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DAILY CURRENT AFFAIRS



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| S.NO. | TOPIC |
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| 1. | INDIA-UK FREE TRADE AGREEMENT (FTA) |
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INDIA-UK FREE TRADE AGREEMENT (FTA)

SOURCE: [INDIAN EXPRESS](#)

WHY IN NEWS?

External Affairs Minister **S Jaishankar** engaged in discussions regarding the **India-UK Free Trade Agreement (FTA)** with **Britain's Prime Minister Rishi Sunak** and Foreign Secretary David Cameron.

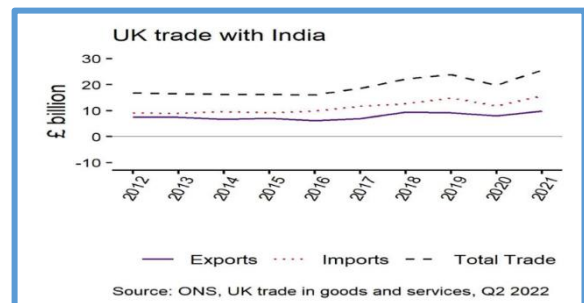
FREE TRADE AGREEMENT (FTA):

- **Definition:**
 - ✓ An agreement between two or more nations aiming to reduce barriers to imports and exports.
- **Objective:**
 - ✓ Facilitate the exchange of goods and services across borders by minimizing government interventions like tariffs, quotas, subsidies, and prohibitions.
 - ✓ Stands in contrast to trade protectionism or economic isolationism, promoting open markets and international collaboration.
- **Key Characteristics:**
 - ✓ **Tariff Reduction:** Involves lowering or eliminating tariffs on traded goods.
 - ✓ **Quota Elimination:** Removes restrictions on the quantity of goods that can be traded.
 - ✓ **Subsidy Restrictions:** Addresses government financial support to domestic industries.
 - ✓ **Prohibition Reduction:** Lessens or eliminates bans on certain products or services.
- **Categories of FTAs:**
 - ✓ **Preferential Trade Agreement (PTA):** Grants preferential access to specific products or services between member nations.
 - ✓ **Comprehensive Economic Cooperation Agreement (CECA):** Encompasses a broader scope of economic cooperation than PTAs.
 - ✓ **Comprehensive Economic Partnership Agreement (CEPA):** Represents a comprehensive and extensive form of economic collaboration.



INDIA-UK FREE TRADE AGREEMENT (FTA) OVERVIEW:

- **Initiation:**
 - ✓ **Launched in early 2022**, aiming for conclusion by the end of the same year.
- **Objective:**
 - ✓ Striving for a **"fair and balanced" FTA covering over 90% of tariff lines**, targeting **\$100 billion bilateral commerce by 2030**.
- **Comprehensive Scope:**
 - ✓ **Envisions a "new-age FTA"** encompassing intellectual property rights, geographical indications, sustainability, digital technology, and anti-corruption, besides products, services, and investments.
- **Innovation Focus:**
 - ✓ Discussions span transitions from fintech to **green-tech, and automation to Artificial Intelligence**.
- **Economic Impact:**





- ✓ Expected to stimulate growth, **enhance employment, and diversify supply chains for businesses operating across borders.**
- **Bilateral Trade Target:**
 - ✓ **Aims to double bilateral trade by 2030**, fostering a partnership rooted in shared history and cultural ties.

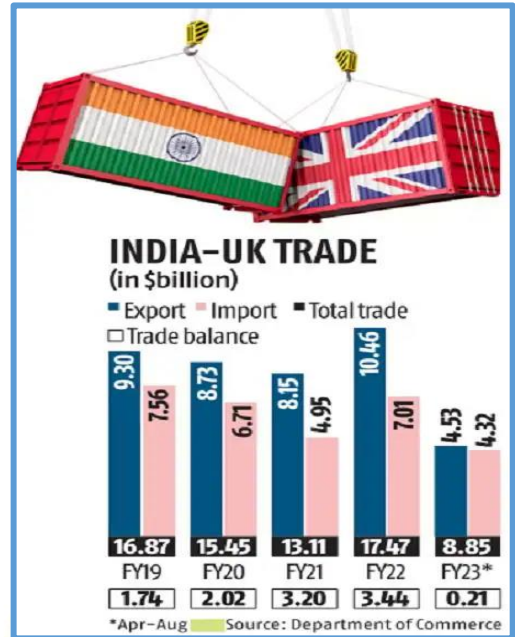
INDIA – UK BILATERAL RELATIONS:

