

News Analysis (01 Aug, 2019)

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Cabinet Approves Nutrient Based Subsidy Rates

The Cabinet **Committee on Economic Affairs (CCEA)** has approved the proposal of the **Department of Fertilizers** for fixation of NBS rates for **Phosphatic and Potassic (P&K) Fertilizers** for the year 2019-20.

Cabinet Committee on Economic Affairs

- Chaired by the Prime Minister, CCEA lays down the priorities for public sector investment and considers specific proposals for investment of not less than specific levels (Rs. 3 Billion at present) as revised from time to time.
- It has a **mandate to review economic trends on a continuous basis**, as also the problems and prospects, with a view to evolving a consistent and integrated economic policy framework for the country.
- It also **directs and coordinates all policies and activities in the economic field** including **foreign investment** that require policy decisions at the highest level.
- The approved rates for NBS will be Rs 18.90 per kg for **N** (Nitrogen), Rs 15.21 per kg for **P** (Phosphorus), Rs 11.12 per kg for **K** (Potash) and Rs 3.56 per kg for **S** (Sulphur).
- The expected expenditure for release of subsidy on P&K Fertilizers during 2019-20 will be Rs. 22875.50 crore.

Background

- Government provides **fertilizers**, **Urea and 21 grades of P&K fertilizers** to farmers at subsidized prices through fertilizer manufacturers/importers.
- In accordance to its **farmer friendly approach**, the Govt is committed to ensure the availability of P&K fertilizers to farmers on affordable price.
- The subsidy on P&K fertilizers is being governed by **NBS Scheme** from 2010.

The Nutrient Based Subsidy (NBS) Scheme

- It is being **implemented from April 2010** by the Department of Fertilizers, Ministry of Chemicals & Fertilizers.
- Under NBS, a **fixed amount of subsidy decided on an annual basis**, is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending on its nutrient content.

NBS Analysis

- The NBS scheme, was **sought to deregulate subsidy on non-urea fertilizers** and expected to **reduce the subsidy burden** substantially.
- While the NBS certainly did not lead to any decline in subsidy on fertilizer, it did lead to **worsening of soil nutrient quality, along with shortages and price increases** in all three types of major nutrients, namely Nitrogenous, Phosphoric and Potassic.
- An undesirable outcome has been the **change in fertilizer mix.** As against the recommended Nitrogen (N): Phosphorous (P): Potassium (K) ratio of 4:2:1, the NPK ratio in 2013-14 was 8.2:3.2:1.
- The **environmental damage** caused by the inappropriate use of fertilizers is certainly a matter of serious concern in many states.
- Considering that fertilizer subsidy is the **second-biggest subsidy** after food subsidy, the inaction on the part of the government is not only worrying for the **fiscal health** of the economy but also detrimental to the **soil health** of the country.
- Since fertilizer prices follow the trend in international petroleum prices, the only way to reduce the subsidy bill is to **reduce the dependence on imports and increase domestic production.**
- While **rationalizing fertilizer subsidy** across nutrients may be the short-term and immediate solution to the problem, the need of the hour is to have a policy framework that incentivizes domestic production of fertilizers.
- The bigger challenge is to **change the pattern of fertilizer use.** This not only involves **revamping and re-energizing the extension services** but also changing the NBS suitably to remove the price distortion caused by it.

Source: PIB

Atal Community Innovation Centre

The Union Minister of Petroleum & Natural Gas and Steel inaugurated the **Atal Community Innovation Centre (ACIC) program**, a new **initiative under** <u>**Atal Innovation Mission**</u> <u>(AIM)</u>.

• The purpose of ACIC is to enable **establishment of socially inclusive innovation ecosystem** as well as to encourage the equitable distribution of necessary infrastructure for stimulating innovation across the country.

