



Red Sea and Panama Canal

For Prelims: [Red Sea trade route](#), Panama Canal, [Cape of Good Hope](#), [Houthi rebels](#), [Suez Canal](#), [Ben Gurion Canal Project](#), MV Chem Pluto.

For Mains: Key Issues in the Red Sea and Panama Canal, Significance of Maritime Transport in Global Trade.

Source: [IE](#)

Why in News?

Recent attacks on ships in the [Red Sea trade route](#) and the ongoing drought problem at the **Panama Canal** have raised worries about global trade disruptions.

What are the Key Issues in the Red Sea and Panama Canal Presently?

▪ Red Sea:

- **Issue: Chemical tanker MV Chem Pluto** was struck by a drone attack, approximately 200 nautical miles off Gujarat's coast.
 - **MV Chem Pluto** is a Liberia-flagged, Japanese-owned, and Netherlands-operated chemical tanker. It had started its journey carrying crude from **Al Jubail, Saudi Arabia** and was expected to arrive in **New Mangalore, India**.
- **Alleged Involved Entity:** It is believed to have been carried out by [Houthi rebels based in Yemen](#), citing protest against **Israel's actions in Gaza**.
 - Houthi rebels are also engaged in a **decade-long civil conflict with Yemen's government**.
- **Impact on India:** Concerns arise for Indian **oil importers** and **exporters of key commodities like basmati and tea** due to disruptions in this critical trade route.
 - Disruption in the Red Sea route could **increase Indian agricultural product prices by 10-20%** as shipments reroute through the [Cape of Good Hope](#).

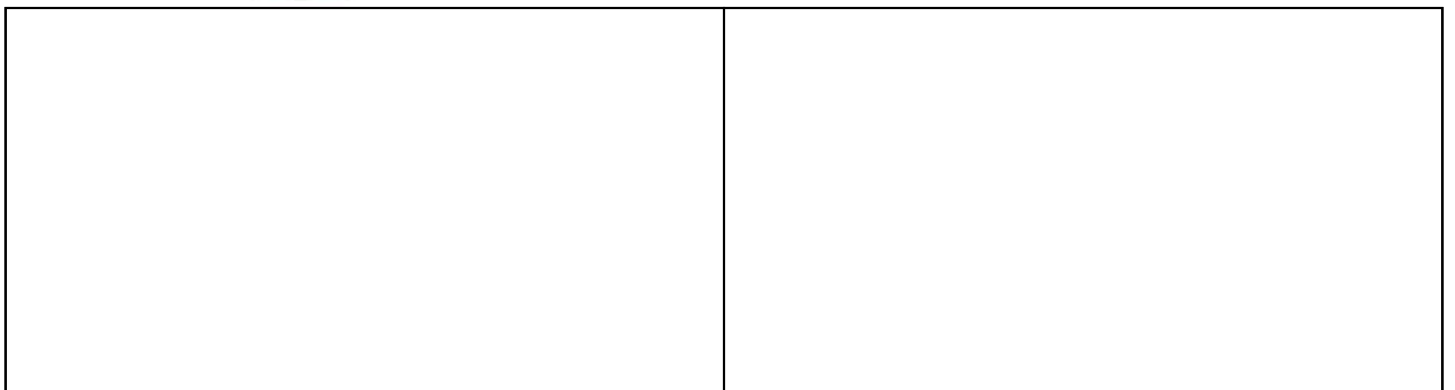
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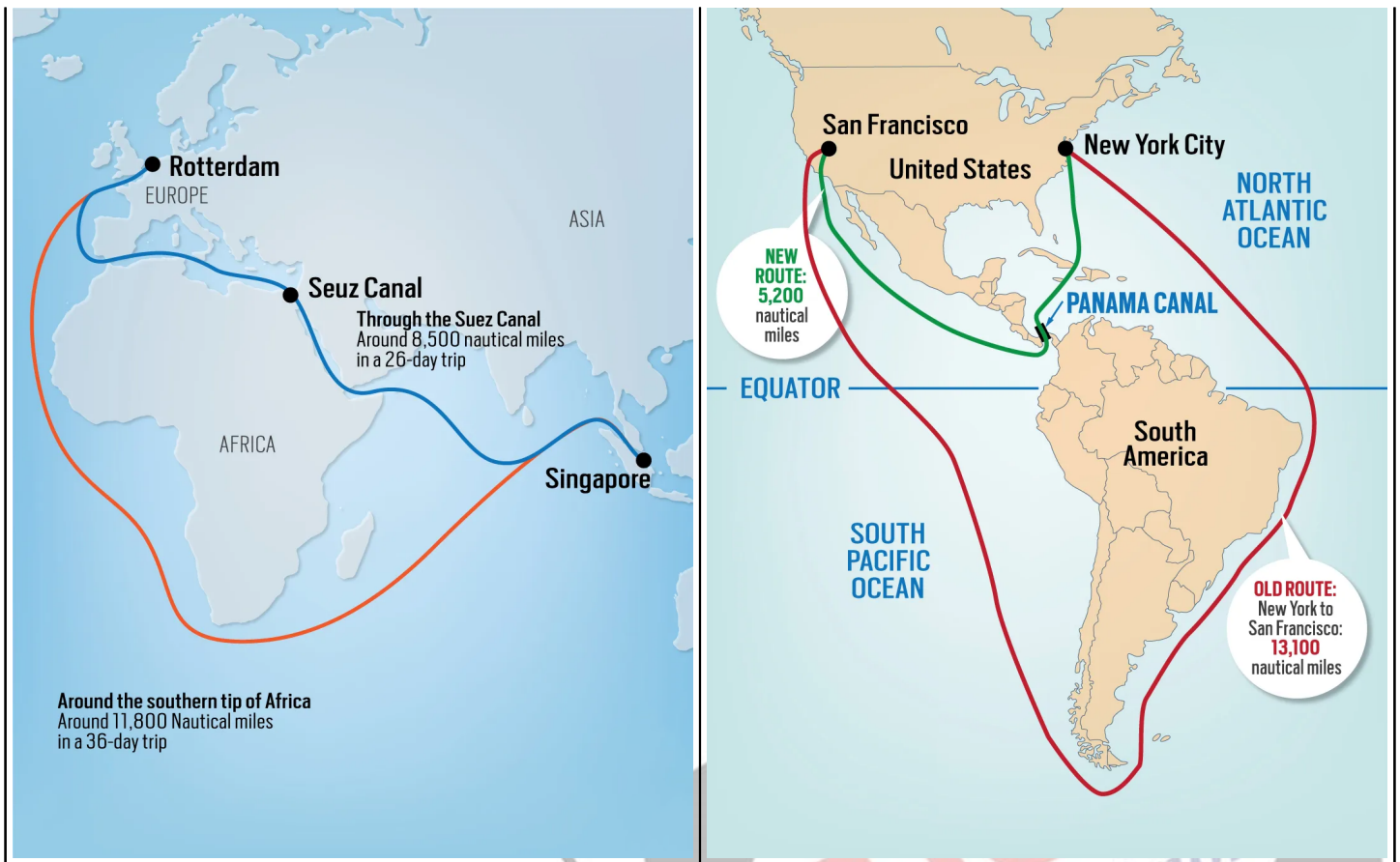


