



News Analysis (01 Apr, 2020)

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Fight Against Covid-19

Why in News

According to an article in the New England Journal of Medicine (NEJM), **over 40 vaccines against the Novel Coronavirus (SARS-CoV2) are in various stages of development** across the world.

- **One** of these vaccines is **being developed by the Serum Institute of India (Pune, Maharashtra).**
- Out of 40, only **two vaccines are currently in clinical trials.**
- However, a vaccine against coronavirus **can be available only in the next 12-18 months** at the earliest.

Development of COVID-19 Vaccines

- **Clinical trials** are a type of research that studies new tests and treatments and evaluates their effects on human health outcomes.
- According to the NEJM article, written by researchers affiliated to the **Coalition for Epidemic Preparedness Innovations (CEPI)**, there is a **need to speed up the vaccine development.**
 - **CEPI** is an international non-governmental organisation funded by the Wellcome Trust, the Bill and Melinda Gates Foundation, the European Commission, and eight countries (Australia, Belgium, Canada, Ethiopia, Germany, Japan, Norway, and the UK).
 - Launched in 2017, its **mission** is to stimulate and accelerate the development of vaccines against emerging infectious diseases and enable access to these vaccines for people during outbreaks.

- The speed is of essence for millions of people around the world. However, there is also a **business side** to it.
 - **Severe Acute Respiratory Syndrome (SARS)** and **Zika** epidemics ended before vaccine development was complete.
 - As a result, federal funding agencies reallocated funds that had been committed to vaccine development, leaving **manufacturers with financial losses** and setting back other vaccine-development programmes.

Alcohol Sanitizers and Coronaviruses

- The novel coronavirus has a **lipid envelope**. Soap being a detergent destroys this envelope. The same is **true for alcohol also**.
- **Structure of Lipid Envelope:**
 - SARS-CoV-2 particles, like other coronaviruses, are spherical and **have proteins called spikes** protruding from their surface.
 - These spikes **latch onto human cells**, then undergo a structural change that allows the viral membrane to **fuse with the cell membrane**. The viral genes can then enter the host cell to be copied, producing more viruses.
 - Recent work shows that, like the virus that caused the 2002 SARS outbreak, SARS-CoV-2 spikes bind to receptors on the **human cell surface called angiotensin-converting enzyme 2 (ACE2)**.
 - All of this is **held together by a fatty layer, called an envelope**.
- **Functioning of Alcohol in Sanitizers:**
 - The Envelope layer is **disrupted when it comes into contact with soap or a hand sanitiser with more than 60% alcohol**.
 - Disruption of the envelope leads to the **killing of the virus**.
 - Handwashing for 20 seconds at least kills the virus.
- **Indian Government's Move:** The Government has notified **hand sanitizers as an essential commodity under the Essential Commodities Act, 1955**.

Indian Government's Latest Moves

- **Combination of Hydroxychloroquine and Azithromycin against COVID-19 instead of HIV drugs**
 - According to the new clinical management guidelines issued on 31st March, 2020, a **combination of hydroxychloroquine (HCQ)** - used for treatment of auto-immune disorders, and **azithromycin** - the antibiotic has been recommended for use in severe patients.
 - The earlier guidelines, dated 17th March, 2020, which included use of Anti HIV drugs - **Ritonavir and Lopinavir in high risk patients, now stand repealed.**
 - **Reasons:**
 - No specific antivirals have been proven to be effective as per currently available data.
 - The **azithromycin-hydroxychloroquine combination** is part of an upcoming **multi-country trial anchored by the World Health Organization** to examine the efficacy of various drug combinations against COVID-19.
 - **India has announced its decision to be part of the WHO global trials**, which are also looking at these two drugs.
- **Portal for Stranded Foreigners in India**
 - The **Ministry of Tourism** has come up with a portal titled '**Stranded in India**' to disseminate information regarding the services that can be availed by foreign tourists who are stuck far away from their home land.
 - The Portal has information on the Ministry of External Affairs control centres and state-based/regional tourism support infrastructure. It also lists the COVID-19 helpline numbers for tourists.
 - On 19th March, 2020, the Directorate General of Civil Aviation (DCGA) had issued an advisory stating that no international commercial passenger flights will operate here from March 23 to March 29. The advisory was later extended and all international flight operations remain suspended till April 14.
 - The government has announced **visa extensions** for stranded foreigners till flight operations resume.

IITs Support to the Indian Government

- The Indian Institutes of Technology (IITs) has offered **a range of inexpensive solutions** developed by their faculty to assist the government in the fight against the COVID-19 outbreak.
- From low-cost ventilators and testing kits to personal protective equipment for health workers, the directors of IIT-Delhi, IIT-Guwahati, IIT-Bombay and IIT-Kanpur shared their institute's work on containing the spread of the virus with the Government.
- The institutions have also sought the government's assistance in facilitating tie-up with Public Sector Units (PSUs) to scale up production of prototypes and to mitigate difficulties faced in procuring raw material because of the lockdown.
- **Example:** IIT-Guwahati has offered to pitch in with its 3D-printed full-face shield and headgear for health workers, robotic cart to deliver food to isolation wards and high-grade sanitiser. It needs the government's help to tie up with a PSU for large-scale manufacturing.

