



## News Analysis (26 Mar, 2019)

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### Italy Joins Belt & Road Initiative

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Italy has become the **first G7 country to join China's Belt & Road Initiative** (previously known as One Belt One Road (OBOR) Initiative).

#### **G7**

- The Group of Seven is a group consisting of **Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.**
- These countries, with the seven largest International Monetary Fund (IMF)-described advanced economies in the world, represent 58% of the global net wealth.

## Belt & Road Initiative (BRI)

- **Belt & Road Initiative (BRI) is an ambitious project that focuses on connectivity and cooperation among multiple countries spread across the continents of Asia, Africa, and Europe.** BRI spans about 150 countries (China's Claim).
- Initially announced in the year 2013, the project involves **building networks of roadways, railways, maritime ports, power grids, oil and gas pipelines,** and associated infrastructure projects.
- The project covers two parts.
  - **Silk Road Economic Belt:** It is land-based and is expected to connect China with Central Asia, Eastern Europe, and Western Europe.
  - **21st Century Maritime Silk Road:** It is sea-based and is expected to connect China's southern coast to the Mediterranean, Africa, South-East Asia, and Central Asia.

## Significance of BRI For China

- The Belt and Road Initiative (BRI) is the most emblematic of **China's economic and industrial might, as of its ambitions for global, political and strategic influence.**
- As infrastructure spending at home became less sustainable, **China has shifted the emphasis to boost the global competitiveness of domestic businesses.**
- The large infrastructure investments in the least developed and developing countries have **enabled China to leverage its influence around the world,** potentially altering the established rules of the global order and challenging western powers.

- BRI will **strengthen China's presence in the Eurasian region** and puts it in a commanding position over Asia's heartland.

## Criticism of BRI

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- Western critics have attacked the initiative as **new colonialism, or Marshal Plan for the 21st century**.
- BRI is also being seen as a part of **China's debt trap policy**, wherein China intentionally extends excessive credit to another country with the intention of extracting economic or political concessions from the debtor country.

## Significance of Italy joining BRI

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- Italy's **endorsement of the BRI is a potential game changer** as it is one of the major economies in the world.
- **Other major economies may follow Italy's lead** in joining BRI.

## Why India has not joined?

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- **China Pakistan Economic Corridor (CPEC)** is one of the flagship projects of BRI which is seen by **India as infringing its sovereignty**.
- China is building roads and infrastructure in the **disputed territory of Gilgit-Baltistan**, which is under Pakistan's control but which India claims as a part of Jammu and Kashmir.
- If the CPEC project gets implemented successfully, this would **hamper India's strategic interests in the South Asian region**. It will serve Beijing's strategic ambition to encircle India.
- **CPEC can aid Pakistan's legitimacy in the Kashmir dispute**.
- China's increasing **footprints in the South Asian region is detrimental to India's strategic hold e.g. construction of the Hambantota Port in Sri Lanka** provided China critical strategic location in the Indian Ocean.

## No clinical trials in India for new drugs

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Union Ministry of Health and Family Welfare has allowed waivers on conducting trials for new drugs in India in case the drug is approved and marketed in countries specified by — the Central Drugs Standard Control Organisation (CDSCO).

## Regulation

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- New drugs approved for use in select developed markets will be automatically allowed in India provided global trials included Indian patients.

- This waiver would **also extend to drugs** that receive these marketing approvals even **while a trial is underway in India.**
- **Data generated(clinical trial) outside the country will be acceptable.**
- Providing post-trial access of the drugs to the patients that require it have been defined for the first time.
- It removed a clause in the clinical trials that mandated the sponsor (the entity initiating the trial) to pay 60% of compensation upfront in case of death or permanent disability of a patient.
- Now companies will pay the total amount once it is proven that the injury occurred because of the trial.
- Compensations in cases of death and permanent disability, or “other” injuries to a trial participant will be decided by Drug Controller General of India(DCGI).
- It removed regulations on tests conducted on animals in case of drugs approved and marketed for more than two years in well-regulated overseas drug markets.

