

14 – 11 – 2021

News: Rising Current Account Deficit

- According to a recent report, India's trade deficit has been jumping continuously since July 2021.
- The widening **Current Account Deficit (CAD)** is driven by the massive spike in commodity prices led by crude oil.
- A **current account deficit** occurs when the total value of goods and services a country imports exceeds the total value of goods and services it exports.
- The **balance of exports and imports of goods** is referred to as the trade balance. **Trade Balance** is a part of 'Current Account Balance'.

Factor involved in India's Current Account Deficit

- **High Oil Imports:** In India, close to 85% of the oil demand is met through imports.
- Due to this it is estimated that **every \$10 per barrel rise in global crude prices will widen the trade deficit by \$12 billion or 35 bps of Gross Domestic Product (GDP).**
- **High Gold Imports:** Another force driving down the foreign exchange is gold imports.

- Recovering domestic demand and the ongoing festive season are boosting Gold imports.
- The **World Gold Council expects gold demand this year to surpass the 2020 levels and it expects the demand for gold to remain high** given the rising wealth effects and incomes.
- **Services, the Positive side:** The report held that the monthly services surplus has improved from an average of \$6.6 billion in 2019 to \$7 billion in 2020, and to \$8 billion in the first nine months of 2021.
- **Overall Impact:** The report ruled out an alarming situation and said that with record high foreign reserves, there are no major risks to macro stability or balance of payments conditions.
- However, the widening deficit trend may continue for some time as a combination of demand recovery and rising commodity prices will continue to widen the trade deficit sharply.

Balance of Payments

- Balance of Payments (BoP) of a country can be defined as a **systematic statement of all economic transactions of a country with the rest of the world during a specific period usually one year.**
- For preparing BoP accounts, economic transactions between a country and the rest of the world are grouped under - Current account and Capital account.
- **Current Account:** It **shows export and import of visibles (also called merchandise or goods - represent trade balance) and invisibles (also called non-merchandise).**
- **Invisibles include services, transfers and income.**
- In India, **visible trade is historically negative, whereas invisible trade in positive, indicating that India is a service – oriented economy.**
- **Capital Account:** It shows a **capital expenditure and income for a country.**
- It gives a summary of the **net flow of both private and public investment** into an economy.
- **External Commercial Borrowing (ECB), Foreign Direct Investment, Foreign Portfolio Investment, etc form a part of capital account.**

News: Shakti 2021

- The sixth edition of the Indo-French Shakti 2021 (bilateral joint training exercise), will be conducted in November in Frejus, France.
- From the Indian side, a platoon strength of a Gorkha Rifles Infantry Battalion will participate in the exercise.
- The training will focus on Counter Terrorism operations in backdrop of semi-urban terrain under United Nations Mandate with an aim to enhance military cooperation and inter-operability between the two Armies.
- The biennial exercise between the armies of the two countries had started in 2011.
- It is conducted alternately in India and France.
- The last edition of the Shakti exercise had taken place in Rajasthan in 2019, in which “Counter Terrorism operations in semi-desert terrain were practised”.

News: Indo-Thai Coordinated Patrol (CORPAT)

- Recently, the 32nd edition of India-Thailand Coordinated Patrol (Indo-Thai CORPAT) between the Indian Navy and the Royal Thai Navy was conducted.
- India and Thailand have been carrying out CORPAT along their International Maritime Boundary Line twice a year since 2005.

- Indian Naval Ship (INS) Karmuk, an indigenously built Missile Corvette and His Majesty's Thailand Ship (HTMS) Tayanchon, a Khamrosin Class Anti-submarine Patrol Craft, along with Maritime Patrol Aircraft from both navies participated in the CORPAT.

Aims

- The exercise is aimed towards reinforcing maritime links between the two countries and with an aim of keeping this vital part of the Indian Ocean safe and secure for international trade.
- It facilitates institution of measures to prevent and suppress unlawful activities like Illegal Unreported Unregulated (IUU) fishing, drug trafficking, maritime terrorism, armed robbery and piracy.
- It further helps enhance the operational synergy by exchange of information for prevention of smuggling, illegal immigration and for conduct of search and rescue (SAR) operations at sea.

News: Law Minister Kiren Rijju launches Citizens' Tele-Law Mobile App

- Law Minister Kiren Rijju on Saturday launched Tele Law Mobile App and felicitated frontline functionaries at a function in New Delhi.

Citizens' Tele Law Mobile App

- Citizens' Tele Law Mobile App is a **Digital India initiative**.
- It is a platform to **strengthen the pre-litigation mechanism** in the country.
- The **goal of this platform is to achieve Sabka Prayas Sabka Nyay**.
- This app would **expand the service of Tele law to 75,000 Gram Panchayats**.
- Citizens' Tele-Law Mobile App would be a **first of its kind wherein as part of our constitutional mandate for providing equal opportunities before law, every citizen would now be entitled to have access to lawyer on a touch of a finger**.
- The features of the Mobile App would be available in form of e-tutorial **in all scheduled languages**.
- Citizens' Tele-Law Mobile App intends to **widen the access to increased legal information and empowers the masses to identify their problem and chose from appropriate forum of dispute redressal to claim their entitlements** and rights by connecting the beneficiary directly to the Panel Lawyer or with an assistance of Para Legal Volunteers, Village Level entrepreneurs, in case of beneficiary who are unable to read or write.

- The consultation is available free of cost to those entitled for free legal aid under Section 12 of Legal Service Authority, whereas Others could avail at Rs 30/ per consultation.
- The persons eligible for getting free legal services include Women and children, Members of SC/ST community, Industrial workmen, Victims of mass disaster, violence, flood, drought, earthquake industrial disaster, Disabled persons, Persons in custody, Persons whose annual income does not exceed ₹1 lakh, Victims of trafficking in human beings or begar and Senior citizen – depending upon each state law.

News: Amit Shah to chair 29th meeting of Southern Zonal Council at Tirupati on Sunday

- Home Minister Amit Shah will chair the 29th meeting of the Southern Zonal Council at Tirupati on Sunday. The council comprises of Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Telangana, and Union Territories of Puducherry, Lakshadweep and Andaman and Nicobar Islands.

Zonal Councils

- Zonal Councils are constituted by States Reorganization Act, 1956.

- Act divides the country into 5 zones (Northern, Central, Eastern, Western and Southern) and provided a zonal council for each zone.
- The North Eastern States are not covered in the Act and their special problems are addressed by North Eastern Council, created by North Eastern Council Act, 1971.
- These are deliberative and advisory bodies that will discuss and make recommendations with regard to any matter of common interest in the field of economic and social planning between Centre and States.
- Zonal Councils works under the Ministry of Home Affairs.
- Every zonal councils consist of Union Home Minister as its Chairman, Chief Ministers of all states in the Zone, two other ministers from each states in the Zone and administrator of each UT in the zone.
- Chief Ministers of each state act as Vice Chairperson of the Zone in rotation, each holding office for a period of one year.

North-Eastern Council

- North Eastern Council is constituted under the North Eastern Council Act, 1971.

- It was constituted for securing the balanced development of North Eastern Areas comprising of seven states –Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.
- The North Eastern Council Act was amended in 2002 to include Sikkim.
- The term North Eastern Areas now means Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura.
- The North Eastern Council is chaired by Union Home Minister as Ex-Officio Chairman, Minister of State (Independent Charge), Ministry of Department of North East Region as vice chairman, Chief Ministers and Governors of all 8 states.
- The North Eastern Council is the nodal agency for the economic and social development of the North Eastern Region.