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INTERNATIONAL & BILATERAL

TRADE TALKS STUCK AS U.S. PRESSES OIL, AIRCRAFT SALES TO INDIA

India and the United States are in a deadlock over contentious trade issues.

This comes after the Trump administration sought a formal commitment of additional purchases of \$10 billion annually for the next three years, as part of a trade agreement under negotiation.

India has a surplus of \$23 billion in trade with America, and the U.S. wants to wipe that off by forcing more imports by New Delhi, as part of a proposed trade agreement.

The USTR had launched a review of India's GSP status, which allows preferential treatment to certain number of specified goods from beneficiary countries.

Earlier signals from the USTR suggested there could be a resolution by India, rationalizing the trade margin over medical devices, and for India by reducing the steel and aluminum tariffs.

But the draft agreement prepared by the USTR sought concessions from India on Compulsory Registration Order that governs standards in telecom equipment, American exports of boric acid, pork, poultry and dairy.

American interlocutors took Indian officials by surprise last month with a draft agreement that committed additional imports by India, in civilian aircraft and natural gas.

With talks in stalemate, the U.S is proceeding with its review of India's GSP status and India is moving ahead with retaliatory tariffs.

Postponed twice, India's retaliatory tariffs are now set to come into force on September 18.

Meanwhile, there is a shadow of uncertainty over the Trade Policy Forum (TPF) that was announced for the last week of October.

India was expecting to negotiate general market access issues at the Trade Policy Forum (TPF), but the USTR wanted all of them resolved at earliest.

The US must understand that there are different ways of addressing the trade deficit.

With the US restarting oil and natural gas exports Indian imports in these sectors have been going up.

In the first six months of this year, US exports to India have gone up by 28% compared to last year.

The US should not be hasty. There has been a decrease in the deficit last year by about 5% or about \$1.5 Bn because India imports gas and oil from the United States.

According to report, this calendar year we are likely to import up to US \$2.5 billion in oil and gas. This must be acknowledged by the US.

BREAKTHROUGH ACHIEVED IN RCEP TALKS, CLAIMS INDIA

- Recently in 6th RCEP Ministerial meeting India achieved a greater success under Package of Substantial Deliverables.
- 6th RCEP Ministerial meeting was held in Singapore on 30 and 31st August, 2018.
- Major concerns of India for proceeding RCEP talks:
- India has certain reservations, as RCEP includes China, with which it has a huge trade deficit.
- India had argued that, 'RCEP is not goods partnership alone, it's an economic partnership and services should be included.
- Many RCEP members want India to commit to abolish duties on 92% of goods.
- India may have to scrap duties on 74% of goods from China in the long run.
- India needs a grace time period to address concerns by domestic industry and resolve their fears of dumping of cheaper products by China.
- For China, India would seek a longer period for removal of duties on goods as the domestic industry is apprehensive about

the presence of the neighboring country in the grouping.

- No concrete progress is made on Preferential Trade Agreement pending for last six years.

Important Outcomes of the RCEP meetings are:

- Agreement on free trade and addressing the growing protectionism around the world.
- Investor State Dispute Settlement (ISDS) mechanism, but only for limited sectors.
- Of 16 RCEP countries, India does not have FTA with 3 countries namely China, New Zealand and Australia. Provision for separate negotiation to address this issue.
- Linkage between services and goods negotiation accepted.

Key demands of India accepted by members:

- 20 years grace period to eliminate tariff on key items from China, Australia and New Zealand.
- Differential tariff regimes for different country groups.
- Link services 'inevitably' with the goods.
- No additional commitment on intellectual property rights beyond the TRIPS Agreement which are already accepted at WTO.
- 6% margin for eliminating the tariff of 80% products depending on level of development of the other country as a part of the RCEP negotiations.
- Binding commitments for easier movement of professionals (called Mode 4 in trade parlance) in the region.

Regional Comprehensive Economic Partnership (RCEP):

It is a 16 nation proposed Free Trade Agreement (FTA).

It includes ten member states of Association of Southeast Asian Nations (ASEAN) (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand,

Vietnam) and the six Asia-Pacific states with which ASEAN has existing FTAs (Australia, China, India, Japan, South Korea and New Zealand).

NATIONAL

SUPREME COURT BATS FOR MINOR RAPE SURVIVORS

The Supreme Court ordered that minor survivors of rape or sexual assault will get compensation on par with women victims.

The apex court extended the National Legal Services Authority's (NALSA) compensation scheme for women rape and sexual assault survivors to minor children.

A three-judge Bench directed that the Protection of Children from Sexual Offences (POCSO) Act should disburse compensation to minor victims of sex abuse as per the NALSA's 'Compensation Scheme for Women Victims/Survivors of Sexual Assault/Other Crimes-2018'.

The NALSA scheme would be made applicable to minor victims from October 2 until the Centre frames compensation guidelines under the POCSO.

