

GS PAPER 2

International Relations-Nov'18

Pakistan's Economic Crisis

Syllabus: India and its neighbourhood- relations.

In News

- Pakistan is currently going through a severe balance of payments crisis, the third one in the last 10 years.
- Notably, by the end of June 2018, Pakistan had a current account deficit of \$18 billion, nearly a 45% increase from a deficit of \$12.4 billion in 2017.

Key Highlights

- Pakistan's economy is passing through a very critical situation. Foreign debt has nearly reached US\$95 billion.
- Pakistan's foreign exchange reserves of around \$15 billion are sufficient to cover only two-and-a-half months of imports.
- Debt-servicing costs are crippling. Foreign-exchange reserves are at almost the lowest level in the nation's history.
- Exports have dropped, while foreign remittances have also suffered. Devaluation of the Pakistani currency has increased inflation domestically.
- The poor system of tax collection is a major cause of budgetary deficiency in the form of income and expenditures. The gap between poor and rich is growing rapidly.

Steps Taken By Pakistani Government

- Pakistan has **approached the International Monetary Fund (IMF)** seeking \$6 billion financial bailout for averting its balance of payments crisis. An IMF team is currently reviewing Pakistan's monetary and fiscal policies as well as its monetary needs in keeping with the current account deficit.
- If an assistance package is agreed on, it would be **Pakistan's second IMF bailout in 5 years** and its **13th since late 1980s**.
- Earlier, **Saudi Arabia** confirmed that it would provide Pakistan with a \$6 billion rescue package. However, this aid is not enough to help the crisis-ridden state.

Analysis

- Pakistan economy's external vulnerability is worse than other emerging markets. It has a history of borrowing from IMF and has been more dependent on the Fund than others in South Asia.
- Pakistan's perennial dependence on foreign funds has meant that it is dependent on external donors to stabilize its economy. Many analysts believe that years of financial assistance by the US and US-aligned multilateral institutions have left **no incentive for Pakistan to introduce structural reforms**.
- Instead, the government often seems happy to **leverage its geographical importance** to secure more money and bailouts.

- According to experts, this has created a situation of “**Dutch disease**”, wherein inflow of foreign currency and overvaluation of the Pakistani rupee has damaged the domestic industry.
- China is also stepping into the role of influential donor for the country. A recent study by the US-based think tank, Centre for Global Development, warned that China’s Belt and Road Initiative (BRI) could raise the risk of sovereign debt default by relatively small and poor countries.
- China has already upstaged the US as the main source of external funds for Pakistan, and Pakistan’s dependence on China could rise further in the years to come.

Impact on India

- Pakistan’s deep economic troubles suggest that India might have to live with increased Chinese influence in Pakistan, in particular, and South Asia, in general.
- The example of Sri Lanka’s Hambantota port, which has been handed over to China as debt obligations mounted, only add to such concerns.
- The last time a big power, the US, had roped in Pakistan in its proxy war against the then USSR, sections of Pakistan’s ruling establishment felt emboldened to undertake hostile actions against India.
- However, there are sections of analysts who believe that Pakistan will not necessarily pursue an adventurist policy against India with Chinese cover.
- China, because of its investments in Pakistan, would at least have a stake in stability, if not peace. Moreover, China has demonstrated in past instances that it could have a restraining effect on Pakistan.
- It is too early to say whether a China-Pakistan alliance will lead to greater or less anti-India activities. But India might need a new strategy to engage with Pakistan’s external donors to mitigate risks arising from a volatile situation in our neighbourhood.

Pakistan-Saudi Arabia Relations: Few Facts

- Pakistan has benefited enormously from Saudi Arabia – the Muslim world’s wealthiest nation – through generous financial aid, the supply of oil on a deferred payment basis and aid during crises.
- For instance, the Saudis provided a grant of US\$10 million during the 2005 earthquake, \$170 million during the 2010-11 floods, and a \$1.5 billion grant when Pakistan faced an economic crisis in 2014.
- Recently, Saudi Arabia has sanctioned a loan of US\$3 billion to help Pakistan overcome its financial crisis. It has also agreed to allow Pakistan to make deferred payments on oil imports amounting to US\$3 billion.
- There are around two million Pakistani expatriates in Saudi Arabia, and they send back remittances worth over \$5 billion every year. Though the trade balance is heavily skewed in favour of Saudi Arabia, the two countries are negotiating a bilateral treaty to help correct the imbalance to some extent.
- The stock placed by the Pakistani government on strengthening relations with Saudi Arabia is clear from the fact that newly elected PM Imran Khan has visited the Kingdom twice in

three months.

- Pakistan and Saudi Arabia have long shared strong geopolitical and economic relations. These relations have been challenged in recent years.
- Pakistan's stated **neutrality in the war in Yemen** and its **failure to openly support the Saudi blockade of Qatar** affected the relationship.
- On its part, Saudi Arabia did not support Pakistan at a crucial vote of the Financial Action Task Force to determine if Pakistan should be placed on its grey list for "strategic deficiencies" in clamping down on terrorism financing.
- To attract Saudi interest, Pakistan floated a number of ideas, including inducting Saudi Arabia as a partner in the CPEC.
- Since this was met with a lukewarm reception from the Kingdom, Pakistan then invited the Saudis to build an oil refinery at its Gwadar port. The Saudis have also been offered a stake in the Reko Diq copper-gold mines in Balochistan.

China to Build Port in Myanmar

Syllabus: India and its neighbourhood- relations.

In News

China and Myanmar has signed an agreement to develop a multi-billion dollar deep sea port in **Kyaukpyu** on the coast of Bay of Bengal.

Key Highlights

- After Gwadar in Pakistan and Hambantota in Sri Lanka, it will be third port in India's neighbourhood. China is also funding the development of the Chittagong port in Bangladesh.
- China will fund 70 % of the project and the remaining 30 % will be taken up by Myanmar.
- Total China-Myanmar investment into the Kyaukpyu project has been scaled down to \$1.3 billion (initial phase) from the earlier \$7 billion figure. China's investment in the project was reduced following Myanmar's concerns of falling into a debt-trap.

Analysis

- The port is expected to boost the China-Myanmar economic corridor and will be another road-sea link under President Xi Jinping's Belt and Road Initiative. Oil and natural gas pipelines are already functioning between the Kyaukpyu and Kunming in China's Yunnan province, bordering Myanmar.
- For Myanmar, the project promises employment to thousands and billions in tax revenue in the future.
- However, analysts in India term this move as a part of String of Pearls theory of building strategic network of ports to encircle India.

- The port will be located on the western coast of Myanmar in Rakhine state. When developed, it will not be far away from a submarine base India is developing on its east coast, close to Vishakhapatnam.

Revoking Birthright Citizenship

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

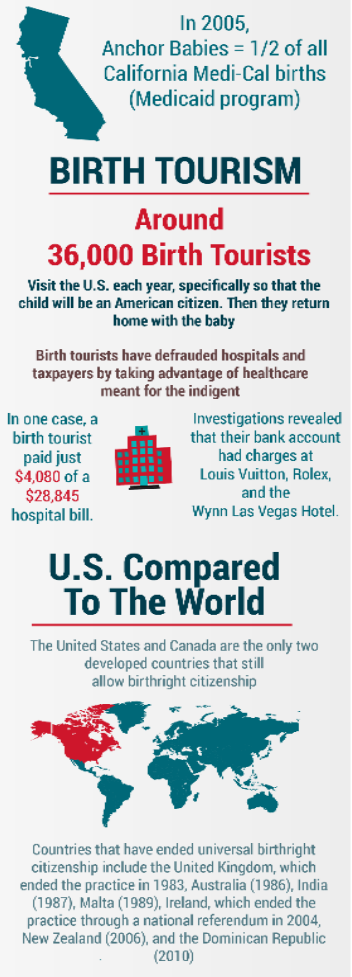
- U.S. President recently said that he intends to issue an executive order that would end birth right citizenship for children born in the US to undocumented immigrants.
- Birthright citizenship comes from the **14th Amendment's** citizenship clause, "*All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.*"
- Thus, the U.S. propose to strike down the right to citizenship decided only by the place of birth, derived from common law.