Note

Global oil and petroleum flows have declined due to major shipping companies avoiding the Red Sea. However, **India's oil imports from Russia remain unaffected.**

- **India's reliance on Russian oil**, perceived as Iran's ally, has remained stable amid the conflict in the Red Sea.
- **Panama Canal:**
 - **Issue:** Due to drought conditions, shipping through the **51-mile stretch of the Panama Canal has decreased by over 50%**.
 - A naturally occurring **El Nino climate pattern** associated with warmer-than-usual water in the central and eastern tropical Pacific Ocean is contributing to Panama's drought.
 - **Impact:** This shortage of water is compelling vessels traveling from **Asia to the US to opt for the Suez Canal**, adding six extra days compared to the Panama Canal route.
 - While the **Bab-el-Mandeb Strait that leads to the Suez Canal in the Red Sea** region connects Asia to Europe, the 100-year-old Panama Canal connects the Atlantic and Pacific Oceans.
 - **Both these routes are among the busiest in the world.**





What is the Significance of Maritime Transport in Global Trade?

- **Unrivalled Volume and Value Carrier:** Maritime transport shoulders a colossal **80% of global trade by volume and over 70% by value**, far surpassing other modes of transportation **as per the [United Nations Conference on Trade and Development](#)**.
 - As of 2019, the total value of the annual world shipping trade had reached more than **14 trillion US Dollars**.
- **Environmental Considerations:** While shipping does contribute to around **3% of global greenhouse gas emissions**, it is relatively more fuel-efficient and emits less per ton of cargo transported compared to other modes of transportation like air freight.
- **Energy Transportation:** The majority of the world's energy resources, such as oil and natural gas, are transported by sea. Tankers carry these resources from **production areas to consuming regions**, playing a critical role in meeting global energy demands.

