plants.
- Diammonium phosphate (DAP) is the **main source of Phosphorous.**
- **Essential plant nutrients** based on the amounts of nutrients that are required by plants are distinguished as **macronutrients and micronutrients.**
- **Phosphorus is a macronutrient.**
- Other frequently used fertilizers are **muriate of potash (MOP)** and **urea.**

Read more on [NBS – Nutrient Based Subsidy Scheme](#)

## Category: SCIENCE AND TECHNOLOGY

### 1. India to launch deep ocean mission

#### Context:

The Union Cabinet has approved the deep ocean mission.

#### **Deep Ocean Mission:**

- Deep Ocean Mission is a **central sector scheme**.
- The mission **proposes to explore the deep ocean similar to the space exploration** started by [ISRO](#) about 35 years ago.
- The **focus** of the mission will be on **deep-sea mining, ocean climate change advisory services, underwater vehicles and underwater robotics-related technologies**.
- Its **two key projects** include:
  - A **desalination plant powered by tidal energy**.
  - A **submersible vehicle** that can explore depths of at least **6,000 metres**. It will allow a crew to **hunt the floor for precious metals**.

#### Details:

- The mission is expected to **cost ₹4,077 crore over the next five years**.
- The **Ministry of Earth Sciences (MoES)** will be the nodal Ministry implementing this **multi-institutional mission**.
- India has been allotted a site of **75,000 square kilometres in the Central Indian Ocean Basin (CIOB)** by the UN **International Sea Bed Authority** for the **exploitation of polymetallic nodules (PMN)**. These are rocks scattered on the seabed containing **iron, manganese, nickel and cobalt**.
- There are **six components to the programme**.
  1. A **manned submersible vehicle** will be developed to carry three people to a depth of 6,000 metres with a suite of scientific sensors and tools. **An integrated mining system will be also developed for mining polymetallic nodules** at those depths in the central Indian Ocean.
  2. **Ocean Climate Change Advisory Services** will be developed. It would entail developing a suite of observations and models to understand and **provide future projections of important climate variables on seasonal to decadal time scales**.
  3. **Deep sea flora and fauna, including microbes, will be searched**. Studies would be carried out to sustainably utilise them.
  4. Potential sources of hydrothermal minerals that are sources of precious metals formed from the earth's crust along the Indian Ocean mid-oceanic ridges would be explored and identified.
  5. A detailed engineering design would be prepared for **offshore Ocean Thermal Energy Conversion (OTEC) powered desalination plants**.
  6. The final component is aimed at **grooming experts in the field of ocean biology and engineering**.

#### Significance:

- With its success, India will be among a handful of countries able to launch an **underwater mission at such depths**.
- It aims to **translate research into industrial applications and product development** through on-site business incubator facilities.
- Polymetallic nodules (PMN) are rocks scattered on the seabed containing **iron, manganese, nickel and cobalt**.
  - Being able to lay hands on a fraction of that reserve can **meet the energy requirement of India for the next 100 years**.

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: ECONOMY

#### 1. 'Record' FDI inflows, yes, cause for celebration, no

##### Background:

##### **Record FDI inflow:**

- Data released by the Commerce and Industry Ministry relating to foreign investment into India notes impressive Foreign Direct Investment (FDI) inflow.
  - **India has attracted the highest ever total FDI inflow of \$81.72 billion during the financial year 2020-21** and it is 10 percent higher as compared to the last financial year 2019-20.
  - This marks an impressive growth given that the global FDI inflows in 2020 had declined by 42% over the level in 2019, and inflows to developing countries had fallen by 12% following the first wave of the COVID-19 pandemic.
- The government credits the record level of inflows to **FDI policy reforms, investment facilitation and ease of doing business reforms** and also being **indicative of the growth potential of the Indian economy**.

##### Critical analysis of the development:

- The article raises doubts over the above development based on the following arguments.

