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India-Qatar

Why in News

Recently, India's External Affairs Minister **met the top leaders of Qatar** and discussed **strengthening the economic and security cooperation** between the two countries.

- The visit is **part of India's ongoing outreach to West Asia**, which the country sees as part of its extended neighbourhood.
- Qatar is a member of the **Gulf Cooperation Council**.



Key Points

- **India and Qatar** agreed to maintain **regular consultations and coordination** on all issues of mutual interest at multilateral fora.
 - Issues of mutual interest include energy, power, petrochemicals, investments, infrastructure, development, project exports and education.
- Discussed ways to strengthen the multifaceted bilateral relationship in areas such as **energy, trade, investment, food processing, healthcare, education, culture, defence and security**.
 - Bilateral trade was worth **USD 10.95 billion in 2019-20**.
- India **thanked** Qatar for **taking care** of people from the **Indian community** during the **Covid-19 pandemic**.
 - India and Qatar have maintained close **high-level contacts** during the pandemic.
- India appreciated **Qatari Businessmen Association's** commitment for business partnerships with India and briefed them about new opportunities flowing from **Atmanirbhar Bharat**.
- Qatar's leader **appreciated the contribution of the Indian community** in Qatar and recalled his visits to India.
- **Recent Developments:**
 - Both the countries have decided to set up a **special task force** to facilitate investments by the **Qatar Investment Authority**, part of India's ongoing outreach to key West Asian states to overcome the economic impact of the **Covid-19 pandemic**.
 - The two sides have agreed on **institutionalising measures to promote and protect the rights of workers**, including settling labour issues and facilitating the movement of people between the two countries in a safe and secure manner.

India-Qatar Relation

- **Economic Relations:**
 - **Trade volume:**
 - The last few years witnessed a palpable **decline in the trade volume** between the two countries due to the **decline in the rates of gas and oil** in the international market.
 - **India** is considered to be the **fourth largest export destination for the State of Qatar**.
 - Both India and Qatar also have a **good relation in the banking sector**.
 - **Exports:**
 - **Qatar's key exports to India** include LNG, LPG, chemicals and petrochemicals, plastics, and aluminium articles.
 - **India's key exports to Qatar** include cereals, copper articles, iron and steel articles, vegetables, plastic products, construction material, textiles & garments, etc.

- **Cooperation in the Field of Energy:**
 - Qatar is the **largest supplier of liquefied natural gas (LNG) to India.**
 - India **imports around 70%** of its needs for the **natural gas from Qatar.**
- **Defence:**
 - India's defence cooperation with Qatar has so far been limited to training, participation in each other's conferences/events and visits by ships of Indian Navy and Coast Guard.
 - **Za'ir-Al-Bahr** (Roar of the Sea) is the **naval exercise** between Indian and Qatar Navy.
- **Cultural Relations:**
 - **Cultural exchange:**

There is a regular flow of Indian artists performing in Qatar at events organised by community organizations affiliated to the **Indian Cultural Centre (ICC).**

ICC is an **apex body of associations of the Indian community** functioning under the aegis of Embassy of India, Doha, and private sponsors.
 - **Yoga:**

India **appreciated** Qatar's support, as a co-sponsor, to its Resolution at the **United Nations General Assembly**, adopted unanimously with a record 177 co-sponsors, declaring **21 June as the International Day of Yoga (IDY).**
 - **Education:**

There are **14 Indian schools in Qatar**, offering CBSE curricula to over 30,000 students, most of whom are the children of Indian nationals working in Qatar.
- **Indian Community:**
 - Indian community is the **largest expatriate group** in Qatar which is estimated to be around **700 million people.**
 - They are making their **contribution in different sectors.** Indians are **highly respected** in Qatar for their **sincerity, hard work, technical expertise and law-abiding nature.**
 - Indians are **employed in almost every local establishment, governmental or private, in various capacities.**
 - **Remittances:**

The remittances which the Indian expatriate community in Qatar send to India are **estimated to be around 750 million dollar per annum.**

Way Forward

- **Qatar** wants to make investment in India in the domain of the infrastructure which includes roads, highways, **economic corridors**, airports, ports, tourism and hotels apart from the projects related to **gas and fertilizers.**

- **India** is looking forward to the direct investment in the **manufacturing and production of the liquefied natural gas** and in **chemical industries**, especially the industry of **fertilizers, urea, petrochemicals**.

