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NPT Must for India's Entry into NSG : China

Recently the permanent members of the **United Nations Security Council (UNSC)** also known as **P5 countries (China, France, Russia, Britain and the US)** - have concluded their meetings to **discuss issues related to nuclear disarmament**, nuclear non-proliferation and peaceful uses of nuclear energy.

- **China** has said that **India** must sign the **Non-Proliferation Treaty (NPT)** to gain entry into **Nuclear Suppliers Group (NSG)**.
- Earlier, after India applied for the NSG membership, **Pakistan** too applied for the same following which China, a close ally of Pakistan, called for a **two-step approach** which states that **NSG members** first need to **arrive at a set of principles for the admission of non-NPT states** into the group and then **move forward discussions of specific cases**.

Nuclear Suppliers Group (NSG)

- NSG is a **group of nuclear supplier countries that seeks to contribute to the non-proliferation of nuclear weapons** through the implementation of **guidelines for nuclear exports and nuclear-related exports**.
- The NSG was **set up as a response to India's nuclear tests conducted in 1974**.
- The aim of the NSG is to ensure that **nuclear trade for peaceful purposes** does not contribute to the proliferation of nuclear weapons.
- The grouping has **48 participating governments** and the European Commission acts as an Observer.
- Since **2008**, India has sought membership in the NSG. The same year, the **NSG granted India a "clean waiver" from its existing rules**, which forbids nuclear trade with a country which has not signed the Nuclear Non-Proliferation Treaty (NPT).

- The waiver paved the way for India to engage in nuclear trade and led to the **Indo-US Civil Nuclear Deal**. India has since signed **civilian nuclear cooperation agreements** with the **U.S., U.K., France, Canada, Argentina, Australia, Russia, Kazakhstan, Mongolia, Namibia, and South Korea**.
- The drive for India's membership got a decisive boost when U.S declared support for India joining the quartet of **multilateral export control regimes**.
- U.S proposed case for a country-specific rather than a criteria-based approach rested on the argument that India's nuclear record and commitment to non-proliferation norms qualified it as a "like minded country" to join the NSG.

NOTE: The four multilateral export control regimes are **Wassenaar Arrangement (WA)**, **Missile Technology Control Regime (MTCR)**, **Australia Group (AG)** and **Nuclear Suppliers Group (NSG)**. India is not a member of NSG only.

Impediments to India's NSG bid

- **NSG operates by consensus** and all its current members are signatories to the Nuclear Non-Proliferation Treaty.
- **China** has relied on an **obstructionist** argument claiming that a "compulsory" requirement for NSG membership is that they must be signatories to the NPT.
- **China equates India with Pakistan** — which has an established history of nuclear proliferation, further complicating the scenario.

Significance of NSG Membership for India

- Membership of NSG will **increase India's access to state-of-the-art nuclear technology** from members of the Group.
- As per India's commitment under the **Paris climate agreement**, it has to ensure that **40% of its energy is sourced from renewable and clean sources by 2030**. In order to achieve this target, India needs to scale up nuclear power production. This can only happen if India gains access to NSG.
- Some nations are restricted by regional treaties (For eg., **Pelindaba Treaty**) to provide access to nuclear fuel and technology to India. If India joins the NSG, such restrictions are expected to be done away with.

Pelindaba Treaty (African Nuclear Weapon Free Zone Treaty)

- It establishes a **Nuclear-Weapon-Free Zone in Africa**.
- The treaty was signed in 1996 and came into effect in July 2009.
- It aims at preventing nuclear proliferation and preventing strategic minerals of Africa from being exported freely.
- This treaty **prohibits member parties to come into bilateral agreement with countries who are non signatories of NPT**.

- In **2016**, Namibia criticized the Treaty of Pelindaba for **disallowing Namibia to trade uranium to India** because India is not a member of the NPT.

India and Non-Proliferation Treaty (NPT)

- The **NPT is an international treaty** whose **objective is to prevent the spread of nuclear weapons and weapons technology**, to foster the peaceful uses of nuclear energy, and to further the goal of disarmament.
- It represents the only **binding commitment** in a multilateral treaty to the goal of disarmament by the nuclear-weapon States.
- **Nuclear-weapon states parties under the NPT** are defined as those that manufactured and exploded a nuclear weapon or other nuclear explosive device before **January 1, 1967**.
- India did not sign it as the **treaty was discriminatory**. India argued that **treaties like NPT were selectively applicable to only non-nuclear powers** and legitimized the monopoly of nuclear power by a few.
- Consequently India **conducted nuclear explosion test in May 1974**, all along maintaining that it was **committed to peaceful use of atomic energy**.
- In **1998**, India again **conducted a nuclear explosion tests**, and acquired the **capacity to use nuclear energy for military purposes**.
- To alleviate the fears of a world community, **India formulated a comprehensive nuclear doctrine**. The major tenets of this doctrine are:
 - Maintenance of a **credible minimum nuclear deterrence**.
 - Professes **no first use policy**.
 - Commitment to **global veritable and non-discriminatory nuclear disarmament** leading to a nuclear weapons free world.
- India has abided by both NPT and **Comprehensive Nuclear-Test-Ban Treaty (CTBT)** even though it is a non-signatory. This along with its commitments on nuclear non-proliferation under NSG waiver in 2008 provides India with a strong basis for membership in NSG.