## Significance of New Rules

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- It will **end the unnecessary repetition of trials** and speed up the availability of new drugs in the country.
- It will **lower the cost of drugs.**
- It will improve the ease of doing business for drug makers.

## Criticism of new regulations

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- India is a country of **vast ethnic diversity** and most of the trials are done in the West. There is need of bridging trials for ethnically diverse populations to check drug suitability population.
- Waiver should be only for drugs required **urgently for national emergency.**
- Proving injury due to the trial is problematic and it is prone to manipulation.

## Central Drugs Standard Control Organisation (CDSCO)

- The CDSCO is the Central Drug Authority for discharging functions assigned to the Central Government under the **Drugs and Cosmetics Act.**
- Major Functions:
  - Regulatory control over the import of drugs, **approval of new drugs and clinical trials.**
  - Approval of certain licences as Central Licence Approving Authority
- **Drug Controller General of India(DCGI)**
- DCGI is responsible for **approval of licences of specified categories of drugs** such as blood and blood products, IV fluids, vaccines and sera in India.
- It comes under the Ministry of Health & Family Welfare.

## Important Facts For Prelims (26th March 2019)

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### Trade Receivables e-Discounting System (TReDS)

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- In the recently concluded **FinTech Conclave-2019**, the Reserve Bank of India Governor termed Invoice trading as another nascent area of fintech application in India.
- The RBI has set up the **Trade Receivables Discounting System (TReDs)**, a financing arrangement where technology is leveraged for discounting bills and invoices which **assists Micro, Small, and Medium Enterprises (MSMEs)** to deal with working capital and cash flow problems due to delayed payments.

### Trade Receivables Discounting System (TReDs)

- It is an institutional setup for facilitating the **financing of trade receivables of MSMEs** from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers.
- It has been set up under the **regulatory framework set up by RBI under Payment and Settlement Systems Act 2007**.

### AUSINDEX- 2019

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- India and Australia will participate in the **third edition of the biennial "AUSINDEX"** exercise that will be held from April 2 to 16 off the coast of **Visakhapatnam, Andhra Pradesh**.
- Focus of the AUSINDEX exercise will be **"anti-submarine warfare"**. This will be **Australia's largest display of its defence assets** since 1947.
- Another interesting feature of the exercise will be the **deployment of Australian personnel on Indian ships and vice versa**.
- The AUSINDEX-2019 will be held as a part of **Australia's Indo-Pacific Endeavour 2019** which will see Australia conducting naval exercises with **7 countries in south and southeast Asia** apparently to increase its profile as a **security provider in the Indian Ocean**.
- The **first edition of AUSINDEX was held in 2015 off the eastern coast of India**, while the **second edition was conducted off the Western coast of Australia in the year 2017**.

### GRAPES-3

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- **GRAPES-3 muon telescope** has measured the electrical potential, size and height of a thundercloud that passed overhead on December 1, 2014.
- **GRAPES-3 (Gamma Ray Astronomy PeV EnergieS phase-3)** is designed to study cosmic

rays with an array of **air shower detectors and a large area muon detector**.

**Muon** is an elementary particle **similar to the electron**, with an **electric charge of  $-1\text{ e}$**  and a **spin of  $1/2$** , but with a much greater mass.

- The GRAPES-3 experiment **located at Ooty in India** started as a collaboration of the **Tata Institute of Fundamental Research, Mumbai, India** and the **Osaka City University, Osaka, Japan**.

## Chinook Helicopter

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- Indian Air Force **formally inducted the CH 47 F(I)- Chinook heavy lift helicopters into its inventory**.
- IAF had signed a **contract with M/s Boeing Ltd** in September 2015 for **15 Chinook helicopters**. These helicopters will be deployed in the Northern and Eastern regions of India.
- The addition of heavy-lift CH 47 F(I) helicopter is a significant step towards modernization of Indian Air Force's helicopter fleet.
- The helicopter has been customized to suit IAF's future requirements and capability roadmap. The helicopter has a fully integrated digital cockpit management system, advanced cargo handling capabilities and electronic warfare suite that complement the aircraft's performance.
- The helicopter is capable of **airlifting diverse military and nonmilitary loads into remote locations**.



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