Source:IE

Indigenous Vaccine Pneumosil

Why in News

Recently, **India's first fully indigenously developed pneumococcal conjugate vaccine "Pneumosil"** has been launched.

Key Points

- **Developed by: Serum Institute of India (SII)**, through a collaboration with **PATH** and **Bill and Melinda Gates Foundation**.
 - **Serum Institute of India** is a **Pune based world's largest vaccine** manufacturer by number of doses produced and sold globally.
 - **PATH** is an **international, nonprofit global health organization** based in **Seattle (USA)**.
 - The **Bill & Melinda Gates Foundation (BMGF)** is an American private foundation, founded by Bill and Melinda Gates. Based in Seattle, Washington, the primary goals of the foundation are to **enhance healthcare** and **reduce extreme poverty** across the globe, and to expand **educational opportunities** and access to information technology in the USA.
- **Information about the Vaccine:**
 - The vaccine **targets the pneumococcal bacterium**, which causes pneumonia and other serious life-threatening diseases such as meningitis and sepsis, and is estimated to cause nearly four lakh deaths in children under five years of age each year worldwide.
 - It will be **available in the market at an affordable price in single dose and multidose presentations**.
 - While **pneumococcal conjugate vaccines (PCVs)** have helped reduce pneumococcal deaths, they are difficult for many countries to afford.
 - The **unique feature** of the vaccine is its composition, which is **specially tailored** to the **prevailing serotype prevalence of S Pneumoniae in India** and other regions of the world.
 - A serotype or serovar is a **distinct variation within a species of bacteria or virus** or **among immune cells of different individuals**.
 - It was **licensed by the Drugs Controller General (India)** in July 2020.

- **Significance:**

- It is an example of **India's capability in Research & Development & manufacturing high end sophisticated Vaccines.**
Till now, India was **fully dependent on Pneumococcal Conjugate Vaccine (PCV) manufactured by Foreign Manufacturers** which are available at very high prices.
- The vaccine also makes SII the first **developing country vaccine manufacturer** to access the global PCV market.
SII is also the maker of **Covishield**, the Indian version of the **AstraZeneca-Oxford coronavirus vaccine.**

Pneumococcal Disease

- **About the Disease:**

- Pneumococcal disease is a name for **any infection caused by bacteria called *Streptococcus pneumoniae*** or pneumococcus.
 - The bacteria is the most common **cause of bloodstream infections, pneumonia, meningitis, and middle ear infections in young children.**
 - **Pneumonia** is an **infection of the lungs.** Many different bacteria, viruses, and even fungi can cause pneumonia. **Pneumococcus is one of the most common causes of severe pneumonia.**
- Doctors consider some of these infections “**invasive**”.
 - Invasive disease means that **germs invade parts of the body that are normally free from germs.**
 - For example, **pneumococcal bacteria can invade the bloodstream, causing bacteremia,** and the tissues and fluids covering the brain and spinal cord, causing meningitis. When this happens, disease is usually very severe, requiring treatment in a hospital and even causing death in some cases.

- **Disease Burden:**

- Annually India witnesses an estimated **71% of pneumonia deaths** and **57% of severe pneumonia cases.**
- According to the **World Health Organisation (WHO)**, pneumonia accounts for **15% of all deaths of children under 5 years.**

- **Prevention:**
 - **Pneumococcal Conjugate Vaccine (PCV)** prevents pneumococcal disease.
 - The vaccine is a **mix of several bacteria of the pneumococci family**, which are known to cause pneumonia, hence ‘conjugate’ is included in the name of the vaccine.
 - **Conjugate vaccines** are made using a combination of two different components.
 - The Indian government has been ensuring **PCV under Universal Immunisation Programme** (UIP) to fight pneumococcal disease.

Source:TH

India’s First Fully Automated Metro

Why in News

Recently, the Prime Minister has inaugurated the **country’s first fully automated Metro**, (Driverless Metro) on **Delhi Metro’s Magenta Line**.

He also extended the **fully operational National Common Mobility Card** (NCMC) to the Airport Express Line of the **Delhi Metro Rail Corporation** (DMRC).

