



## Dollar-Rupee Swap

**For Prelims:** Dollar-rupee swap auction, liquidity management initiative, inflation, Balance of Payments (BOP) crisis, Marginal Standing Facility (MSF), Standing Deposit Facility (SDF), Monetary Policy.

**For Mains:** Monetary Policy.

### Why in News?

Recently, the [Reserve Bank of India \(RBI\)](#) conducted a [USD 5 billion dollar-rupee swap auction](#) as part of its liquidity management initiative. This move will lead to infusion of dollars and sucking out of the rupee from the financial system.

- This will reduce the pressure on [inflation](#) and **strengthen the rupee**.

PYQ

Q. With reference to Indian economy, demand-pull inflation can be caused/increased by which of the following? (2021)

1. Expansionary policies
2. Fiscal stimulus
3. Inflation-indexing of wages
4. Higher purchasing power
5. Rising interest rates

Select the correct answer using the code given below:

- (a) 1, 2 and 4 only
- (b) 3, 4 and 5 only
- (c) 1, 2, 3 and 5 only
- (d) 1, 2, 3, 4 and 5

Ans: (a)

### What is a Dollar-Rupee Swap auction?

- It's a **forex tool** whereby the **central bank uses its currency to buy another currency** or vice versa.
- **Dollar-Rupee Buy/Sell Swap:** The central bank buys dollars (US dollars or USD) from banks in exchange for Indian Rupees (INR) and immediately gets into an opposite deal with banks promising to sell dollars at a later date.
- **Dollar-Rupee Sell/Buy Swap:** When the central bank sells dollars, it **sucks out an equivalent amount in rupees**, thus reducing the rupee liquidity in the system.

- These swap operations carry **no exchange rate or other market risks** as transaction terms are set in advance.

## What is the RBI Planning to do?

- The RBI **sold USD 5.135 billion to banks and simultaneously agreed to buy back the dollars** at the end of the swap settlement period.
- The intent here is that the central bank acquires dollars from the seller, **charging the lowest premium possible for the two-year tenor.**
- Accordingly, **banks that bid at the lower range of the auction are successful at the auction.**
  - Assuming a dollar rate of Rs 75, the system liquidity will shrink by Rs 37,500 crore.

PYQ

Q. The problem of international liquidity is related to the non-availability of (2015)

- goods and services
- gold and silver
- dollars and other hard currencies
- exportable surplus

Ans: (c)

## Why is RBI resorting to it now?

- Surplus liquidity in the system is pegged at **Rs 7.5 lakh crore**, which needs to be curbed to keep a tab on **inflation.**
- Usually, the central bank will resort to traditional tools such as **increasing the repo rate** or increasing the **Cash Reserve Ratio (CRR)**, but this can have a **negative implication on the economy.**
  - This negative implication can be seen in [incomplete transmission of monetary policy.](#)
- Therefore, the RBI used a different toolkit - [Variable Rate Reverse Repo Auction \(VRRR\)](#) last year.
- However, the recent VRRR auctions were **undersubscribed by banks**, as the cash market offered instant and better yields, forcing the RBI to consider a longer-term liquidity adjustment tool such as forex auctions.

## What's the Impact of the swap?

- **Reducing Liquidity:** The major impact will be that liquidity which currently averages around Rs 7.6 lakh crore will shrink.
- **Checking Depreciation of Indian Rupee:** Dollar inflow into the market will strengthen the rupee which has already hit the 77 level against the US dollar.
- **Containing Inflation:** The RBI normally brings down liquidity in the system when inflation threatens to rise sharply. Inflation is set to rise due to following factors:
  - **Rise in Oil Prices:** With crude oil prices rising sharply in the wake of the [Russia-Ukraine war](#), inflation is set to rise in the coming days.
  - **Outflow of Institutional Investments:** [Foreign portfolio investors](#) have been pulling out funds from India. They have withdrawn Rs 34,000 crore from Indian stocks in March 2022 so far, putting severe pressure on the rupee.

