



## News Analysis (03 Apr, 2021)

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### 17th BIMSTEC Ministerial Meeting

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#### Why in News

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Recently, the External Affairs Minister of India participated in the **17<sup>th</sup> Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Ministerial Meeting**.

The meeting, **chaired by Sri Lanka**, was held in virtual mode.

#### Key Points

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- **India's Stand at the Meeting:**
  - **India's Commitment:**

To further **build the momentum of regional cooperation** under the **BIMSTEC framework** and make the organization stronger, vibrant, more effective and result-oriented.
  - **Progress:**

**Highlighted progress** achieved in sectors where India is the Lead Country viz Counter Terrorism & Trans-national Crime, Transport & Communication, Tourism, and Environmental & Disaster management and other activities.
  - **Importance of Connectivity:**

Robust **connectivity is an essential prerequisite for economic integration** of the region with smooth cross-border movement of people and goods.

- **Outcome of the Meeting:**

- The meeting endorsed the **BIMSTEC Master Plan for Transport Connectivity** for adoption at the next BIMSTEC Summit, which will be held in Sri Lanka.

**India's northeastern states form a key part of the master plan,** with several road and river links passing through the region.

- Called for early **adoption of the BIMSTEC Charter.**
- The meeting also endorsed three MoUs/agreements relating to **convention on Mutual Legal Assistance in Criminal matters, cooperation between diplomatic and training academies and establishment of BIMSTEC Technology Transfer Facility in Colombo** (Sri Lanka).
- Took note that the **BIMSTEC Centre for Weather and Climate**, being **hosted in India**, is fully functional with state of the art facilities to provide Disaster Early Warnings.

- **Concern:**

- Cohesion among the members has been difficult to achieve mainly because of the **Rohingya refugee crisis** which created **bitterness between Myanmar and Bangladesh.**
- This affected the working of the organisation to some extent as it could not develop a common charter.

## **BIMSTEC**

- **About:**

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a **regional organization.**
- It comprises **seven countries.** Five of these seven countries- **India, Nepal, Sri Lanka, Bhutan and Bangladesh-** are from South Asia while the remaining two, **Thailand and Myanmar,** are from Southeast Asia.
- The group remained dormant for many years till it was revived a few years ago as an alternative to the **South Asian Association for Regional Cooperation (SAARC)**, which despite having the potential, has not been able to move forward due to friction between India and Pakistan.
- With a focus on intra-regional cooperation, the BIMSTEC has also **formed a platform with the SAARC and the Association of Southeast Asian Nations (ASEAN) member countries.**
- Currently, the BIMSTEC is **involved in 15 sectors** including trade, technology, agriculture, tourism, fisheries, energy and climate change among others, for sectoral cooperation.

In 1997, it started with just six sectors and later expanded to the remaining nine sectors in 2008.

- **Secretariat:** Dhaka, Bangladesh.

• **Objectives:**

- Creating an **enabling environment for the rapid economic development** of the sub-region.
- Encouraging the spirit of **equality and partnership**.
- Promoting active **collaboration and mutual assistance** in the areas of common interests of the member countries.
- Accelerating **support for each other** in the fields of education, science, and technology, etc.