Key Points

- **Driverless Metro:**
 - With this achievement, DMRC has entered the **elite league of 7% of the world’s Metro networks** where such a facility is available.
 - In **2014, only five cities had Metro** rail and **currently, it is present in 18 cities** and the number of Metro users has also increased manifold.
 - The driverless trains will be **fully automated, eliminating the possibility of human error**.
 - The technology has **different levels or Grades of Automation (GoA)**:
 - In GoA 1, trains are run by one driver.
 - In GoA 2 and GoA 3, the role of the driver is reduced to operating doors and for taking over in case of emergencies and the starting and halting of trains is automated.
 - In GoA 4, trains are set on a completely unattended operations mode.

- **Significance:**
 - It uses a **braking system** in which **50% of the energy goes back into the grid** when the brakes are applied, which will save a considerable amount of energy making it an **energy-efficient system**.
 - In a **boost to Make in India**, various big companies are involved in the manufacturing of Metro coaches and dozens in the manufacture of Metro components.
 - **130 MW of solar power is currently being used** in the operations of Metro rail, which the government **intends to increase to 600 MW**.
 - The **Regional Rapid Transit System (RRTS)** and **Metro Lite models** will **reduce the distance** between major cities and within them.
- **National Common Mobility Card:**
 - It will give **access to all modes of transportation** and will do away with commuters having to wait in long queues for tokens.
 - It **allows users to pay for** travel, toll charges and retail shopping, and permits them to withdraw money at the same time.
 - It will **enable anyone carrying a RuPay-Debit Card issued in any part of the country to travel on the route**.
 - This will not only help provide a common platform for people but will also allow better research data. **Researchers will be able to better assess the travelling patterns of people** and accordingly suggest the best plan for development
- **Other Developmental Works in Delhi:**
 - **Incentivizing electric vehicles (EVs) by giving tax rebates.**
 - The old infrastructure of the capital is being **transformed into environment-friendly infrastructure based on modern technology**.
 - **Provision of better living conditions** to slum dwellers through **regularization of hundreds of colonies**.
 - **Opening up of new tourist destinations** and generation of employment.
 - Work for the new Parliament building under the **Central Vista Redevelopment Project** will not only **give employment to thousands** of people from Delhi but will also **change the face of the city**.

Source: TH

Special Zero Coupon Recapitalisation Bonds

Why in News

Recently, the government has used **financial innovation to recapitalise Punjab & Sind Bank** by issuing the bank **Rs. 5,500 crore** worth **Special Zero Coupon Recapitalisation Bonds**.

Punjab & Sind Bank is a **Government of India undertaking**.

Key Points

- **Bank Recapitalisation:**

- It means **infusing more capital in state-run banks** so that they meet the capital adequacy norms.
 - Indian public sector banks are emphasized to maintain a **Capital Adequacy Ratio (CAR) of 12%**.
 - CAR is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities.
- The government, **using different instruments**, infuses capital into banks facing shortage of capital. As the government is the biggest shareholder in public sector banks, the responsibility of bolstering banks' capital reserves lies with the government.
- The government infuses capital in banks **by either buying new shares or by issuing bonds**.

- **Reason for Recapitalisation:**

In compliance with **Reserve Bank of India (RBI)** guidelines which are based on **Basel norms** requiring banks to maintain certain amounts of capital reserves.

- **Recapitalisation Bonds:**

- The government **issues bonds which are subscribed by banks**. The money collected by the government goes to banks in the form of equity capital as the government increases its share of equity holding, thereby shoring up banks' capital reserves.
- The money invested by banks in recapitalisation bonds is classified as an investment which earns them an interest. This **helps the government in maintaining its fiscal deficit target** as no money directly goes out from its coffers.