## What is the Liquidity Management Initiative?

- The “liquidity management” of a central bank is defined as the **framework, set of instruments**

**and especially the rules the central bank follows in steering the amount of bank reserves in order to control their price (i.e. short term interest rates) consistently with its ultimate goals (e.g. price stability).**

- Bank reserves are the cash minimums that financial institutions must have on hand in order to meet central bank requirements
- Liquidity Management Initiative is a tool used in monetary policy by the RBI, that allows banks to borrow money through repurchase agreements (repos) or for banks to make loans to the RBI through reverse repo agreements.
- Various Instruments under this framework are:
  - [Repo/reverse repo auction](#)
  - [Marginal Standing Facility \(MSF\)](#)
  - **Forex Swaps**

PYQ

Q. If the RBI decides to adopt an expansionist monetary policy, which of the following would it not do? (2020)

1. Cut and optimize the Statutory Liquidity Ratio
2. Increase the Marginal Standing Facility Rate
3. Cut the Bank Rate and Repo Rate

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

[Source: IE](#)

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## Tapi-Par-Narmada Link Project

**For Prelims:** Tapi-Par-Narmada Link Project, Ken-Betwa.

**For Mains:** Inter-Linking of Rivers Programme and related challenges, Water Resources.

### Why in News?

Recently, some tribals have **intensified their protest against the Par-Tapi-Narmada river linking project** after it was mentioned in the [budget speech \(2022-23\)](#) of the finance minister.

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## What is the Background?

- These projects had been **sanctioned in 2010**, when a **tripartite agreement** was signed between the Union government, Gujarat and Maharashtra.
- The Finance Minister in her **Budget Speech** said that **five river linking projects will be taken up** after consensus among states.
  - The projects are **Damanganga-Pinjal, Par-Tapi-Narmada, Godavari-Krishna, Krishna-Pennar and Pennar-Cauveri**.
  - The **Ken-Betwa** is the first project under the government's **National Perspective Plan for river inter-linking**.
    - The **National River Linking Project (NRLP)** formally known as the National Perspective Plan, envisages the transfer of water from water 'surplus' basins where there is flooding, to water 'deficit' basins where there is drought/scarcity, through inter-basin water transfer projects.

## What is the Par-Tapi-Narmada River Linking Project?

- Par Tapi Narmada Link proposes to **transfer water from the water surplus regions of Western Ghats to the water deficit regions of Saurashtra and Kutch (Gujarat)**.
- The link project includes seven reservoirs **proposed in north Maharashtra and south Gujarat**.
- The water from the **seven proposed reservoirs would be taken through a 395 km long canal** to take over a part of the command of the on-going SardarSarovar Project (on Narmada), while irrigating small enroute areas.
  - The **seven dams proposed in the scheme** are Jheri, Mohankavchali, Paikhed, Chasmandva, Chikkar, Dabdar and Kelwan.
- This would save **SardarSarovar water** which will be used to extend irrigation in Saurashtra and Kutch region.

- The link mainly **envisages construction of seven dams, three diversion weirs, two tunnels,** 395 km long canal, 6 power houses and a number of cross-drainage works.

### What will be the Benefits of the Project?

- Besides providing **irrigation benefits to the enroute command** and Narmada command, the link will **generate hydropower** of the order of 93.00 Mkw through the power houses installed at four dam sites.
- The reservoirs will **also provide flood relief to the people** residing in downstream areas.

### What do we know about Narmada River?

- Narmada is the **largest west flowing river of the peninsular region** flowing through a rift valley between the Vindhya Range on the north and the Satpura Range on the south.
- It rises from **Maikala range near Amarkantak** in Madhya Pradesh.
- It drains a **large area in Madhya Pradesh** besides some areas in the states of Maharashtra and Gujarat.
- The river near **Jabalpur (Madhya Pradesh)** forms the Dhuandhar Falls.
- There are several islands in the estuary of the Narmada of which Aliabet is the largest.
- **Major Tributaries:** Hiran, Orsang, the Barna and the Kolar.
- The major Hydro Power Projects in the basin are Indira Sagar, Sardar Sarovar etc.

### What do we know about the Tapi River?

- Another important westward flowing river **originates from the Betul district of Madhya Pradesh in the Satpura ranges.**
- It flows in a rift valley parallel to the Narmada but is much shorter in length.
- Its **basin covers parts of Madhya Pradesh, Gujarat and Maharashtra.**

What do we know about the Par River?