Background

- **Dred Scott v. Sandford Case 1857:** It ruled that African slaves and their descendants were not and could never become U.S. citizens.
- **14th Amendment 1868:** It was adopted to correct the injustice met to African slaves and their US born children, who found themselves stripped of citizenship, after the decision of Dred Scott v. Sandford Case 1857. The amendment guarantees that a child born on US soil is automatically a full citizen, irrespective of the citizenship status of its parents.
- Birthright citizenship in US is acquired by virtue of the circumstances of birth. It is automatically granted to any person born within and subject to the jurisdiction of the United States. This includes the territories of Puerto Rico, the Marianas (Guam and the Northern Mariana Islands), and the U.S. Virgin Islands. Birthright citizenship also applies to children born elsewhere in the world to U.S. citizens (with certain exceptions).

Misuse Of The 14th Amendment

- **Promote Illegal Immigration:** The decision was taken at the backdrop of the assertion that birthright citizenship draws people to illegally enter the United States.
- The Pew Research Center estimates that about 2,50,000 babies were born in the United States in 2016 to parents residing in the country illegally. An estimated 36,000 additional babies are born to parents from around the world who come legally for Medical tourism purpose.
- **Favourable SC Order on Travel Ban:** The Supreme Court in U.S. had already upheld a watered-down version of the President's travel ban, initiated by executive order. That ruling gave wide leeway to interpret and enforce the nation's immigration laws.



In 2005, Anchor Babies = 1/2 of all California Medi-Cal births (Medicaid program)

BIRTH TOURISM

Around 36,000 Birth Tourists

Visit the U.S. each year, specifically so that the child will be an American citizen. Then they return home with the baby


Birth tourists have defrauded hospitals and taxpayers by taking advantage of healthcare meant for the indigent

In one case, a birth tourist paid just \$4,080 of a \$28,845 hospital bill.

Investigations revealed that their bank account had charges at Louis Vuitton, Rolex, and the Wynn Las Vegas Hotel.

U.S. Compared To The World

The United States and Canada are the only two developed countries that still allow birthright citizenship



Countries that have ended universal birthright citizenship include the United Kingdom, which ended the practice in 1983, Australia (1986), India (1987), Malta (1989), Ireland, which ended the practice through a national referendum in 2004, New Zealand (2006), and the Dominican Republic (2010)

- **International Practice:** In 2004, nearly 80 percent of *Irish voters* decided to end birthright citizenship as change was needed because foreign women were travelling to Ireland to give birth in order to get an EU passport for their babies. Similarly, in 2004, *India* abolished a similar provision in response to fears about mass immigration from Bangladesh. Moreover, more than *195 countries* in world base citizenship at birth on the nationality or resident status of the child's parents.

Concerns/Challenges

- **Move Unconstitutional:** The U.S. Constitution grants the power to regulate citizenship to Congress, and not to the President. Also, it grants only Congress the authority to establish rules for citizenship by naturalization. Thus, president *via* executive order cannot amend it.
- **Require Constitutional Amendment:** US Constitution grants birthright citizenship to all persons born on US soil, meaning that any change would probably require a constitutional amendment.
- **Violates Constitutional Intent:** Also, the recent proposal seems an unprecedented grab for executive power by the President and it probably violates the intent of framers of the constitution.
- **Violates Article 2:** The executive order banning the birth citizenship clause would violate Article 2 of the Constitution, which states that President "shall take Care that the Laws be faithfully executed." Further, the executive order would violate laws of denaturalization and would attempt to strip citizenship retroactively *i.e.* another violation of the Constitution.
- The decision will face legal challenges, since millions of citizens, the children of immigrants who were not citizens when they were born, would be disenfranchised by such a move.
- The eliminating birthright citizenship will do nothing to solve US immigration issues.

Envoys Seek Meeting On Xinjiang Concerns

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- A group of 15 Western ambassadors in Beijing, spearheaded by Canada, are seeking a meeting with the top official in China for an explanation of alleged rights abuses against ethnic Uighurs in Muslim dominated Xinjiang region.
- The move represents unusually broad, coordinated action by a group of countries over a human rights issue in China and illustrates the mounting backlash Beijing is facing over its crackdown in the western region.
- In past many foreign governments have refrained from speaking out over the Xinjiang situation as countries are fearful of angering China, an increasingly weighty diplomatic



player thanks to its economic heft and initiatives such as the Belt and Road infrastructure programme.

Situation In Xinjiang Region

- **International Outcry:** Beijing has faced an outcry from activists, academics, foreign governments and U.N. rights experts over mass detentions and strict surveillance of the mostly Muslim Uighur and other Muslim groups who call Xinjiang home.
- **Detention in Camps:** In August, a United Nations human rights panel said it had received many credible reports that a million or more Uighurs in China are being held in what resembles a massive internment camp that is shrouded in secrecy.
- **Human Rights Violation In Camps:** The camps impose military-style discipline and punishments and force detainees to renounce their religion and culture while swearing loyalty to China's President and the ruling Communist Party.
- **Aimed at Political re-education:** There are also reports that since April 2017 the Chinese government has detained an estimated 2 million Uighurs, Kazaks and other Muslims in internment camps for political re-education.
- **Beijing Stand:** China says it is not enforcing arbitrary detention and political re-education, but rather some citizens guilty of minor offences are being sent to vocational centres to provide employment opportunities. Moreover, Beijing bristles at criticism of its human rights situation, espousing a policy of non-interference in the affairs of other countries.
- **Fear of Islamic Militants:** China also says in Xinjiang it faces a serious threat from Islamist militants and separatists who plot attacks and stir up tensions with the ethnic Han Chinese majority.

Way Forward

- There is a need to end such alleged counterproductive policies and free all those arbitrarily detained. There is also need to promote accountability for those who commit human rights violations and abuses.
- Further, the world countries also need to consider imposing sanctions against officials and Chinese companies linked to allegations of rights abuses in Xinjiang. For example- The US is considering use of **Magnitsky Act**, which prevents foreign officials from entering the US and freezes any assets they have in American banks.

US Midterm Election Results

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In News

- Opposition Democrats captured the House of Representatives in the crucial midterm elections, while President Donald Trump's Republican Party retained its majority in the Senate.
- The Democrats took control of the House for the first time in eight years, upending the balance of power in Washington where Trump enjoyed an easy ride following his shock 2016 election with Republican dominance of both chambers.

Impact

- **Intensify Bitterness:** An outcome also likely to intensify the political bitterness and fighting between the two major parties in the run up to the 2020 presidential poll.
- **Difficulty In Legislative Changes:** It would make it tough for President Trump, who wants major legislative changes on some of his signature issues including immigration, tax, and healthcare reforms.
- **Institutional Check:** By capturing the House of Representatives, the Democrats may exert a major institutional check on Trump and break the Republican monopoly in Washington.
- **Test of President's Policies:** The crucial poll also marked the first major voter test of Trump and is seen as a referendum on his controversial policies, including those on immigration.

Tension Between Russia and Ukraine

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In News

- Russia's capture of three Ukrainian naval ships and over 20 crew members in the disputed **Azov Sea** has re-focussed international attention on the conflict on Europe's eastern corridors. Ukraine has declared martial law and demanded that the sailors be treated as prisoners of war.
- Sea of Azov is a sea in Eastern Europe in the south it is linked by the narrow (about 4 km or 2.5 mi) Strait of Kerch to the Black Sea, and it is sometimes regarded as a **northern extension of the Black Sea**. Further, the **Kerch Strait** separates Russia from Crimea, a Ukrainian peninsula that was annexed by Russia in 2014.
- A court in Russian-annexed Crimea, meanwhile, has ordered many of them to be held in pre-trial detention, charging them with illegally entering its territorial waters.

