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CHINA'S AMBITIONS FOR PAN-ASIAN RAIL NETWORK

In News

- China is willing to work with Malaysia to study connecting the **East Coast Rail Link (ECRL) with railway links** in Laos and Thailand.

ECRL Project:

- The East Coast Rail Link (ECRL) is a 665-km railway project in Malaysia and it will connect **Kota Bharu on the Kelantan river**, close to Malaysia's northeastern coast with **Port Klang** on the strategically important Strait of Malacca on the country's west coast.
- It is seen as a major economic cooperation project between **China and Malaysia**.
 - ◆ It is part of **China's Belt and Road Initiative**.
- It will link cities and towns as well as upgrade public transportation along its rail network.
- It was started in 2017 but faced funding issues and political obstacles, delaying progress until a renegotiated deal in 2020.
 - ◆ It is now expected to be completed by 2027.

China's Ambitions for pan-Asian rail network

- China plans a **comprehensive rail network across** Southeast Asia, part of its broader **Belt and Road Initiative (BRI)**.
 - ◆ Routes include western, central, and eastern lines linking China with Myanmar, Laos, Thailand, Vietnam, Cambodia, and Malaysia.
- The aim is to enhance regional connectivity, bolster economic ties although challenges such as varying rail **track widths and cost concerns persist**.
- **Status**: Only the Laos-China section is operational as of 2021, connecting Kunming with Laos.
 - ◆ Projects in Thailand face delays and scrutiny over costs and terms of Chinese involvement, despite efforts to accelerate progress.

Implications

- China has direct influence in Southeast Asia on account of geography and strong economic and cultural ties.
- The ECRL and broader pan-Asian rail network represent significant infrastructure projects that underscore China's regional ambitions

- The BRI reflects China's strategy to extend its influence through infrastructure investments across Asia, Africa, and beyond.

Concerns

- Challenges exist such as financial sustainability and economic benefits, technological compatibility, and geopolitical tensions with other regional powers.
- Several rail projects have also been criticized as instruments of "debt-trap diplomacy," wherein China purportedly seeks to gain leverage over developing countries by burdening them with unsustainable debt.

How does it affect India's interest

- The Belt and Road Initiative (BRI) provides China an opportunity to expand its India's neighbourhood.
- China projects BRI as a "public good" but the reality is very different as more and more countries find themselves in debt distress.
 - ◆ India's neighbouring countries can fall into unhealthy dependencies on China.
- CPEC has brought the Chinese presence close to the Indian border, whether in the Pakistan Occupied Kashmir (POK) or in the Sir Creek area.
 - ◆ Indian economic interests and India's relations with ASEAN countries are heavily impacted by the heavy presence of China in ASEAN.

Way Forward for India

- India has considerable soft power which can be harnessed to deal with Chinese influence in multiple ways.
 - ◆ Civilization, culture and religion bind the people of the region. India has an advantage in these areas.
- There is a need to maintain a working relationship with China without being confrontational. At the same time it has adopted a firm position on issues like the BRI, borders (Doklam crisis).
 - ◆ This policy should continue.
- India has promoted the **Quad**. This cooperation should continue.
- India should strengthen its relations with Russia. It can be a partner with Russia in its Eurasia projects.
- India's Act Far East policy should be implemented expeditiously.

Source:IE

SHOULD INDIA REVIEW ITS MYANMAR POLICY?

Context

- Recently, the experts on Myanmar have called for India to review its policy and establish channels with the ethnic armed organizations (EAOs) to help the affected civilians.

Background

- The conflict between **Ethnic armed organizations (EAOs)** and the **Military Junta in Myanmar** has created a serious humanitarian crisis.
- Since October 2023**, the ethnic armed groups and the PDF (People's Defence Force) in Myanmar have been coordinated in their effort to resist the military junta. They have been able to hold at least **45%** of the territory in Myanmar.

India's policy towards Myanmar

- India's traditional policy** towards Myanmar has had two main facets:
 - One, to develop good cordial relations with the military junta and
 - Second, to keep supporting democratic forces and ensure the strengthening of democracy.

