VEDHIK CURRENT AFFAIRS

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SCIENCE AND TECHNOLOGY

URGENT NEED TO CONTROL USE OF E-CIGARETTES, SAYS WHO

CONTEXT: E-cigarettes as consumer products are not shown to be effective for quitting tobacco use at the population level. Instead, alarming evidence has emerged on adverse population health effects. It added there is an urgent need to control e-cigarettes to protect children, as well as non-smokers and minimise health harms to the population.

Children are being recruited and trapped at an early age to use e-cigarettes and may get hooked to nicotine, urging countries to implement strict measures to prevent uptake to protect citizens, especially children and young people.

The WHO said that e-cigarettes have been allowed on the open market and aggressively marketed to young people. Thirty-four countries have banned the sale of e-cigarettes, 88 countries have no minimum age at which e-cigarettes can be bought and 74 countries have no regulations in place for these harmful products. In India, the possession of e-cigarettes and similar devices is a violation of the Prohibition of Electronic Cigarette Act, 2019.

Even brief exposure to e-cigarette content on social media can be associated with increased intention to use these products, as well as more positive attitudes towards e-cigarettes. Studies consistently show that young people who use e-cigarettes are almost three times more likely to use cigarettes later in life.

Alarming figures

According to data, children in the age group of 13-15 years are using e-cigarettes at rates higher than that among adults in all WHO regions. In Canada, the rates of e-cigarette use among 16 to 19-year-olds has doubled between 2017 and 2022, and in the U.K., the number of young users has tripled in the past three years.

The world organisation noted that e-cigarettes with nicotine are highly addictive and are harmful to health. While long-term health effects are not fully understood, it has been established that they generate toxic substances, some of which are known to cause cancer and some that increase the risk of heart and lung disorders. It can also affect brain development and lead to learning disorders for young people.

Foetal exposure to e-cigarettes can adversely affect the development of the foetus in pregnant women. Exposure to emissions from e-cigarettes also poses risks to bystanders. The WHO has said that urgent measures are necessary to prevent uptake of e-cigarettes and counter nicotine addiction alongside a comprehensive approach to tobacco control, and in light of national circumstances.

ECONOMICS AND DEVELOPMENT

FED'S SURPRISE DOVISH PIVOT LIFTS SENSEX TO A RECORD HIGH

CONTEXT: India's benchmark stock indices soared to record highs on Thursday, riding on a global rally in equities triggered by Wednesday's surprise dovish pivot by the U.S. Federal Reserve.

Bull run

India's benchmark indices soared to record highs, riding on a global rally in equities triggered by the U.S. Fed's dovish turn

- The NSE Nifty-50 crossed the 21,100-mark for the first time, rising 1.23% to 21,182.70 points
- We can see a fresh new high if bond yields and crude prices remain at the same levels: Axis Securities' Haridasan
- U.S. stocks rallied after the Fed indicated it could lower rates about three times in 2024

Led by technology stocks, the S&P BSE Sensex surged 1.34% to 70,514.20, an all-time high. The top Sensex gainers included Tech Mahindra that rose 3.91 %, Infosys (3.61 %), Wipro (3.52 %) and IndusInd Bank (2.97 %). The NSE Nifty-50 index rose 1.23% to 21,182.70 points.

The election results in three out of four key States have raised the expectations of policy continuity in 2024, boosting market confidence. We can see a further new high in the market if the bond yields and the crude prices remain at the same levels for the entire month. U.S. stocks rallied after the Fed "indicated it could lower rates about three times in 2024 as inflation eases.

ECONOMICS AND DEVELOPMENT

WHOLESALE PRICES ROSE IN NOV. AFTER A SEVEN-MONTH LULL

CONTEXT: After seven successive months of deflation, India's wholesale prices rose 0.26 % in November, with primary food articles seeing a sharp 8.2 % uptick, fuelled by a 21.6 % spurt in pulses, 10 %-plus rise in vegetables and paddy, and onion prices more than doubling from a year earlier to rise 101 %

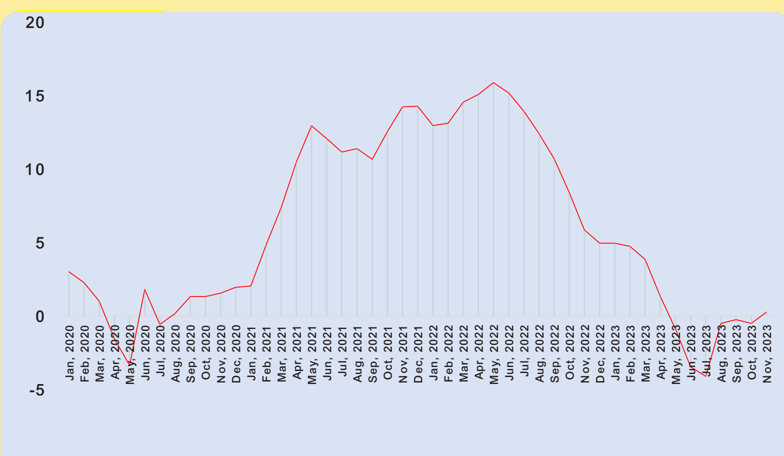

FIGURE: Line chart representation of wholesale price index-based inflation rates. Inset. Bar chart representation of the of **All India Wholesale Price Indices** for food articles **and Rates of Inflation (Base Year: 2011-12=100) for November, 2023.**