##### **Increased repatriation/disinvestment:**

- There has been a **47.2% increase in repatriation/disinvestment** and it has reached a record level of \$27.0 billion in the current fiscal. Considering the net of repatriation/disinvestment, **FDI inflows have actually declined by 2.4% in 2020-21**, as compared to the previous year.
- The sustained sizeable repatriation of the long-term FDI does not bode well for the Indian economy.

##### **High proportion of portfolio investment:**

- A high proportion of the increased foreign capital inflow in 2020-21, can be attributed to the **high increase in portfolio investment by foreign institutional investors (FIIs)**.
- This large increase in **speculative capital** does not bode well for an economy looking to recover from an economic slump.
- In principle, private equity funds do not make long-term greenfield investment and hence **do not add much to fixed investment, output growth and employment creation**.

##### **Skewed distribution:**

- The analysis of FDI inflows reveals that a substantial proportion of the equity inflows were directed towards a select few companies. Hence **though FDI inflows were stronger in 2020-21, their distribution was highly skewed**. The top five FDI deals account for a substantial share of the total FDI.
  - The RBI notes in its annual report that the coefficient of variation of FDI flows (based on transaction size) was larger during the pandemic period, implying a **concentration in distribution of the FDI inflows**.
- This skewed distribution of FDI points to the **underlying weakness in FDI inflows** during the year.

#### **Doubts over productiveness of these investments:**

- A major part of the foreign funds will flow towards acquisitions and will only facilitate the parent country to withdraw its investments without a proportional rise in actual investment into the economy.
- Thus these **investments involve only a mere transfer of shares without creating productive assets in the country**. This would make such investment ineffective in contributing to the revival of the Indian economy.

#### **Concerns associated with acquisition inflows:**

- The acquisition-related inflows will lead to **foreign investors taking over existing businesses**. The increased foreign capital will not only lead to the **outflow of profits** but also result in the **increased influence of such investors in Indian businesses**.

#### **Skewed investments with respect to economic sectors:**

- **The services sector attracted nearly 80% of the total inflows** with information technology-enabled services (ITeS) being the largest component. Wholesale and retail trade were the other prominent ones.
  - The investment in the services sector, though welcome, suffers from certain shortcomings like **low employment generation potential**.
- **The manufacturing sector contrary to expectations received just 17.4% of the total inflows during 2020-21**. According to the RBI, non-acquisition-related inflows into the manufacturing sector (Greenfield investments) were the lowest in 2020-21 even in absolute terms, over the past five years.
  - The FDI inflows have **not been in sync with the government's priorities for the post-COVID-19 economic recovery** based on the AatmaNirbhar Bharat Abhiyaan and anchored on the revival of the manufacturing sector through the [Performance Linked Incentive \(PLI\) scheme](#).

#### **Concerns over regional distribution:**

- The regional distribution of the FDI inflows has not been uniform.
- While states such as Gujarat, Maharashtra and Karnataka account for a lion's share of the total FDI inflows, other regions account for a disproportionately lower amount of 23% of the remaining foreign equity capital. This is indicative of the skewed pattern of FDI inflows and gives rise to **concerns of unbalanced growth**.

For related information refer to the following article:

[UPSC Comprehensive News Analysis 2nd June 2021](#)

#### **Conclusion:**



- The 'record' levels of FDI inflows during 2020-21 cannot be a cause for celebration as is revealed by a closer analysis of the FDI inflows. The government must focus on attracting FDI into India through appropriate interventions.

## **Category: ENVIRONMENT AND ECOLOGY**

### **1. Energy inefficiency can short circuit cooling India**

#### **Background:**

##### **Threat posed by heat waves:**

- Rising temperatures and **heat waves are a growing threat to India as climate change accelerates.**
  - As per the Union Ministry of Earth Sciences' first national climate change report, 'Assessment of Climate Change over the Indian Region', India's average temperature had risen by 0.7 degrees Celsius from 1901-2018.
- **Global warming will lead to more frequent and intense heat waves.**
  - In the last three decades alone, there have been 660 heat waves across India causing 12,273 deaths.