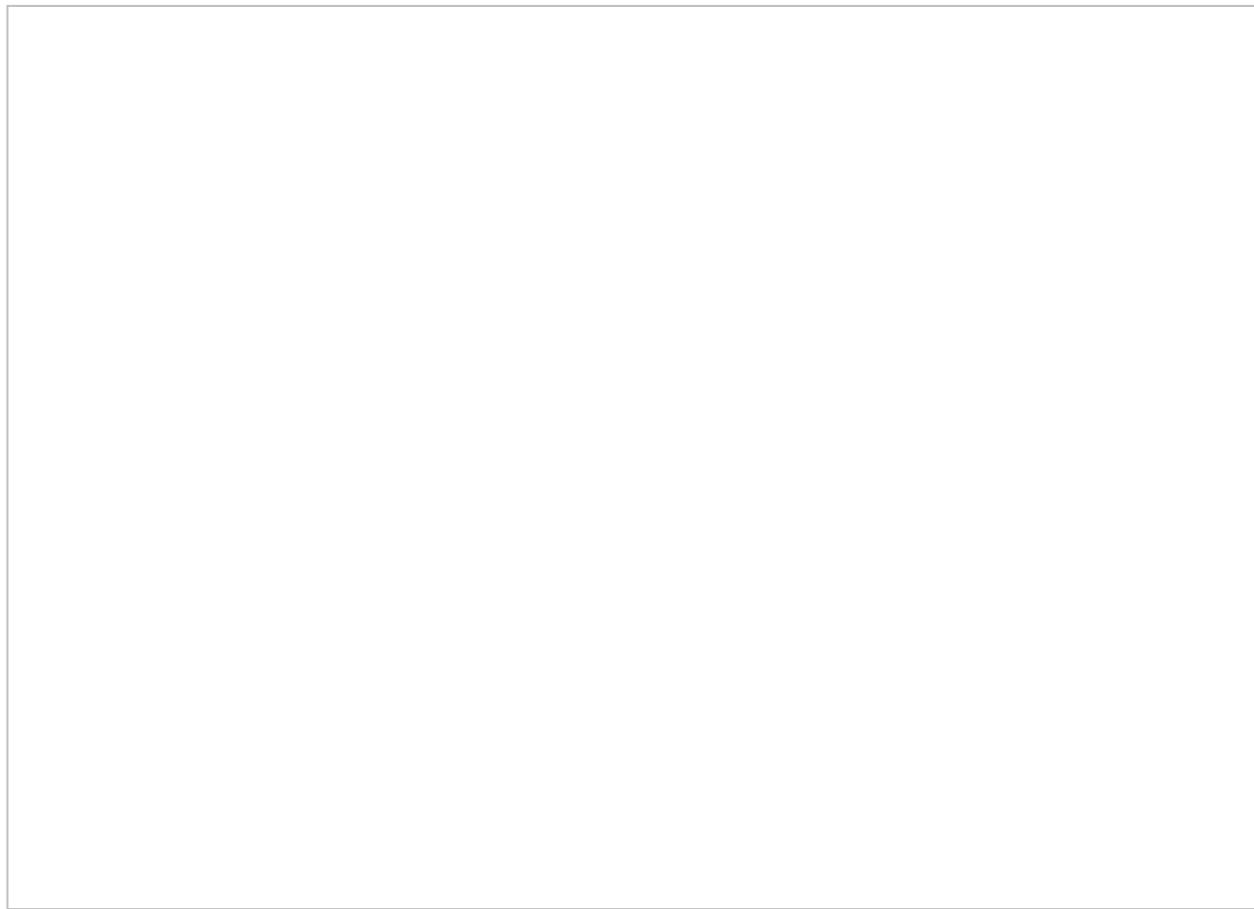
CTBT

- The Comprehensive Nuclear-Test-Ban Treaty (CTBT) is the treaty banning all nuclear explosions - everywhere, by everyone.
- The Treaty was negotiated at the **Conference on Disarmament in Geneva** and adopted by the **United Nations General Assembly**. It opened for signature on 24 September 1996.

Polar Vortex

Recently, the **United States** is grappling with **extreme cold with temperature** reaching to -30°C in cities like Chicago and Dakota.

- This is caused by a blast of **Arctic air, which is a result of a “polar vortex” event.**
- The polar vortex is a **large area of low pressure** and **cold air** surrounding both of the Earth’s poles. It was also known as the **Polar Pig.**
- The term "vortex" refers to the **counterclockwise flow of air** that helps keep the colder air near the Poles. It **always exists** near the poles, but weakens in summer and strengthens in winter.
- However, many times **during winter** in the northern hemisphere, the **polar vortex will expand, sending cold air southward.** This occurs fairly regularly during wintertime and is often associated with large outbreaks of Arctic air in the **United States and portions of Europe and Asia.**
- It is also not a feature that exists at the Earth’s surface, rather it exists tens of **thousands of feet up in the atmosphere.**
- By itself, the only danger to humans is the magnitude of how cold temperatures will get when the polar vortex expands, sending Arctic air southward into areas that are not typically that cold.