- Indian Institutes of Technology are apex institutions for engineering education and research. At present, there are **twenty three Indian** Institutes of Technology (IITs).
All are governed by the **Institutes of Technology Act, 1961** which has declared them as "**Institutions of national importance**", and lays down their powers, duties, framework for governance etc.
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Covid-19 and the Orphan Drug Act

Why in News

Recently, the **World Health Organisation (WHO)** declared the **Covid-19 outbreak a pandemic**. However, **the United States Food and Drug Administration (FDA) declared Covid-19 an orphan disease**, or a rare disease.

Key Points

- The FDA granted Gilead Sciences **orphan drug status** for its antiviral drug, **Remdesivir**, on March 23, 2020.
Originally developed to treat Ebola, the drug is now being tested for treating COVID-19. Clinical trials are already in Phase III.
- But on March 25 Gilead announced that it had submitted a request to the FDA to remove its orphan drug designation for Remdesivir.
 - Earlier, Gilead had sought the orphan status to the Remdesivir drug to expedite approval of the drug. However, advocates for global access to medicines, rejected the company's argument.
 - Gilead's exorbitant pricing of its drug to treat hepatitis C and its drug to treat HIV also attracted attention in the past.
- In recent years, drug companies have been accused of exploiting the law to reap profits, in sales.

Orphan Drug Act, 1983

- **Rare diseases became known as orphan diseases** because drug companies were not interested in adopting them to develop treatments.
- In the U.S., under the Orphan Drug Act, **companies are provided incentives to develop therapies, or orphan drugs**, for rare diseases.
- The Act allows **seven years of market exclusivity** and financial incentives **to innovators of these drugs**. As a result, orphan drugs are **often exorbitantly priced**.
- Privileges under the Act may be conferred to companies for drugs **to treat a disease that affect less than 200,000 people in the U.S., or for a disease that affects more than 200,000 people but for which there is no hope of recovering R & D costs**.

The idea is that without these incentives, companies would find it difficult to recover their R&D costs given the small number of people suffering from the rare disease.

Issues

- **Covid-19 not a Rare Disease:** The Orphan Drug Act applies to a potential drug for COVID-19, which is anything but a rare disease, with 800,049 confirmed cases across the world.
- **Paradox:** The U.S. FDA conferred the status of an orphan drug on Remdesivir proposed to treat COVID-19 a pandemic.

Impact

- Had Gilead not sought that orphan drug status be rescinded, **generic manufacturers would not have been able to market a drug to treat COVID-19 with the same active ingredient till the seven-year period of market exclusivity** had ended.
- This would have given Gilead **free rein on pricing and licensing** which would have had **disastrous consequences on the healthcare system.**
- However, **orphan drug status of Remdesivir would have no impact on India** as Gilead Sciences holds patents in India and patents are open to challenge.
- As far as its patent rights are concerned, **Indian law permits the government to issue a compulsory licence in certain circumstances** of a public health crisis under **Section 92 of the Patents Act.**

This would allow third parties to manufacture a patented drug without permission of the patent holder.

Rare Diseases

- A rare disease is a health condition of low prevalence that affects a **small number of people** compared with other prevalent diseases in the general population.
There is **no universally accepted definition** of rare diseases and the definitions usually vary across different countries.
- Though rare diseases are of low prevalence and individually rare, collectively they affect a considerable proportion of the population.
- 80% of rare diseases are **genetic in origin and hence disproportionately impact children.**
- In India there are **56-72 million people affected by rare diseases.**
- There is also a demand for the **reformulation of National Policy for Treatment of Rare Diseases, 2017.**

National Policy for Treatment of Rare Diseases, 2017

- The policy highlights the measures and steps, both in the short as well as in the long term, that need to be taken to deal comprehensively with rare diseases.
- The policy intends to constitute an Inter-ministerial Consultative Committee to coordinate and steer the initiatives of different ministries and departments on rare diseases.
- It also mentions the creation of a corpus fund at Central and State level for funding treatment of rare diseases.

- The policy aims to create a patient registry for diseases housed in **Indian Council of Medical Research (ICMR)**.
- However, recognizing the higher cost of treatment for rare diseases, the policy also seeks to strike a balance between access to treatment and health system sustainability.
- It also aims to create awareness among health professionals, families of patients and the public in general, about rare diseases.

Source: TH

Globalisation & Covid-19

Why in News

Global leaders have reached this consensus that the **pandemic Covid-19** and the crisis it has generated is a turning point in modern history.