# BIMSTEC

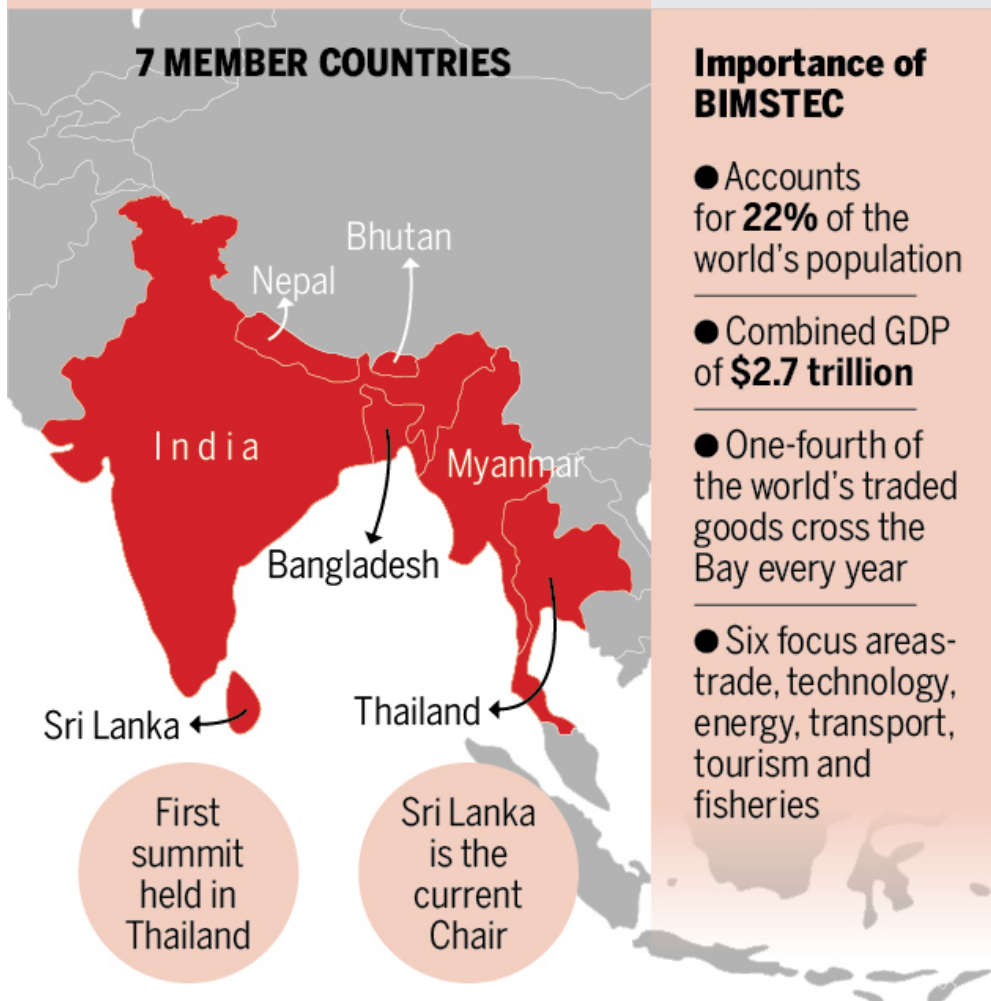
## WHAT YOU SHOULD KNOW



Stands for **The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation**

Founded in 1997 through **Bangkok Declaration**

### 7 MEMBER COUNTRIES



### Importance of BIMSTEC

- Accounts for **22%** of the world's population
- Combined GDP of **\$2.7 trillion**
- One-fourth of the world's traded goods cross the Bay every year
- Six focus areas—trade, technology, energy, transport, tourism and fisheries

First summit held in Thailand

Sri Lanka is the current Chair

## **India's Merchandise Trade Deficit**

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### **Why in News**

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Preliminary data released by the government showed that India's trade deficit in goods widened to USD 14.11 billion in March 2021 from USD 9.98 billion during March 2020.

### **Key Points**

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- **Other Observations:**
  - **Merchandise Exports:** India's **merchandise exports** in March 2021 were **USD 34.0 billion as compared to USD 21.49 billion in March 2020**, an increase of 58.23%.  
For the first time ever in a month, Indian exports crossed USD 34 billion in March 2021.
  - **Merchandise Imports:** India's merchandise imports were USD 48.12 billion as compared to USD 31.47 billion in March 2020, an increase of 52.89%.  
India is thus a **net importer in March 2021**, with a trade deficit of USD 14.11 billion.
- **Reasons for Increased Imports:**
  - **Relaxation in lockdown policy** and **start of economic activities** are the main reasons for increase in demand for the goods and the import.
  - Also the rise in **global trade** has made the global supply chain active and the commerce is taking place.
  - **Oil import** has increased due to opening up of the **transportation sector**.
- **Trade Deficit:** A trade deficit is an amount by which the cost of a country's imports exceeds its exports.
  - The **trade deficit in goods** shows a **rise of demand in the economy**.
  - It is a part of the **Current Account Deficit**.