Background

- **Introduction:** Ukraine gained independence after the collapse of the Soviet Union in 1991. However, Russia considers a Western-leaning Ukraine a threat to its interests. In 2014, Ukraine's pro-Russian leader was overthrown after large-scale protests (**Maidan Square Protests**) against the government's decision to abandon plans to sign an association agreement with the EU.
- **Crimea Annexation:** Russia then annexed Crimea, while Russia-backed separatists moved against the Ukrainian state in the east.
- **Consequences:** The protracted conflict has so far claimed about *10,000 lives* and displaced millions and no lasting resolution is in sight.
- **Peace Efforts:** The **Minsk Peace Accords 2014-15** prohibited air strikes and heavy artillery firing. But the dispute has dragged on into a smouldering low-intensity combat.
- **Election In Crimea:** In turn, the election in October 2018 of the legislatures of two breakaway enclaves of Ukraine, with Moscow's endorsement, drew criticism from Ukraine, leading European powers and the US as violations of the Minsk accords.

Core Issue In Recent Dispute

- **Violation Of Convention and Treaty**

- Ukraine and Russia accuse each other of violating international maritime law. They refer to **1982 UN Convention on the Law of the Sea (UNCLOS)**, which both states joined in 1990s.
- Ukraine insists on freedom of movement in the **Kerch Strait and the Sea of Azov** in accordance with this agreement, while the Russian side is trying to draw territorial borders.
- The countries also have a **2003 Bilateral Agreement** on the free use of the Kerch Strait and the Sea of Azov, an accord that Russia has never called into question.



- Thus, as per the treaty the Russia and Ukraine share access to this water and the treaty also specifically states that Russia has the **right to inspect any vessel** sailing to or from the Sea of Azov. The Ukraine has accused Russia of abusing that right.

- **International Law In This Respect:**

- The UNCLOS sets out various scenarios that give a state freedom of passage, irrespective of a state's territorial waters.
- It says all ships, including foreign warships, enjoy the right of **"innocent passage"** within another state's territorial sea under international law. The UN law states that a passage is innocent so long as it is not prejudicial to the peace, good order or security of the coastal state. But Russia has disputed whether the passage was innocent.
- Also under UN conventions, there is a requirement under which all ships needs to be given the freedom to travel through a strait from one part of high seas to another, known as **transit passage**.
- There are also rules within the UN convention that ensure that ports which can only be reached by a single route through the strait, as is true of all ports in the Sea of Azov, always remain accessible.

- **Recent Controversy**

- **Construction of new bridge:** Russia's newly opened bridge over the Kerch strait that connects mainland Russia with Crimea has raised concerns about Moscow's greater control and influence in the region.
- **Blocking of Ports:** Kerch Strait is the only connection between the Black Sea and the Sea of Azov, and the only way to reach two important Ukrainian ports, **Mariupol and Berdiansk**. Russia has controlled the strait since annexing Crimea in 2014, which has made traffic significantly more difficult for Ukrainian ships. Ukraine says Russia is deliberately blockading it's port. Thus, Ukrain has accused Russia of trying to occupy the Sea of Azov and damage Ukraine's economy by hindering access its ports.

Final Analysis

- **Ukraine and Russia's Allegation:** Ukraine has alleged Russia of violating the **UNCLOS and 2003 Treaty** as well as blocking its ports. While Russia said the Ukrainian ships were violating its waters and accuses the Ukrainians of failing to inform it that three of its ships

were planning to sail through Kerch. Moscow has also accused Kiev of planning the recent confrontation as a provocation aimed at convincing Western governments to impose further sanctions on Russia. Further, Russia calls the sea clash a provocation organised by Ukraine's authorities in the run-up to the Ukrainian Presidential election.

- **Global Pressure:** There has been renewed Western diplomatic pressure since the new skirmishes, with the UN Security Council and NATO calling on Moscow and Kiev to de-escalate tensions.
- **No Effect Of Sanctions:** The economic sanction on Russia have only forced Russian President Vladimir Putin to toughen his rhetoric *vis-à-vis* the big powers and the hardships from the economic sanctions since Crimea's occupation have achieved little by way of confidence building in the region.
- **Division In Europe:** European powers are divided between those advocating greater diplomatic engagement with the Kremlin and others wanting to press with further sanctions to punish perceived Russian political interference.
- **NATO Expansion:** The basic issue is of NATO's continued expansion into the former Eastern Europe and the erstwhile USSR, which has been a continued source of provocation for Moscow.
- **Diverting Attention From Domestic Issues:** The recent escalations could serve well the leaders of both Russia and Ukraine to divert attention from the sagging popularity levels at home. Ukrainian President Petro Poroshenko faces a general election next year, which, it is widely forecast, he will lose.

Way Forward

- The geopolitical imperative of greater engagement with Moscow has never been more urgent, as hawks in the U.S. administration make no secret of their preference for confrontation over dialogue.
- The humanitarian situation arising from the continuing conflict brooks no delay in arriving at a speedy resolution.

Visit of Prime Minister To Singapore

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Prime Minister Narendra Modi visited Singapore on 14-15 November 2018 at the invitation of Prime Minister of the Republic of Singapore, Mr. Lee Hsein Loong, to attend the ASEAN-India Breakfast Summit, 13th East Asia Summit (EAS) and Regional Comprehensive Economic Partnership (RCEP) Summit.
- Singapore, as the current Chair of ASEAN, is hosting these Summits.

Significance Of The Visit

- **Launch of APIX:** Prime Minister launched the APIX which is a platform through which the ASEAN financial institutions, innovators and users would connect with the Indian users to begin with but it is finally a global platform in which there will be many more connects.

- **Review of CECA:** PM of India and Singapore reviewed the relationship and expressed satisfaction that the second review of the Comprehensive economic cooperation Agreement (CECA) has concluded and third review was ongoing.

India-Singapore Bilateral Relations

Background

- The close ties between India and Singapore have a history rooted in strong commercial, cultural and people-to-people links. India's connection with Singapore dates back to the Cholas.
- The more modern relationship is attributed to Sir Stamford Raffles who in 1819 established a trading station in Singapore on the route of the Straits of Malacca which became a colony under British India governed from Calcutta (1830-1867).
- The colonial connection is reflected in a similarity of institutions, practices, usage of English and the presence of a large Indian community.
- India was one of the first countries to recognize Singapore in 1965. India's economic reforms in 1990s and the Look East Policy provided opportunities to recreate a new framework for cooperation which included the Comprehensive Economic Cooperation Agreement (CECA) of 2005.
- This robust relationship was elevated to a Strategic Partnership during the visit of Prime Minister Modi in November 2015 who signed a Joint Declaration on a Strategic Partnership with Singapore Prime Minister Lee Hsien Loong on the occasion of the 50th anniversary of the establishment of diplomatic relations.

Bilateral Trade and Investments

- Singapore is India's 10th largest bilateral trade partner (2016-17) and the 2nd largest among ASEAN countries with a share of 2.5 % and 2.6 % of overall trade of India and Singapore respectively.
- Bilateral trade expanded after the conclusion of CECA from US\$ 6.7 billion in 2004-05 to reach US\$ 17.7 billion in 2017-18.
- Total foreign direct investments from Singapore into India was USD 57.6 billion (till June 2017) which was 16.8% of total FDI inflow.
- High ease of doing business has resulted in many Indian companies to register their offices in Singapore which also results in greater FDI. The FDI from Singapore in the period April 2016 – March 2017 was US\$ 8.7 billion. The outward Indian FDI to Singapore was USD 49.45 billion (till June 2017) making Singapore one of the top destinations for Indian investments.
- The sectors which attracted investments include Information Technology, real estate, manufacturing, construction, renewable energy and pharmaceuticals.
- About 6,000 Indian companies are registered in Singapore. 6 PSUs, 9 banks, India Tourism, CII, FICCI, Air India, Jet Airways have their offices in Singapore. More than 440 companies from Singapore are registered in India. 2 banks, International Enterprise Singapore (IE) and Singapore Tourism Board have their offices in India. Thus, there is an environment of deep and strong economic cooperation between the two countries.

- Singapore has expressed interest in working with India on the Smart Cities initiative. A consortium of Singapore companies is working to develop Amaravati, new capital city of Andhra Pradesh. Singapore is also working with State Governments in preparing Concept Plans for townships in Udaipur, Jodhpur and Greater Shimla.