- Par River is **a river in Gujarat with its source near wadpada village in Nashik Maharashtra.**
- It flows **into the Arabian Sea.**

PYQ

Recently, linking of which of the following rivers was undertaken? (2016)

- (a) Cauvery and Tungabhadra
- (b) Godavari and Krishna
- (c) Mahanadi and Sone
- (d) Narmada and Tapti

Ans: (b)

### What is the Inter-Linking of Rivers Programme?

- **Aim:**
  - The **InterLinking of Rivers programme (ILR) programme** is aimed at linking different surplus rivers of the country with deficient rivers so that the excess water from surplus

regions could be diverted to deficient regions.

- **Need:**
  - **Reducing Regional Imbalance:** India **depends on monsoon rains** that are erratic as well as regionally imbalanced. Interlinking of rivers will **reduce the amount of surplus rain and river water** which flows into the sea.
  - **Irrigation for Agriculture:** Interlinking can **provide a solution to the rain-fed irrigation problems** of Indian agriculture through the transfer of surplus water to deficit regions.
  - **Reducing Water Distress:** This can **help in mitigating the effect of [drought](#) and [floods](#)** to a certain extent.
  - **Other Benefits:** Hydropower generation, Round the year navigation, Employment generation, Ecological benefits as dried up forests and lands will be replenished.
- **Challenges:**
  - **Environmental Costs:** The project threatens to obstruct the natural ecology of rivers.
  - **Climate Change:** In interlinking systems, it is assumed that the donor basin has surplus water that can be made available to the recipient basin.
    - The whole concept goes for a toss if this basic assumption goes haywire for any system due to climate change.
  - **Economic Costs:** It is estimated that river interlinking will be a huge fiscal burden on the Government.
  - **Socio-Economic Impact:** It is estimated that the network of canals extending to about 15000 km would displace about 5.5 million people, mostly tribals and farmers.

## Way Forward

- India needs to **conserve every drop of water, reduce wastage, equitable distribution of resources** and at the same time enhance groundwater. So the small scale simple things have to be tried.
- **Local solutions (like better irrigation practice) and watershed management**, should be focused on.
- The government should alternatively consider the **National Waterways Project (NWP)** which “eliminates” friction between states over the sharing of river waters since it uses only the excess flood water that goes into the sea unexploited.

PYQ

The Narmada river flows to the west, while most other large peninsular rivers flow to the east. Why? (2013)

1. It occupies a linear rift valley.
2. It flows between the Vindhyas and the Satpuras.
3. The land slopes to the west from Central India.

Select the correct answer using the codes given below:

- (a) 1 only
- (b) 2 and 3
- (c) 1 and 3
- (d) None

Ans: (a)

**[Source: IE](#)**

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# Strengthening of Pharmaceutical Industry Scheme

**For Prelims:** Strengthening of Pharmaceutical Industry Scheme, Active Pharmaceutical Ingredients.

**For Mains:** Indian pharmaceutical industry, health, government policies and interventions

## Why in News?

Recently, the **Ministry of Chemicals and Fertilizers has released the guidelines for the scheme "Strengthening of Pharmaceutical Industry (SPI)",** with a total financial outlay of Rs.500 Cr for the period from FY 21-22 to FY 25-26.

## What are the Key Points?

### ▪ About:

- Under the Scheme, **financial assistance to pharma clusters will be provided for creation of Common Facilities.**
- In order to upgrade the production facilities of SMEs and **MSMEs (Micro, Small and Medium Enterprises)** so as to meet national and international regulatory standards (World Health Organization-Good Manufacturing Practice (WHO-GMP) or Schedule-M), **interest subvention or capital subsidy on their capital loans will be provided,** which will further facilitate the growth in volumes as well as in quality.
  - WHO-GMP is the **aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards** appropriate to their intended use and as required by the product specification.
  - **Schedule M of drugs and cosmetics rules** define the GMP requirements for the pharmaceutical industry in India.

### ▪ Components:

- **Assistance to Pharmaceutical Industry for Common Facilities (APICF),** to strengthen the existing pharmaceutical clusters' capacity for their sustained growth by creating common facilities.
  - Under this, support for clusters for creation of common facilities with the focus on R&D (Research and Development) Labs, Testing Laboratories, Effluent Treatment Plants, Logistic Centers and Training Centres in this order of priority with an outlay of 178 Cr is proposed.
- **Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)** to facilitate Micro, Small and Medium Pharma Enterprises (MSMEs) of proven track record to meet national and international regulatory standards.
  - Under the PTUAS sub-scheme, support for SME Industries is proposed, either through up to a maximum of 5% per annum (6% in case of units owned and managed by SC/STs) of interest subvention or through Credit linked Capital subsidy of 10%.
  - An outlay of 300 Cr has been earmarked for sub scheme for the scheme period of five years.
- **Pharmaceutical & Medical Devices Promotion and Development Scheme (PMPDS)** to facilitate growth and development of Pharmaceutical and Medical Devices Sectors through study/survey reports, awareness programs, creation of databases, and promotion of industry.
  - Under the PMPDS sub-scheme, knowledge and awareness about the Pharmaceutical and MedTech Industry will be promoted.