- **Special Zero Coupon Recapitalisation Bonds :**
 - These are special types of bonds **issued by the Central government specifically to a particular institution.**
 - **Only those** banks, whosoever is **specified, can invest** in them, **nobody else.**
 - It is **not tradable**, it is **not transferable.** It is **limited** only to a **specific bank**, and it is for a **specified period.**
 - There is **no coupon**, it is zero coupon, it is **issued at par** and will be **paid at the end of the specified period.**
 - **Coupon** is the Interest which the Investor gets on a bond.
 - It is held at the **Held-To-Maturity (HTM)** category of the bank as per the RBI guidelines.
 - **HTM** securities are purchased to be **owned until maturity.**
 - These are instruments which are **a variation of the recapitalisation bonds** but effectively meet the same purpose, and these are **issued in conformity with the RBI guidelines.**
 - **Financial Innovation:** As the issuance of these special bonds will **not affect the fiscal deficit** while at the same time **provide much needed equity capital to the bank.**
- **Difference Between Normal Zero Coupon Bonds and Special Zero Coupon Bonds:**
 - **Zero Coupon Bonds:**
 - **Zero-Coupon Bond**, also known as the **pure discount bond or deep discount bond**, is purchased at a discounted price and **does not pay any coupons or periodic interests to the fundholders.**
 - The **difference** between the **purchase price** of a zero coupon bond and the **par value at the time of maturity**, indicates the **investor's return.**
 - The Zero Coupon bonds **generally** come with a **time horizon of 10 to 15 years.**
 - **Difference: Special Zero Coupon Bonds** are being **issued at par**, there is no interest however **Normal Zero Coupon Bonds** are **issued at discount** therefore they technically are interest bearing.

Bonds

- A bond is a **fixed income instrument** that represents a loan made by an investor to a borrower. In simpler words, a bond acts as a **contract between the investor and the borrower.**
- Mostly Companies and Government issue bonds and Investors buy those bonds as a **savings and security option.**
- These bonds **have a maturity date** and when once that is attained, the issuing company needs to pay back the amount to the investor along with a part of the profit.

Source: IE

New Rule in GST

Why in News

Recently, the **Central Board of Indirect Taxes and Customs** (CBIC) has made it mandatory for **businesses with a monthly turnover of more than Rs. 50 lakh** to pay **at least 1% of their Goods and Services Tax (GST) liability in cash.**

It will be effective from **1st January 2021.**

Key Points

- The new rule **restricts use of Input Tax Credit** (ITC) for discharging GST liability to 99%.
 - The CBIC has booked **about 12,000 cases of ITC fraud** and arrested 365 persons in such cases so far.
 - The move will **curb tax evasion by way of fake invoicing.**
 - ITC is provided to set off tax paid on the purchase of raw materials, consumables, goods or services that were used in the manufacturing of goods or services. This **helps in avoiding double taxation and the cascading effect of taxes.**
- **However, this restriction will not apply in cases:**
 - Where the managing director or any partner has paid more than Rs. 1 lakh as income tax, or
 - The registered person has received a refund amount of more than Rs. 1 lakh in the preceding financial year on account of unutilised input tax credit.
- This comes to **only 0.37% of the total businesses** registered in the GST system.
 - Of the total GST taxpayer base of 1.2 crore, only about 4 lakh have monthly supply value greater than Rs. 50 lakh.
 - Of these, only about 1.5 lakh pay less than 1% of their GST liability in cash and when exclusions in the rule are applied, around 1.05 lakh taxpayers get further excluded.
 - Thus, the rule would **apply only to 40,000 to 45,000 taxpayers.**
- **Criticism:**

It is feared that the mandatory cash payment will **adversely affect small businesses, increase their working capital requirement and make GST a more complex** indirect tax system.

- **Government's Stand:**

- The Department of Revenue has held that these **fears are misplaced** and “**only risky or suspicious dealers and fly-by-night operators**” will be affected by the move.
- Government has arrived at this rule **after detailed deliberations** in the **GST Council's Law Committee** to identify and control only fraudsters involved in fake invoices and input tax credits.

Central Board of Indirect Taxes and Customs

- It is a part of the **Department of Revenue** under the Ministry of Finance.
- The **Central Board of Excise and Customs (CBEC)** was **renamed as the CBIC in 2018** after the roll out of the GST.
- It deals with the tasks of formulation of policy concerning levy and collection of customs, central excise duties, Central GST (CGST) and Integrated GST (IGST).

Source: TH

India to Become Fifth Largest Economy in 2025

Why in News

A recent report published by the **Centre for Economics and Business Research (CBER)** has predicted that India will again overtake the UK to become the **fifth largest economy in 2025** and race to the **third spot by 2030**.

CBER is a **UK based** company that gives **independent economic forecasts** for public and private firms.