What Measures India can Adopt to Reduce Vulnerability to These Issues?

- **Joint Maritime Security Initiative:** Propose a collaborative security framework with key Red Sea stakeholders (**Egypt, Saudi Arabia, UAE, Yemen**) involving **intelligence sharing, coordinated patrols, and joint exercises**.
- **Deploy Advanced Surveillance Systems:** Install **integrated radar and drone surveillance** systems along India's western coastline to enhance early threat detection and response capabilities.
- **Negotiate Preferential Access:** Engage with **Panama Canal authorities to explore preferential passage for Indian vessels** or potential toll discounts for specific routes.

Alternate Trade Routes Under Consideration

Recently, there has been renewed interest in the **[Ben Gurion Canal Project](#)**, a proposed 160-mile-long sea-level canal that would connect the **Mediterranean Sea** with the **Gulf of Aqaba**, bypassing the Suez Canal.



UPSC Civil Services Examination, Previous Year Question:

Q. Consider the following pairs: (2019)

Sea Bordering Country

1. Adriatic Sea : Albania
2. Black Sea : Croatia
3. Caspian Sea : Kazakhstan
4. Mediterranean Sea : Morocco
5. Red Sea : Syria

Which of the pairs given above are correctly matched?

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

Ans: (b)

PMLA Notice to Offshore Crypto Firms

[Source: IE](#)

Why in News?

The [Financial Intelligence Unit India \(FIU-IND\)](#) has issued show cause notices to 9 offshore

[cryptocurrency](#) and virtual digital assets service providers (VDA SPs) including **Binance Kucoin, Huobi** for not being compliant with the requisite provisions of the [Prevention of Money Laundering Act \(PMLA\)](#).

What is the Prevention of Money Laundering Act (PMLA), 2002?

- **About:**
 - **PMLA is an Indian law enacted in 2002** to prevent money laundering and related offenses.
 - Money laundering involves **making illegally obtained funds appear legitimate or "clean"** by integrating them into the financial system.
 - It was enacted in a 2002 response to India's global commitment (**including the Vienna Convention**) to combat the menace of money laundering.
- **Regulating Authorities:**
 - The **Directorate of Enforcement (ED)** is the primary authority responsible for investigating and prosecuting money laundering.
 - It functions under the Department of Revenue of the Ministry of Finance.
 - Recently, the Supreme Court has ruled that the ED cannot arrest someone under the PMLA **simply for not responding to their queries and summons.**
 - **FIU-IND** is the national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions to enforcement agencies and foreign FIUs.
 - The agency works under the **Finance Ministry.**

What are PMLA Compliance Obligations for VDA SPs?

- **Registration Requirement:** VDA SPs engaged in activities involving virtual digital assets and fiat currencies, transfers, safekeeping, or control over digital assets **must register with FIU-IND as reporting entities.**
- **Activity-Based Compliance:** Compliance obligations under PMLA are **not contingent on physical presence** but are **activity-based**, encompassing reporting, record-keeping, and other specified obligations.
- **Regulatory Framework Expansion and Enforcement:** The regulatory ambit expanded in March 2023, bringing **VDA SPs under the Anti Money Laundering (AML) and Counter Financing of Terrorism (CFT)** framework within the PMLA.
 - Under the anti-money laundering law, **reporting entities are obligated to maintain [Know Your Customer \(KYC\)](#) details**, client identity records, beneficial owner information, account files, and business correspondence related to clients.
 - Furthermore, reporting entities are required to **file Statements of Financial Transactions (SFT)** containing details of specific financial transactions or reportable accounts maintained during the year under the Income Tax Act.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Mains

Q.1 Discuss how emerging technologies and globalization contribute to money laundering. Elaborate measures to tackle the problem of money laundering both at national and international levels. **(2021)**

Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana

For Prelims: [Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana](#), **Ayushman Cards**, [Ayushman Arogya Mandir](#), Socio-Economic Caste Census (SECC), National Health Authority (NHA).

For Mains: Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana.

[Source: TH](#)

Why in News?

Recently, Ministry of Health & Family Welfare has released some statistics regarding [Ayushman Bharat Pradhan Mantri – Jan Arogya Yojana \(AB PM-JAY\)](#).

What are the Key Highlights of the AB PM-JAY Statistics?