The crisis offers the world an opportunity to **forge a new human-centric concept of globalisation.**

Key Points

- The rapid worldwide spread of **Covid-19** has a lot to do with the **fallout of globalisation**, including the **travel** industry, **tourism** and the neoliberal attack on **universal health care** which can be understood by the **examples of South Korea, Iran and Sri Lanka.**
- **South Korea:**
 - The transmission of the Covid-19 in South Korea is related to the Shincheonji Church of Jesus. This **cult facilitated the transmission** of the disease from Wuhan to South Korea because of **frequent travel among its followers.**
- **Iran:**
 - The coronavirus was introduced in Iran through **globalisation-triggered international alignment and incubated through political and religious processes.**
 - **The economic sanctions imposed by the U.S. dominated western countries** compelled Iran to develop ties with China. Which in turn, made the **traders act as the carriers** of the viruses.
 - The **initial hub of disease transmission** in Iran was Qom, a **popular pilgrimage centre for Shiite Muslims** from where it reached the **Iranian Parliament**, having strong ties with Qom.

- **Sri Lanka & India:**
 - Here the onset of the Covid-19 has a lot to do with **tourism and labour migration**, processes intimately connected with globalisation.
 - Both in **Sri Lanka and India**, the **first cases were reported among foreign tourists** from China and Italy respectively.
 - The **tour guides** became the **first set of local people exposed** to the disease triggering local transmissions.
 - Both Sri Lanka and Kerala in India have **large portions of their labour force employed overseas**.
 - **Returnees** from these overseas destinations have contributed to the upsurge in the Covid-19 epidemic in South Asian countries.

Challenges

- The quarantine and social distancing processes may not be **totally effective** in so far as the migrant workers and their families are often in between two states, experiencing difficulties at both ends.
- Both migrant workers and tourist guides already experience discrimination of various kinds because of their occupations and the risks involved and the quarantine has added to their misery.

Way Forward

- The world needs to think **beyond social distancing and quarantining** the affected people and places.
- Broader and deeper issues like **fallout from globalisation need to be analysed** and questioned.
- In the recent **G20 video conference**, Indian Prime Minister stressed the world leaders to look at **humanitarian aspects to global challenges like pandemics, climate change and terrorism, not just economic ones**.
- The world needs to redefine the definition of globalisation and make it more **human-centric instead of market and profit-oriented**.
- There is a need to **devote special attention to the needs of less developed countries** as they might not contribute to the causes but face the severity of the situation far worse.

Globalisation

- It refers to the **economic, social and political integration of nations**. It entails the spread of products, technology, information and jobs across national borders and cultures.
- In **economic terms**, it describes an **interdependence of nations** around the globe, fostered through free trade.

- Globalisation can be further divided into subcategories based on its time frame and focus areas:
 - **Globalization 1.0**
 - It was **pre-World War I** globalization, which was launched by a historic drop in trade costs.
 - This globalization came with almost no government support and was without global governance.
 - **Globalization 2.0**
 - It is the **post-World War II** phase where trade in goods was combined with complimentary domestic policies.
 - The market was in charge of efficiency while the government was in charge of justice.
 - It saw the establishment of institute-based, rule-based international governance, specifically the **United Nations (UN)**, **International Monetary Fund (IMF)**, **World Bank**, **World Trade Organisation (WTO)**, (earlier GATT), **International Labor Organization (ILO)** etc.
 - **Globalization 3.0**
 - It created a new world of manufacturing in which high-tech was combined with low wages.
 - This was achieved through establishment of global supply chains as factories crossed international borders.
 - It was variously called **New globalization, Hyper globalization, Global value chain evolution.**
 - **Globalization 4.0**
 - It is the latest stage of globalization which involves cutting-edge new technologies like **artificial intelligence (AI)** that powers forward with the explosion of information technology.
 - These technologies shrink distances, open up borders and minds and bring people all across the globe closer together.

Source: TH

Fundraising for Covid-19

Why in News

Recently, the Government has hiked **Ways and Means Advance (WMA)** limit with the **Reserve Bank of India (RBI)** by 60%.

- WMA limit is proposed to be revised to Rs 1.20 lakh crore and would be reviewed on a need basis (from Rs 75,000 crore last year).
- This is to compensate for the cash flow mismatch in Financial Year (FY) 21 expected from higher spending to combat the spread of **COVID-19**.

Ways and Means Advance scheme

- The Ways and Means Advances scheme was **introduced in 1997**.
- The Ways and Means Advances scheme was introduced to **meet mismatches in the receipts and payments of the government**.
- The government can avail of **immediate cash from the RBI**, if required. But it has to **return the amount within 90 days**. Interest is charged at the **existing repo rate**.
- If the WMA exceeds 90 days, it would be treated as an **overdraft** (the interest rate on overdrafts is 2 percentage points more than the repo rate).
- The limits for Ways and Means Advances are **decided by the government and RBI** mutually and revised periodically.
- A **higher limit provides the government flexibility** to raise funds from RBI without borrowing them from the market.