- **Current Account Deficit:**

- The **current account** records **exports and imports in goods and services and transfer payments**. It represents a country's transactions with the rest of the world and, like the capital account, is a component of a country's **Balance of Payments (BOP)**.
- There is a deficit in Current Account if the **value of the goods and services imported exceeds the value of those exported**.
- Major components are:
  - **Goods,**
  - **Services,** and
  - **Net earnings on overseas investments (such as interests and dividend) and net transfer of payments** over a period of time, such as **remittances**.
- It is **measured as a percentage of Gross Domestic Product (GDP)**. The formulae for calculating Current Account Balance is:
  - **Current Account Balance = Trade gap + Net current transfers + Net income abroad.**
  - Trade gap = Exports – Imports

## **Balance of Payments**

- **Definition:**

Balance of Payment (BoP) of a country can be defined as a **systematic statement of all economic transactions of a country** with the rest of the world during a specific period usually one year.

- **Components of BoP:**

- For preparing BoP accounts, economic transactions between a country and rest of the world are grouped under - **Current account, Capital account and Financial Account and Errors and Omissions.**

It also shows changes in **Foreign Exchange Reserves.**

- **Current Account:** It shows **export and import of visibles** (also called merchandise or goods - represent trade balance) and **invisibles** (also called non-merchandise).

Invisibles include services, transfers and income.

- **Capital Account and Financial Account:** It shows a capital expenditure and income for a country.

It gives a summary of the **net flow of both private and public investment** into an economy.

- **Errors and Omissions:** Sometimes the balance of payment does not balance. This imbalance is shown in the BoP as errors and omissions. It reflects the country's inability to record all international transactions accurately.

- Overall the **BoP account can be a surplus or a deficit.**

- If there is a deficit then it can be bridged by taking money from the **Foreign Exchange (Forex) Account.**
- If the reserves in the forex account are falling short then this scenario is referred to as BoP crisis.

**Source:TH**

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## **Oil Import Contracts**

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### **Why in News**

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Amid **tensions with Saudi Arabia over oil production cuts**, the **Indian government has asked its state refiners (IOC, BPCL and HPCL) to look for oil supplies from outside the Middle East region** and use **collective bargaining power** to get favourable terms.

### **Key Points**

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- **Tension with Saudi Arabia:**
  - When oil prices started to rise in early 2021, **India wanted Saudi Arabia to relax output controls** but the Kingdom ignored its calls.
  - This has led to the Indian government pressing for diversification of the supply base.
  - Saudi Arabia and other **OPEC (Organization of the Petroleum Exporting Countries)** producers have been the mainstay suppliers of crude oil for India. But their terms have often been loaded against the buyers.
    - OPEC is a **permanent intergovernmental organization of 13 oil-exporting developing nations** that coordinates and unifies the petroleum policies of its Member countries.
    - **Member Countries:** Iran, Iraq, Kuwait, United Arab Emirates (UAE), Saudi Arabia, Algeria, Libya, Nigeria, Gabon, Equatorial Guinea, Republic of Congo, Angola, and Venezuela.
- **Issues With the Contracts with OPEC Producers:**
  - Indian firms buy two-third of their purchases on term or fixed annual contracts. These term contracts provide assured supplies of the contracted quantity but the **pricing and other terms favour only the supplier.**
  - The buyer has to indicate at least six weeks in advance of their intention to lift quantity out of the annual term contract in any month and has to pay an average official price announced by the producer.
    - While buyers have an obligation to lift all of the contracted quantity, Saudi Arabia and other producers have the option to reduce supplies in case OPEC decides to keep production artificially lower to boost prices.
- **Options for India:**
  - India needs **pricing flexibility** as well as the **certainty of supply** even during times when production falls due to any reason.
    - Besides, choice of time of supply and flexibility on quantity (ability to reduce or increase) is what India should be looking at.
  - Indian refiners can look to **reduce the quantity they buy through term contracts and instead buy more from the spot or current market.**
  - Buying from the **spot market** would ensure that India can take advantage of any fall in prices on any day and book quantities.
    - It's like the stock market where shares can be brought on a day or time when the prices are low.
  - **State-owned refineries have also been asked to coordinate** buying and also explore joint strategy with **private refiners** such as Reliance Industries and Nayara Energy.

## India and Oil Import

- India is the **world's third-largest consumer of oil.**

- India imports **85% of its total oil needs** and is often **vulnerable to global supply and price shocks**.
- The **Middle East accounts for 60% of all oil bought** by India while Latin America and Africa are the other big supplier blocks.
  - In recent months, India has bought more **oil from the USA** and from newer sources such as **Guyana**, which has a large Indian diaspora.
  - However, due to its geographical proximity, the Middle East can supply cargoes in less time and at low freight rates.