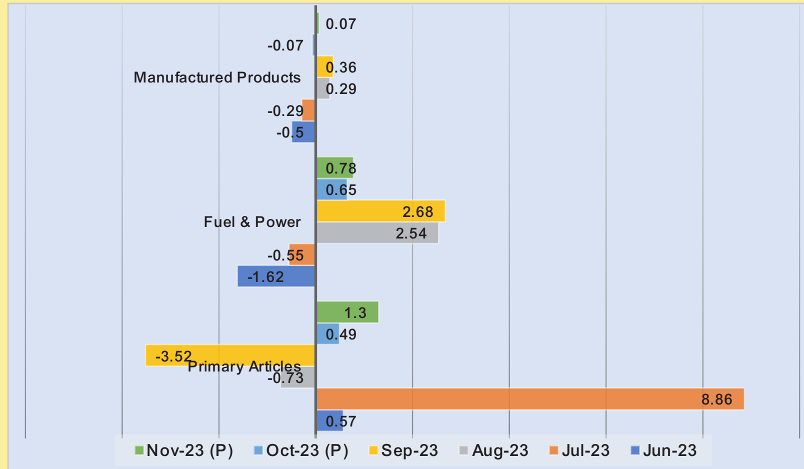

FIGURE: Line chart representation of topic-based wholesale price index-based inflation rates. Inset. Bar chart representation of the of **All India Wholesale Price Indices for and Rates of Inflation (Base Year: 2011-12=100) for November, 2023.**

The annual rate of inflation based on all India Wholesale Price Index (WPI) number is 0.26 % (Provisional) for the month of November, 2023 (over November, 2022). Positive rate of inflation in November, 2023 is primarily due to increase in prices of food articles, minerals, machinery & equipment, computer, electronics & optical products, motor vehicles, other transport equipment and other manufacturing etc.

ECONOMICS AND DEVELOPMENT

INDIA'S NET DIRECT TAX RECEIPTS RISE 23.4 %

CONTEXT: India's net direct tax collections had grown 23.4 % to hit ₹ 10.64 lakh crore by November 30, attaining 58.34 % of the Budget estimates for the year.

The gross direct tax kitty by the end of last month had reached ₹ 12.67 lakh Cr, a 17.7% rise over the same period of the earlier year. Refunds paid out to income tax payers had reached ₹ 2.03 lakh Cr. As of November 9, the gross direct tax collections stood at ₹ 12.37 lakh Cr, while net collections were ₹ 10.6 lakh Cr, 21.82 % over last year. This suggests that while gross tax receipts rose ₹ 30,000 Cr. over the rest of November, the net kitty grew by ₹ 4,000 Cr.

ECONOMICS AND DEVELOPMENT

LOGISTICS COSTS DROP TO 7.8 % - 8.9 % OF GDP'

CONTEXT: As per a report by the National Council for Applied Economic Research (NCAER) commissioned by the Commerce and Industry Ministry, India's logistics costs had reduced from a range of 8.6 % to 9.8 % in 2013-14 to 7.8 % - 8.9 % of GDP in 2021-22.

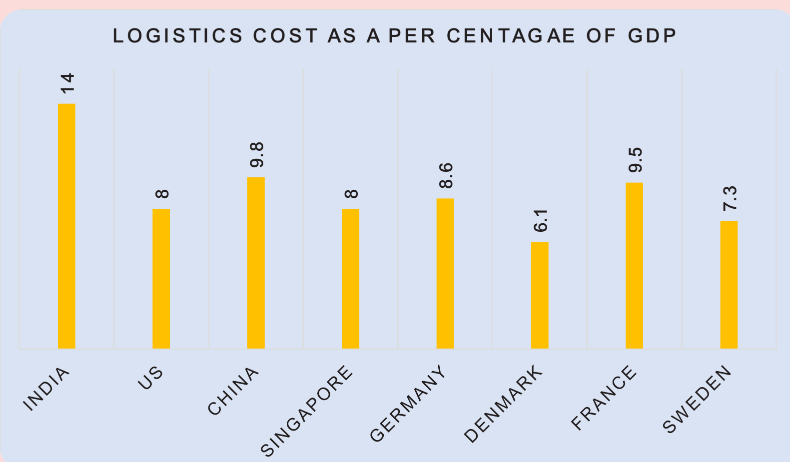

FIGURE: Column chart representation of the logistics cost as a per centage of GDP

The estimate, which relied on National Accounts Statistics for data such as the output of transport services, storage and warehousing sectors, dispels earlier estimates that pegged the country's logistics costs as high as 14% of GDP. This range is a ballpark estimate and must not be interpreted as the contribution of logistics to GDP in terms of income and job creation, but as an absolute cost measure used for cross-country comparison.