## What is the Significance?

- It will strengthen the existing infrastructure facilities and will make India a global leader in the Pharma Sector.
- This will not only improve the quality but also ensure the sustainable growth of clusters.
- The scheme will address the rising demand in terms of support required to existing Pharma clusters and MSMEs across the country to improve their productivity, quality and sustainability.

## What are the Schemes Related to the Pharma Sector?

- **Promotion of Bulk Drug Parks Scheme:**
  - The government aims to develop 3 mega Bulk Drug parks in India in partnership with States to **reduce manufacturing cost of bulk drugs in the country and dependency on other countries** for bulk drugs.
  - The scheme will also help in providing continuous supply of drugs and ensure delivery of affordable healthcare to the citizens.
- **Production Linked Incentive (PLI) Scheme:**
  - The PLI scheme aims **to promote domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in the country.**

[Source: PIB](#)

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## E-procurement of Crops

**For Prelims:** Meri Fasal-Mera Byora e-procurement, Minimum Support Price (MSP), e-NAM portal, Food Corporation of India, Commission of Agricultural Costs and Prices (CACPC), APMC.

**For Mains:** Agricultural Marketing, Role of Technology in Agriculture

## Why in News?

The **Haryana government** has launched the **Meri Fasal-Mera Byora e-procurement portal**. Due to this portal, Haryana has become the **first state in India where as many as 14 crops** are procured at the **Minimum Support Price (MSP)**.

- These crops include **wheat, mustard, barley, gram, paddy, maize, bajra, cotton, sunflower, moong, groundnut, tur, urad and sesame.**
- The portal is the testimony of increasingly adopting digital governance, as a means to improve farming and ensure enhanced income for farmers.

PYQ

Q. Consider the following statements: (2020)

1. In the case of all cereals, pulses and oil-seeds, the procurement at Minimum Support Price (MSP) is unlimited in any State/UT of India.



2. In the case of cereals and pulses, the MSP is fixed in any State/UT at a level to which the market price will never rise.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

## What are the Key Points of Portal?

- The portal was started in the wake of the [Covid-19 pandemic](#).
- In less than two years, 8.71 lakh or more than 80% of the total farmers in the state, registered on the portal in the rabi season.
- The portal seeks to provide an online sale facility, 81 mandis of the state have been linked with the [e-NAM \(electronic national agriculture market\) portal](#).
  - The eNAM platform offers a pan-India electronic trading portal that networks the existing [APMC \(Agricultural Produce Market Commodities\)](#) mandis to create a unified national market for agricultural commodities.

## How are crops procured?

- **Objective:** The Government policy of **procurement of Foodgrains** has broad objectives of ensuring MSP to the farmers and availability of food grains to the weaker sections at affordable prices.
  - It also ensures effective market intervention thereby keeping the prices under check and also adding to the overall food security of the country.
  - The procurement under **Price Support** is taken up mainly to ensure **remunerative prices to the farmers** for their produce which works as an incentive for achieving better production.
- **Nodal Agency:** [Food Corporation of India](#), the nodal central agency of the Government of India, along with other State Agencies undertakes procurement of wheat and paddy under a price support scheme.
  - Coarse grains are **procured by State Government Agencies** for Central Pool as per the direction issued by the Government of India from time to time.
- **Role of CACP:** Before the harvest during each Rabi / Kharif Crop season, the Government of India announces the **Minimum Support Prices (MSP)** for procurement on the basis of the recommendation of the [Commission of Agricultural Costs and Prices \(CACP\)](#).
- **Role of State Governments:** To facilitate procurement of food grains, FCI and various State Agencies in consultation with the State Government establish a large number of purchase centers at various mandis.