Other Areas of Partnership

- Defence has been an area where both the countries share deepening relationship. The SIMBEX a joint naval exercise between the two countries is the symbol of the strong defence ties. India is crucial to Singapore in providing a strong defence partner that can counter and withstand the growing Chinese assertiveness.
- Science and technology and skill development have been other areas of nurturing closer ties. Singaporean companies have tied up with India's Skill Ministry for the flagship SKILL INDIA scheme. While national university of Singapore (NUS) has made several tie ups with IITs and other premier science institutes. ISRO has also helped Singapore with the launch of crucial communication satellites.
- Cultural ties have been one of the strongest pillar of the relationship between India and Singapore. Inter-governmental cooperation in culture is governed by a 1993 MOU for Cooperation in the fields of Arts, Archives and Heritage.
- ICCR and the National University of Singapore (NUS) have signed an MOU in March 2010 establishing a short-term Chair on Indian Studies at the South Asian Studies Programme, NUS.
- Indian Community has a strong presence in Singapore. Ethnic Indians constitute about 9.1 % or around 3.5 lakhs of the resident population of 3.9 million in Singapore.

President Kovind Visit to Vietnam and Australia

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- President Ram Nath Kovind visited Vietnam and Australia from November 18 to 24 with an aim to strengthen ties with the Indo-Pacific nations.
- President's visit is also a part of India's continuing and growing engagement with countries in the Indo-Pacific region under its "**Act East**" Policy.

Areas Of Cooperation (Vietnam)

- The visit is going to be the first visit of the President of India to Vietnam, an ASEAN country.
- President also visited **Danang**, one of the most important ports in Vietnam. Danang and India connect with each other in rich history.
- **Areas of Discussion:** The President discussed the issue of climate change, enhanced bilateral cooperation in the maritime domain through first Bilateral Maritime Security Dialogue to be hosted by Vietnam in early 2019, India's support to Vietnam as it takes over the ASEAN Chair in 2020, promotion of peace and prosperity in the Indo-Pacific Region, acknowledgment of Vietnam's support for an early adoption of a Comprehensive Convention on International Terrorism at the United Nations,

- **Economic Cooperation:** Indian President invited Vietnam to collaborate in the flagship programmes like Make in India, Clean India, Start-up India and Digital India. Indian President also suggested reviving maritime connect with Vietnam which will increase the bilateral trade from the current \$ 12.8 billion to a target of \$ 15 billion by 2020.
- **Deepening of Defence And Security Cooperation:** India agreed to provide training support for Vietnam Armed Forces. The implementation of the Line of Credit of \$ 100 million for building high speed patrol vessels for Vietnamese Border Guards was also reviewed.
- **Cooperation at International fora:** Two sides reaffirmed mutual support for their respective candidatures as non-permanent members of the United Nations Security Council Vietnam for the term of 2020–2021 and India for the term of 2021–2022.
- **Scholarship Programme:** The President of India reaffirmed the Indian Government's commitment to provide around 200 annual scholarships to Vietnam through the *Indian Technical and Economic Cooperation Program (ITEC)* and 30 scholarships through the *Cultural Exchange Program/ General Cultural Scholarship Scheme (CEP/GCSS) Program*.

Visit To Australia

- This was the first ever visit of President of India to Australia. In Sydney, President addressed the Indian diaspora and unveiled the statue of Mahatma Gandhi marking his 150th Birth anniversary.
- **ANZAC Memorial:** President Kovind laid wreath at the ANZAC Memorial and paid homage for fallen soldiers of WWI at Sydney. In the meeting, President conveyed India's decision to contribute additional AUD 10 million matching funds over the next 4 years towards Australia India Strategic Research Fund.
- **Economic Cooperation:** President welcomed Australian PM Morrison's proposal of "India Economic Strategy To 2035" to increase the Australian investment from current AUD 10 billion to 100 billion by 2035. An agreement was signed between Invest India and Austrade to facilitate bilateral investment.
- **Disability:** An agreement between the Department of Empowerment of persons with Disabilities, Government of India and the Department of Social Services, Government of Australia for cooperation in the area of disability and to deliver services to the differently-abled.

Ninth Joint Commission Meeting on Bilateral Cooperation between India and Lao PDR

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- A delegation led by External Affairs Minister (EAM) Sushma Swaraj paid an official visit to Lao PDR on 22-23 November, 2018. Here the EAM co-chaired the 9th Meeting of India – Lao PDR Joint Commission on Bilateral Cooperation with her counterpart H.E Saleumxay Kommasith, Minister of Foreign Affairs of the Lao PDR.
- The Joint Commission meeting and other engagements of EAM was aimed to further enhance the cooperation between the two countries in various areas.

Highlights Of Meeting Between India & Lao

- **Shared History:** India and Lao PDR share age-old civilizational ties best symbolized by the relic of the Buddha encased in the *That Luang Stupa*, the national emblem of Lao PDR, and the *Vat Phou Temple Complex*, an ancient Shiva temple, whose earliest structures date back to the 5-6 century A.D. and which is currently being renovated and restored by the Archaeological Survey of India.
- **Review of Existing Relationship:** The two sides reviewed the entire gamut of bilateral cooperation covering areas of Defence, Development Partnership, Agriculture, Trade & Investment, Education & Culture, Science & IT, Energy & Mining, Transport and Natural Resources & Environment.
- **Roadmap for Cooperation:** The meeting also laid out the road map for future cooperation and enhancement in bilateral relations. Both agreed that India-Lao PDR enjoy excellent bilateral relations which need to be strengthened further through constant political dialogue and through increased trade and investment.
- **Mekong Ganga Cooperation:** Both sides recalled the success of the Mekong-Ganga Ministerial Meeting held on 4 August 2018 in Singapore. Lao said it values the cooperation under the Mekong-Ganga Cooperation Framework and appreciated the approval of three Quick Impact Projects (QIPs) which are: establishment of fertilizer analysis laboratory, Vientiane, promotion of goat raising in Vientiane Province, and promote green cardamom cultivation in Paksong, Champasack Province. These projects will contribute to the promotion of the socio-economic development of Lao PDR, especially in agricultural sector. The first instalment, 40 per cent of the sanctioned amount, has been transferred to the Lao side.
- **Connectivity:** Lao has urged India to play a proactive role in the development of infrastructure in the ASEAN region to meet the target of digital connectivity between member states by 2020 and physical connectivity by 2025 as well as to support the implementation of the *ASEAN ICT Master Plan 2020* in order to connect ASEAN and India.
- **Trade:** At USD 233 million in 2017, Lao stood at *ninth position* among 10 ASEAN member states in terms of trade with India. Indonesia tops with USD 17 billion followed by Singapore with USD 16.7 billion. Both sides noted that the trade volume between the two countries has been growing, but still limited. Both sides agreed to take all possible steps to promote bilateral trade.
- **Indian Investment:** They also agreed to encourage Indian companies to invest in Lao PDR, especially in priority areas of Lao PDR's National Socio-Economic Development Plan. Both sides also agreed to accelerate the negotiation on the *Double Taxation and Avoidance Agreement (DTAA)* at the earliest. Both sides agreed to encourage the two chambers of commerce and industry of the Lao PDR and India to organize business forums during the exchange of visits by high level officials in order to exchange information as well as promote cooperation in trade and investment.
- **UN Membership:** The Lao PDR reiterated support for India's candidature for permanent membership of a reformed UNSC.

Indian PM Visit to Maldives

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

Prime Minister Narendra Modi attended the swearing-in ceremony of Maldives President **Ibrahim Mohamed Solih** to strengthen the bilateral relations.

Background

- **Debt Trap:** The former President Abdulla Yameen had claimed unprecedented infrastructure development in the island nation, it was largely perceived as being part of China's "**debt for leverage**" model, which can be used by Beijing to get access to the country's natural resources as well as for strategic reasons. Experts say Chinese loans for projects already account for around *70 % of the Maldives' national debt*.
- **Chinese Presence:** The relations between India and Maldives had deteriorated in the last few years with Yameen in power. Yameen's trampling of democratic processes and his veering towards China had caused considerable concern in New Delhi.
- **Election:** Yameen's high-handed approach had prompted former Presidents Nasheed and Gayoom, arch rivals to join hands and form a joint opposition and they had fielded Solih as their presidential candidate.