Key Points

- The government has announced a **Rs 1.7 lakh crore package (Pradhan Mantri Garib Kalyan Yojana)** to provide income support, free food and other facilities to the poor to help them **during the 21-day national lockdown**.
- The fundraising resources are **not only from the market, but also from institutions such as the RBI**.
- The **Budget 2020-21** has pegged the Centre's net market borrowing, including government securities, treasury bills and post office life insurance fund at Rs 5.36 lakh crore.
- Out of **gross borrowings** of Rs 7.8 lakh crore in FY21, the Centre has proposed to borrow Rs 4.88 lakh crore, or 62.56%, in the first half of the fiscal, as against 62.25% done in the previous fiscal.
- In FY21, the Centre also plans to issue the **Debt Exchange Traded Fund** comprising government securities to widen the base of investors.

This will enable **retail investors**, who otherwise find it difficult to buy government bonds directly, take an exposure in this **risk free instrument**.

Exchange Traded Fund

- An Exchange-Traded Fund (ETF) is a **basket of securities** that trade on an exchange, just like a stock.
- ETF reflects the **composition of an Index**, like BSE Sensex. Its **trading value is based on the Net Asset Value (NAV) of the underlying stocks** (such as shares) that it represents.
- ETF share prices **fluctuate all day** as it is bought and sold. This is different from mutual funds that only trade once a day after the market closes.
- An ETF can **own hundreds or thousands of stocks across various industries**, or it could be isolated to one particular industry or sector.

Source: IE

India-China: 70 Years of Diplomatic Relations

Why in News

India and China mark the 1st April 2020 as the **70th anniversary of the establishment of diplomatic relations between them starting from 1950 till now.**

Chronology

- **1950**
 - India and China established **diplomatic relations** on **1st April 1950.**
 - **India** was the **first non-socialist country** to establish relations with the People's Republic of China and the catchphrase '**Hindi Chini Bhai Bhai**' became famous.
- **1955**
 - Both countries attended the **Asian-African Conference** in which 29 countries participated in **Bandung, Indonesia** and jointly advocated the **Bandung Spirit of solidarity, friendship and cooperation.**
 - It has led to the decolonisation of the whole of Asia and Africa and to the formation of a **Non-Aligned Movement** as the third Way between the Two Blocs of Superpowers.
 - The First NAM Summit Conference took place in **Belgrade, Yugoslavia, in September 1961.**
- **1962**

The **border conflict** led to a serious setback in bilateral relations.
- **1976**

China and India **restored ambassadorial relations** and bilateral ties improved gradually.
- **1988**
 - Indian Prime Minister Rajiv Gandhi visited China, **initiating the process of normalization of bilateral relations.**
 - The two sides **agreed to look forward** and develop bilateral relations actively in other fields while seeking a mutually acceptable solution to boundary questions.
- **1992**
 - Indian President **R. Venkataraman** visited China.
 - He was the **first President who visited China since the independence of the Republic of India.**
- **1996**
 - Chinese President Jiang Zemin visited India.
 - He was the **first head of state from China who visited India since the establishment of bilateral ties.**
 - **Agreement** between the Government of China and the Government of India on **Confidence Building Measures in the Military Field** along the Line of Actual Control in the India-China Border Areas was **signed.**

- **2000**
Indian President K R Narayanan visited China on the occasion of the **50th anniversary of the establishment of diplomatic ties** between China and India.
- **2008**
"**A Shared Vision for the 21st Century**" was **agreed upon** by the two governments.
- **2010**
 - The **60th anniversary of the establishment of diplomatic ties** between China and India.
 - In December, the two countries issued a **Joint Communiqué**.
- **2011**
 - It was the '**China-India Exchange Year**'.
 - Both sides held a **series of people-to-people and cultural exchange activities**.
 - Both of them signed a **memorandum on joint compilation** for the '**Encyclopedia of India-China Cultural Contacts**'.
- **2012**
 - It was the '**Year of China-India Friendship and Cooperation**'.
 - The head of the governments met each other on the **sidelines of the 4th BRICS Summit** and the **United Nations Conference on Sustainable Development**.
- **2015**
 - The two sides met on the sidelines of the **7th BRICS Summit in Ufa, Russia** and the **Leaders' Meetings on East Asia Cooperation in Malaysia**.
 - China decided to **open the Nathu La Pass (Sikkim)** to Indian official pilgrims to Xizang.
 - India celebrated the **India Tourism Year** in China.
- **2018**
 - Chinese President held an **informal meeting with Indian Prime Minister in Wuhan** which set up a new model of exchanges between two leaders.
 - Indian Prime Minister visited China to attend the **SCO Summit in Qingdao**.
 - The two leaders met again on the **sidelines of the 10th BRICS Summit and the G20 Summit in Buenos Aires**.
- **2019**
 - The **second informal meeting was held in Mamallapuram, Chennai** which **reaffirmed the Wuhan consensus**.
 - Both nations agreed to build a closer partnership for development, enhance the in-depth strategic communication, promote mutually beneficial cooperation in various fields and advance exchanges and mutual learning between the two civilizations.
 - Both sides met on the sidelines of the **SCO Summit in Bishkek and the 11th BRICS Summit**.