PYQ

Q. Which of the following factors/policies were affecting the price of rice in India in the recent past? (2020)

1. Minimum Support Price
2. Government's trading
3. Government's stockpiling
4. Consumer subsidies

Select the correct answer using the code given below:

- (a) 1, 2 and 4 only
- (b) 1, 3 and 4 only
- (c) 2 and 3 only
- (d) 1, 2, 3 and 4

Ans: (d)

## How e-Mandi Will Help Farmers?

- **Monopoly of Middlemen:** With the existing infrastructure, the agricultural produce **only reaches the nearest Agri market** that is under the jurisdiction of the **APMC (Agricultural Produce Market Commodities)**.
  - After incurring the cost of traveling, packing, and sorting the produce, farmers arrive at the local mandis and wait to sell the perishable items.
  - Farmers have to rely on local agents for the sorting, grading, and other essential agriculture processes, thus relying heavily on middlemen who are not always trustworthy or honest.
- **Detrimental to Farmers' Interest:** This undeclared monopoly that seems to exist is staggering the growth of goods and the free flow of the agricultural value chain and is also unjust to the local farmers and their livelihood.

PYQ

Q. What is/are the advantage/advantages of implementing the 'National Agriculture Market' scheme? (2017)

1. It is a pan-India electronic trading portal for agricultural commodities.
2. It provides the farmers access to nationwide market, with prices commensurate with the quality of their produce.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (c)

## How Technology Can Help Agriculture?

- **Deployment of Modern Technology:** With the introduction of modern technology and digital machinery using techniques like **artificial intelligence, blockchain, machine learning, climate-smart advisory, geo-tagging, and the internet of things**, the agricultural sector has seen a substantial spike in the number of investors over the past few years.
  - Recently, the Prime Minister has flagged off **100 Kisan drones** in different cities and towns of India to spray pesticides in farms across India.
- **Benefits to Farmers:** Digital mandis are enabling farmers to **directly negotiate with wholesale traders and other local traders**, putting an **end to the middlemen** involved in the process who hamper their movement and freedom of choosing crop type, variety, and price point.

PYQ

Q. The Fair and Remunerative Price (FRP) of sugarcane is approved by the (2015)

- (a) Cabinet Committee on Economic Affairs
- (b) Commission for Agricultural Costs and Prices
- (c) Directorate of Marketing and Inspection, Ministry of Agriculture
- (d) Agricultural Produce Market Committee

Ans: (a)

[Source: IE](#)

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## Amendment to the Mines and Minerals Act 1957

**For Prelims:** Mines and Minerals Act 1957, Coal in India.

**For Mains:** Significance of Amendment MMDR Act.

### Why in News?

Recently, the Union Cabinet has approved a **proposal to amend the Second Schedule to the [MMDR \(Mines and Minerals Development and Regulation\) Act](#) to specify the royalty rates of certain minerals**, including potash, emerald and platinum group of metals.

- **MMDR Act, 1957** regulates the mining sector in India and specifies the requirement for obtaining and granting mining leases for mining operations.

### What is the Background?

- The Act was **amended in 2015** to usher in new regime of granting mineral concessions through auction **to ensure transparency and non-discrimination in allocation of mineral wealth** of the country.
- To give further impetus to the mineral sector, the **Act has been further amended in 2021**. Under the reforms, the Government has given **a major boost to auction of mineral blocks, increasing production, improving ease of doing business** in the country and increasing the contribution of mineral production to **Gross Domestic Product (GDP)**.
  - The reforms made are in the provisions related to statutory requirements, removal of end-use restrictions for captive mines and the division between captive and non-captive mines, transfer by auction of mineral-concessions, National Mineral Exploration Trust (NMET), National Mineral Index(NMI), the inclusion of private sector, and so on.
- The Ministry of Mines **has also taken steps to increase exploration of minerals**, which has led to the availability of more blocks for auction.
  - Exploration activities have increased **not only for traditional minerals** such as iron ore, bauxite, limestone but **also for deep-seated minerals, fertilizer minerals, critical minerals** and minerals which are imported.
  - In the last 4-5 years, central agencies such as the Geological Survey of India and Mineral Exploration Corporation Ltd have carried out exploration and handed the reports to the states.

PYQ

Consider the following minerals: (2020)

1. Bentonite
2. Chromite
3. Kyanite
4. Sillimanite

In India, which of the above is/are officially designated as major minerals?