| <i>Aspect</i> | <i>Details</i> |
|--|--|
| <i>Political Relations</i> | <ul style="list-style-type: none"> ✓ India-UK Strategic Partnership since 2004. ✓ Key agreements in civil nuclear energy, space, defense, counter-terrorism, and economic ties. ✓ UK supports India's bid for UNSC permanent membership. ✓ Regular Prime Ministerial and Ministerial visits enhance cooperation. |
| <i>Educational and Cultural Ties</i> | <ul style="list-style-type: none"> ✓ India-UK Education and Research Initiative (UKIERI) focuses on higher education and research. ✓ India-UK Education Forum promotes bilateral cooperation in education. ✓ Nehru Centre in London organizes cultural events; celebrated Tagore's 150th Birth Anniversary. |
| <i>Defense Cooperation</i> | <ul style="list-style-type: none"> ✓ Institutionalized defence dialogue at Defence Secretary level. ✓ Regular exchanges between services, joint exercises, and procurement of defense equipment. ✓ Civil Nuclear Cooperation Declaration signed in 2010 for collaboration in the nuclear field. |
| <i>Economic Relations</i> | <ul style="list-style-type: none"> ✓ Joint Economic and Trade Committee (JETCO) established in 2005. ✓ Bilateral trade growing despite global economic slowdown. ✓ Merchandise trade in 2011-12 reached USD 16.19 billion, with a 29% growth. ✓ UK is India's 3rd largest FDI investor; around 700 Indian companies in the UK. |
| <i>Indian Community in the UK</i> | <ul style="list-style-type: none"> ✓ Indian-origin population estimated at 1.8 - 2 million, the largest ethnic segment. ✓ Indians excel in various fields, with significant representation in Parliament and local councils. ✓ Strong educational and professional presence, contributing to the UK's diversity. |
| <i>Tourism and People-to-People Contacts</i> | <ul style="list-style-type: none"> ✓ UK ranks second globally in tourists visiting India. ✓ Approximately 500,000 Indians visit the UK annually. ✓ Over 100 weekly flights between India and the UK by various airlines. |
| <i>Parliamentary Relations</i> | <ul style="list-style-type: none"> ✓ Close relations between Indian and UK Parliaments. ✓ Friends of India Groups in major UK political parties. ✓ All-Party Parliamentary Group on India and Trade and Industry linkages established. |
| <i>Science and Technology Cooperation</i> | <ul style="list-style-type: none"> ✓ Science and Innovation Council facilitates India-UK S&T collaboration. ✓ Joint initiatives in Nano Science, Biotechnology, telecom, solar energy, and weather forecasting. ✓ Continued cooperation with the 2nd phase of UKIERI launched in 2011. |



SIGNIFICANCE OF INDIA-UK FTA:

- **FTA as a Template:**
 - ✓ Once signed, the India-UK FTA is expected to serve as a **template for a subsequent agreement with the European Union (EU)**, India's second-largest trade partner.
- **Divergence from Look East Policy:**
 - ✓ The government has **shifted its focus from the earlier "look east" policy** for trade deals and is now emphasizing **economic integration with Western and African nations to boost export growth.**
- **Boosting Exports of Goods:**
 - ✓ FTA with the UK can **significantly enhance exports in job-intensive sectors** such as textiles, leather, and footwear.
 - ✓ **Recognition of 56 marine units is expected to lead to a substantial increase in Marine Products exports.**
- **China Factor:**
 - ✓ **Disruption in supply chains during the pandemic** prompted Western companies to reassess their dependence on China.
 - ✓ **The UK, along with Australia, seeks a trade deal with India** as part of a broader strategy, especially given Australia's tensions with China.
- **Brexit Implications:**
 - ✓ For the UK, a trade deal with India holds significant importance as the **country grapples with the aftermath of Brexit.**
 - ✓ While there is **hesitation to offer work permits to Indian service sector workers**, the potential of the Indian market becomes a compensatory factor for the loss of access to the European Single Market.
- **Potential Gains for India:**
 - ✓ **India's labour-intensive sectors, including apparel and gems and jewelry**, have witnessed a decline in market share.
 - ✓ A trade deal could **rejuvenate textile exports, potentially putting India on par with competitors like Bangladesh.**