NATIONAL LOGISTICS POLICY - 2022

- **SIGNIFICANCE:** Backbone of India's international trade and will help in the diversification of not only India's export basket but also of products and countries.
- **OBJECTIVE:** Promote the seamless movement of goods and enhancing the competitiveness of the industry.
- **SIGNIFICANCE:** Employs more than 22 million people and expected to grow at the rate of 10.5 % over the next 5 years.
- **ISSUE:** Highly fragmented and complex logistics system result in logistics cost, approximately 13-14 % of GDP, compared to 2 – 5 % for other developed economies.

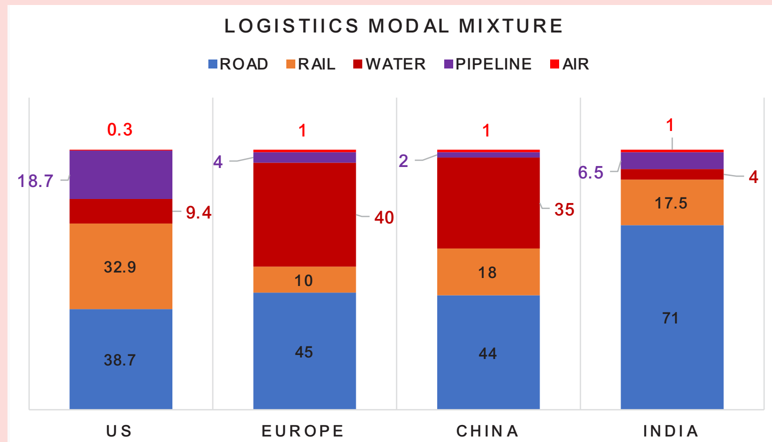

FIGURE: Column chart representation of the logistics modal mixture.

ECOLOGY AND ENVIRONMENT

KEEPING IT RELEVANT

CONTEXT: The United Nations Conference of Parties (COP) has undergone a remarkable shift in character since the first conference organised in 1995. From stuffy, closed-door meetings peopled by bureaucrats and technocrats, they have morphed into a carnival by the burgeoning of activist groups, indigenous groups, big and small business, consultancies, traders and a vast media presence.

It has taken nearly three decades for COP to acknowledge the fact that greenhouse gas emissions must be contained drastically to cap the rise in global temperatures to 1.50C. The countries responsible for most of the human-emitted carbon point to record temperatures and their links to rising emissions when arguing for reining in emissions from developing countries.

In a historic first, all 198 signatories to the 28th United Nations' Conference of the Parties (COP28) adopted an agreement to "transition away" from "all fossil fuels" as opposed to only coal, as was agreed upon at COP26, in Glasgow. India had played a pivotal role in Glasgow in modifying the language from "phasing out" coal to "phasing it down".

The global stocktake covers mitigation, adaptation, financing and other support to developing countries. Based on the global stocktake review at COP 28, countries would be required to submit raised emissions reduction targets by mid-2025 for finalisation at COP 30.

Global average temperature rise is already dangerously close to that limit, having already touched it on many days this year. Severe heat waves, droughts, forest fires, floods and extreme rainfall are already being witnessed more frequently across the world, along with possible irreversible melting of polar and glacial ice and sea-level rise. The urgency to rein in greenhouse gas (GHG) emissions causing climate change was clearly top of the agenda in Dubai.

Coal, for instance, has environmental consequences and is valued around ₹50,000 crore in output today. The solar PV sector is valued at ₹ 7,000 Cr. and growing within the domestic economy. So, coal is about 20 times the size of the solar economy as far as domestic value is concerned. The bottom line is that we need to run the economy and the problem is that this seems to be the narrow focus.

Focus on fossil fuels

Fossil fuels are responsible for around 75 % of all Green House Gases (GHGs) and about 90 % of global carbon dioxide (CO_2) emissions. Anxieties about the influence of the oil industry and supporting governments had already been swirling around, with the COP being held in the Gulf.

All three successive global stocktake draft texts echoed requiring “deep, rapid and sustained” reduction in global emissions of 43 % by 2030 and 60 % by 2035 relative to 2019 levels, reaching net-zero CO_2 by 2050, with global emissions expected to peak around 2020 or latest by 2025 to limit 1.50C compared to pre-industrial levels. This draft sought to square the circle on fossil fuels by calling for “transitioning away” from fossil fuels, which several countries and observers suggested be read as signalling the end of the fossil fuel era.