- (a) 1 and 2 only
- (b) 4 only
- (c) 1 and 3 only
- (d) 2, 3 and 4 only

Ans: (d)

### What are Mineral Concessions?

- There are **three kinds** of mineral concessions, viz Reconnaissance Permit (RP), Prospecting License (PL) and Mining Lease (ML).
- **RP** is granted for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping.
- **PL** is granted for undertaking operations for the purpose of exploring, locating or proving mineral deposit.
- **ML** is granted for undertaking operations for winning any mineral.

PYQ

With reference to the mineral resources of India, consider the following pairs: (2010)

Mineral                      90% Natural sources in

1. Copper :        Jharkhand
2. Nickel :        Orissa
3. Tungsten :     Kerala

Which of the pairs given above is/are correctly matched?

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

### What are the Key Points related to Approval?

- The approval would **ensure auction of mineral blocks in respect of Glauconite, Potash, Emerald, Platinum Group of Metals, Andalusite and Molybdenum** thereby reducing **import of these minerals saving valuable [forex reserves](#)**.
  - Glauconite and Potash are used as fertilizer in agriculture. Platinum group of metals and Andalusite and Molybdenum are high-value minerals used across industries.
- The Ministry of Mines has proposed **reasonable rates of royalty** in order to encourage better participation in the auction of mines.
  - A royalty is a fee that is imposed by local, state or federal governments on either the amount of minerals produced at a mine or the revenue or profit generated by the minerals sold from a mine
- The Ministry of Mines will **provide a methodology for the calculation of Average Sale Price (ASP) of these minerals** required for enabling the auction of these mineral blocks.
- The rate of royalty for Andalusite, Sillimanite and Kyanite which are **mineral polymorphs** are kept at the same level.
  - Polymorphs are minerals with the same chemical composition but different crystal structures.
- The approval will help **generate empowerment opportunities in the mining sector as well as the manufacturing sector** which will further help in ensuring inclusive growth of a large section of the society.
  - The approval would ensure **auction of mineral blocks in respect of Glauconite, Potash, Emerald, Platinum Group of metals, Andalusite and Molybdenum for the first time** in the country.

PYQ

What is/are the purpose/purposes of 'District Mineral Foundations' in India? (2016)

1. Promoting mineral exploration activities in mineral-rich districts
2. Protecting the interests of the persons affected by mining operations
3. Authorizing State Governments to issue licences for mineral exploration

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

## How are Minerals regulated in India?

- **Ownership of Mineral:**
  - The State Governments are the owners of minerals located within the boundary of the State concerned.
    - District Mineral Foundations are statutory bodies in India established by the State Governments by notification. They derive their legal status from Mines and Minerals (Development and Regulation) Act, 1957
    - The objective of District Mineral Foundation is to work for the interest of the benefit of the persons and areas affected mining related operations in such manner as may be prescribed by the State Government.
  - The Central Government is the owner of the minerals underlying the ocean within the territorial waters or the **Exclusive Economic Zone** of India.
    - **International Seabed Authority (ISA)** is the organization through which States Parties to **UNCLOS** organize and control all mineral-resources-related activities in

the Area for the benefit of mankind as a whole.

▪ **Granting Mineral Concessions:**

- The State Governments grant mineral concessions for all the minerals located within the boundary of the State, under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960.
- However, for **minerals specified in the First Schedule** to the Mines and Minerals (Development and Regulation) Act, 1957 **approval of the Central Government is necessary. Schedule I** contains minerals such as coal and lignite, minerals of the “rare earths” group containing Uranium and Thorium.
- Also, the **Central Government notifies certain minerals as ‘minor’ minerals** from time to time for which the absolute powers for deciding on procedures of seeking applications for and **granting mineral concessions**, fixing rates of royalty, dead rent, and power to revise orders rest only with the **State Government**.
  - **Example of minor minerals include** building stones, gravel, ordinary clay, ordinary sand.

[Source: PIB](#)

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## India and Canada to re-launch the Comprehensive Economic Partnership Agreement

**For Prelims:** Interim Trade Agreement, Free Trade Agreement.

**For Mains:** Significance of India-Canada Free Trade Agreement.

### Why in News?

Recently, India and Canada held the fifth Ministerial Dialogue on Trade & Investment (MDTI), where Ministers agreed to **formally re-launch the negotiations for India-Canada Comprehensive Economic Partnership Agreement (CEPA)** and also consider an Interim Agreement or Early Progress Trade Agreement (EPTA) that could bring early commercial gains to both the countries.