How is it Linked to Global Warming

- The global temperature has risen by 0.8°C since 1880.
 - The **Arctic has warmed** over twice the average.
 - The **temperature difference** between North Pole and regions like North America **has reduced**.
 - The **energy generated by the jet stream** travels upward and disrupts the **polar vortex, causing it to split**.
 - One of **these two "child" vortices** has visited North America this week, **causing the record temperatures**.
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DIPP Renamed as DPIIT

The government has notified changing the name of the **Department of Industrial Policy & Promotion (DIPP)** to the **Department for Promotion of Industry and Internal Trade (DPIIT)** under the **Ministry of Commerce and Industry**.

- The renamed body will also be in charge of four new categories of responsibilities:
 - the **promotion of internal trade** (including retail trade),
 - the **welfare of traders** and their employees,
 - matters relating to **facilitating Ease of Doing Business**,
 - matters relating to **start-ups**.
- The matters related to internal trade were earlier under the domain of the **Ministry of Consumer Affairs**.
- The new responsibilities are in addition to the previous responsibilities of the erstwhile DIPP relating to general industrial policy, administration of the Industries, industrial management, productivity in industry, and matters related to e-commerce.
- **Confederation of All India Traders (CAIT)** has welcomed the government's decision and said that this step will bring retail trade in the mainstream of the economy.
- Retail Trade is conducted by more than 5 crore business enterprises in the non-corporate sector and provides employment to 46 crore people and contributes to 45% to national GDP.
- **CAIT has been asking for a separate Internal Trade Policy with a separate Ministry of Internal Trade** both at Centre and State Government level which is able to devise a policy for self-organized traders.

Confederation of All India Traders (CAIT)

- CAIT is the non-governmental apex body of trading community of India at National Level.
 - It is headquartered at Vyapar Bhawan in New Delhi.
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Core Sector Growth Slows to 2.6%

The government has released data on output growth of **eight core industries** which fell for the second straight month to touch **2.6% in December 2018**.

Core Industries

- Core industry can be defined as the main industry which has a **multiplier effect** on the economy.
- In most countries, there is particular industry that seems to be backbone of all other industries and it qualifies to be the core industry.
- The **Eight Core Industries comprise 40.27%** of the weight of items included in the **Index of Industrial Production (IIP)**.

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**.
- The eight Core Industries in **decreasing order of their weightage: Refinery Products> Electricity> Steel> Coal> Crude Oil> Natural Gas> Cement> Fertilizers**.
- Earlier in July, 2018 a report by **V.K Saraswat (NITI Aayog member)** had recommended that the government should consider classifying the **aluminium sector as India's ninth core industry**.

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

RBI Lifts Curbs on Three PSBs

The Reserve Bank of India (RBI) has decided to allow three public sector banks — Bank of India, Bank of Maharashtra and Oriental Bank of Commerce (OBC)— to exit the Prompt Corrective Action (PCA) framework following capital infusion by the government and a decline in net non-performing asset ratio.

- The RBI, conducted a review of PCA following governments request to lift the restrictions on Public Sector Banks (PSB's) in order to boost credit growth in the country.
- The PCA framework is triggered when a bank breaches one of the three risk thresholds, namely **capital to risk-weighted assets ratio, net non-performing assets (NPA) and return on assets (RoA)**.
- The three public sector banks are now out of PCA, but there are another eight public sector banks which are still facing restrictions under PCA.

What is Prompt Corrective Action (PCA)?

- Prompt Corrective Action (PCA) is a framework under which banks with weak financial metrics are put under watch by the RBI.
- The RBI introduced the PCA framework in 2002 as a structured early-intervention mechanism for banks that become undercapitalized due to poor asset quality, or vulnerable due to loss of profitability.
- PCA is intended to help alert the regulator as well as investors and depositors if a bank is heading for trouble.

Read More About Prompt Corrective Action

Important Facts for Prelims (1st February 2019)

Project-75 India

- Recently the government has given approval to construct six new-generation conventional stealth submarines under the **“strategic partnership (SP)” model**.
- Under the Strategic Partnership (SP) model, the project will be executed by an **Indian shipyard collaborating with a foreign collaborator** under the “Make in India” policy.

- The SP model is aimed at boosting the **Indian private sector's role** in the production of new-generation weapon systems, in collaboration with global arms manufacturers through joint ventures.
- The **six submarines will be constructed under Project-75 India (P-75I)** and will have both land-attack cruise missiles and air-independent propulsion for greater underwater endurance.

The Future of Rail Report

- The Minister of Railways launched the the **International Energy Agency (IEA's)** Report "**The Future of Rail**".
 - "The Future of Rail" the **first-of-a-kind** report analyses the **current and future importance** of rail around the world through the perspective of its **energy and environmental implications**.
 - This **first ever global report** has a **focus on India**, elaborating on the **unique social and economic role** of rail in India
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