

INTERNATIONAL RELATION**INDIA'S CRUDE IMPORT FROM OPEC**

India's crude import from OPEC steadies after six years of slump.

Surge in crude import

- OPEC's share of India's crude imports for the 2021-22 has risen after a span of 6 years.
- The surge is primarily because of refiners importing more crude from the OPEC to counter rising global prices and also easing of Covid-19 lockdown.
- In the next few months OPEC's share of India's overall imports could decline because refiners in India are buying cheaper Russian oil that has been sanctioned by the western countries after Russia's invasion of Ukraine.
- Russian oil continued to account for less than 1% of India's crude imports in 2021-22. It has increased to a little less than 2 percent in recent months on account of Russia offering crude at discounted rate.
- The share of OPEC crude in India's imports improved while that of Latin America and Africa declined.

The Organization of the Petroleum Exporting Countries (OPEC)

- OPEC is a permanent, intergovernmental organization created at the Baghdad Conference in 1960, by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela.
- The five Founding Members were later joined by Qatar, Indonesia, Libya, United Arab Emirates, Algeria, Nigeria, Angola, Gabon, Equatorial Guinea and Congo.
- OPEC headquarters is in Vienna, Austria. Earlier it was situated in Geneva, Switzerland but was moved to Vienna in 1965.
- Qatar moved out of OPEC in 2019, Indonesia in 2016 and Ecuador in 2020.

OPEC's objectives:

- to coordinate and unify petroleum policies among member countries
- to secure fair and stable prices for petroleum producers
- To secure an efficient, economic and regular supply of petroleum to consuming nations
- ensuring fair return on capital to those investing in the industry

How oil prices are determined by OPEC?

- OPEC is a cartel which behaves like a loose oligopoly thus determining the level of output based on profit maximization.
- However, it has to factor in various conditions to arrive at the production figure based on global demand and supply, uncertainties etc.
- Crude prices not only depend on current supply and demand but also on projected future supply and demand.
- OPEC adjusts member countries' production targets based on current and expectations of future supply and demand.
- Gauging future supply and demand is challenging as market conditions are uncertain and are changing rapidly.
- There can also be significant lags in OPEC production target adjustments in response to market conditions, which also can impact prices.
- Despite the mandates to manage production and maintain targeted price levels, member countries do not always comply with the production targets ascertained by the organization.
- Prices of crude are also affected by member countries' reluctance to maintain production targets.
- Furthermore, unexpected outages, disruptions can reduce OPEC production thus affecting crude prices.

How much is India dependent on OPEC for its oil import?

- India as of now imports roughly 70 percent of its crude from the OPEC members.
- On a decadal comparison, the imports have reduced drastically from 87 percent of India's total crude import to 70 percent in 2021-22.
- This reduction is on account of India expanding its import basket to rope in non-OPEC members so as to have a stable and consistent supply of crude.

The United States is the largest non-OPEC crude importer to India.

- How crude import from Russia can affect India's dependence on OPEC?
- At present India's crude import from Russia accounts for less than 2 percent of India's need which is lesser than its domestic production.
- In short to medium run it is not favorable for India to import a large chunk of its import needs from Russia due to sanctions and secondly Rupee-Rouble payment arrangement has a limitation.

- In the near future, the Russian crude import can't affect India's dependency on OPEC much but in the long run with India investing in Russian gas fields and ironing out the payment arrangement issues, India's dependence on OPEC can be drastically reduced.
- India should look at OPEC plus nations as well to reduce its import demands from OPEC.

OPEC Plus

Its group of non-OPEC countries which export crude to other countries. Its member nations are:

- | | | |
|--------------|----------|-------------|
| ▪ Azerbaijan | Bahrain | Brunei |
| ▪ Kazakhstan | Malaysia | Mexico |
| ▪ Oman | Russia | South Sudan |
| ▪ Sudan | | |

IMPORTANT FACTS FOR PRELIM

1. Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

Recently, the Cabinet Committee on Economic Affairs approved the continuation of lending under the PM SVANidhi beyond March 2022 till December 2024.