- The aim is to encourage the spirit of innovation in the country's specific areas that lack the required infrastructure and facilitating innovation ecosystem.
- **Coverage:** In order to provide an environment conducive to support innovators across unserved /underserved regions in an equitable manner, the desired applicant for establishment of ACICs would be from the following focus areas:
 - Tier-2, Tier-3 cities, Tribal areas, Rural areas
 - Aspirational districts, North East (NE) region and cities of Jammu & Kashmir (J&K),
 - Smart Cities identified by Government of India
 - Unserved/underserved areas of Tier-1 / Metro cities
- Eligibility under the Program
 - The eligible academic applicants are <u>University Grants Commission (UGC)</u> and the All India Council for Technical Education (AICTE) affiliated Universities / Colleges, educational institutions like ITIs & other technical diploma colleges.
 - The eligible **non-academic applicants** are voluntary and other organizations having good experience and exposure in awareness and promotion of Science and Technology in the country.
- Finance Mechanism:
 - Atal Innovation Mission under its ACIC program will consider applications for the grant in-aid support up to Rs. 2.5 Crore in multiple tranches over a maximum period of 5 years. This support would cover capital and operational expenditure of the proposed ACIC up to 50% of the total project cost. The remaining contribution has to be arranged / assured by applicant.
 - An important objective of ACIC establishment is to evolve a Public Private Partnership (PPP) model with participation from the <u>Corporate Social</u> <u>Responsibility (CSR)</u> funds or other funding sources to support community education and build the innovation ecosystem.
- Expected function outcome of the ACIC
 - Build capacity of the potential innovators through **community engagement** in innovation related events.
 - Conduct events like Ideathons to encourage scouting solutions for addressing community challenges .
 - Provide **training and mentorship to entrepreneurs** to groom their capacity to innovate.
 - Assist the potential startups in unserved and underserved regions in creating a sustainable, scalable & profitable business model.
- Benefits:
 - It will help in providing **solutions to the problems that India is facing** such as pollution, high fossil fuel import bill etc.
 - It will play a major role towards establishing India as Innovation and Technology

led Start-up nation and **improve the ranking of India in Global** <u>Innovation</u> <u>Index.</u>

Source: PIB

United Nations Convention on International Settlement Agreements

The Union Cabinet has approved the signing of the **United Nations Convention on International Settlement Agreements** (UNISA) by India.

United Nations Convention on International Settlement Agreements is scheduled to be signed at **Singapore** on 7th August, 2019, or at the **<u>United Nations</u>**.

Background

 Until the adoption of the convention, the often-cited challenge to the use of mediation was the lack of an efficient and harmonized framework for cross-border enforcement of settlement agreements resulting from mediation.

In response to this need, the convention has been developed and adopted by the General Assembly.

- The United Nations General Assembly adopted the United Nations Convention on International Settlement Agreements Resulting from Mediation ("the Convention") on 20th December 2018.
- The General Assembly authorized that the convention will open for signature on 7th August 2019 in Singapore and will be known as the "Singapore Convention on Mediation" (the Convention).

Benefits

Signing of the convention will boost the confidence of the investors and shall provide a positive signal to **foreign investors** about India's commitment to adhere to international practice on <u>Alternative Dispute Resolution (ADR).</u>

Initiatives to Promote ADR Mechanisms

- New Delhi International Arbitration Centre (NDIAC) Bill, 2019, seeks to establish a **New Delhi International Arbitration Centre** (NDIAC) as a **statutory body**.
 - Earlier, the Committee chaired by Justice B.N. Srikrishna ("Srikrishna Report") to review the institutionalization of arbitration in India had recommended the establishment of NDIAC.
 - NDIAC will conduct arbitration, mediation and conciliation proceedings.

- The Commercial Courts Act, 2015, has been further amended and legislative exercise to further replace the Arbitration and Conciliation Act, 1996 with <u>The</u> <u>Arbitration and Conciliation (Amendment) Bill, 2018</u> is currently underway.
- <u>Commercial Division and Commercial Appellate Division of High Courts</u> (<u>Amendment) Bill</u>, 2018 has been passed by Lok Sabha to resolve commercial disputes worth Rs 3 lakh or more.
- Several measures have been taken by the Ministry of Law and Justice to introduce **Online Dispute Resolution** mechanism.

UNISA

- The Convention has been designed to become an essential instrument in the facilitation of **international trade** and in the promotion of **mediation** as an alternative and effective method of resolving **trade disputes**.
- It also contributes to strengthening access to **justice**, and to the **rule of law**.
- The Convention defines two additional grounds upon which a court may, on its own motion, refuse to grant relief.