**Source:TH**

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## **Covid-19 Reinfection**

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### **Why in News**

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A team of scientists from the **Indian Council of Medical Research (ICMR)** examined the cases of 1,300 individuals who had tested positive for the corona virus twice.

It was found that 58 cases of the 1,300 individuals or **4.5% could be classified as possible reinfections**.

### **Key Points**

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#### **Worldwide Cases of Reinfection:**

- The first confirmed case was reported from **Hong Kong**.
- A couple of cases from the **United States and Belgium** also emerged.
- However, there have been several cases of **people testing positive for the virus multiple times**, even in India, but not all such cases are considered reinfections.

Such cases are the result of what is called **“persistent viral shedding”**.

### **Persistent Viral Shedding**

- When an individual gets infected by a respiratory virus like SARS-CoV-2, the virus particles bind to the various types of viral receptor.
- Thus, Recovered patients can sometimes continue to carry low levels of virus within their system for up to three months.
- These levels are no longer enough to make the person sick or transmit the disease to others, but it can get detected in diagnostic tests.
- The disease developed from such persistent virus is what is called Persistent viral shedding.



- **Significance of the Study of Reinfection:**

- It is crucial to make it clear whether a person who has been infected once develops permanent immunity against the disease, or can get reinfected after some time.

This understanding of the possibility of reinfection is **crucial to the fight** against the **Covid-19 pandemic**.

- It will help **decide the intervention strategies** required to control the spread of the disease.
- It will also help assess **how long people would have to depend on masks and physical distancing**.
- It will have implications on the **vaccination drive** as well.

- **Determination of Reinfection:**

- **Genome sequence analysis** of the virus sample is done by scientists for conclusive proof of reinfection.

Because the virus mutates continuously, the genome sequences of the two samples would have some differences.

- However, virus samples from every infected person are not being collected for genome analysis.

Therefore, in most of the cases there is usually no **genome sequence** from the previous infection to compare with.

- Thus the scientists of ICMR looked at cases in which patients had reported **positive results at least at the gap of 102 days**. That would not include the disease from persistent viral shedding.

According to the **Centers for Disease Control (CDC)** in the USA, **viral shedding continues until only about 90 days**.

- **Symptoms in Reinfection:**

- The majority of the disinfected patients **remained asymptomatic** during the intervening period, while few reported **mild symptoms**.
- Some had symptoms such as **intermittent fever, cough, or shortness of breath**.

- **Implications of the Reinfection:**

- The scientists point out that **permanent immunity cannot be assumed**.

Reinfection might very well be happening and could be confirmed if it was possible to do genome analysis of every infected person.

- If reinfection is the case the use of masks and social distancing would be a new normal.

## **Indian Council of Medical Research**

- Indian Council of Medical Research (ICMR) is the **apex body in India** for the formulation, coordination and promotion of **biomedical research**.

- Its mandate is to conduct, coordinate and implement medical research for the benefit of the Society; translating medical innovations into products/processes and introducing them into the public health system.
- It is funded by the Government of India through the Department of Health Research, **Ministry of Health & Family Welfare.**

**Source:IE**

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**Increased Maternal Deaths Due to Covid: Lancet Report**

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**Why in News**

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According to a study published in **The Lancet Global Health Journal**, the failure of the health system to cope with **Covid-19 pandemic** resulted in an **increase in maternal deaths and stillbirths.**

The report is an **analysis of 40 studies across 17 countries** including Brazil, Mexico, the US, Canada, the U.K., Denmark, Netherlands, Italy, India, China and Nepal.

**WHAT CHANGED**

	<b>During pandemic</b>	<b>Before pandemic</b>
<b>Stillbirth rate</b>	<b>1099/168,295</b>	<b>1325/198,993</b>
<b>Maternal mortality rate</b>	<b>530/1,237,018</b>	<b>698/2,224,859</b>

**Key Points**

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- **Global Scenario:**

- **Increase in Death:**

- Overall, there was a **28% increase in the odds of stillbirth**, and the **risk of mothers dying during pregnancy or childbirth increased by about one-third**.
    - The disruption caused by the Covid-19 pandemic has led to **avoidable deaths of both mothers and babies**.

There was also a **rise in maternal depression**.

- **Poor Countries More Affected:**

Covid-19 impact on pregnancy outcomes was disproportionately **high on poorer countries**.