Highlights Of The Visit

- **Peace And Stability In The Region:** Modi and Solih, who had a bilateral meeting just after the swearing-in, agreed on the importance of maintaining peace and security in the Indian Ocean and being mindful of each other's concerns and aspirations for the stability of the region. This is aimed at addressing concerns stemming from China's assertive activities in the Indian Ocean region.
- **Development Aid:** Solih briefed Modi on the dire economic situation facing his country and they discussed the ways in which India could continue the development partnership, particularly to help the new government meet its pledges to the people of the Maldives. In particular, President Solih highlighted the pressing need for increased *housing and infrastructure development* as well as for establishing *water and sewerage systems* in the outlying islands.
- **Investment:** Advocating for the Indian footprint to be expanded, India welcomed the expanding opportunities for Indian companies to invest in the Maldives in different sectors for the mutual benefit of both countries.
- **Visa:** Recognizing that nationals of both countries travel extensively between the two countries, the leaders also agreed on the need for facilitating easier visa procedures. Indian workers and professionals in the Maldives had been facing issues regarding visas and work permits as ties deteriorated.
- **Security Cooperation:** Modi and Solih also expressed their unwavering commitment and support for increased cooperation in combating terrorism both within the region and elsewhere. The Maldives has faced a rising tide of Islamist fundamentalism in the last few years. It is said to have supplied between 50 and 200 fighters to the ISIS and Maldivian civil society has witnessed an increase in religious intolerance and violent extremism.

Final Analysis/Way Forward

- Maldives President Ibrahim Solih's swearing-in marked the successful culmination of a democratic struggle. Prime Minister's presence at Solih's inauguration reflected the goodwill that seems to have been rekindled between Male and New Delhi..

- Now, with Solih at the helm, it is an opportune moment for Male to renew its ties with India. Solih reportedly sought India's assistance to develop his country's infrastructure during his meeting with Modi and the two leaders discussed the modalities of deepening economic cooperation. On the other hand, Nasheed has suggested that the new government will pull out of the *Free Trade Agreement with China*.
- While India has reasons to view the turn of events in the Maldives with satisfaction, it would be unwise to assume that the country has become "pro-India" and return to the old ways of doing business in Male. New Delhi needs to realise that its smaller neighbours are not willing to offer uncritical and unquestioning support for India. It must also recognize Beijing's ability to win favours. India saw this play in Sri Lanka where China compelled Maithripala Sirisena and Ranil Wickremesinghe to back Chinese infrastructure projects that they had initially opposed.
- India must learn to engage the Maldives with sensitivity and devote sustained political attention and economic resources to transform the bilateral relationship into a genuine Indian Ocean partnership.

For 2 other topics related to Maldives (China-Maldives Friendship Bridge, Presidential Elections in the Maldives), refer Sept CA Magazine 2018.

US Partially Allow India To Continue With Iranian Oil Import

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- The US has agreed to let **eight countries including China, Japan, India and South Korea** keep buying Iranian oil after it reimpose sanctions on the Iran on November 5.
- It would allow Indian oil companies to continue to import about **1.25 million tonnes of oil a month** till March 2019 from Tehran. The US has managed to reduce Iran's oil exports from **2.7 million to 1.6 million barrels** a month.
- The Islamic Republic had become a preferred supplier for India, making it the second largest Iranian crude oil purchaser of Iranian oil after China due to sweeteners such as *60-day credit, free insurance and shipping*.

Background

- **Iran Nuclear Programme:** The US has re-imposed oil-related sanctions on Iran on November 4, 2018 to choke the Islamic Republic's biggest source of income and pressure it to renegotiate a new nuclear deal. Any country or company, trading with Iran without US consent after sanctions kick off risks getting cut off from the American financial system.
- **Country Specific Waiver:** The US has insisted every country to reduce oil imports from Iran to zero eventually, but was open to country-specific waivers that would allow limited imports by those pledging 'significant' cut. India and other key importing countries have been engaged for months with the US for a waiver.
- **Two Set of Sanctions:** The US has reinstated two sets of sanctions. The **first set of sanction** came into effect on August 7, which included restrictions on: Iran's purchase of U.S. currency, Iran's trade in gold and other precious metals, Sale to Iran of auto parts, commercial passenger aircraft, and related parts and services. The **second set of**

sanctions, which will come into force on November 4, restricts sales of oil and petrochemical products from Iran.

- **Conditions for Sanction:** These sanctions will remain until Iran meets demands such as sending support for terrorism, ending military engagement in Syria and halting its nuclear and ballistic missile development completely.

Conditions Of Waiver

- India had imported about **22 million tonnes** of crude oil from Iran in 2017-18 and planned to raise that to about **30 million tonnes** in 2018-19. But, as a condition of waiver, Indian oil firms will reduce their imports significantly. Indian companies can import 1.25 million tonnes a month up to March 2019, the same as they ordered for October and November 2018.
- **Not To Drive Up The Oil Price:** While the Trump administration's goal remains to choke off revenue to Iran's economy, waivers are being granted in exchange for continued import cuts so as not to drive up oil prices.
- **Temporary Exemptions:** The waivers are only temporary, and the U.S. will expect countries that get them to keep cutting Iranian imports in the months ahead.
- **Payment Mechanism:** The Indian side, while building its case for a waiver, assured the US that the payment mechanism between India and Iran ensure that Iran can't use oil money from India for any terror-related activity, a key American concern. Thus, countries that get waivers under the revived sanctions must pay for the oil into escrow accounts in their local currency. That means the money won't directly go to Iran, which can only use it to buy food, medicine or other non-sanctioned goods from its crude customers. The US administration sees those accounts as an important way of limiting Iranian revenue and further constraining its economy.
- **American Oil Import:** During the negotiations, India also told the US that it would like to import more American oil if it came on competitive terms.

Impact

- **Diversification:** With India's domestic production unable to match the country's ever increasing domestic demand, the country will continue to depend on imports for foreseeable future. India has been trying to diversify its supply portfolio, with firms starting to source liquefied natural gas and oil from the US. The options before it include increasing imports from sources such as the US, Iraq, Saudi Arabia, Nigeria, Venezuela, and UAE.
- **Relief To Oil Companies:** State oil firms are yet to decide on how this quantum will be split between them. A waiver will come as a big relief to Indian Oil and MRPL, the two largest Iranian oil consumers.
- **Tough Road Ahead:** India is heavily reliant on oil imports from overseas, including Iran, to fulfill its consumption needs and *83 % of the oil comes from external sources*. Iran provides the cheaper option and it could have been tough when retail prices of fuel are at an all-time high in the country.

Way Forward

- The waivers are welcome also as they indicate that despite all the harsh rhetoric on choking Iran, the U.S. may have had a rethink on its sanctions, and the costs incurred in pushing around allies and partners such as India, Japan and South Korea to zero out oil purchases.

- This conclusion stems from the fact that both India and China, Iran's two biggest oil importers, have been extended waivers. This flexibility could be a sign that the U.S. is leaving space for leeway in resuming talks with Iran in the long term.
- The European Union, Russia and China have also been working on a "special payment mechanism" to circumvent sanctions. But they have yet to launch it, limiting India's options.
- Moreover, the fact that the waivers are temporary and contingent on further reductions in oil trade with Iran, means that for now India will need to continue to find alternatives to its oil take from Iran. The alternative rupee-rial mechanism, which was operationalized in 2012 during the last round of sanctions, depends on increasing Iranian demand for Indian goods to balance India's annual purchases of about \$10 billion, which hasn't fructified yet.
- Above all, by seeking the waivers, instead of sticking to its earlier line that it accepted only UN and not "unilateral" sanctions, India has lost its moral leverage. Unlike China, it chose to reduce its oil intake from Iran and entered into negotiations for alternative fuel supplies from Iran's rivals in the Gulf. This could, in turn, impact Delhi-Tehran ties in the long run.
- Meanwhile, India will have to keep engaging the U.S. in order to secure further waivers, both in this case and for CAATSA-related U.S. sanctions on Iran, Russia and North Korea.