- **Ayushman Cards:**
 - Women account for approximately 49% of the total Ayushman cards created and **approximately 48% of total authorised hospital admissions**.
 - As of December 2023, approximately 28.45 Crore Ayushman Cards have been created since **the inception of the scheme**, out of which, approximately **9.38 crore Ayushman Cards have been created during the year 2023**.
- **Health Coverage:**
 - 55 crore individuals corresponding to 12 crore families **are covered under the scheme** and many states and union territories implementing AB PM-JAY have further expanded the beneficiary base, at their own cost.
- **Hospital Admissions:**
 - A total of 6.11 crore hospital admissions amounting to Rs 78,188 crores were authorised of which 1.7 crore hospitals admissions worth over Rs 25,000 crores were authorised during the year 2023 (Jan-Dec 2023).

What is Ayushman Bharat-PMJAY?

- **About:**
 - PM-JAY is the world's largest health insurance scheme fully financed by the government.
 - **Launched in 2018**, it offers a sum insured of **Rs.5 lakh per family** for secondary care and tertiary care.
 - Health Benefit **Packages covers surgery, medical** and day care treatments, cost of medicines and diagnostics.
- **Beneficiaries:**
 - It is an entitlement-based scheme that targets the beneficiaries as identified by latest [Socio-Economic Caste Census \(SECC\)](#) data.
 - The National Health Authority (NHA) has provided flexibility to States/UTs to use **non- [Socio-Economic Caste Census \(SECC\)](#)** beneficiary family databases with similar socio-economic profiles for tagging against the leftover (unauthenticated) SECC families.
- **Funding:**
 - The funding for the scheme is shared – **60:40 for all states and UTs** with their own legislature, 90:10 in Northeast states and Jammu and Kashmir, Himachal and Uttarakhand and 100% Central funding for UTs without legislature.
- **Nodal Agency:**
 - The [National Health Authority \(NHA\)](#) has been constituted as an autonomous entity under the Society Registration Act, 1860 for effective implementation of PM-JAY in alliance with state governments.
 - The State Health Agency (SHA) is the apex body of the State Government responsible for

SHRESHTA

[Source: PIB](#)

Why in News?

The Ministry of Social Justice & Empowerment recently highlighted the [Scheme for Residential Education for Students in High Schools in Targeted Areas \(SHRESHTA\)](#).

What are the Key Highlights of the SHRESHTA?

▪ About:

- SHRESHTA aims to fill the educational service gap in [Scheduled Castes \(SCs\)](#) dominant areas by providing high-quality education, socio-economic upliftment, and overall development for SC students.
- Admission will be provided in Class 9 and Class 11 of CBSE/State affiliated private schools.

▪ Eligibility:

- The students, belonging to [SCs](#), studying in class **8th and 10th** in the current academic year are eligible for availing the benefits of the scheme.
- Students from the SC community who come from a **marginalized income group** with an **annual income** of up to **Rs 2.5 lakh** are eligible.

▪ Operating Procedure:

- The scheme is being implemented in two Modes:

• **Mode 1: SHRESHTA Schools:**

• **Selection Process:**

- Meritorious SC students are selected annually through the **National Entrance Test for SHRESHTA (NETS)** conducted by the [National Testing Agency \(NTA\)](#).
- Selected students are admitted to the best **CBSE/State Board-affiliated private residential schools** in classes 9th and 11th.

• **Financial Support:**

- The Department covers the total fee for students, including school and hostel fees, amounting to Rs. 1,00,000 to Rs. 1,35,000 from class 9th to 12th.
- Admissible fee for each class under the Scheme.

• **Bridge Course:**

- A bridge course is provided outside regular school hours to enhance students' capability to adapt easily to the school environment.
- The Department bears 10% of the annual fee for the bridge course.

• **Monitoring:**

- The Ministry monitors the progress of students regularly.

• **Mode 2: NGO/VO Operated Schools/Hostels:**

- Schools/Hostels run by VOs/NGOs with classes up to 12th grade receive grants for school fees and residential charges for SC students.
- Grants range from Rs. 27,000 to Rs. 55,000 per student based on the type of school.

▪ **Monitoring:**

- The Ministry monitors the progress of students regularly.

- Institutions are required to disclose performance on their websites and the **e-Anudaan/online portal**, ensuring transparency.
- Installation of cameras in institutions, providing live feeds for monitoring purposes.
- All the institutions are liable for a field visit by an inspection team constituted for this purpose.

▪ **Impact:**

- 2023-24 (as of December 2023): 7,543 beneficiaries.
- Admissions in 2023-24: A total of 2,564 students were admitted to 142 Private Residential Schools, and Rs. 30.55 Crore has been reimbursed for school fees.

PDF Reference URL: <https://www.drishtias.com/current-affairs-news-analysis-editorials/news-analysis/01-01-2024/print>