Those grounds relate to the fact that a dispute would not be capable of settlement by mediation or would be contrary to public policy.

• The Convention ensures that a settlement reached by parties becomes **binding** and **enforceable** in accordance with a simplified and streamlined procedure.

Source: PIB

WorldSkills International Competition 2019

The Ministry of Skill Development & Entrepreneurship (MSDE) has announced the 48member group which will represent India at the WorldSkills International Competition 2019.

- The WorldSkills International is a **not for profit membership association** open to agencies or bodies which have a responsibility for promoting vocational education and training in their respective countries/regions. The organization is registered in **Amsterdam, Netherlands.**
- The WorldSkills International Competition is a biennial event and the biggest showcase of skills excellence in the world.
- Also referred to as the 'Olympics for Skills', the event is scheduled in Kazan, Russia from 22nd to 27th August 2019.
- More than 1,500 competitors from 60 countries will compete in 55 skill competitions at this mega event. India will participate in 44 skills including mobile robotics, prototype modeling, hairdressing, baking, confectionery & patisserie, welding, bricklaying, car painting, floristry among others.

- **National Skill Development Corporation (NSDC)** under the **aegis of MSDE** has been leading India's delegation at the event since 2011.
- During the **last edition at Abu Dhabi in 2017**, India won one silver, one bronze and nine medallions of excellence. India also finished at 19th out of 56 countries which participated at the event, making it India's best performance since its participation at this event.
- With the sixth-largest contingent at WorldSkills this year, Team India aspires to improve on its performance from the last competition and win laurels for the country.

Source: PIB

Flipkart Samarth

Indian <u>E-commerce</u> company Flipkart has launched "Flipkart Samarth" initiative to bring weavers, artisans and makers of handicrafts on its online platform.

- Flipkart Samarth will support such artisans, weavers, etc, by on-boarding them and helping them in the process of selling their products on the internet.
- The initiatives and benefits under Flipkart Samarth include dedicated **support** for **onboarding**, **cataloguing**, **account management**, **business insights**, **dedicated seller support**, reduced commission where eligible, and **warehousing support**.
- 'Flipkart Samarth' will leverage increasing **internet penetration** in rural India to boost **entrepreneurship.**
- Flipkart Samarth will work closely with reputed NGOs, Government bodies and livelihood missions to reach a large number of rural entrepreneurs, with a special focus on women-led enterprises, differently abled entrepreneurs, artisans, and weavers, who often face obstacles such as lack of access to working capital, poor infrastructure, and inadequate training.
- Earlier, the <u>Tribal Cooperative Marketing Development Federation of India</u> <u>Limited (TRIFED)</u> and e-commerce giant Amazon have signed an agreement for selling tribal products on Amazon's global marketplace.

Source:BL

Working Holiday Maker Visa

Recently, the Australian Government has decided to expand the 'Working Holiday Maker' visa programme to over a dozen countries, including India.

• The visa aims to recruit workers to regional areas of Australia to solve the labour shortages, particularly on farms.

- 'Working Holiday Maker Programme' is a cultural exchange programme which enables young travellers to have an extended holiday and earn money through short-term employment.
- It also helps to boost regional economies.
- Working Holiday Maker Programme applicants must meet minimum requirements i.e. having a functional level of English and holding or be studying in tertiary education.

Source: TOI

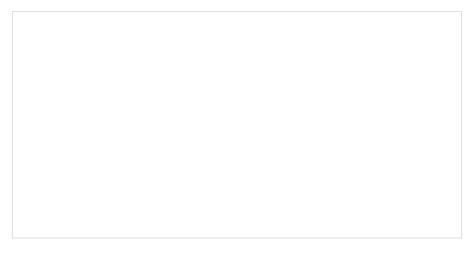
India is Now 7th Largest Economy

According to the data compiled by the **World Bank**, the **United Kingdom and France have toppled India from the position of the fifth-largest economy in 2018.**

