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India Russia Strategic Economic Dialogue

1st ever India-Russia Strategic Economic Dialogue was held at St. Petersburg in Russia to identify greater synergy in trade and investment.

- The decision to hold strategic economic dialogue was taken during the 19th India-Russia Annual Summit held in October 2018 in New Delhi.
- The Indian side was led by NITI Aayog Vice Chairman, while the Russian delegation was headed by Economic Development Minister.
- The Strategic Economic Dialogue focused on five core areas - **Transport Infrastructure, Agriculture and agro-processing sector, Small & Medium Business support, Digital Transformation & Frontier technologies and Industrial & Trade Cooperation.**
- Through the dialogue, India Russia can address a number of issues that hinder India-Russia trade like **connectivity issues, distance, weak banking links, cumbersome regulations on both sides and Russia's restrictive visa regime.**
- The next round of Strategic Economic dialogue will be held in end-July/August 2019 in India.

Areas of Cooperation Discussed

- **Operationalization of INSTC** (International North-South Transport Corridor) route on priority and early organization of its coordination council.
- **Improvement of Inland Waterways in India** through Russian collaboration and setting up of special techno-parks for Russian investments.
- **Addressing market restrictions** and access for both sides on agri-products, textiles, diamonds and establishing a broader dialogue on national currencies.
- Joint action by Public and Private sector in nurturing Small and Medium Enterprises, including information exchange mechanism needed to access credit and market and for learning from best practices and mutual recognition of each others companies.

- On the digital front, **cooperation in Financial Technology, Artificial Intelligence(AI), blockchain system and Quantum computing** were discussed.
- Joint working arrangements and pilot projects in healthcare, Tourism, projects which can be developed for third-country markets, and to invest resources jointly in projects in the far eastern region of the Russian Federation.

Importance of Strategic Economic Dialogue

- India had shared strong ties with the former Soviet Union as which was India's biggest defense and trade partner during the Cold War. Despite having a Special and Privileged Strategic Partnership, India-Russia relation faces a number of challenges.
- The reasons for the downturn in relations:
 - In 2017, the trade between the two countries was around \$ 10 billion. **They account for a meager 1% of each other's total trade volume.**
 - In the wake of the Ukraine crisis in 2013, **Russia's proximity with China increased.**
 - **India's efforts at diversifying its defense procurement** and thus bringing in other partners such as the United States, Israel, and France has also impacted the relations.
 - India's **growing proximity to the United States.**
- As the defense cooperation is decreasing it is necessary for both nations to develop a strong bilateral economic and trade relationship. A weak economic base is a problematic part of India Russia engagement which requires attention for long-term sustenance of the strategic partnership.
- The importance of strategic dialogue is to identify areas where both countries could work together to further improve their trade and economic cooperation.

Way Forward

- A strategic bilateral relationship between major powers cannot be sustained without a strong economic partnership as strong trade relations bring strategic character to the relationship.
- The **good political ties between India and Russia are not reflected in their economic links.** Thus, the institution of Strategic Economic Dialogue is a positive step to address this issue given it leads to substantial changes on the ground.
- Measures like the **International North-South Transport Corridor (INSTC)** can solve the connectivity issue between the two.
- There is a need to expedite the free trade negotiations between India and Russia steered Eurasian Economic Union (EEU). Once finalized, the FTA with EEU aided by INSTC could increase India-Russia trade manifold.

International North-South Transport Corridor

- INSTC is a multi-modal transportation route linking the Indian Ocean and the Persian Gulf to the Caspian Sea via Iran, and onward to northern Europe via St. Petersburg in Russia.
- The INSTC was initiated by Russia, India, and Iran in September 2000 to establish transportation networks among the member states and to enhance connectivity with the landlocked region of Central Asia.

Eurasian Economic Union

- The Eurasian Economic Union **was started in 2015** based on the Customs Union of Russia, Kazakhstan and Belarus.
- The bloc was launched to ensure the free movement of goods, services, capital and workforce within its borders.
- Members: **Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia.**

World AIDS Day

2018 marks the 30th anniversary of World AIDS Day.

- The theme of 2018 World AIDS Day is “**Know your status**”.
- World AIDS Day takes place on the **December 1st, every year**. Initiated by **World Health Organization (WHO)** in 1988, World AIDS Day was the first ever global health day.
- World AIDS Day is an opportunity for people worldwide to unite in the fight against HIV, to show support for people living with HIV, and to commemorate those who have died from an AIDS-related illness.
- WHO advocacy and communication for World AIDS Day 2018 will aim to achieve the following objectives
 - Urge people to know their HIV infection status through testing, and to access HIV prevention, treatment and care services.
 - Urge policy-makers to promote a “health for all” agenda for HIV and related health services, such as tuberculosis (TB), hepatitis and noncommunicable diseases.