CHALLENGES:

- **Concerns Raised:**
 - ✓ A report warns the **British Parliament that providing zero-duty access to Indian textiles** could negatively **impact Least Developed Countries** like Bangladesh.
- **Challenges for the UK:**
 - ✓ Past deals with **Japan and ASEAN countries indicate that eliminating duties** does not automatically result in export growth.
 - ✓ **British exports to India face considerable tariffs**, and tariff reductions will be crucial for deeper access to Indian markets.
- **Non-Tariff Barriers (NTBs):**
 - ✓ India could **use negotiations to address non-tariff barriers**, a historical concern for exporters.
 - ✓ These barriers **include regulations, standards, testing, certification, and pre-shipment inspection**, impacting various sectors, including agriculture.



➤ **Carbon Tax Issue:**

- ✓ The UK, similar to the EU, is considering a **carbon border adjustment mechanism (CBAM)** that may affect **India's exports, even with tariff removal.**
- ✓ The **UK's carbon tax, aimed at reducing dependence on Russian energy imports,** could be stringent, impacting sectors like cement, chemicals, and metals.

WAY FORWARD:

➤ **Clarity on Services Trade:**

- ✓ The FTA is **anticipated to bring certainty and transparency,** fostering a more liberal and competitive services regime.
- ✓ **Opportunities for growth in service sectors like IT/ITES,** nursing, education, healthcare, AYUSH, and audio-visual services.

➤ **Trade Diversification and Exit from RCEP:**

- ✓ India's withdrawal from RCEP **underscores the importance of seeking trade deals with key markets like the US, the EU, and the UK.**
- ✓ **Diversification of sourcing becomes crucial,** especially with partners keen on robust economic ties.

➤ **Leveraging Strategic Advantage:**

- ✓ The **UK's status as a permanent UN Security Council member position it strategically.**
- ✓ **Strengthening trade bonds enhances diplomatic leverage,** seeking UK support on global issues, including the Ladakh standoff with China and India's claim for a permanent UNSC seat.





PRELIMS POINTERS:

| Topic | Details | | | | | | | |
|--|--|-----------------|--|----------------------|--|------------------------------------|--|-------------------|
| WORLDWIDE GOVERNANCE INDICATORS | <p>WHY IN NEWS? Chief Economic Adviser of India raised concern over the use of World Bank's Worldwide Governance Indicators in ratings assessment by credit ratings agencies, especially for emerging economies.</p> <p>ABOUT WGI:</p> <ul style="list-style-type: none"> ➤ Released by the World Bank. ➤ Provides a ranking of 215 countries' territories. ➤ Based on <u>six dimensions of governance</u>: <ol style="list-style-type: none"> 1. 'Voice and Accountability'. 2. 'Political Stability and Absence of Violence'. 3. 'Government Effectiveness'. 4. 'Regulatory Quality'. 5. 'Rule of Law'. 6. 'Control of Corruption'. ➤ Designed to assess broad patterns in perceptions of governance. ➤ Developed in 1999 by Daniel Kaufmann and Aart Kraay. | | | | | | | |
| | <p style="text-align: center;">ABOUT WORLD BANK</p> <table border="1"> <tr> <td>Overview</td> <td>An international financial institution providing loans and grants to governments of low and middle-income/developing countries for capital projects.</td> </tr> <tr> <td>Establishment</td> <td>Established at the 1944 Bretton Woods Conference, alongside the IMF.</td> </tr> <tr> <td>World Bank Group Components</td> <td> <ol style="list-style-type: none"> 1. International Bank for Reconstruction and Development (IBRD): Provides loans, credits, and grants. 2. International Development Association (IDA): Offers low or no-interest loans to low-income countries. 3. International Finance Corporation (IFC): Provides investment, advice, and asset management to private companies and governments. 4. Multilateral Guarantee Agency (MIGA): Ensures lenders and investors against political risks like war. 5. International Centre for the Settlement of Investment Disputes (ICSID): Settles investment disputes between investors and countries. </td> </tr> <tr> <td>Membership</td> <td>India is not a member of ICSID.</td> </tr> </table> | Overview | An international financial institution providing loans and grants to governments of low and middle-income/developing countries for capital projects. | Establishment | Established at the 1944 Bretton Woods Conference, alongside the IMF . | World Bank Group Components | <ol style="list-style-type: none"> 1. International Bank for Reconstruction and Development (IBRD): Provides loans, credits, and grants. 2. International Development Association (IDA): Offers low or no-interest loans to low-income countries. 3. International Finance Corporation (IFC): Provides investment, advice, and asset management to private companies and governments. 4. Multilateral Guarantee Agency (MIGA): Ensures lenders and investors against political risks like war. 5. International Centre for the Settlement of Investment Disputes (ICSID): Settles investment disputes between investors and countries. | Membership |
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| Membership | India is not a member of ICSID. | | | | | | | |
| CERT-IN (INDIAN COMPUTER EMERGENCY RESPONSE TEAM) | <p>WHY IN NEWS? India's cyber security watchdog CERT-In recently found "multiple vulnerabilities" in the popular Google Chrome operating system (OS), which can even bypass security on the targeted system.</p> <p>ABOUT CERT-IN:</p> <ul style="list-style-type: none"> ➤ National nodal agency for responding to computer security incidents. ➤ Functional organization of the Ministry of Information & Electronics Technology. ➤ Operational since January 2004. ➤ <u>Objectives include securing Indian cyberspace and preventing cyber-attacks.</u> ➤ Designated by the Information Technology Act 2000 to perform various functions in cyber security. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>MAYA OS: It is a new Operation System (OS) based on an open-source platform. It has the interface and all functionality like Windows and users will not feel much difference as they transition to it.</p> </div> | | | | | | | |



- Provides services to government, public, private sectors, individuals, and home users.

**WASP-107B
(EXOPLANET)**

WHY IN NEWS? Newly discovered exoplanet 200 light-years away in Virgo constellation.

- ❖ Mass of 30.5 Earths, orbits its home star in six days.
- ❖ Size of Jupiter but with the mass of Neptune, making it less dense.
- ❖ Allows deep observation of its atmosphere due to low density.
- ❖ Exhibits a water cycle similar to Earth but with sand rain instead of water droplets.
- ❖ Outer atmosphere temperature is more than 900 degrees Fahrenheit.
- ❖ Presence of silicate vapours, water vapor, and sulphur dioxide in its atmosphere.



**SICKLE CELL
DISEASE**

WHY IN NEWS? The United Kingdom’s drug regulator recently approved the **world's first gene therapy treatment for sickle cell disease and thalassemia.**

ABOUT SICKLE CELL DISEASE:

- **Inherited blood disorder marked by flawed hemoglobin.**
- Hemoglobin S distorts red blood cells into a sickle shape.
- Interferes with oxygen delivery to tissues.
- Sickle-shaped RBCs block blood flow due to genetic mutation.
- Caused by a defective sickle cell gene inherited from both parents.
- **Symptoms** include anaemia, pain, organ damage, and infections.
- **Treatments** include bone marrow transplant and ongoing research into gene therapy.
- UK recently approved gene therapy treatment for sickle cell disease.

THALASSEMIA:

- **Inherited blood disorder due to insufficient hemoglobin production.**
- Reduced hemoglobin affects the functionality and lifespan of red blood cells (RBCs).
- Insufficient healthy RBCs result in inadequate oxygen delivery to cells, causing anemia.
- Anaemia may lead to fatigue, weakness, and shortness of breath.
- Severity varies, with severe cases posing organ damage and potential fatality.
- **Treatable with blood transfusions and chelation therapy for effective management.**