Need for Changes in Policy

- The conflict is affecting India**, as there is an influx of refugees in the country.
- To counter China:** EAOs are being supported by China. At the same time, China has good relations with the military junta.
- Many of these **resistance groups have taken control of all the trading routes** that fall on the India-Myanmar, Myanmar-China, and Thailand-Myanmar border.
- Weak military regime:** In the last three years, the military has not been able to impose its will and the people have rebelled against the military, but they have also not been able to prevail.
 - There is a strong military, political, and diplomatic stalemate in Myanmar.
- National interest:** The political stability of Myanmar is of paramount importance to India, particularly for the northeastern region and its connectivity projects, such as the **Kaladan Multi-modal Transit Transport Project (KMTTP)**.
 - The project is not only a regional connectivity endeavor but a pivotal element of India's strategic ambitions to counter Chinese influence and enhance stability in its northeastern territories.

Way Ahead

- India has been closely associated with the **Track 1.5 dialogue**, which was initiated by Thailand, and in the **Track 2 dialogue** among scholars of the region, known as the Bangkok process.
- At the same time, we India has sufficient leverage with the military to convey to Myanmar that their own people are suffering and the instability is having a negative impact across the board and on a major neighbor such as India.

Brief on India- Myanmar Relations

- Location:** India shares a long land border of over 1643 kms with Myanmar as well as a maritime boundary in the Bay of Bengal.
 - Four northeastern states, viz., Arunachal Pradesh, Nagaland, Manipur and Mizoram, have a boundary with Myanmar.
- Diplomatic Relations:** Diplomatic relations between India and Myanmar have generally been friendly, with high-level visits and engagements strengthening ties at the governmental level.
 - India and Myanmar signed a **Treaty of Friendship in 1951**.
- Historical and Cultural Ties:** Both Nations share deep historical and cultural connections, with influences from Buddhism, Hinduism, and trade routes shaping their interactions over millennia.
- Geopolitical Significance:** Myanmar holds significant geopolitical importance for India due to its strategic location, acting as a bridge between South Asia and Southeast Asia.
 - India is seeking to enhance its cooperation with Myanmar in line with our 'Act East' and 'Neighborhood First' Policies.
- The bilateral trade stood at US\$ 1.03 billion in 2021-22.** Bilateral trade is conducted under ASEAN-India Trade in Goods Agreement (AITIGA) and India's DutyFree Tariff Preference (DFTP) scheme.
- Connectivity Projects:** India is involved in various connectivity projects aimed at improving infrastructure and connectivity between the two countries.
 - The **Kaladan Multi-Modal Transit Transport Project** and the **India-Myanmar-Thailand Trilateral Highway** are notable examples.

Source: IE

DEFENSE PRODUCTION HIT RECORD HIGH IN 2023-24

Context

- The value of defense production in India has gone up to **₹1,26,887 crore** in **FY 2023-24**, reflecting a growth of **16.7%** over the defense production of FY 2022-23.

About

- Since **2019-20**, the value of defense production has been increasing steadily, and has grown by over **60%**.
- Of the total value of production in **2023-24**, about **79.2%** has been contributed by the Public Sector and **20.8%** by the private sector.

Defense sector of India

- India's defense budget of **US\$ 74.7 billion** ranked fourth highest globally in 2024.
- India has the world's fourth largest defense expenditure, as of 2022, and
- India has set a target of **US\$ 6.02 billion** worth of annual defense exports by **2028-29**.
- Defense exports was **₹21,083 crore** in **FY 2023-24**, reflecting a growth of **32.5%** over the last fiscal when the figure was **₹15,920 crore**.

Advantages of growth in defense production

- Self-defense:** The presence of hostile neighbors like China and Pakistan makes it necessary for India to boost its self-defense and preparedness.
- Strategic advantage:** Self-reliance will make India's geopolitical stance strategically stronger as a net security provider.
- Technological advancement:** Advancement in the defense technology sector will automatically boost other industries hence catapulting the economy further ahead.
- Economic drain:** India spends around 3% of GDP on defense and 60% of that is spent on imports. This leads to an immense economic drain.
- Employment:** Defence manufacturing will need the support of numerous other industries which generate employment opportunities.