- Earlier, India and Australia announced that they are set to conclude an [Interim Trade Agreement in March 2022](#) and a [Comprehensive Economic Cooperation Agreement \(CECA\)](#) 12-18 months thereafter.



## What are the Key Points?

- The Interim Agreement would include high level commitments in goods, services, rules of origin, sanitary and [phytosanitary measures](#), technical barriers to trade, and dispute settlement, and may also cover any other areas mutually agreed upon.
- The two sides emphasized cooperation in sectors such as pharmaceuticals and critical and [rare earth minerals](#) as well as in areas like tourism, urban infrastructure, renewable energy, and mining.
- Both countries **agreed to undertake intensified work with respect to the recognition of Canada's systems approach to pest risk management** in pulses and market access for Indian agriculture goods such as sweet corn, baby corn and banana etc.
- Canada also agreed to examine expeditiously the request for Conformity Verification Body (CVB) status to [APEDA \(Agricultural and Processed Food Products Export Development Authority\)](#) for facilitating Indian organic export products.
  - A CVB is an organisation that has an agreement with the Canadian Food Inspection Agency under subsection 14(1) of the Canadian Food Inspection Agency Act to assess, recommend for accreditation and monitor certification bodies.
- The Ministers acknowledged the significance of **establishing resilient supply chains** in critical sectors and exchanged views on collaboration in this area.

## What is an Interim Trade Agreement?

- An interim or early harvest trade agreement is used to **liberalize tariffs on the trade of certain goods** between two countries or trading blocs before a **comprehensive FTA (Free Trade Agreement)** is concluded.
- Government's emphasis on **interim agreements may be tactical so that a deal may be achieved with minimum commitments** and would allow for contentious issues to be resolved later.
- The problem, though, is that these **early harvest schemes potentially target the low-**



hanging fruits, leaving the tougher goods and services for later.

- Early harvest agreements that do not graduate into full-scale FTAs are exposed to legal challenges from other countries that are members of the [World Trade Organisation \(WTO\)](#).
- It is often beneficial to **negotiate the entire deal together, as an early harvest deal may reduce the incentive** for one side to work towards a full FTA.

## What is CEPA?

- It is a kind of **free trade pact** which covers negotiation on the trade in services and investment, and other areas of economic partnership.
- It may even consider negotiation on areas such as trade facilitation and customs cooperation, competition, and Intellectual Property Rights.
- Partnership agreements or cooperation agreements are **more comprehensive than Free Trade Agreements**.
- CEPA also looks into the regulatory aspect of trade and encompasses an agreement covering the regulatory issues.
- India **has signed CEPAs with South Korea and Japan**.

## What is India's Current Trade Relation with Canada?

- India is Canada's **11<sup>th</sup> largest export market**, and 12<sup>th</sup> largest trading partner overall.
  - India's exports to Canada stood at USD 2.9 billion in 2020-21 as against USD 2.85 billion in 2019-20. Imports in 2020-21 were USD 2.68 billion as against USD 3.9 billion in 2019-20.
- Canada's commercial priorities in India are **targeted at India's policy objectives and sectors where Canada has a comparative advantage. These priorities include:**
  - Supporting India's energy security ambitions **through increased exports of conventional and nuclear energy** as well as clean and renewable energy technology,
  - **Helping India meet its substantial urban and transportation infrastructure** needs through provision of financing, equipment, technology and engineering services,
  - Enhanced **education and skills training** through greater collaboration between Canadian and Indian educational and technical skills institutions,
  - Commercial research and development to drive innovation in such sectors as information and communications technologies,
  - Increased exports of food products and fertilizers **to support India's food security needs**.

[Source: PIB](#)

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## Missile Misfires

### Why in News?

Recently, **India acknowledged** that "technical malfunction led to the **accidental firing of a missile**" which landed 124 km inside Pakistan's territory.

- It was speculated that it was a test of one of India's top missiles, [BrahMos](#), jointly developed with Russia.

### What are the Provisions for Testing Missiles?

- Under the pre-notification of flight testing of **ballistic missiles agreement signed in 2005**, each country **must provide the other an advance notification on the flight test** it intends to take



for any land or sea launched, **surface-to-surface ballistic missile**.