##### **Cooling as an indispensable adaptation to climate change:**

- Substantial cooling services to keep citizens healthy and productive may as well become a necessity in the coming years. **Cooling will constitute an important part of India's adaptation measure to climate change.**
  - **The India Cooling Action Plan** projects the number of room air conditioners to become about four times in the next 10 years, and about 10 times in the next 20 years, making India the world's largest energy user for cooling.

#### **Concerns:**

- The **current low penetration level of air conditioners (ACs) in India** is a major cause of concern. A recent survey conducted in New Delhi notes that the desired levels of cooling appliances vary greatly even among relatively homogenous communities.
- The **use of inefficient ACs** to meet the cooling needs could severely dent India's climate change mitigation efforts as these inefficient ACs will lead to **high GHG emissions.**
  - As per the survey conducted in New Delhi, energy efficiency does not feature as a priority in the purchase of cooling appliances. Only 7% of the households have an energy-efficient (star-rated) fan, and most people prefer to buy a three-star AC, and less than 20% of AC-owning households bought the highest rated five-star AC.
- There is a **lack of credible data** on important factors like AC ownership and usage which can help frame appropriate policies and interventions to address residential cooling demand.

#### **Factors leading to the use of inefficient cooling options:**

##### **Lack of awareness:**

- **The low level of energy efficiency awareness** is a major bottleneck that hinders the purchase of more efficient appliances.
- There is a lack of knowledge of the **Star Labelling programme** among the general populace.

- The Star labelling Programme has been formulated by the **Bureau of Energy Efficiency, under the Energy Conservation Act, 2001.**
- Presently, the program covers a star rating for 26 appliances/equipment including refrigerators and air conditioners.
- The objectives of the labelling program are to **provide the consumer with an informed choice about energy-saving** and thereby the cost-saving potential of the marketed household and other equipment.
- Energy labelling is one of the most cost-effective policy tools for improving energy efficiency and lowering the energy cost of appliances.

**Higher upfront cost:**

- The higher upfront cost of the higher star rated appliances serves as a disincentive to buy such products upfront.

**Low market availability:**

- Given the **relatively price-sensitive market in India** and the currently low level of demand for energy-efficient appliances, there is very little output of higher-rated appliances leading to very low market availability of efficient appliances like air conditioners (four-star and five-star).

**Recommendations:**

- **Large-scale adoption of efficient cooling appliances will be essential to providing the required thermal comfort in a low carbon manner.**
- The following measures might be taken to encourage the adoption of more efficient appliances.

**Awareness generation:**

- Awareness campaigns on the benefits of energy efficiency must constitute a major aspect of the outreach program. The prospective customers must be made to realize that **the more expensive price tag would be offset by quantifiable savings on energy costs.**

**Incentivize adoption of efficient appliances:**

- **Subsidies and financial incentives like rebate programs** that can help **offset the higher initial cost** can help drive up the adoption of more efficient technologies.

**Promote passive cooling:**

- Encouraging the use of passive cooling alternatives including energy-efficient building designs can help **provide the desired thermal comfort with reduced dependence on energy-intensive cooling technologies.**
  - Passive cooling is a building design approach that focuses on heat gain control and heat dissipation in a building in order to improve indoor thermal comfort with low or no energy consumption. This approach works either by preventing heat from entering the interior or by removing heat from the building.
  - Passive cooling options include augmenting **natural ventilation and employing evaporative, thermal insulation and shading methods.**



## Category: INTERNATIONAL RELATIONS

### 1. Closure, compensation

#### Context:

- The Supreme Court has ordered the **closure of criminal court proceedings in India against the two Italian marines** who in 2012 allegedly killed two fishermen off the Kerala coast after mistaking them for pirates.