National Aids Control Program

- The National AIDS Control Organization, Ministry of Health and Family Welfare launched the first phase of **National AIDS Control Programme in 1992.**

- Over time, the focus has shifted from raising awareness to behavior change, from a national response to a more decentralized response and to increasing involvement of NGOs and networks of Person Living with HIV/AIDS (PLHIV).
- Subsequently, second, third and fourth phases have been launched in 1999, 2007 and 2014 with better implementation and improved strategy.

HIV/AIDS Act, 2017 Implemented

Recently, The Ministry of Health and Family Welfare, enforced the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017 (HIV/AIDS Act, 2017) in force from 10th September 2018.

India's HIV Burden

- With an **HIV prevalence of 0.26% in the adult population**, India has an estimated 2.1 million People living with HIV (2015). **India has third largest number of cases in the world.**
- Bio-behavioural surveys confirm that HIV prevalence is high or 'concentrated' among 'key populations' (KPs) who have unprotected sexual contacts with multiple partners or who engage in injecting drug use.
- These populations include **female sex workers (FSW), men who have sex with men (MSM), hijra/transgender (TG), people who inject drugs (PWID), long-distance truck drivers and migrants.**

National Strategic Plan for HIV/AIDS and Sexually Transmitted Infection (STI) 2017 – 2024

- The National AIDS Control Organization (NACO) has now revised the national approach to reach '**the last mile**' – in order to ensure a more effective, sustained and comprehensive coverage of AIDS related services.
- This approach is being implemented by the NACO through a seven-year National Strategic Plan on HIV/AIDS and STI, 2017-24.
- By 2020, the focus of the national programme will be on achieving the following fast track targets:
 1. **75% reduction** in new HIV infections,
 2. **90-90-90**: 90% of those who are HIV positive in the country know their status, 90% of those who know their status are on treatment and 90% of those who are on treatment experience effective viral load suppression
 3. **Elimination of mother-to-child transmission** of HIV and Syphilis
 4. **Elimination of stigma** and discrimination

By 2024, the further achievements envisaged are:

1. **80% reduction in new HIV infections**
2. Ensuring that 95% of those who are HIV positive in the country know their status, 95% of those who know their status are on treatment and 95% of those who are on treatment experience effective viral load suppression

The HIV

- The Human Immunodeficiency Virus (HIV) **targets the immune system** and results in increased susceptibility to a wide range of infections, cancers and other diseases that people with healthy immune systems can fight off.
- As the virus destroys and impairs the function of immune cells, infected individuals gradually become immunodeficient.
- The **most advanced stage of HIV infection is Acquired Immunodeficiency Syndrome (AIDS)**, which can take from 2 to 15 years to develop depending on the individual.
- HIV infection is diagnosed through **rapid diagnostic tests (RDTs)**, which detect the presence or absence of HIV antibodies.
- There is **no cure for HIV infection**. However, effective antiretroviral (ARV) drugs can control the virus and help prevent transmission so that people with HIV, and those at substantial risk, can enjoy healthy, long and productive lives.
- **Antiretroviral medicines/antiretroviral (ARVs)/antiretroviral therapy (ART)/ HIV treatment:** These are medicines that are used for treating HIV infection. They are highly effective in **suppressing HIV virus** and slowing the progress of HIV disease.

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

- The **Global Fund is a 21st-century partnership organization** designed to accelerate the end of AIDS, tuberculosis and malaria as epidemics.
- Founded in 2002, the Global Fund is a **partnership between governments, civil society, the private sector and people affected by the diseases**.
- The Global Fund raises and invests nearly US\$4 billion a year to support programs run by local experts in countries and communities.
- GFATM play a significant role in India's health sector It contribute a substantial portion of the external development assistance to the health sector.

Project Sunrise

A new initiative called 'Project Sunrise' was launched by Ministry of Health and Family Welfare in 2016, to tackle the **rising HIV prevalence in north-eastern states in India**, especially among people injecting drugs

The Red Ribbon

- The red ribbon is the universal symbol of awareness and support for people living with HIV.
- Wearing a ribbon is a great way to raise awareness on and during the run up to World AIDS Day.