Concerns

- Narrow Private Participation:** Private sector participation in the defense sector is constrained by the lack of a conducive financial framework, that means our defense production is unable to benefit from modern design, innovation, and product development.

- Lack of Critical Technology:** Lack of design capability, inadequate R&D investment, inability to manufacture major subsystems and components hamper indigenous manufacturing.
- Lack of Coordination Between Stakeholders:** India's defense manufacturing capability is hindered by overlapping jurisdictions between the Ministry of Defence and the Ministry of Industrial Promotion.

Government initiatives to Increase Defence EXport

- IDR Act:** Defence Products list requiring Industrial License has been rationalized and manufacture of most of parts or components does not require Industrial License.
 - The initial validity of the Industrial Licence granted has been **increased from 03 years to 15 years** with a provision to further extend it by 03 years on a case-to-case basis
- Government schemes such as **iDEX (Innovations for Defence Excellence)** and **DTIS (Defence Testing Infrastructure Scheme)** to enable innovation within the Defence & Aerospace ecosystem.
- FDI in the Defence Sector** has been enhanced up to 74% through the Automatic Route and 100% by Government Route, to promote export and liberalize foreign investments.
- The government has established **2 dedicated Defence Industrial Corridors** in the States of **Tamil Nadu and Uttar Pradesh** to act as clusters of defense manufacturing that leverage existing infrastructure, and human capital.
- Defence Production and Export Promotion Policy 2020 (DPEPP):** The Ministry of Defence (MoD) has formulated a draft DPEPP 2020 as a guiding document of MoD to provide a focused, structured, and significant thrust to defense production capabilities of the country for self-reliance and exports.
- In 2021, **Defence Acquisition Council (DAC)** boosted the **'Make in India'** initiative by **Acceptance of Necessity (AoN)** — to capital acquisition proposals worth US\$ 1.07 billion (Rs. 7,965 crore) — for modernisation and operational needs of armed forces.

Way Ahead

- Green Channel Status Policy (GCS)** has been introduced to promote and encourage private sector investments in defense production to promote the role of private sector in defense production.

- India has around **194 defense tech startups** building innovative tech solutions to empower and support the country's defense efforts.
- With the government's emphasis on easing restrictions on foreign investment in order to achieve India's goal of an **Atmanirbhar Bharat**, the growth trajectory of the Indian defense sector remains strong.

Source: TH

AXIOM-4 MISSION

Context

- The Indian Space Research Organisation (ISRO) has shortlisted two of its four trained Gaganyaan astronauts for a mission to the International Space Station (ISS) in collaboration with United States' NASA later this year.

About the Axiom-4 Mission

- The selected astronauts will be part of the Axiom-4 mission, which represents the fourth private astronaut mission conducted by NASA in partnership with Axiom Space, a private US company.
- The mission is scheduled to take place '**no earlier than October 2024**', and is **expected to spend up to 14 days** docked to the space station during the mission.

Historical Significance

- This collaboration between ISRO and NASA marks a significant milestone in India's space exploration journey.
- It reflects the growing cooperation between the two space agencies and underscores India's commitment to human spaceflight.
- The selected astronauts aim to **follow in the footsteps of Rakesh Sharma**, who became the **first and only Indian** to travel to space back in 1984 aboard a Russian spacecraft.

Training and Preparation

- While the Gaganyaan astronauts have received general space training in India, their focus has primarily been on Gaganyaan-specific modules.
- However, to participate in the ISS mission, they will need to undergo specialised training to familiarise themselves with ISS modules, protocols, and operational procedures.
- This training will take place in the United States, where they will collaborate with NASA and other international partners.

Gaganyaan Mission

- The Gaganyaan project envisages demonstration of human spaceflight capability by launching a crew of three members to an orbit of 400 km for a three day mission and bringing them back safely to earth, by landing in Indian sea waters.
- Gaganyaan astronauts are poised to contribute to scientific research, international collaboration, and the advancement of space exploration.

ISRO's First Human Spaceflight Mission

- This manned mission will be the first of ISRO's human spaceflight missions.
- The US, Russia and China are the only three countries to have conducted human spaceflights yet.
- It will be launched by ISRO's Geosynchronous Satellite Launch Vehicle GSLV Mk III (3 stages heavy-lift vehicle).