#### Background:

##### Complexity of the case and its implications:

- **The Enrica Lexie case** had generated complex legal **questions over jurisdiction, the lawfulness of their arrest and the location of their trial, as well as the provisions of law under which they should be tried.** This had resulted in considerable **diplomatic turbulence between India and Italy.**
  - The Supreme Court of India in 2013 had ruled that prosecuting the marines was solely in the Union government's jurisdiction which Italy had challenged.
  - The invoking of the stringent **anti-piracy law — the Suppression of Unlawful Acts against Safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, 2002** — had been criticized and contested by Italy.

For detailed information on this issue refer to:

#### [UPSC Comprehensive News Analysis 4th July 202](#)

#### UN tribunal ruling:

- **The Permanent Court of Arbitration, a tribunal under the [United Nations Convention on the Law of the Sea](#),** had in 2020 ruled that even though India and Italy had concurrent jurisdiction to try the case, the marines enjoyed immunity from Indian jurisdiction as they were acting on behalf of a state.
- It had also ruled that the Indian fishing boat and the victims were entitled to compensation, as the boat's right of navigation under the Law of the Sea had been violated.

#### Details:

- The Supreme Court order came after Italy deposited compensation of ₹10 crores which would be divided between the two fishermen families and the owner of the fishing vessel.
- The two marines are likely to face trial in Italy.

#### Conclusion:

- A valuable lesson from this episode is that such incidents should be **dealt with a combination of legally sustainable steps and diplomatic efforts** to find early resolution and avoid an Enrica Lexie like repeat.

## F. Prelims Facts

### 1. Cabinet approval for OFB corporatisation

#### What's in News?

The Union Cabinet has approved a plan to corporatise the Ordnance Factory Board (OFB).

#### Details:

- OFB which has 41 factories will be **corporatised** into **seven fully government-owned corporate entities** on the lines of Defence Public Sector Undertakings (DPSU).
- Once implemented, **the OFB**, the establishment of which was accepted by the British in 1775, **will cease to exist**.
- Currently, the **OFB headquartered in Kolkata functions as a department under the Department of Defence Production**.
- The restructuring is aimed at **transforming the ordnance factories into productive and profitable assets, deepening specialisation in the product range, enhancing competitiveness, improving quality and achieving cost efficiency**.
- This move would allow these companies **autonomy, as well as help improve accountability and efficiency**.

#### Ordnance Factory Board:

- OFB is a **government agency** that is **controlled by the department of defence production (DDP)** under the Ministry of Defence (MoD).
- It is **involved in research, development and production** in the areas of **air, land and sea**.
- It is also **involved in testing and logistics**. OFB comprised 41 ordnance factories and 9 training institutes.
- It is called the **“Fourth Arm of Defence”** and also the **“Force Behind the Armed Forces”** of India.
- OFB is the **35th largest defence equipment manufacturer in the world**, 2nd largest in Asia, and the largest in India.

## G. Tidbits

### 1. India extends \$100 mn loan to Sri Lanka

#### What's in News?

India and Sri Lanka have signed an agreement for a \$100-million loan from the Export Import Bank of India to support Sri Lanka's efforts to expand solar power coverage.

- The \$100 million line of credit will help finance various projects in Sri Lanka's solar energy sector, including those **announced at the founding conference of the International Solar Alliance (ISA) held in March 2018, in New Delhi**.
  - It includes rooftop solar photo-voltaic systems for households and government buildings.
- **As many as 89 countries, including Sri Lanka, signed the framework agreement of the ISA.**

### 2. Acquitted but not forgotten

#### Right to be forgotten:

- 'Right to be forgotten' is the **right to have publicly available personal information removed** from internet search, databases, websites or other public platforms **from public access**.

- In 2017, the Supreme Court recognised the right to be forgotten as being under the ambit of the **right to privacy** under the Constitution.

**Context:**

- The Delhi High Court recently ordered the removal of one of its own judgments from easy access.