- Earlier data had shown that India became the sixth-largest economy by pushing France to the seventh place. Later, India went on to become the fifth-largest economy in 2017, even ahead of UK.
 - In 2017, India's economic size stood at **\$2.65 trillion**, followed by the UK at \$2.64 trillion and France at \$2.59 trillion.
- However, this status was short-lived as the UK's economy grew to \$2.82 trillion and the French economy expanded to \$2.78 trillion in 2018, against India's \$2.73 trillion.
- These fluctuations can be attributed to **the differences in the growth rate of these economies.** India's economy grew at a mere 3.01 percent in dollar terms in 2018 as against 15.72 percent in 2017.
 - On the other hand, the UK's economy grew 6.81 percent in 2018, against a contraction of 0.75 percent in 2017. The French economy, too expanded by 7.33 percent against 4.85 percent.
- Economists attributed slower growth of India's economy in dollar terms in 2018 against 2017, to a movement of the Indian rupee against the dollar.

The rupee appreciated 3 percent in 2017, while it depreciated 5 percent the following year.

 India has planned to increase its economic size to \$5 trillion by 2024-25. For this, the <u>Economic Survey</u> estimated that India would have to grow by 12 percent at current prices a year.



Source: BS

Diet Management and Cancer Treatment

The study, published in the journal Nature, found that diet management could help in the treatment of cancer.

- It has been found that restricting intake of an **amino acid (methionine)** found in **red meat** and **eggs** significantly enhanced cancer treatment in mice, slowing tumour growth.
- There is a strong correlation between the **food** we eat, how it changes **metabolism** and how those changes in cellular metabolism might have an effect on **tumour growth.**
- Low dose of **chemotherapy**, (which on its own had no effect on colorectal cancer) combined with **amino acid (methionine) restriction** can prevent the growth of tumour cells.

Colorectal cancer is cancer of the colon or rectum, located at the digestive tract's lower end.

• Similarly, combining methionine restriction with **radiation therapy** in the case of the soft tissue sarcoma reduced tumour growth.

<u>Source:TH</u>

Komodo Dragon

Recently, the Indonesian government ordered to relocate the residents of an island in eastern Indonesia called the island of Komodo in a bid to conserve rare Komodo dragons.

• This eviction has been ordered with a view for the recovery of the reptiles and the Komodo National Park (the only habitat for the world's largest lizard species).

- The recovery effort of this national park was needed due to the deterioration caused by excessive tourism.
- However, shutting down of such ecological sites is not the right approach unless it is an ecological emergency as the relocation of the residents may lead to loss of livelihood.
- Instead, the system could be revamped to build local communities into the revenue generation process and manage tourism flows.

Komodo Dragon

• The Komodo dragon is the **largest living species of lizard.**

- They are listed as **Vulnerable by the IUCN**.
- Komodo dragons hunt and prey including invertebrates, birds, and mammals.
- Comparison of Komodo's venom with Snake's venom:
 - It is claimed that Komodo's have a venomous bite, which has been shown to secrete an anticoagulant.

An anticoagulant is a compound that prevents the victim's blood from clotting, causing it to bleed to death.

- Snake venoms are composed of a complex collection of toxins, enzymes, and non-toxic substances. It can be classified into three main types: Neurotoxins, Hemotoxins, and Cytotoxins.
 - Neurotoxins are chemical substances that are poisonous to the nervous system. Neurotoxins work by disrupting chemical signals (neurotransmitters) sent between neurons. E.g.: King Cobra
 - Hemotoxins are blood poisons that disrupt normal blood coagulation processes. They work by causing Red Blood Cells (RBCs) to burst open, by interfering with blood clotting factors, and by causing tissue death and organ damage. E.g.: Vine snake
 - Cytotoxins are poisonous substances that destroy body cells. Cytotoxins lead to the death of most or all of the cells in a tissue or organ. E.g.: Puff adders, Mozambique spitting cobras
 - Cytotoxins help to partially digest the prey before it is even eaten.
 - Cytotoxins are **usually specific to the type of cell** they impact. E.g.:

Cardiotoxins are cytotoxins that **damage heart cells. Mycotoxins** target and **dissolve muscle cells.**