- **2020**
 - It marks the year of the **70th anniversary of the establishment of diplomatic relations** between China and India.
 - It is also **China-India Year of Cultural and People-to-People Exchanges**, where the two sides agreed to hold 70 celebratory activities to demonstrate the historic connection between the two civilizations as well as their growing bilateral relationship.

Facts and Figures on China-India Cooperation

- **Political and Diplomatic Relations**
 - The **Communist Party of China (CPC)** has maintained friendly exchanges with 9 major Indian political parties including the BJP, Congress and left-wing parties for a long time.
 - 20 **Inter-parliamentary friendship groups** have been set up by China and India.
 - There are 50 **dialogue mechanisms** between China and India for exchanging views on various topics of bilateral, regional and global concern.
- **Economy and Trade**
 - Since the beginning of the 21st century, trade between China and India has grown from less than \$3 billion to nearly \$100 billion, an **increase of about 32 times**.
In **2019, the trade volume between China and India was \$92.68 billion**.
 - With a **combined market of over 2.7 billion people and a GDP of 20% of the world's total**, China and India enjoy huge potential and broad prospects for economic and trade cooperation.
- **Science and Technology**
 - Both nations have held **Joint Research workshops** on Science and Technology Innovation.
 - Indian companies have set up **IT corridors in China**, which help promote China-India cooperation in information technology and high technology.
- **Defense**
 - **'Hand-in-Hand' joint anti-terrorist exercises** to enhance mutual understanding and trust, exchange training experiences and jointly improve anti-terrorism capabilities.
 - **China-India defense and security consultation** to strengthen exchanges and cooperation in the defense field.

- **People-to-People Exchanges**

- Both nations have held meetings of **China-India High-Level People-to-People and Cultural Exchanges Mechanism**. The two sides have made new progress on exchanges and cooperation in the fields of art, publishing, media, film and television, museum, sports, youth, tourism, locality, traditional medicine, yoga, education and think tanks.
- Sessions of **China-India High Level Media Forum** and **China-India Think Tank Forum** were held to strengthen exchanges and cooperation in the field of media and think tanks.
- The two countries have established **pairs of sister cities and provinces**. For example, sister provinces and cities between **Fujian Province and Tamil Nadu State, Quanzhou City and Chennai City**.
- The **number of Indian pilgrims to Xizang Autonomous Region of China has surged** from several hundreds in the 1980s to more than 20,000 in 2019.

Way Forward

- Today's achievements of India-China relations embodied the great efforts of several generations.
- Both nations **need to master the four keys of:**
 - **Leading:** It means to reach consensus and guide the direction of the development of bilateral relations under the guidance of leaders from both nations.
 - **Transmitting:** It means to transmit the leaders' consensus to all levels and translate it into tangible cooperation and outcomes.
 - **Shaping:** It means to go beyond the mode of managing differences, shape bilateral relations actively and accumulate positive momentum.
 - **Integrating:** It means to strengthen exchanges and cooperation, promote convergence of interests and achieve common development.
- At this moment, it is particularly important to revisit the original aspiration of establishing diplomatic relations 70 years ago and carry forward the spirit of good neighborliness and friendship, unity and cooperation.

Source: TH

Chinese Trawlers in South China Sea

Why in News

The Chinese fishing fleets have been seen raiding the rich waters of the South China Sea that are internationally recognised as exclusively Indonesia's to fish.

The fishermen in Natuna Islands (Indonesia) are worried.

Key Points

- The Chinese steel trawlers scrape the bottom of the sea and **destroy other marine life**.
- Chinese trawling also **breaches the maritime borders**.
- Since China is its **largest trading partner**, it has been argued that the **Indonesian government has not taken any steps** to deal with the incursions by Chinese fishing boats.
- China's illegal fishing near the Natuna islands carries global consequence, reminding regional governments of Beijing's expanding claims to the South China Sea through which **one-third of the world's maritime trade flows**.
- China wants to claim the resources such as **oil, natural gas, and fish** in the South China Sea.
- The presence of Chinese fishers also helps to **embody China's maritime claims**. The **nine dash line** (rejected by an international tribunal) asserted by China violates the principle of **Exclusive Economic Zones (EEZ)**.

South China Sea

- The South China Sea is an **arm of western Pacific Ocean in Southeast Asia**.
- It is south of China, **east & south of Vietnam, west of the Philippines and north of the island of Borneo**.
- **Bordering states & territories** (clockwise from north): the People's Republic of China, the Republic of China (Taiwan), the Philippines, Malaysia, Brunei, Indonesia, Singapore and Vietnam.
- It is connected by **Taiwan Strait with the East China Sea** and by **Luzon Strait with the Philippine Sea**.
- It contains numerous shoals, reefs, atolls and islands. The **Paracel Islands, the Spratly Islands and the Scarborough Shoal** are the most important.