- The extension would assist in institutionalising the access to formal credit channels, provide an assured source of credit to help them plan their business expansion
- Increasing the adoption of digital transactions, reducing the impact of potential NPAs on the Lending Institutions and providing holistic socio-economic upliftment for the Street Vendors and their families.

About PM SVANidhi

- The scheme is a Central Sector Scheme .
- It is fully funded by Ministry of Housing and Urban Affairs with the following objectives:
 - ❖ To facilitate working capital loan up to 10,000 at subsidized rate of interest
 - ❖ To incentivize regular repayment of loan
 - ❖ To reward digital transactions
- It aims to focus on enhanced collateral free affordable loan corpus, increased adoption of digital transactions and holistic socio-economic development of the Street Vendors and their families.
- The scheme will help formalize the street vendors with above objectives and will open up new opportunities to this sector to move up the economic ladder.
- **Eligibility of States/UTs**
 - ❖ The Scheme is available for beneficiaries belonging to only those States/UTs which have notified Rules and Scheme under Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014.
 - Beneficiaries from Meghalaya, which has its own State Street Vendors Act may, however, participate.

2. Small Satellite Launch Vehicle (SSLV)

The Indian Space Research Organisation (ISRO) is hoping to have all three development flights planned for its 'baby rocket' — the Small Satellite Launch Vehicle (SSLV) — in 2022 itself.

- The first development flight is expected to take place in the month of June.

About the Small Satellite Launch Vehicle (SSLV)

Background:

- Dr Somanath is credited with designing and developing the SSLV during his tenure as director of the Vikram Sarabhai Space Centre in Thiruvananthapuram since 2018.
- It is a 3 stage Launch Vehicle configured with three Solid Propulsion Stages and liquid propulsion based Velocity Trimming Module (VTM) as a terminal stage.
- All three stages of the SSLV will be solid propulsion stages.
- The SSLV can carry satellites weighing a maximum 500 kg to low orbit, while the PSLV can launch satellites weighing above 1000 kg.

The key features of SSLV:

- Low cost, with low turn-around time, flexibility in accommodating multiple satellites, Launch on demand feasibility, minimal launch infrastructure requirements, etc.

Aims:

- Development of a cost-effective launch vehicle with a high launch frequency and a quick turnaround capability to cater to the growing opportunities in the global launch services market for small satellites
- To create greater synergy between the space sector and private Indian industries .

What is Low-Earth Orbit ?

- Low-Earth orbit (often known as LEO) encompasses Earth-centred orbits with an altitude of 2,000 km (1,200 mi) or less.

3. Hepatitis B

Many countries including the US and UK reported mysterious cases of a few children being diagnosed with Hepatitis B.

- The Netherlands also reported concurrent increasing community adenovirus circulation.

About Hepatitis B

- It is a potentially life-threatening liver infection caused by the hepatitis B virus (HBV).
- It is a major global health problem.
- The virus is most commonly transmitted from mother to child during birth and delivery, as well as through contact with blood or other body fluids during sex with an infected partner, unsafe injections or exposures to sharp instruments.

Global Burden:

- It is highest in the WHO Western Pacific Region and the WHO African Region, where 116 million and 81 million people, respectively, are chronically infected.

Treatment

- There is no specific treatment for acute hepatitis B. Therefore, care is aimed at maintaining comfort and adequate nutritional balance, including replacement of fluids lost from vomiting and diarrhoea.

WHO response

- **Strategy**
 - ❖ In May 2016, the World Health Assembly adopted the first Global health sector strategy on viral hepatitis, 2016-2020.
- **World Hepatitis Day**
 - ❖ WHO organises annual World Hepatitis Day campaigns (as 1 of its 9 flagship annual health campaigns) to increase awareness and understanding of viral hepatitis.

DAILY ANSWER WRITING PRACTICE

Q1. The recently signed Comprehensive Strategic Partnership between India and U.K has opened new avenues for cooperation between the two countries which can lead to building of a lasting partnership.