US Waives Sanction For Work On Chabahar Port

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Activities related to the development of the Chabahar port in Iran will be exempt from U.S. sanctions that kicked on 4 Nov, following the *180 day cool-off period* after the U.S. withdrew from the Joint Comprehensive Plan of Action (JCPOA or the 'Iran Deal') in May 2018.
- This waiver will bring some measure of relief to India, which had been discussing a sanctions exemption for Chabahar, having signed an agreement with Iran and Afghanistan in May 2016 for the port's development.
- India has committed \$500 million to the project and \$2 billion to build a railway line from Chabahar to Hajigaj in Afghanistan.

Specifics on Waiver

- The US has provided for an exception from the imposition of certain sanctions under the ***Iran Freedom and Counter-Proliferation Act of 2012 (IFCA)*** with respect to the development of Chabahar port and the construction of an associated railway and for the shipment of non-sanctionable goods through the port for Afghanistan's use, as well as Afghanistan's continued imports of Iranian petroleum products.
- The IFCA was one of the laws under which sanctions on Iran were imposed by former U.S. President Barack Obama, with implications for non-U.S. companies working with Iran in various sectors, including shipping, shipbuilding, energy and insurance.
- **Temporary Arrangement:** Earlier, India had picked *Bandar Abbas-based Kaveh Port and Marine Services company* to run the port on a temporary arrangement for 18 months till a full-time manage, operate and maintain (MOM) contract is finalized by *India Ports Global Pvt Ltd*, the Indian state-owned entity that is implementing the project. The start of commercial operations at Chabahar has been delayed because of difficulties in paying Kaveh Port and

Marine for the services due to banking issues on transfer of funds. Now, the waiver granted by the US will allow us to ask Kaveh to start operations; this is the first step.

Rationale For Waiver

- **Close Relationship:** The U.S. President Donald Trump's South Asia strategy is focussed on economic growth for Afghanistan and a close partnership with India and the U.S. seeks to maintain a close relationship with both countries as they pursue a "policy of maximum pressure" against Iran.
- **Importance of Chabahar:** India had broadly conveyed to the US that Chabahar is India's strategic investment in the region, which is key for various reasons. It is also seen as a gateway to Central Asia, which is inaccessible for India directly. The Chabahar port is not just a financial investment but also is a strategic alternative to access Afghanistan, since that's the only way to circumvent Pakistan and get to Afghanistan.
- **US Own Interest:** The American interlocutors were told that if sanctions kick in and cover the infrastructure development in Chabahar, it may face roadblocks in meeting the deadlines. New Delhi also told American officials that India's goal of helping Afghanistan's reconstruction, at the request of the Trump administration, may be affected by any US move to tighten the screws on Chabahar's potential use.
- **Growth of Afghanistan:** This exception was vital for reconstruction assistance and economic development for Afghanistan.
- **Iran Viewing Second Option:** The need for a waiver became even more important since Iran was seen to be offering the port to others, including China, which is already developing the *Gwadar Port in Pakistan*.

Analysis

- If the US had not made the exemption on Chabahar, the impact of sanctions regime on Iran would have been visible on Afghanistan, which needs Iran's continued support for the much needed infrastructure development.
- Further, thinking strategically, the Trump administration has been wise in not imposing sanctions on the Chabahar port, as its successful operation would bring Afghanistan and India closer, theoretically curtailing the influence of Pakistan and China.
- But despite the waivers from the U.S., India will still face the impact of the U.S. sanctions, on its investment in Chabahar, as very few international companies may be willing to undertake contracts.

For Significance of Chabahar Port, please refer September CA 2018 Magazine

U.N. Approves \$9 Million In Aid For Crisis-Stricken Venezuela

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- The United Nations announced \$9.2 million in health and nutritional aid for crisis-stricken Venezuela, where hunger and preventable disease are soaring amid the collapse of the economy. It is the first U.N. emergency funding for the government of President Nicolas Maduro, which blames the country's economic problems on U.S. financial sanctions and an economic war led by political adversaries.

- **UN Central Emergency Relief Fund (CERF):** The move to unlock the CERF for various U.N. agencies since mid-November marks a breakthrough because such U.N. emergency funding for a country generally requires the approval of its government. The U.N. CERF will support projects to provide nutritional support to children less than five years old, pregnant women and lactating mothers at risk and emergency health care for the vulnerable. CERF mainly funds projects in countries at war or experiencing other crises like natural disasters.
- **Challenges:** Many governments have been wary of providing direct aid to Venezuela, where officials face sanctions from the United States and Europe for alleged wrongdoing including corruption, human rights abuses and drug trafficking. Moreover, there is a worry the funds could fuel the corruption of the ruling Socialist Party.

For details on Venezuela crisis, please refer CA August 2018 Magazine.

Bangladesh Elected as IORA Chairman

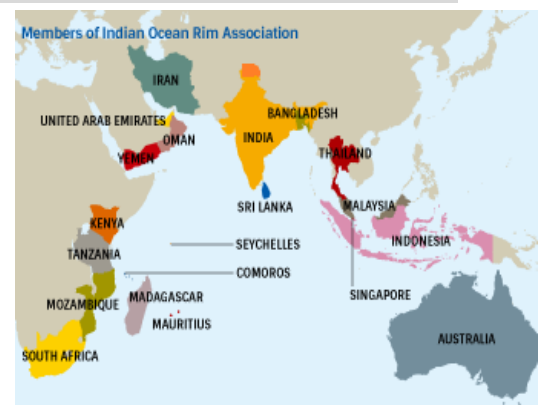
Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Bangladesh has been elected as Vice Chairman of **Indian Ocean Rim Association (IORA)** for the period of 2019-21 and eventually as the IORA Chairman for 2021-23 at the 18th IORA Council of Minister's Meeting.
- The current Chair is **South Africa** and the Vice Chair is the **UAE**. When the incumbent Vice Chair UAE will take the post of Chair in 2019, Bangladesh will assume the Vice Chairmanship.
- After completion of two years of vice chairmanship, Bangladesh will become the Chairman of IORA for the first time on 01 October 2021.
- As per the practice, IORA is led by Chair and Vice Chair on behalf of the member states while the spell of the posts is **two years** each.

About IORA

- **Introduction:** Indian Ocean Rim Association (IORA), established in 1997, is international organisation consisting of coastal states bordering Indian Ocean.
- **Aim/Purpose:** It is based on the principles of open regionalism for strengthening economic cooperation particularly on trade facilitation and investment, promotion as well as social development of the region.
- **Objectives of IORA:** It is to promote sustainable growth and balanced development of the region and member states and promote liberalization, remove impediments and lower barriers towards freer and enhanced flow of goods, services, investment and technology within Indian Ocean rim.
- **Six Priority Areas:** Maritime security, Trade and investment facilitation, Fisheries management, Disaster risk reduction, Academic and scientific cooperation Tourism promotion and cultural exchanges.



- **Tripartite Forum:** It is regional forum, tripartite in nature bringing together representatives of Government, Business & Academia for promoting cooperation and closer interaction among them.
- **Structure:** Its coordinating secretariat (headquarter) is in **Ebene Cyber City, Mauritius**. The apex body of IORA is the Council of (Foreign) Ministers (COM).
- **Membership:** It comprises **22 member states** (including *recently inducted Maldives*) and **7 dialogue partners** (China, Egypt, France, Germany, Japan, United Kingdom and United States), Indian Ocean Tourism Organisation and Indian Ocean Research Group have observer status.

Other Decisions At The Council Of Minister's Meeting

- **New Membership:** During the meeting, the Maldives was accepted as the 22nd member of the IORA, while Myanmar membership application was not approved due to lack of consensus.
- **Upcoming Meeting in Bangladesh:** Bangladesh informed the IORA member states that it would host the Third IORA Blue Economy Ministerial Conference in Dhaka in September 2019, which would be the first ever IORA ministerial level conference to be organized by Bangladesh.
- **Adoption of Two Outcome Documents:** The 18th IORA Council of Ministers Meeting adopted two outcome documents namely the '**Declaration on the commemoration of Nelson Mandela**' and the **eThekweni Communiqué**, which are expected to enhance co-operation among the 21 member states and contribute more in ensuring a peaceful, stable and sustainable Indian Ocean.