Source: IE

NEWS IN SHORT

SEHER PROGRAM

Context

- Recently, Women Entrepreneurship Platform and TransUnion CIBIL Partner launched the SEHER Program to empower women entrepreneurs.

About the SEHER Program

- It is a **credit education initiative** aimed at empowering women entrepreneurs in India by providing **essential financial literacy content and business skills** to women business owners.
- It facilitates better access to credit and financial resources for women-led businesses.
- It provides women entrepreneurs with knowledge about credit scores, loan eligibility, and financial planning.

Importance

- **Reducing gender disparities** (currently, only 7% of overall outstanding loans to MSMEs are granted to women-led businesses), and **employment opportunities** (around 20% MSMEs being women-owned).

Source: PIB

AGNIVEERS

Context

- Recently, the Leader of Opposition in Lok Sabha alleged that the family of Agniveer did not receive financial assistance from the government.

About the Agniveer Scheme (aka Agnipath Scheme and or Tour of Duty Scheme)

- It was announced by the government with the objective to modernise and optimise the recruitment process within the Indian armed forces.
- By introducing a short-term service model, the scheme aims to attract patriotic and motivated youth to serve their country.
- It aims to enrol candidates from all parts of the nation using contemporary technology (such as **online STAR exams**), specialised rallies, and campus interviews at recognized technical institutes.

Recruitment Criteria

- Eligible Candidates:** Youth between the ages of 17.5 and 23 years.
- Enrolment Basis and Duration:** All-India All-Class basis.
 - Candidates inducted through the Agnipath Scheme are called as Agniveers, and governed under the **Air Force Act 1950** for a period of **four years**.
- Rank:** Enrolled candidates will be known as 'Agniveers'
- Insignia:** Agniveers will bear a distinct insignia within their respective forces.
- Pension:** Agniveers will not be eligible for any pensionary benefits during their service period.

Compensation

- Life Insurance Cover:** Agniveers receive life insurance coverage of Rs. 48 lakhs during their engagement period.
- Compensation for Death:** In case of death, **Agniveers' next of kin (NOK)** will receive insurance cover and additional compensation from the **Agniveer Corpus Fund**.

Source: IE

BALANCE OF PAYMENTS

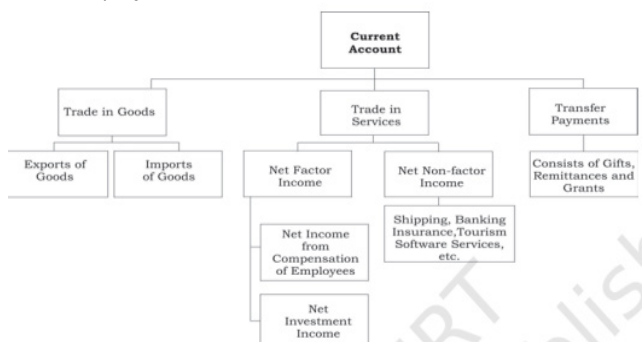
In News

India's current account registered a surplus during the fourth quarter (Jan-Mar) of the 2023-24 financial year.

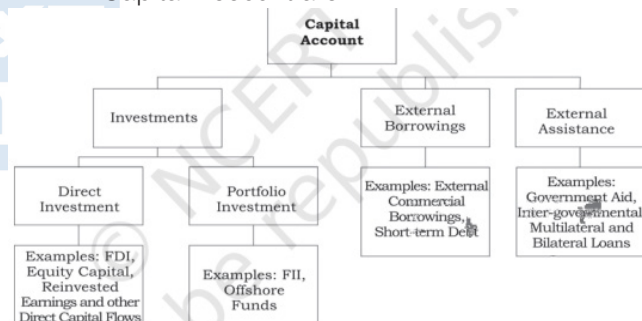
- This was the first time in 11 quarters that India had witnessed a surplus.

About Balance of Payments

- It records the transactions in goods, services and assets between residents of a country with the rest of the world for a specified time period typically a year.
- There are two main accounts in the BoP – the current account and the capital account
 - The **current account** records exports and imports in goods and services and transfer payments.