Comment.

Introduction

India and UK are bound by strong ties of history and culture. In 2021, India & UK agreed on a common vision of a new and transformational Comprehensive Strategic Partnership and adopted an ambitious India-UK Roadmap to 2030 to steer cooperation for the next 10 years.

The recent visit of U.K. Foreign Secretary to India and participation in the inaugural edition of India-U.K. Strategic Futures Forum, a Track 1.5 Dialogue, has emphasized that the bilateral relationship is indeed on an upward trajectory.

Body

New avenues for cooperation between India and the UK

Democracy power

- Countering Russian aggression and reducing global strategic dependence on Moscow by underlining the importance of democracies working cohesively to deter aggressors.

Indo-Pacific Initiative

- The U.K. will join India's Indo-Pacific Oceans Initiative and become a major partner on maritime security issues in Southeast Asia.

Defence cooperation

- India is a key strategic partner for the U.K. and was underscored by signing of Defence and International Security Partnership between India and the U.K. in 2015.

Joint cyber security programme

- A new joint cyber security programme is set to be announced to protect online infrastructure as both parties attempt to carry out joint exercises to combat threats from cyber criminals and ransomware.

Strategic Tech Dialogue

- India and the U.K. plan to hold the first Strategic Tech Dialogue, a ministerial-level summit on emerging technologies.

British International Investment funding

- The U.K. has confirmed 70 million euro of British International Investment funding to support the usage of renewable energy in India.

India-U.K. Free Trade Agreement

- In January, India and U.K. managed to conclude the first round of talks for an India-U.K. Free Trade Agreement.
- The negotiations reflected shared ambitions to secure a comprehensive deal between the fifth and sixth largest economies in the world as both sides covered over 26 policy areas.

Other areas of cooperation

- Fintech, Market regulation, Sustainable and green finance & Cyber security are some of the niche areas where India and UK can cooperate.

Way forward

- Indian and UK Government should prioritise trade talks and do more to lay the groundwork for an eventual deal.
- Starting out with improving access to targeted support for UK businesses in India, particularly start-ups and smaller businesses – could be the way out to improve the business environment in India.
- UK and India's convergence of interests in the Indian Ocean region offers an important opportunity to increase engagement on defence and security.
- Hence, both nations should promote standards of transparency and sustainability for infrastructure projects in the region
- With the UK expanding its footprint in the Indo-Pacific and India working toward gaining prominence as the net security provider in the region, both countries' aspirations and future seem to be intertwined. Hence, the imperative for thorough execution.
- New geopolitical realities demand a new strategic and it is time to seize the moment to lay the foundations of a partnership that can respond adequately to the challenges of the 21st century.
- India needs to recognise the lack of harmony between different strands of the relationship. Long joint statements and unreachable ambition are not the answer. Arriving at common ground on issues troubling India should be the foremost concern
- This relationship has had many beginnings. Just to stay in the game, we have to concede to geopolitics. Britain (post- Brexit) and India (with the China challenge) need partners. Given India's difficulties amid the pandemic, Britain has early advantage

Hence, the need to bank on the profound ties of culture, history and language to further deepen relations between India and UK.

DAILY QUIZ

Q1. With reference to Prime Minister Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi), consider the following statements:

1. It is a Central Sector Scheme .
2. It facilitates working capital loan up to 10,000 at subsidised rate of interest
3. It is available only for beneficiaries belonging to North Eastern States.

Which of the statements given above are correct?

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

Q2. With reference to Small Satellite Launch Vehicle (SSLV), consider the following statements:

1. It is a 3 stage Launch Vehicle configured with three Solid Propulsion Stages.
2. It can carry satellites weighing a maximum 500 kg to low orbit.
3. It has flexibility in accommodating multiple satellites.

Which of the statements given above are correct?

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

Q3. With reference to Civil Registration System in India, consider the following statements

1. Registration of births, deaths and stillbirths is mandatory in India.
2. Activities of registration and implementation of the statute are vested with the Registrar General of India solely.
3. The Civil Registration System has been linked to the National Population Register.