APEC Summit In Papua New Guinea

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- The world leaders met in Port Moresby, the capital of Papua New Guinea, for an Asia-Pacific Economic Cooperation (APEC) summit.
- But For the first time in its 25-year history, the APEC summit ended with its leaders failing to agree on a formal joint statement.
- U.S. President Donald Trump is not attending the APEC meeting, nor is his Russian counterpart, Vladimir Putin.

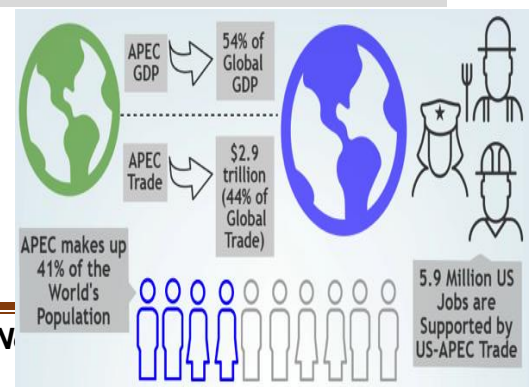
Highlights Of The Summit

- **US-China Rivalry**
 - The United States and China swapped barbs over trade, investment and regional security at the APEC) summit, as growing fault lines among members suggested little prospect of consensus at the meeting.
 - Speaking in the Papua New Guinean capital, U.S. Vice President Mike Pence said there would be no end to American tariffs until China changed its ways, after its president, Xi Jinping, warned that the shadow of protectionism and unilateralism was hanging over global growth.

- Pence took direct aim at Xi’s flagship Belt and Road program, which China has been promoting to Pacific nations at APEC, saying countries should not accept debt that compromised their sovereignty.
- China’s efforts to win friends in the resource-rich Pacific have been watched warily by the traditionally influential powers in the region - Australia and the United States.
- Speaking before Pence, Xi said there was no geopolitical agenda behind the project, which was unveiled in 2013 and aims to bolster a network of land and sea links with Southeast Asia, Central Asia, the Middle East, Europe and Africa. “It does not exclude anyone. It is not an exclusive club closed to non-members, nor is it a trap as some people have labeled it.”
- Soon after Pence spoke, Australia said it was joining the United States and Japan in a partnership that would help countries in the region develop infrastructure priorities, a possible alternative to China’s Belt and Road.
- **Regional Security**
 - Pence also said the United States would join Australia to help Papua New Guinea build a navy base on its Manus Island, which was a U.S. base in World War II.
 - The plan comes after China emerged as a possible developer of the deep-water port, which analysts say could impact the West’s ability to navigate in the Pacific while offering China a site close to U.S. bases in Guam.
 - “The United States of America will continue to uphold the freedom of the seas and the skies, which are so essential to our prosperity,” Pence said.
- **Double Tariffs**
 - There were differences between other APEC members, with some calling for radical change to trade systems while others argued for a return to the status quo on globalization.
 - Malaysian Prime Minister Mahathir Mohamad warned globalization was leaving some people behind and fuelling inequality.
 - Australian Prime Minister Scott Morrison mounted a defense of free trade, saying a billion people had been lifted out of extreme poverty since 1991 because of the jobs and cheaper goods that free trade brought.
 - Xi told delegates that the shadow of “protectionism and unilateralism” hung over global growth and erecting barriers and cutting ties was short-sighted and doomed to fail.
 - But Pence made it clear that the United States would not back down, saying it could more than double the \$250 billion of Chinese goods subject to tariffs.

About APEC

- It is a regional economic forum, established in 1989, to leverage the growing interdependence of the Asia-Pacific.
- It has **21 members** who aim to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.



- **Members:** Its member include Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Vietnam.
- **Other facts:** APEC Members account for approximately 40% of the world's population, 54% of the world's GDP, and about 44% of world trade.

13th East Asia Summit (EAS) Held At Singapore

Syllabus: Bilateral, regional and global groupings and agreements.

Agreements Signed

- **Security cooperation:** With the world facing renewed anxieties over nuclear warfare and grappling with the threat of cyber-attacks and terrorism, ASEAN nations and eight of their key partners vowed to step up cooperation in a range of security areas. The members agreed to do more to tackle returning foreign fighters, beef up cyber security and ensure the safe and secure use, storage and transport of nuclear and other radioactive materials.
- **Combating Marine Plastic Debris:** They also took aim at a problem plaguing the environment *i.e.* the rise of plastic litter in the oceans, which places marine biodiversity as well as industries such as fisheries, maritime transport and tourism at risk.
- **ASEAN Smart Cities:** EAS members also recognised that developing a regional smart cities ecosystem will help the region weather challenges arising from rapid urbanization and allow them to harvest the opportunities associated with the ongoing digital and fourth industrial revolution for better economic, social and environmental outcomes.

About EAS

- It is a forum, established in the year 2005, held annually by leaders of **18 countries**. EAS meetings are held after ASEAN leader's meetings. The first summit was held in Kuala Lumpur, Malaysia.
- **Aim:** The EAS was formed to further the objectives of regional peace, security and prosperity.
- **Members:** The members of EAS consists of 10 ASEAN nations (Indonesia, Thailand, Singapore, Malaysia, The Philippines, Vietnam, Myanmar, Cambodia, Brunei and Laos), Australia, China, India, Japan, New Zealand, South Korea, Russia and the US.
- **Priority area of cooperation:** Six priority areas of regional cooperation within the framework of the EAS are Environment and Energy, Education, Finance, Global Health Issues and Pandemic Diseases, Natural Disaster Management and ASEAN Connectivity.

G-20 Summit in Argentina

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- The G-20 leaders, in a meeting at *Buenos Aires (Argentina)*, agreed to fix the world trading system but only 19 of them agreed to support the Paris accord on fighting climate change with the United States the lone holdout.

- The next G20 summit is to be held in Osaka, Japan in June 2019.

Outcome Of The Summit

- **Need for WTO Reform:** The official summit statement acknowledges flaws in global commerce and calls for reforming the World Trade Organization.
- **No Reference To Protectionism:** With trade tensions between the U.S and China dominating the summit, the Europeans sought to play mediator. The members also scaled back their expectations by cutting out mentioning of rising protectionism, mainly aimed at Trump.
- **US-China Meeting:** During US-China meeting on sidelines of G-20, Trump agreed to hold off on plans to raise *tariffs on \$200 billion in Chinese goods*. Xi agreed to buy a substantial amount of agricultural, energy, industrial and other products from the United States to reduce America's huge trade deficit with China. The cease-fire will buy time for the two countries to work out their differences in a dispute over Beijing's aggressive drive to supplant U.S. technological dominance.
- **Views On Climate Change:** Regarding climate, the *19 nations* that are signatories to the Paris accord reiterate their commitment to it while the U.S. reiterates its decision to withdraw. It also notes a recent U.N. report that warned damage from global warming will be much worse than previously feared and expresses support for an upcoming *UN climate meeting in Poland* meant to nail down how countries will meet promises made in the Paris accord.
- **On Migration:** It acknowledged growing migrant flows and the importance of shared efforts to support refugees and solve the problems that drive them to flee.

Existence of G20 In Question: A Note

- **The Main Issue Of Its Existence Ebbd:** In 2008, amid the concerns of the global financial crisis, world leaders upgraded G20 from what used to be an obscure finance ministers' conference into a high-profile meet of powerful heads of government and state to coordinate policies and tackle the worst financial crash since the Great Depression of the 1930s. But with the worst effects of the 2008 crisis ebbing the glue of existential fear that bound G20 members is gone. The G20's *raison d'être* of being a steering mechanism to fight systemic economic collapse lacks validity in light of improved GDP growth and macroeconomic health in member countries.
- **Emergence of New Belief Among World Nations:** The belief that each country can solve its issues free of advice or supervision from global institutions is now flourishing. Leading this anti-multilateral wave is US President Donald Trump, who rejects the ideology of globalism and prefers sovereign decisions that benefit one's own citizens alone.
- **Trump Policies:** Until Trump arrived on the world scene in 2017, G20 thrived on the premise that in an interdependent world, unthoughtful actions and policies of one country can negatively impact other countries. But now his policies are openly flouting the G20's core principles. The same is evident from difficulty in signing joint communiqué at the end of a multilateral summit.