New Campaign to Eliminate Trans Fats by 2022

The Food Safety and Standards Authority of India (FSSAI) launched a **new mass media campaign** to eliminate industrially produced trans fat in the food supply.

“Heart Attack Rewind”, the 30 second public service announcement (PSA) - the first mass media campaign of its kind – will support FSSAI’s global target of **eliminating trans fat in India by the year 2022**, a year ahead of the global target by the World Health Organization (WHO) for complete elimination of trans fat.



[Watch Video At:](#)

<https://youtu.be/X1RKff5dksA>

- The campaign will warn citizens about the health hazards of consuming trans fats and offer strategies to avoid them through healthier alternatives.

- “Heart Attack Rewind” is a **follow-up to an earlier campaign called “Eat Right”**, which was launched in July, 2018. Edible oil industries took a pledge to reduce the levels of **salt, sugar, saturated fat and trans fat** content by 2% by 2022.
Swasth Bharat Yatra, an initiative started **under the “Eat Right”** campaign is a Pan-India cyclothon to engage citizens on issues of food safety, combating food adulteration and healthy diets.

Challenges in Eliminating Trans Fat by 2022

- The FSSAI does not have any **data on compliance to earlier limit of trans fats standards (5%) set by it in 2017**. Moreover, it is still in the process of testing products to see if the industry has adhered to the regulation.
- The industry wants to continue with the 5% limit for the next five years on following grounds:
 - Consumption of trans fats in India is much lower than the world.
 - There is no evidence to show that reduction of trans fats has led to any reduction in cardiovascular diseases.
 - If asked to remove trans fats, the industry would shift to saturated fats which are worse for health.

Way Forward

- There is enough evidence to show that **trans fats reduces good cholesterol, or High Density Lipoprotein and increases bad cholesterol, or Low Density Lipoprotein**. There are also studies from around the world to substantiate that the risk of cardiovascular disease decreases after reduced intake of trans fat.
- Moreover, India is **not the only country** where action is being taken over trans fats. After Denmark removed trans fat from food in 2003, Chile, Norway, Singapore, South Africa and Equador, Austria, Hungary and Latvia have followed suit. Therefore, it's high time Industries comply to regulations and even promote healthier alternatives.

[Read more about Trans Fats](#)

India to Chair Kimberley Process

India will chair the **Kimberley System Certification Scheme (KPCS) which is also known as Kimberley Process (KP)** from **January 2019**.

- India took over the Chairmanship of the Kimberley System Certification Scheme (KPCS) during the KPCS Plenary 2018, which was held in **Belgium in November, 2018**.
- The 4-day Plenary also witnessed discussion on **environmental challenges in diamond mining and industry responsibility**.

- India, during its chairmanship will continue with the tradition and aim to support the artisanal and small-scale mining, capacity building, technical assistance and education on valuation, differentiation between natural and lab grown diamonds, importance of legal and formal mining practices.
- The **next Intersessional session is slated to be held in India** with Botswana and the Russian Federation serving as Vice-Chair during the period of 2019-2020.

Kimberley Process

The Kimberley Process (KP) is a commitment to remove **conflict diamonds** from the global supply chain.

Conflict diamonds, **also known as 'blood' diamonds**, are rough diamonds used by rebel movements or their allies to finance armed conflicts **aimed at undermining legitimate governments**.

- It is an international certification scheme which **came into force in 2003** to regulate trade in rough diamonds. It aims to prevent the flow of conflict diamonds, while helping to protect legitimate trade in rough diamonds.
- The Kimberley Process is **also described in the United Nation Security Council (UNSC) Resolutions**.
- The Kimberley Process Certification Scheme (KPCS) outlines the rules that govern the trade in rough diamonds. The KPCS has developed a set of minimum requirements that each participant must meet.
- The KP is not, strictly speaking, an international organisation: it has **no permanent offices or permanent staff**. It relies on the contributions – under the **principle of 'burden-sharing'** – of participants, supported by industry and civil society observers.
- The Kimberley Process (KP) is a **binding agreement** that imposes extensive requirements through the **national legislations** of its participants.
- **India is the founding member** of Kimberley Process Certification Scheme (KPCS).

Back Series GDP Data

Recently the government has released the Gross Domestic Product (GDP) growth estimates for previous years based on the new method of calculation and base year (2011-12) it had adopted in 2015.