- **Marginalised are the Sufferers:**

The **impact was high among the marginalised** across various settings such as:

- In **Nepal** where hospital deliveries decreased most markedly among disadvantaged groups.
      - In **the U.K.**, where 88% of pregnant women, who died during the first wave of the pandemic, were from black and minority ethnic groups.

- **Indian Scenario:**

During the months of **national lockdown** in 2020 between April and June, compared to the same period in 2019, there was:

- **27%** drop in pregnant women receiving four or more ante-natal check-ups.
    - **28%** decline in institutional deliveries.
    - **22%** decline in prenatal services.

- **Reason:**

- **Failure of Healthcare:**

The **inefficiency of the healthcare system and their inability to cope with the pandemic** instead of strict lockdown measures resulted in **reduced access to care**.

- **Societal Changes:**

Wider societal changes could have also led to deterioration in maternal health including **intimate-partner violence** (domestic violence), **loss of employment and additional care-responsibilities because of closure of schools**.

- **Suggestions:**
  - **Device Strategies:**

Policy makers and healthcare leaders must **urgently investigate robust strategies for preserving safe and respectful maternity care**, even during the ongoing global emergency.
  - **Avoid Rolling Back of Investments:**

Immediate action is required to **avoid rolling back decades of investment** in reducing mother and infant mortality in low-resource settings.
  - **Don't Redeploy Personnel for Maternity Services:**

Personnel for maternity services **not be redeployed for other critical and medical care** during the pandemic and in response to future health system shocks.
- **Some Indian Initiatives for Mother and Child health:**
  - LaQshya program.
  - Safe Motherhood Assurance (SUMAN) initiative.
  - Janani Suraksha Yojana.
  - Janani Shishu Suraksha Karyakaram (JSSK).
  - Pradhan Mantri Matru Vandana Yojana (PMMVY).
  - Mission Indradhanush.
  - Poshan Abhiyan.
  - Mother and Child Protection Card.

**Source:TH**

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## **PM-KUSUM**

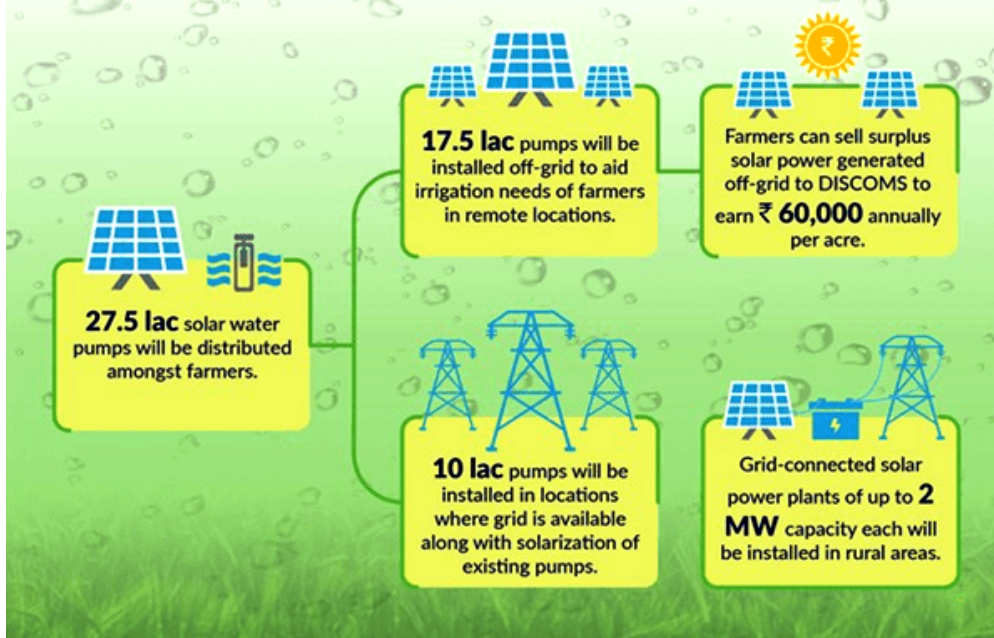
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### **Why in News**

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Recently, the first farm-based solar power plant under the **Prime Minister's Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM-KUSUM) scheme** has come up in Jaipur (Rajasthan) district's Kotputli tehsil with a provision for production of 17 lakh units of electricity every year.