Importance

- This sea holds tremendous strategic importance for its location as it is the connecting link between the **Indian Ocean and the Pacific Ocean**. (Strait of Malacca)
- According to the **United Nations Conference on Trade And Development (UNCTAD)** one-third of the global shipping passes through it, carrying trillions of trade which makes it a significant geopolitical water body.
- According to the **Department of Environment and Natural Resources, Philippines**, this sea has one-third of the entire world's marine biodiversity and contains lucrative fisheries providing food security to the Southeast Asian nations.
- The South China Sea is believed to have **huge oil and gas reserves** beneath its seabed.



Source: TH

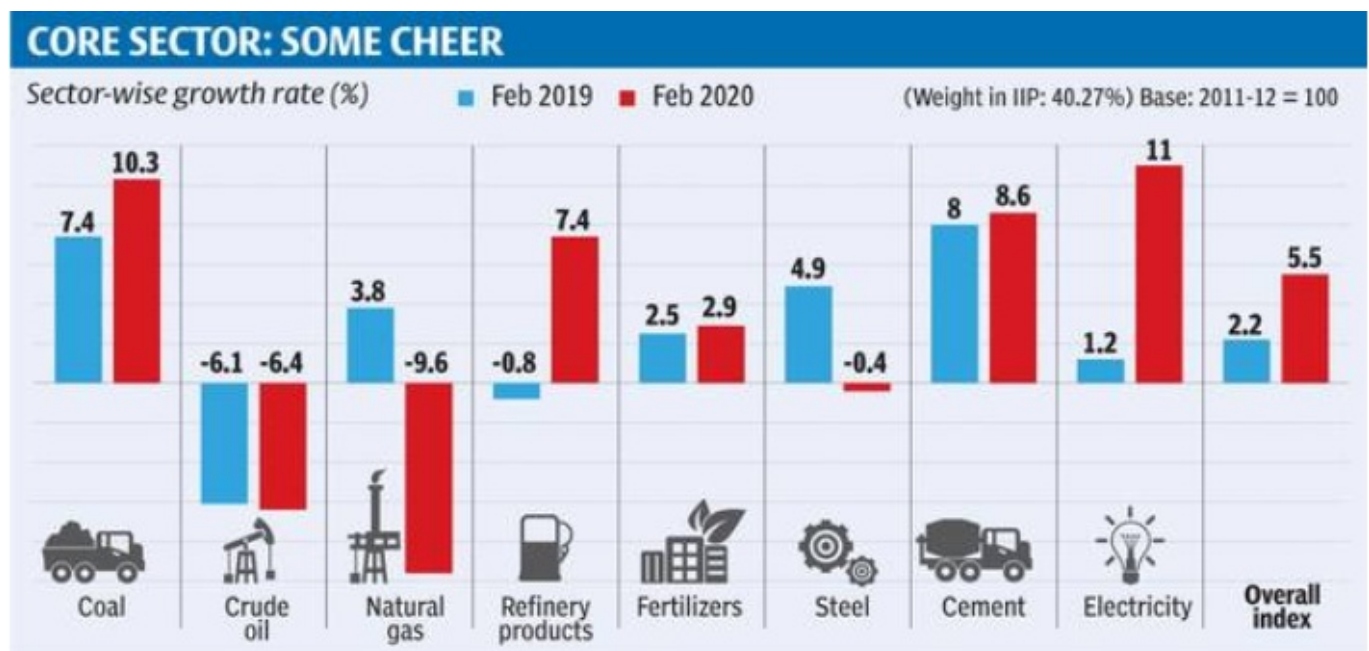
Core Sector Growth at 5.5%

Why in News

According to the data released by the **Ministry of Commerce and Industry**, the eight core sector industries **recorded a growth of 5.5% in February, 2020** which is **highest in 11-months**.

Key Points

- This spike is because of growth in **refinery products, electricity, fertiliser, cement and coal production**.
- However, **crude oil, natural gas, and steel** recorded negative growth rate in February.
- This was the **fourth consecutive month** when the index of eight core industries reported growth.
- The outlook may not be very bright for March 2020, as the **lockdown to check the spread of Covid-19** has disrupted the production process in the country and globally.



Core Sector Industries

- The **eight core sector industries** include coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity
- The eight core industries **comprise 40.27% of the weight of items** included in the **Index of Industrial Production (IIP)**.
- The eight Core Industries in **decreasing order** of their weightage: **Refinery Products> Electricity> Steel> Coal> Crude Oil> Natural Gas> Cement> Fertilizers**.