The UAE Consensus is historic because for the first time it talks about ‘transitioning away from fossil fuels’ in energy systems in a ‘just, orderly and equitable manner’. But nuclear abatement, removal technologies, carbon capture and utilisation storage, and low carbon hydrogen production are massive loopholes, which are going to provide cover to the fossil fuel industry to prolong its business.

A draft with loose definitions

The final draft had many loopholes that could prolong production and use of fossil fuels, and favoured the industry as well as rich developed countries with advanced technologies. All terms with phase-down of “unbated” coal power, the door was left open for “low-carbon fuels”, “low-emission” technologies, “low-carbon hydrogen”, and “transitional fuels,” (widely used in Europe and the United States to describe natural gas) were very loosely defined.

It also made special mention of carbon capture, utilisation and storage (CCUS) which has not achieved commercial viability and whose eventual emissions savings are unknown. On emission reductions and shift to clean energy, the draft also did not adequately refer to equity or common but differentiated responsibility (CBDR), possibly under pressure from the U.S. looking to treat all countries on a par.

This draft also did not take the issue of financial support by developed countries further, causing much anguish to climate vulnerable countries. The draft did express concern that the earlier commitment of $ 100 billion per year by 2020, however inadequate, had not been met. It repeated the global stocktake reports’ estimation that developing countries needed about $ 5.8 - $ 5.9 trillion for the pre-2030 period, with adaptation alone requiring $ 215 - $ 387 billion per year and clean energy transition requiring about $ 4.3 trillion per year, both until 2030. Yet, no fresh targets were mentioned in the draft, not even for the new Loss and Damage fund formally set up on the first day and gathering pledges for a meagre $ 470 million.

The Loss and Damage Fund, which received commitments worth $ 750 million, and therefore cheered as a COP 28-success, has only been approved on the condition that it not be considered as compensation for historical carbon pollution.

For, developing countries, including India, will face the impacts of climate change that will have costs on the economy. India is a net importer of a lot of fossil fuels. It imports 80 % of all its petroleum demand, nearly 50 % or more of its gas demand, and a sizeable amount of its coal demand. It is in India’s interests to see how it can bring together industry leaders and the financing ecosystem to channel resources to hasten the transition domestically and create jobs and industrial value add within the economy. It’s happening in some way through the PLI (Performance-Linked Incentive) scheme which speaks specifically to solar and battery technology.

INTERNATIONAL RELATIONS

PRINCIPLED SHIFT

CONTEXT: On December 12, India voted in favour of a resolution at the UN General Assembly (UNGA) along with 152 other nations calling to stop the bombing, almost two months after Israel's bombardment of Gaza residents in retaliation for the October 7 terror attacks by Hamas. The resolution demanded an immediate humanitarian ceasefire, an observance of international humanitarian law, the unconditional release of all hostages, as well as "ensuring humanitarian access".

On October 26, India abstained from voting for a resolution that called for a ceasefire. India's permanent representative explained this to be a matter of principle, as part of India's "zero-tolerance" approach towards terrorism, as the earlier resolution did not contain an "explicit condemnation" of the October 7 attacks.

There could be several reasons for this shift in policy.

First, casualty figures have risen relentlessly, with 18,000 dead and the highest such toll of nearly 90 journalists. More than 80% of the entire population is homeless. Even the U.S., Israel's biggest ally, estimates that nearly half of the 29,000 air-to-ground munitions deployed by Israel thus far are "unguided" or indiscriminate missiles.

Second, Israeli Defence Forces have gone far beyond their original mandate of eliminating Hamas capacity and freeing the hostages to a large-scale flattening of Gaza and forced occupation of more territory. More than 100 Israeli hostages remain in Hamas custody.

Third, global opinion, including Indian public opinion, has moved decidedly from sympathy with Israel, to horror at the unfolding aftermath, and New Delhi could not have been immune to entreaties by Palestine and the Gulf States to take a relook at its vote, even as India stood isolated in South Asia and the Global South for its previous abstention.

Head Office:
Vedhik IAS Academy
Mercy Estate,
MG Road, Ravipuram,
Ernakulam-682 015,

Corporate office:
Vedhik IAS Academy
Samkalp Bhawan, Plot No.15,
Sector 4, Rama Krishna Puram,
New Delhi,Delhi-110022

Regional office
Vedhik IAS Academy
202, Raheja Chambers, 12,
Museum Road. Bangalore -
560001. Karnataka, India.

GCC Office:
Bobscoedu,
Bobsco Trading & Contracting Co. W. L . L
Office 22, Dream Tower 1,
Road: 2701, Adliya, Kingdom of Bahrain
www.bobscoedu.com