# Features of KUSUM Scheme



## Key Points

- **About:**

- The PM-KUSUM scheme was **launched by the Ministry of New and Renewable Energy (MNRE)** to support installation of off-grid solar pumps in rural areas and reduce dependence on grid, in grid-connected areas.
- The **Cabinet Committee on Economic Affairs (CCEA)** had in February 2019 approved the launch of the scheme with the **objective of providing financial and water security**.
- The government's **Budget for 2020-21** expanded the scope for the scheme with **20 lakh farmers** to be provided assistance to install **standalone solar pumps**; another **15 lakh farmers** to be given help to **solarise their grid-connected pump sets**.

This will enable farmers to set up solar power generation capacity on their barren lands and to sell it to the grid.

- **Components of the PM-KUSUM:**

PM-KUSUM consists of three components and aims to add a solar capacity of 30.8 GW by 2022:

- **Component-A:** 10,000 MW of decentralised ground-mounted grid-connected renewable power plants.
- **Component-B:** Installation of two million standalone solar-powered agriculture pumps.
- **Component-C:** Solarisation of 1.5 million grid-connected solar-powered agriculture pumps.

- **Intended Benefits of the Scheme:**
  - **Helping Discoms:**
    - Supports the financial health of **electricity distribution companies (discoms)** by reducing the burden of subsidy to the agriculture sector.
    - Help them meet the **RPO (Renewable Purchase Obligation) targets.**
  - **Helping States:**
    - Promotes **decentralised solar power production, and reduces transmission losses.**
    - A potential way to **reduce their subsidy outlay towards irrigation.**
  - **Helping Farmers:**
    - If farmers are **able to sell surplus powers**, they will be incentivised to save power and, in turn, it will mean the reasonable and efficient use of groundwater. This will also **increase their income.**
    - This may also provide **water security to farmers** through the provision of assured water sources through solar water pumps – both off-grid and grid-connected.
  - **Helping Environment:**
    - **Expansion of the irrigation** cover by providing decentralized solar-based irrigation and moving away from polluting diesel.
- **Concerns:**
  - **Logistics Issue:**
    - There is a matter of **domestic availability of equipment itself.** While pumps are not a challenge for domestic suppliers, **the availability of solar pumps is still an issue.**
    - Further, due to the strict **DCR (Domestic Content Requirements)**, the suppliers of solar equipment have to raise the domestic cell sourcing. However, **there isn't enough domestic cell manufacturing capacity.**
  - **Omission of Small and Marginal Farmers:**
    - There has been the relative **omission of small and marginal farmers**, as the scheme focuses on pumps of 3 HP and higher capacities.
    - It is due to this, solar pumps are not reaching the majority of farmers, as nearly **85% of them are small & marginal.**
    - Also, the reality of low water tables, especially in North India and parts of South India, which make small-sized pumps limiting for the farmer.
  - **Depleting Water Tables:**
    - Due to power subsidies, the recurring cost of electricity is so low that farmers keep on pumping water and **the water table is going down.**
    - In a solar installation, it becomes a more **difficult job to upgrade to higher capacity pumps in case the water table falls** because one will have to add new solar panels which are expensive.

## Way Forward

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- Consensus between the Centre and States is the key to the success of this decentralised solar power scheme. Any reform in India's power space cannot take place unless there is **consensus between the Centre, States and stakeholders**.
- Apart from switching to solar power, **farmers should also switch over to drip irrigation mode** which saves water and power with increased crop output.
- For effective implementation and serious participation by stakeholders, **the scheme should be more attractive in terms of benchmark prices** in view of the challenges on account of higher costs of implementation and comprehensive maintenance.

**Source:TH**

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## **Expansion of Emergency Credit Line Guarantee Scheme**

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### **Why in News**

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Recently, the government has extended the **Rs. 3-lakh-crore Emergency Credit Line Guarantee Scheme (ECLGS)** until 30<sup>th</sup> June 2021, and also widened its scope to new sectors, including **hospitality, travel and tourism**.

ECLGS was rolled out in May 2020 as part of the Centre's **Atmanirbhar package** in response to the **Covid-19** crisis.

The **objective was to support small businesses** struggling to meet their operational liabilities due to the imposition of a nationwide lockdown.