Industry	Weight (In percentage)
Petroleum & Refinery production	28.04
Electricity generation	19.85
Steel production	17.92
Coal production	10.33
Crude Oil production	8.98
Natural Gas production	6.88
Cement production	5.37
Fertilizers production	2.63

Index of Industrial Production

- The Index of Industrial Production (IIP) is an index which details out the growth of various sectors in an economy such as mineral mining, electricity, manufacturing, etc.
- It is compiled and published monthly by the **Central Statistical Organisation (CSO), Ministry of Statistics and Programme Implementation** six weeks after the reference month ends, i.e a **lag of six weeks**.
- The Base Year of the Index of Eight Core Industries has been revised from the year 2004-05 to 2011-12 from April, 2017.

Source: TH

Government Cuts Interest Rates on NSC, PPF

Why in News

Recently, the Government of India **slashed interest rates on small savings schemes**, including National Savings Certificate and Public Provident Fund **to counter the economic fallout of the coronavirus pandemic**.

- **The move by the government has followed the Reserve Bank of India's (RBI) recent 75 bps cut in its key interest rate.**
- Interest rates for small savings schemes are **notified on a quarterly basis**.

Key Points

- **In the case of the National Savings Certificate**, the government has brought down interest rates by 110 **basis points (bps)** to **6.8%**.
- **Interest rates on Public Provident Funds (PPF)** for the quarter have been brought down by 80 bps to 7.1%.
- Interest rates for **Kisan Vikas Patra** have slashed by 70 bps to 6.9%.

Decoding the Rate Cuts

- The rate cut is in the line with RBI's recent move to slash key interest rates.
- Government's decision is the **part of the Fiscal Policy which is a sister strategy to monetary policy (decided by the Central Bank)** used in different combinations to achieve the country's economic goal.
- **Small savings schemes are attractive because of higher interest rates and tax benefits**, and that hurts the mobilisation of bank deposits.
- **It also affects the transmission of policy rate cuts**, which is why the RBI also advocated **rate rationalisation** on small saving.
- The move will lead the nation into a **low-interest rate regime**.

Small Saving Scheme

- The small savings scheme basket comprises 12 instruments.
- It includes - National Saving Certificate (NSC), Public Provident Fund (PPF), Kisan Vikas Patra (KVP) and Sukanya Samriddhi Scheme.
- It also includes Saving Deposit, Monthly Income Deposit, several time and recurring deposits.
- The rates for small saving schemes are **announced quarterly**.
- Theoretically the rate changes is based on yields of government securities of corresponding maturity. However, political factors also influence the rate change.
- The **Shyamala Gopinath panel** constituted on the Small Saving Scheme had suggested a market-linked interest rate system for small savings schemes.

Source The Hindu

Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020

Why in News

Recently, the government has promulgated the '**Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020**'.

Key Points

- The Ordinance brings into effect various tax compliance related measures announced on March 24, 2020 in the wake of **COVID-19** pandemic.
- The government has extended the deadline for filing income tax, last dates for making investments in instruments such as National Savings Certificates, Public Provident Fund for claiming income tax benefits, etc.
- The last date for **linking PAN with biometric ID Aadhaar** has been extended by three months to June 30.
- The Ordinance has also amended the provisions of the Income-tax Act to provide the **same tax treatment to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM-CARES Fund) as available to the Prime Minister's National Relief Fund (PMNRF)**.
 - The donation made to the PM-CARES Fund shall be eligible for 100% deduction under section 80G of the I-T Act.
 - The government has set up the PM-CARES Fund to deal with any kind of emergency or distress situation like posed by the **COVID-19 pandemic**.
 - PMNRF was **instituted in 1948 by then Prime Minister Jawaharlal Nehru, to assist displaced persons from Pakistan**.
 - The fund is currently used primarily to tackle **natural calamities** like floods, cyclones and earthquakes.
 - The fund is also used to help with **medical treatment** like kidney transplantation, cancer treatment and acid attack.

Ordinance

- Ordinance is a **decree or law promulgated by a state or national government** without the consent of the legislature.
- **Article 123** of the Constitution of India **grants the President** certain law-making powers to promulgate ordinances when either of the **two Houses of Parliament is not in session**.
- The fundamental reason for bestowing the executive with the power to issue ordinance according to Pandit H N Kunzru (involved in framing the Indian Constitution), was **“to deal with situations where an emergency in the country necessitated urgent action.”**
- There are **three limitations** with regard to the ordinance making power of the executive. They are:
 - The President can only promulgate an ordinance when **either of the two Houses of Parliament is not in session**.
 - The President cannot promulgate an ordinance unless **he is satisfied that there are circumstances that require taking 'immediate action'**.
 - Ordinances must be **approved by Parliament within six weeks of reassembling or they shall cease to operate**. They will also cease to operate in case **resolutions disapproving the ordinance** are passed by both the Houses.