- The **capital account** records all international purchases and sales of assets such as money, stocks, bonds, etc. Components of Capital Account are



Do you know ?

- The words 'deficit' and 'surplus' do not always correlate to 'bad' and 'good' respectively. So, a current account deficit may not always be bad for an economy, nor is a current account surplus necessarily a good development.
- A current account deficit happens because a developing economy needs to import lots of capital goods (read machinery) to build up its capacity to produce more exports.
- A trade deficit also suggests that India's underlying economy has a strong demand impulse.
- Current account and capital account will always move in the opposite directions;** a

deficit on current account will always meet with a matching surplus on capital account, and conversely a surplus on current account will match with a deficit on current account.

- And in the ultimate analysis, an economy's BOP will be in balance i.e., there will be no deficits and surpluses in aggregate BOP

Source:IE

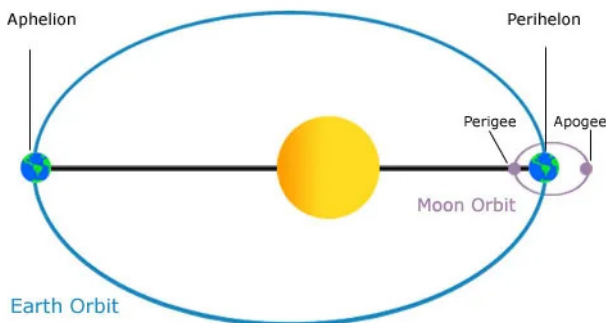
APHELION

In News

- Earth reaches aphelion every July. This year it occurred on the 5th July.

About Aphelion

- It is the point in the Earth's orbit when it is farthest from the sun (152.5 million km).
- Earth reaches its aphelion during summer in the Northern Hemisphere
 - ♦ On 3rd January, the earth is the nearest to the sun (147 million km).



- This position is called perihelion
- Earth has an **aphelion** as a result of its orbit being **elliptical**, rather than circular.
- The Earth is most distant from the Sun indicates that the tilt of the Earth's axis plays a larger part in determining the four seasons than does distance from the Sun.
 - ♦ In the southern hemisphere, the tilt of the axis and the distance from the Sun work together to create seasons

Source:IE

AFRICAN SWINE FEVER

Context

- An outbreak of African Swine Fever has been detected on a farm in a village located in the Thrissur district of Kerala.

African Swine Fever (ASF)

- It is a highly **contagious and fatal animal disease** that infects domestic and wild pigs.
- It is caused by the **Large DNA virus of the Asfarviridae family**.
- **Distribution:** First detected in Kenya in 1909 & currently found in Asia, Europe & Africa.
- **Symptoms:** Includes weight loss, intermittent fever, respiratory signs, chronic skin ulcers & arthritis. Acute forms characterized by anorexia, loss of appetite & hemorrhages in skin.
- **Transmission:** Through natural hosts (warthogs, bushpigs & ticks) acting as vectors & by direct/indirect contact with infected pigs, their feces & body fluids.
- **Vaccination:** Currently, there is **no effective vaccine** available against ASF However, in 2023, **Vietnam** approved two African Swine Fever (ASF) vaccines for domestic sale.
- **Public Health Risk:** It is not a threat to human health as it is a non-zoonotic disease.

Source: TH

SECOND VOLUME OF PEOPLE'S BIODIVERSITY REGISTER (PBR)

Context

- In Kerala four Grama panchayats have submitted the updated version of the People's Biodiversity Register (PBR) to the Kerala State Biodiversity Board (KSBB).

About

- **The Biological Diversity Act (2002)** mandates development of Peoples' Biodiversity Registers (PBRs) at local level to document as well as safe guard bioresources and associated knowledge.
- **The document details the region's biodiversity**, including the identification of resources, discoveries, traditional knowledge, ongoing changes, and the impact of climate change.
- Based on the register, the local body prepares various projects in agriculture, drinking water, and waste management, among other sectors, with a focus on biodiversity conservation and equitable sharing of benefits.
 - ♦ **Kerala** was the first State in the country to publish the first volume of the PBR across all local bodies.

Source: TH