Which of the following statements is/are correct?

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

Q4. Consider the following statements

1. The Collegium System is prescribed in the constitution.
2. It consists of the Chief Justice of India with two senior most judges.
3. National Judicial Appointment Commission Act, 2014 was brought to replace commission.

Which of the above statements is/are not correct?

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

Q5. Consider the following statements with reference to Kaziranga National Park

1. It is the oldest park in Assam
2. It is famous for the Great Indian one-horned rhinoceros.
3. It is recognized as an Important Bird Area by IUCN.

Which of the statements given above is/are not correct?

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

Q6. Which of the following are correctly matched the following

1. South Korea – KASS
2. Russia – DeiDou SBAS
3. China – SDCM
4. India – GAGAN
5. Australia - SPAN

Select the correct answer using the code given below

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

Q7. Consider the following statement

1. Privatisation of airports in India first began immediately after the LPG reform in 1990s
2. The revenue generated from the airport privatisation is shared between centre and the respective states in which the airport is situated.

Choose the correct statement/s using the codes given below

- a) 1 only b) 2 only c) Both d) **Neither 1 nor 2**

Q8. Which of the following organisation planning to formulate a Farmer Distress Index

- a) NITI ayog b) **NABARD**
c) Ministry of Agriculture d) FAO India

Q9. The Hattis community recently seen in news belongs to which of the following state

- a) **Himachal Pradesh** b) Tamilnadu c) Nagaland d) Gujrat

Q10. Consider the following with regards to South Asia Climate Outlook Forum (SACOF)

1. South Asian nations, supported by the World Meteorological Organization (WMO), have been conducting the SASCOF since 2010.
2. SASCOF is a forum where climate experts from India, Pakistan, Afghanistan, Nepal, Bhutan, Sri Lanka and Myanmar meet annually to discuss the Southwest and Northeast monsoons

Choose the correct statement/s using the code given below

- a) **1 only** b) 2 only c) Both d) Neither 1 nor 2

Q11. With reference to Armed Forces Special Power act choose the incorrect statement/s

1. Punjab was the first state from where it was repealed, followed by Tripura and Meghalaya
2. AFSPA provides for special powers for the armed forces that can be imposed by the Centre or the Governor of a state, on parts of a state not whole state, after it is declared “disturbed” under Section 3.

Select the correct answer using the codes given below

- a) 1 only b) **2 only** c) Both d) Neither 1 nor 2

Q12. Match the following with respect to IPCC working group

- a) Working group I - assesses the physical science of climate change.
b) Working Group II - Impacts, Adaptation and Vulnerability
c) Working Group III - Mitigation of Climate Change
d) **All are correctly matched**

Q13. Consider the following statement with respect to “Heartbeat star” recently seen in news

1. A total of about 7 heartbeat stars are known to date.
2. HD73619 is the first member of heartbeat systems in binary chemically peculiar stars

Choose the correct statement/s using the code given below

- a) 1 only b) **2 only** c) Both d) Neither 1 nor 2

Q14. Consider the following with respect to red sand wood

1. Recently Red Sanders (Red Sandalwood) has recently moved into the ‘endangered’ category in the IUCN Red List from ‘near threatened’.
2. It is endemic to Andhra Pradesh.

Choose the incorrect statement /s using the code given below

- a) 1 only b) 2 only c) Both d) **None of the above**

Q15. Which of the following are included in ‘Panchamrita strategy’ of India announced recently .

1. India will get its non-fossil energy capacity to 500 gigawatt by 2030.
2. India will meet 50 per cent of its energy requirements till 2030 with renewable energy.
3. India will reduce its projected carbon emission by one billion tonnes by 2030.
4. India will reduce the carbon intensity of its economy by 45 per cent by 2030.
5. India will achieve net zero by 2070.

Choose the correct answer using the code given below

- a) 1, 2, 4 and 5 only b) 2, 3, 5 only
c) 1, 3, 5 only d) **All of the above**