Key Points

- **Findings:**
 - The Indian economy will **expand by 9%** in 2021 and **by 7%** in 2022.
 - This growth trajectory will see India become the world's **third largest economy by 2030, overtaking the UK in 2025, Germany in 2027 and Japan in 2030**.
 - **China in 2028 will overtake the USA** to become the **world's biggest economy, five years earlier** than previously estimated due to the contrasting recoveries of the two countries from the **Covid-19 pandemic**.
 - **Japan** would remain the world's **third-biggest economy, until the early 2030s** when it would be overtaken by India, pushing **Germany down from fourth to fifth**.

- **Current Scenario:**

- Previously, **India had overtaken the UK in 2019 to become the fifth largest economy** in the world but has been relegated to **6th spot in 2020**.

The five economies ahead are the **United States, China, Japan, Germany and the United Kingdom** respectively.

- India's economy had been losing momentum **even ahead of the shock delivered** by the **Covid-19** crisis.

The **rate of Gross Domestic Product (GDP) growth sank to** a more than ten-year low of **4.2% in 2019**.

- Slowing growth has been a consequence of a confluence of **factors** including **fragility in the banking system, adjustment to reforms (Demonetisation, GST) and a deceleration of global trade**.
- **GDP in Q2 (April-June) 2020 was 23.9%** below its 2019 level, indicating that nearly a quarter of the country's economic activity was wiped out by the drying up of **global demand** and the **collapse of domestic demand** that accompanied the series of strict **national lockdowns**.

- **Suggestions:**

- The **pace of the economic recovery** will be indistinguishably **linked to the development of the Covid-19 pandemic**, both domestically and internationally.

As the manufacturer of the majority of the world's vaccines and with a 42-year-old vaccination programme (**Universal Immunisation Programme**) that targets 55 million people each year, **India is better placed than many other developing countries to roll out the vaccines successfully** and efficiently next year.

- In the medium to long term, **reforms such as the 2016 demonetisation** and more recently the **controversial efforts to liberalise the agricultural sector** can deliver economic benefits.

However, with the majority of the Indian workforce employed in the agricultural sector, the **reform process requires a delicate and gradual approach** that **balances** the need for **longer-term efficiency gains** with the need to **support incomes in the short-term**.

- The **infrastructure bottlenecks** that exist in India mean that investment in this area has the potential to unlock significant productivity gains.

Therefore, the outlook for the economy going forwards will be closely related to the **government's approach to infrastructure spending**.

Source:TH

'Adopt a Heritage: Apni Dharohar, Apni Pehchaan' Project

Why in News

Recently, a review meeting of the “**Adopt a Heritage: Apni Dharohar, Apni Pehchaan**” project was held.

Key Points

- **Launch:** 27th September, 2017 (**World Tourism Day**).
- **Ministries/Agencies Involved:** It is a collaborative effort by the Ministry of **Tourism**, Ministry of **Culture** and **Archaeological Survey of India (ASI)**, **State/UTs Governments**.
- **Aim:** To **develop tourism amenities** at heritage/ natural/ tourist sites spread across India for making them tourist friendly, in a planned and phased manner.
- **Implementation:**
 - The **sites/monuments** are **selected on the basis of tourist footfall and visibility** and can be **adopted** by private and public sector companies and individuals — known as **Monument Mitras** — for an initial period of **five years**.
 - The **Monument Mitras** are **selected by the ‘oversight and vision committee,’** co-chaired by the Tourism Secretary and the Culture Secretary, on the **basis of the bidder’s ‘vision’ for development of all amenities** at the heritage site.

There is **no financial bid** involved.
 - The **corporate sector** is expected to **use Corporate Social Responsibility (CSR)** funds for the upkeep of the site.
- **Amenities:**
 - **Basic facilities** such as clean drinking water facility; illumination; ease of access; aesthetics and cleanliness of site; installation of digi kiosk and ticketing kiosk; signage - descriptive and directional; Wi-Fi.
 - **Advance amenities** such as Visitor Facility Centre; Sound and Light Show; Snack Counter & Souvenir Shop; Augmented Reality Experience and Virtual Reality (360-degree experience).
- **Benefits to Monument Mitras:**

They will get **limited visibility on the site premises and on the Incredible India website**.
- **Status:**

Under the project, 27 Memorandum of Understandings (MoUs) have been awarded to 12 Monument Mitras for 25 sites and 2 technological interventions across India.

Source: PIB