- The government adopted the recommendations of the **United Nations System of National Accounts**, which included measuring the **Gross Value Added (GVA)**, and the use of new data sources wherever available. One of these data sources is the **Ministry of Corporate Affairs MCA-21** database, which became available since 2011-12.

- MCA-21, an e-governance initiative of the Ministry of Corporate Affairs was launched in 2006, to allow firms to electronically file their financial results.
- The new method is statistically more robust as it tries to relate the estimates to more indicators such as consumption, employment, and the performance of enterprises, and also incorporates factors that are more responsive to current changes, unlike the old series that usually took 2-3 years to register an underlying change.

Background

In the new series, the **Central Statistics Office (CSO) did away with GDP at factor cost** and adopted the international practice of **GDP at market price** and the **GVA** measure to better estimate economic activity.

GDP at market price = GDP at factor cost + Indirect Taxes – Subsidies

- Further, the change involved bringing forward of the **base year used for calculations to 2011-12 from the previous 2004-05**.
- Base year revision is normally done once in five years to accommodate and factor in the changes that take place in the economic scenario of the country.
- However, this had led to the problem of not being able to compare recent data with the years preceding 2011-12. So, the back series data released recently provided the earlier years' data using the new calculations.

New Findings

- Trends shown by the official back-data suggest that the old series **under-estimated the impact of the global financial crisis on the Indian economy**. It also over-estimated the rebound from the crisis.
- The **new data** release shows that **GDP growth during 2004 - 2014 averaged 6.7%**, compared with the **8.1% (2004-2009) and 7.46% (2009-2014)**, respectively, estimated using the **older method**.
- In comparison, the **current government** has witnessed an **average GDP growth rate of 7.35%** during the first four years of its term, based on the new method.
- The **new data shows** that, contrary to the earlier perception, the **Indian economy never graduated to a 'high growth' phase of more than 9%** in the last decade or so.
- The newer data, especially for the mining and manufacturing sectors, shows that India did not recover from the global financial crisis 2007-2008 as quickly as initially thought.

Concerns Associated

- The choice of datasets and proxies, especially those datasets that didn't exist before 2011-12 have not been explained. For instance, for years preceding 2006, when the MCA-21 database did not exist, the CSO has used Annual Survey of Industries (ASI) data for estimating manufacturing growth without giving the details about why it was selected over other available datasets.
- The new back series data diverges significantly from the estimates made in a **draft report** released by the **National Statistical Commission** (the autonomous body that helps in collection of data by India's statistical agencies) earlier this year.
- The report showed that growth during 2004-2014 crossed 9% on at least four occasions, and even hit 10.78% in 2010-11. The report pegged the average GDP growth during 2004-2009 at about 8.4% and 2009-2014 at 7.7%.
- However, the government clarified that this was just a draft report that used only one of the many methods in order to estimate the back series, and it was not the final number.
- The **role of the NITI Aayog** in the release of the statistical exercise of CSO, which comes under the Ministry of Statistics and Programme Implementation (MoSPI), has also been questioned.

Gross Value Added (GVA)

- Gross Value Added (GVA) is a measure of total output and income in the economy. It provides the rupee value for the amount of goods and services produced in an economy after deducting the cost of inputs and raw materials that have gone into the production of those goods and services.
- It also gives sector-specific picture like what is the growth in an area, industry or sector of an economy.
- At the macro level, from national accounting perspective, GVA is the sum of a country's GDP and net of subsidies and taxes in the economy.

Gross value added = GDP + subsidies on products - taxes on products

Gross Domestic Product (GDP)

GDP gives the economic output from the consumers' side. It is the sum of private consumption, gross investment in the economy, government investment, government spending and net foreign trade (difference between exports and imports).

GDP = private consumption + gross investment + government investment + government spending + (exports-imports)

Comparison Between GVA and GDP

- While **GVA** gives a picture of the state of economic activity from the **producers' side or supply side**, the **GDP** gives the picture from the **consumers' side or demand perspective**. Both measures need not match because of the difference in treatment of net taxes. This is one of the reasons that in the first quarter of 2015, GDP growth was stronger at 7.5%, while GVA growth was 6.1%.
 - GVA is considered as a better gauge of the economy because a sharp increase in the output, only due to higher tax collections which could be on account of better compliance or coverage, may distort the real output situation.
 - A sector-wise breakdown provided by the GVA measure helps policymakers decide which sectors need incentives or stimulus and accordingly formulate sector-specific policies. But GDP is a key measure when it comes to making cross-country analysis and comparing the incomes of different economies.
-