- Before the test, the country must issue **Notice to Air Missions (NOTAM) or Navigational Warning (NAVAREA)** to alert aviation pilots and seafarers, respectively.
- Also, the **testing country must ensure that the launch site is not within 40 km**, and the planned impact area is not within **75 km of either the International Boundary (IB) or the [Line of Control \(LoC\)](#)**.
  - The planned trajectory **should not cross the IB or the LoC** and **must maintain a horizontal distance** of at least 40 km from the border.
- The **testing country must notify the other nation “no less than three days** in advance of the commencement of a five day launch window within which it intends to undertake flight tests of any land or sea launched, surface-to-surface ballistic missile”.
- The pre-notification has to be **“conveyed through the respective Foreign Offices and the High Commissions”**.

PYQ

In the context of Indian defence, consider the following statements: (2009)

1. The Shourya missile flies with a speed of more than 8 Mach.
2. The range of Shourya missile is more than 1600 km.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

### **What is Notice to Air Missions ( NOTAMs )?**

- A NOTAM is a **notice containing information essential to personnel concerned** with flight operations but not known far enough in advance to be publicized by other means.

### **What is a Navigational Warning Service (WWNWS)?**

- The World Wide Navigational Warning Service (WWNWS) was **established in 1977 for the promulgation of information** on worldwide hazards to navigation for international shipping.
- Navigational warnings **provide early information of important incidents** which may constitute a danger to navigation.
- Many navigational warnings are of a **temporary nature, but others remain in force for several weeks** and may be succeeded by Notice to Mariners (NMs).

PYQ

In the context of the Indian defence, what is 'Dhruv'? (2008)

- (a) Aircraft-carrying warship
- (b) Missile-carrying submarine
- (c) Advanced light helicopter
- (d) Intercontinental ballistic missile

Ans: (c)

## What is Brahmos Missile?

- BrahMos is a joint venture between the [Defence Research and Development Organisation of India \(DRDO\)](#) and the NPOM of Russia.
  - BrahMos is named on the rivers **Brahmaputra and Moskva**.
- It is a **two-stage** (solid propellant engine in the first stage and liquid ramjet in second) missile.
- It is a **multiplatform missile** i.e it can be launched from land, air, and sea and multi capability missile with pinpoint accuracy that works in both day and night irrespective of the weather conditions.
- It operates on the "**Fire and Forgets**" principle i.e it does not require further guidance after launch.
- Brahmos is one of the **fastest cruise missile** currently operationally deployed with speed of Mach 2.8, which is nearly 3 times more than the speed of sound.

PYQ

With reference to Agni-IV Missile, which of the following statements is/are correct? (2014)

1. It is a surface-to-surface missile.
2. It is fuelled by liquid propellant only.
3. It can deliver one-tonne nuclear warheads about 7500 km away.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (a)

[Source: IE](#)

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## National Youth Parliament Festival 2022

### Why in News?

Recently, the **3<sup>rd</sup> edition of National Youth Parliament Festival (NYPF)** -2022 was conducted in the Central Hall of Parliament in New Delhi.

- **National Youth Parliament** is an innovative programme to equip youth with the understanding of parliamentary procedures and democratic processes.

## What is the National Youth Parliament Festival?

- **Background:** NYPF is based on the idea given by the Prime Minister in his Mann Ki Baat Address in 2017.
- **Objective:** To hear the voice of youth in this **age bracket of 18-25** who are allowed to vote but cannot contest in elections.
  - To encourage the youth to engage with public issues, understand the common man's point of view, form their opinion and express these in an articulate manner.
- **Previous NYPF:** The 1<sup>st</sup> edition of NYPF was organised in 2019, with the theme "Be the Voice of New India and Find solutions and Contribute to Policy".
  - The 2<sup>nd</sup> edition of NYPF was organized in 2020, with the theme "YUVAAH- Utsah Naye Bharat Ka".
- **Salient features:**
  - All recognised educational institutions of the country are eligible to participate in this programme.
  - **Kishore Sabha** for the students of Class IX to XII .
  - **Tarun Sabha** for the students of Under Graduate/ Post Graduate level.
  - The registration for participation will be done by the education institutions through the web-portal.
  - To ensure effective implementation of the scheme, the participating institutions **may invite an MP/ex-MP/ MINA/ Ex-MLA/ MLC/ Ex-MLC** or a Person of eminence as the Chief Guest who would oversee the performance of the Youth Parliament sitting of the institution.
- **Organized by:** Ministry of Youth Affairs and Sports.

**[Source: PIB](#)**

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