Source: IE

TAIPA Calls for Boosting Telecom Network Capacity

Recently, **Tower and Infrastructure Providers Association (TAIPA)** urged for **quickly enhancing the telecom network capacity to cope with the rising data traffic** amidst nation-wide lockdown.

The data traffic has surged by 30% in the last few days as more and more companies are switching to **Work-From-Home**.

TAIPA

- Tower and Infrastructure Providers Association was constituted in 2011 as an industry representative body **registered under the Indian Society registration act, 1860**.
- **All leading independent telecom infrastructure providers** like Bharti Infratel, Indus Towers, ATC India Tower Corp., GTL Infrastructure, Tower Vision and Reliance Infrastructure **are the members of the Society**.
- The association is dedicated to interact, discuss and deliberate with the Ministries, Policy Makers, Regulators, Financial institutions and Technical bodies etc for promotion of healthy growth in telecom services.

Key Points

- Due to the **'work from home'** policy for both public and private employees, there has been a **30% rise in data consumption**.
- Certain metropolitan cities such as Hyderabad and Bengaluru have posted **70% rise in cellular network data**.
- **Telecom services come under essential services** and thereby are exempted from the lockdown.
- To maintain data usage and smooth functioning of telecom services 24/7 , the telecom sector needs critical, robust infrastructure.
 - The states need to align their policies with the **Centre's Right of Way (RoW) 2016 norms**.
 - With more than three years gone, only 16 States out of 36 States/UT's have broadly aligned their policy with RoW Policy 2016.

RoW 2016 Norms

- Department of Telecommunications (DoT) issued Right of Way (RoW) rules for rollout of communication networks.
- It aims to facilitate the installation of mobile towers, optic fibre and copper cables in a time-bound, non-discretionary manner.
- The rules aim to rationalise administrative expenses across the country to a maximum of Rs 1000 per km for fibre, and a maximum of Rs 10,000 per application for overhead towers.
- It provides for fast-tracking decisions on RoW permits within 60 days after application.

Supreme Court Upholds Right to Discuss Covid-19

Why in News

Recently, the Central government appealed in the Supreme Court that media outlets, in the **“larger interest of justice”**, should only publish or telecast anything on **COVID-19** after ascertaining the factual position from the government.

Key Points

- According to the government, **“any deliberate or inaccurate”** reporting by the media, particularly web portals, in the midst of an unprecedented situation can have **a “serious and inevitable potential of causing panic in a larger section of the society”**.
 - The government blamed **“fake and misleading”** messages on social media **for creating widespread panic, which led to mass “barefoot” journeys of migrant workers** from cities to their native villages in rural India.
 - The mass migration of the poor would defeat the preventive measures taken by the Central government to contain pandemic.
- The Supreme court took a view **balancing free press** and the **need to avoid panic** in society during an unprecedented crisis.
 - The Court upheld the **right to free discussion about COVID-19**, and directed the media to refer to and publish the official version of the developments in order to avoid inaccuracies and large-scale panic.
 - It **ordered the government to start a daily bulletin on COVID-19 developments** through all media avenues in the next 24 hours.

Constitutional Provisions

- **Article 19(1)(a)** of the Constitution of India states that, **“all citizens shall have the right to freedom of speech and expression”**.

The philosophy behind this Article lies in the Preamble of the Constitution, where a solemn resolve is made to secure to all its citizens, liberty of thought and expression.
- The exercise of this right is, however, subject to **“reasonable restrictions”** for certain purposes being imposed under **Article 19(2)** of the Constitution of India.

These reasonable restrictions are imposed in the interests of the **sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality or in relation to contempt of court, defamation or incitement to an offence.**

Quasi-subspecies of Covid-19

Why in News

According to the **Indian Council of Medical Research (ICMR)** a mixture of three quasi-subspecies of SARS-CoV-2 is in circulation in India.

However, scientists are yet to classify a **SARS-Cov-2** variant as an Indian strain.

Key Points

- These imported variants of SARs-CoV-2 showed no differences from how they behaved in the place of origin.
India's COVID-19 cases were mainly from people with travel history and their immediate contacts, which is to say that this virus was brought in from outside.
- The government has also constituted a **Science and Technology Empowered Committee to** coordinate among science agencies, scientists, industries and regulatory bodies **for Covid-19 response.**
- The Committee will work with the Department of Science & Technology (DST), Department of Biotechnology (DBT), Council of Scientific and Industrial Research (CSIR), Defence Research and Development Organisation (DRDO) and Indian Institute for Science (IISC) to **take speedy decisions on research and development** keeping in view of the critical need to increase the testing facilities for COVID-19 disease.

Indian Council of Medical Research (ICMR)

- Indian Council of Medical Research (ICMR) is the apex body in India for the formulation, coordination and promotion of biomedical research.
- It was founded in **1911** with the name of Indian Research Fund Association (IRFA) and **renamed as ICMR in 1949.**
- It is **funded** by the Government of India through the Department of Health Research, **Ministry of Health & Family Welfare.**

Source:TH