### **Key Points**

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- **ECLGS 1.0:**
  - To provide fully guaranteed and collateral free additional credit to **MSMEs**, business enterprises, **MUDRA borrowers** and individual loans for business purposes to the extent of 20% of their credit outstanding as on **29<sup>th</sup> February, 2020**.
  - MSMEs with up to **Rs 25. crore outstanding** and **Rs. 100 crore turnover were eligible**.

However, the turnover cap was removed post amendment to **ECLGS 2.0** in **November 2020**.

- **ECLGS 2.0:**
  - The amended version focused on entities in **26 stressed sectors** identified by the **Kamath Committee** along with the healthcare sector with credit outstanding of more than **Rs. 50 crore** and up to **Rs. 500 crore** as of 29<sup>th</sup> February, 2020.
  - The scheme also mandated borrower accounts to be less than or equal to 30 days past due as of 29<sup>th</sup> February, 2020, that is, **they should not have been classified as SMA 1, SMA 2, or NPA** by any of the lenders as of **29<sup>th</sup> February 2020**.
    - **SMA**s are **special mention accounts**, which show signs of incipient stress, that lead to the borrower defaulting in servicing the debt.
    - While **SMA-0** are accounts having payments partially or wholly overdue for **1-30 days**, **SMA-1** and **SMA-2** accounts have payments overdue for **31-60 days** and **61-90 days** respectively.
  - The revised scheme also **has a five-year repayment window** up from four years in **ECLGS 1.0**.
- **ECLGS 3.0:**
  - It involves **extending credit of up to 40% of total credit outstanding** across all lending institutions as on 29<sup>th</sup> February 2020.
  - The **tenor** of loans granted under ECLGS 3.0 would be **6 years**, including a **moratorium period of 2 years**.
  - Covers business enterprises in **Hospitality, Travel & Tourism, Leisure & Sporting sectors**,
    - Which had, as on **29<sup>th</sup> february 2020**,
    - Total credit outstanding not exceeding **Rs. 500 crore and overdues**, if any, were for **60 days or less**.
- **National Credit Guarantee Trustee Company (NCGTC)** is the guarantee provider under the **ECLGS scheme**.

### **National Credit Guarantee Trustee Company Ltd**

NCGTC is a private limited company incorporated under the Companies Act, 1956 in 2014, established by the Department of Financial Services, Ministry of Finance, as a wholly owned company of the Government of India, to act as a common trustee company for multiple credit guarantee funds.

Credit guarantee programmes are designed to share the lending risk of the lenders and in turn, facilitate access to finance for the prospective borrowers.

**Source:PIB**



## Why in News

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The **Chief Minister of Delhi will represent Delhi and India at the World Cities Culture Forum (WCCF).**

The **date for this year's annual summit is yet to be announced** on the forum's website.

## Key Points

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- **Establishment:** WCCF was **established in London in 2012** with eight cities.
- **Member Cities:** It has **43 participating member cities.**
  - Participating member cities include London, Hong Kong, Amsterdam, Edinburgh, Lisbon, San Francisco, Shanghai, etc.
  - **Delhi** is invited this year but **it is not a part of member cities.**
- **Role:** It enables the policy makers of member cities to **share research and intelligence**, and **explores the vital role of culture** in their future prosperity.
- **Managed By:** The activities of the World Cities Culture Forum are **organised and delivered by BOP Consulting**, a specialist consulting firm, on behalf of the **Greater London Authority**, London's Municipal Government.
  - **BOP** conducts comparative research to measure the impact and importance of culture and creativity, and shares it with the Forum so members can make evidence-based policy decisions.
- **World Cities Culture Summit:** Forum members collaborate via a programme of events including themed symposia, regional summits and workshops. These events feed into the annual **World Cities Culture Summit.**
  - Hosted on a rotating basis by member cities, **this unique gathering** allows city leaders to share ideas and knowledge about the role of culture as an organising principle for the sustainable city of the future.
  - It is **attended by Deputy Mayors for Culture and Heads of Culture** from the member cities.
  - **2021 Theme:** The Future of Culture.
- **World Cities Culture Report:** Delhi will also be part of the **World Cities Culture Report** - the most comprehensive **global dataset on culture in cities.**
  - It is **published by the forum every three years**, with data and details on innovative projects from cities across the world. The last report was published in **2018.**

**Source: TH**

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