The NALSA scheme provides a uniform payment of Rs 5 lakh to a maximum Rs 10 lakh for "loss of life" and to gang rape survivors in any part of the country.

Similarly, in case of rape and unnatural sexual assault, the victim would get a minimum of Rs 4 lakh and maximum of Rs 7 lakh as compensation.

Among other categories, if a victim suffers the loss of foetus, that is, by miscarriage as a result of assault or loss fertility, the NALSA scheme offers a compensation of Rs 2 lakh to 3 lakh.

The scheme provides a victim of acid attacks, in case of disfigurement of face, would get a minimum compensation of Rs 7 lakh, while the upper limit would be Rs 8 lakh.

In acid attack cases, if the injury was more than 50%, a minimum compensation of Rs 5

lakh would be given, while the maximum would be Rs 8 lakh.

The compensation for sex abuse survivors should be a source of financial solace for victims of sex crimes and acid attacks during court trial.

NEW GANGA CLEAN-UP LAW PLANS ARMED FORCE, PRISON TERMS & FINES

In July 2016, a committee was constituted under retired judge of the Allahabad High Court Justice Girdhar Malviya.

He had submitted a draft Bill last year named The National River Ganga (Rejuvenation, Protection and Management) Bill, 2017.

Subsequently, a four-member committee was set up by the Ministry to examine that and the Ministry has circulated a Cabinet note which includes a revised version of that draft Bill.

The draft Bill says that present environmental laws aren't adequate to restore and protect the river.

An armed Ganga Protection Corps (GPC) whose personnel will have powers to arrest those who pollute the river.

Certain illicit activities be regarded as cognizable offences that may attract a prison term of up to three years and a fine of up to Rs 5 lakh.

These are among the measures in the draft Bill prepared by the Ministry of Water Resources, River Development & Ganga Rejuvenation which has sought opinion of various stakeholders.

The Bill calls for a National Ganga Council and a National Ganga Rejuvenation Authority to enforce the law and protect the river which flows over 2500 km.

Cognizable offences marked in the draft Bill include:

- construction activities causing obstruction in the river;
- withdrawal of ground water for industrial or commercial consumption from the land fronting the river and its tributaries;

- commercial fishing or aqua culture in the river and its tributaries;
- discharging untreated or treated sewage into the river.

The draft Bill says that commercial fishing or aqua culture activities in the Ganga and any of its tributaries shall be punishable with imprisonment for two years or a fine of Rs 2 lakh or both.

Similarly, construction of permanent structure for residential, commercial and residential purposes in the active flood plain area of Ganga will be punishable with a two-year imprisonment or fine up to Rs 50 lakh or both.

No person or municipal authority will establish or take any steps to set up any industrial or residential or commercial premises or structure which may result in discharge of any sewage or trade effluent into the Ganga

This may face a five-year prison term or a fine of Rs 50,000 per day or both.

The draft Bill envisages **the Ganga Protection Corps as an armed force "constituted and maintained" by the Central government.**

If any member of GPC has reason to believe that any person has committed an offence punishable under this Act, he may take such person in custody to the nearest police station.

GPC will follow Code of Criminal Procedure.

Its personnel, the draft Bill says, will be provided by the Ministry of Home Affairs and will be deployed by National Ganga Rejuvenation Authority.

While almost similar provisions are there in the Environment Protection Act 1986, creation of GPC is new.

CABINET APPROVES CONTINUATION OF INTEGRATED DEVELOPMENT OF WILDLIFE HABITATS SCHEME

The Cabinet Committee on Economic Affairs has approved continuation of the Centrally Sponsored Umbrella Scheme of Integrated Development of Wildlife Habitats (CSS-IDWH) beyond the 12th Plan period from 2017-18 to 2019-20.

The Scheme consists of Centrally Sponsored Scheme of- Project Tiger (CSS-PT), Development of Wildlife Habitats (CSS-DWH) and Project Elephant (CSS-PE).

A total of 18 tiger range States, distributed in five landscapes of the country would be benefitted under the Project Tiger scheme.

Similarly, for other two schemes, the coverage is entire country in case of Development of Wildlife Habitats (DWH) and 23 elephant range States for Project Elephant.

Benefits of the Scheme

The schemes would result in overall strengthening/ consolidation of tiger, elephant and wildlife conservation in the country.

The schemes would address the human wildlife conflict effectively.

These schemes would generate employment opportunities resulting in economic upliftment of people in and around tiger reserves/ Protected Areas.

It will generate direct employment of about 30 lakh mandays annually which shall include many local tribes besides non-tribal local workforce.

Local populace would get opportunities to serve as guides, driver, hospitality personnel and in other ancillary jobs.

These schemes would foster imparting various skills towards making people self-dependent through various eco-development projects, thereby enabling them to go for self-employment.

These schemes would result in resource generation through tourist visits, thereby fostering in securing tiger source areas.