## H. UPSC Prelims Practice Questions

**Q.1 Which of the following statements is/are INCORRECT?**

1. India will soon be launching a deep ocean mission with the Indian Navy as the nodal agency.
2. One of the objectives of the mission would be to explore the mining potential of polymetallic nodules at the depths of the Central Indian Ocean.
3. All mineral-related activities in the international seabed area beyond the limits of national jurisdiction are regulated by the International Seabed Authority, a United Nations organisation.
4. India has been allotted a site of 75,000 square kilometres in the Central Indian Ocean Basin (CIOB) by the UN International Sea Bed Authority for the exploitation of polymetallic nodules.

**Options:-**

- a. 1 only
- b. 1 and 2 only
- c. 3 and 4 only
- d. 2, 3 and 4 only

**Answer: a**

**Explanation:**

- Deep Ocean Mission is a central sector scheme that proposes to explore the deep ocean similar to the space exploration started by ISRO about 35 years ago.
- The focus of the mission will be on deep-sea mining, ocean climate change advisory services, underwater vehicles and underwater robotics-related technologies.
- The Ministry of Earth Sciences (MoES) will be the nodal ministry implementing this multi-institutional mission.
- All mineral-related activities in the international seabed area beyond the limits of national jurisdiction are regulated by the International Seabed Authority, a United Nations organisation.
- India has been allotted a site of 75,000 square kilometres in the Central Indian Ocean Basin (CIOB) by the UN International Sea Bed Authority for the exploitation of polymetallic nodules.

**Q.2 Which of the following connects the South China Sea with the Pacific Ocean?**

- a. Strait of Malacca
- b. Sunda Strait

- c. Luzon Strait
- d. Gulf of Thailand

**Answer: c**

**Explanation:**

- The Luzon Strait is the strait between Taiwan and Luzon island of the Philippines.
- The strait connects the Philippine Sea to the South China Sea in the western Pacific Ocean.
- Therefore, the Luzon Strait connects the South China Sea with the Pacific Ocean.

**Q.3 Which of the following statements is/are correct?**

1. India recently extended a \$100 million loan to Sri Lanka to support its efforts to expand solar power coverage.
2. Sri Lanka is not a party to the International Solar Alliance launched by India.
3. Sri Lanka owes roughly around \$1 billion in debt repayment to India.

**Options:-**

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

**Answer: c**

**Explanation:**

- India recently extended a \$100 million loan to Sri Lanka to support its efforts to expand solar power coverage.
- Sri Lanka is a party to the International Solar Alliance launched by India in 2015.
- Sri Lanka owes roughly around \$1 billion in debt repayment to India.

**Q.4 'Vivad Se Vishwas' scheme is related to**

- a. Environmental cess on polluters
- b. Direct tax dispute resolution
- c. Settling medical insurance claims
- d. Resolving GST related disputes

**Answer: b**

**Explanation:**

- 'Vivad Se Vishwas' scheme is related to direct tax dispute resolution.

- The Vivad Se Vishwas scheme was announced by Union Finance Minister during the budget speech on February 1, 2020.
- The scheme aims to end litigation and legacy disputes under the direct taxes category.
- The entities who opt for the scheme must pay a requisite tax following which all litigation against them would be closed by the tax department and penal proceedings dropped.

**Q5. Recently, which of the following States has explored the possibility of constructing an artificial inland port to be connected to sea by a long navigational channel? (2016)**

- a. Andhra Pradesh
- b. Chhattisgarh
- c. Karnataka
- d. Rajasthan

**Answer: d**

**Explanation:**

- Rajasthan had explored the possibility of constructing an artificial inland port to be connected to the sea by a long navigation channel.
- Both the Centre and state had explored ways to develop an artificial inland port in Jalore by channelling seawater from the Arabian Sea into Rajasthan through Gujarat.

## I. UPSC Mains Practice Questions

1. The right to be forgotten must be balanced with the right of the public to access courts of record. Discuss. (15 Marks, 250 Words) [GS-2, Polity and Governance].
2. Soaring AC demand will accelerate global warming unless we begin making major changes. Suggest reliable solutions to mitigate the impact. (15 Marks, 250 Words) [GS-3, Environment and Ecology].