- The only way for G20 to remain central to governing the global economy from now on is to reimagine itself as preventer of future recessions. G20 should wake up to the reality that financial risks and unjust economic policies are again rearing their heads.
- Even if the US under Trump plays spoiler, likeminded countries within the G20 should flag these alarming trends and establish smaller sub-group mechanisms to forestall the next economic disaster.

6th RCEP (Regional Comprehensive Economic Partnership) Ministerial Meeting

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Union Minister of Commerce & Industry lead the Indian delegation for the 6th RCEP Trade Minister’s Meeting in **Singapore**, which was also attended by Indian PM.
- The Ministers will give guidance to the Trade Negotiating Committee of RCEP to enable negotiations move forward.
- The meeting also assumes significance, as the member countries are not moving at a healthy pace even as the negotiation for the deal started in November 2012. The **23rd round** of the negotiation was recently concluded without much progress in **Bangkok**.

About RCEP

- RCEP is a proposed free trade agreement (FTA) or comprehensive regional economic integration agreement between the **10 ASEAN countries** (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam) and its **six FTA partners** (Australia, New Zealand, India, China, Japan and Korea).
- Till 2017, 16 RCEP member states accounted for population of **3.4 billion people** with total GDP (in terms of PPP) of **\$49.5 trillion**, approximately **38% of the world’s GDP** (combined GDPs of China and India makes up more than half that amount) and 29% of world trade.
- The negotiations for this mega trade deal were formally launched at **2012 ASEAN Summit in Cambodia**. It aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights under its ambit.
- ASEAN is amongst the fastest growing markets in the world. ASEAN has emerged as the second largest trade partner of India in 2017-18 with bilateral trade valued at US\$ 81.33 billion, comprising 10.58% of India’s total trade with the world.

STRENGTHENING TIES

India has significant trade deficit with RCEP nations

RCEP nations	EXPORT in 2017-18 (\$ bn)	IMPORT in 2017-18 (\$ bn)	TRADE DEFICIT (\$ bn)
10 ASEAN countries combined	34.2	47.1	12.9
China	13.3	76.2	62.9
Australia	4.0	13.9	9.9
New Zealand	0.3	0.6	0.2
South Korea	4.4	16.3	11.9
Japan	4.7	10.9	6.2

Source: Department of commerce

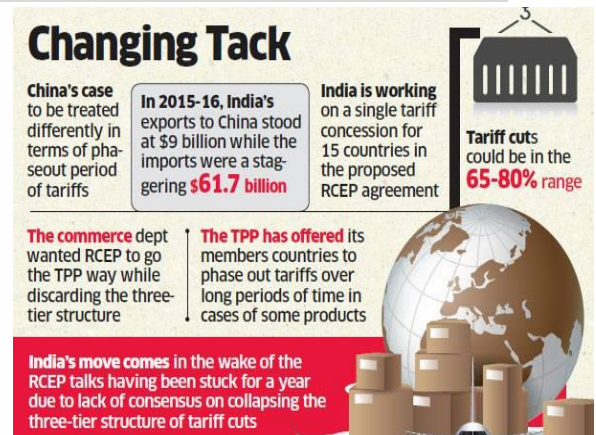
Progress In Singapore Negotiation

- **Substantial Progress:** The Ministers acknowledged the good progress made in the negotiations so far with successful conclusion of 5 chapters this year alone, taking the **total to 7 chapters**, namely (i) Economic and Technical Cooperation (ii) Small and Medium Enterprises (iii) Customs Procedures and Trade Facilitation (iv) Government Procurement (v) Institutional Provisions (vi) Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP); and (vii) Sanitary and Phytosanitary (SPS).

- **India's Gain:** India has managed to obtain balanced outcomes in the application of the Dispute Settlement Mechanism in both STRACAP and SPS negotiations. However, India showed flexibility on the principle of 'consensus' in the Institutional Provisions Chapter to help its successful conclusion.
- **Further Deliberation In Other Areas:** It was also decided that the negotiators will deliberate further on E-Commerce, Competition and Investment chapters where consensus could not be reached during this meeting.

India's Concern

- **Impact Local Manufacturing:** There is concern across ministries that joining the accord could severely dent local manufacturing and jobs.
- **Chinese Goods May Flood Indian Market:** China's \$60-billion trade surplus with India will swell even further as it floods the market with cheap goods at zero tariff.
- **Impact On Sensitive Items Due To Tariff Cuts:** Also ASEAN's aggressive push to dismantle tariffs on about 90-92 % items and reduce tariffs to below 5 % on an additional 7 % of items is equally worrying for India; it would expose sensitive items, including farm and dairy goods, automobiles and steel products, to tariff cuts.
- **Focused More On Goods Rather Than Services:** India, however, feels while most RCEP members want New Delhi to commit more to further liberalize its goods trade, they are reluctant to offer anything substantial in return in services trade, especially on unrestricted movement of skilled professionals that is of immense interest to India. India has a trade deficit with as many as 10 RCEP countries, including China, South Korea and Australia, among others. It has so far maintained that a speedy and successful conclusion of the agreement would be possible only with the inclusion of a higher level of services and investment in the India-ASEAN trade basket.
- **Loss Of Tax Revenue:** Moreover, according to a 2016 estimate by the Finance Ministry, India could lose tax revenue of Rs 75,733 crore a year, if it scraps tariff on merchandise imports entirely, if it were emulate zero duty model over a period of time.
- **Some Suggest That India Should Look For Alternative:** There is a view in some quarters of the government that India should instead look at concluding trade pacts separately with Australia and New Zealand.
- **Contentions in the Investment Sector:** In the investment chapter too, there are contentious areas such as liberalizing based on a negative list (wherein all items are to be included except those specifically mentioned in a list) and the inclusion of an **Investor State Dispute Settlement Mechanism**. This could lead to India getting involved in costly legal suits filed against it by corporates.



Final Analysis

- Although it was agreed during the recently concluded Singapore Ministerial meeting that the deadline for an agreement be shifted to 2019. But with just about 40% of the agenda items having been resolved, there is still a long way to go before the RCEP talks are concluded.
- Before Singapore meeting, just 5 of 16 chapters for discussion were settled. In Singapore meeting, 2 more chapters were resolved, taking the total to 7. However, the core of the talks are about market access for goods, services and investment, and those talks are still ongoing.

Australia Joins US, Poland, Israel In Refusing To Sign UN Migration Pact

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Australian Prime Minister Scott Morrison recently announced that Australia will not join a United Nations backed global pact on migration.
- The Morrison government's decision comes as countries from around the world move to formally adopt the **Global Compact for Safe, Orderly and Regular Migration**.
- Australia has come under fire from international rights groups for its strict immigration laws. For years, asylum-seekers who were caught illegally entering Australia by boat were sent to processing centers on Nauru and Papua New Guinea's Manus island. Some have spent years there and a 2016 UN report found cases of attempted suicide, self-immolation, acts of self-harm and depression among children detained on Nauru.

About International Migration

- **Introduction:** Today, there are **over 258 million migrants** around the world living outside their country of birth. This figure is expected to grow for a number of reasons including population growth, increasing connectivity, trade, rising inequality, demographic imbalances, and climate change.
- **Opportunity and challenges:** Migration provides immense opportunity and benefits for the migrants, host communities, and communities of origin. However, when poorly regulated it can create significant challenges. These challenges include overwhelming social infrastructures with the unexpected arrival of large numbers of people and the deaths of migrants undertaking dangerous journeys.

About The Pact

- UN Global Compact on Migration will be the first inter-governmentally negotiated agreement under auspices of UN to cover all dimensions of international migration in holistic and comprehensive manner. It comprises of 23 *objectives* for better managing migration at local, national, regional and global levels.
- The UN made the decision on the compact in the wake of the crisis in the Mediterranean, which has seen thousands of migrants die while attempting to cross into Europe.
- Its genesis can be found in **New York Declaration for Refugees and Migrants** adopted in September 2016 by UN General Assembly. Under this declaration, signatory UN member countries had decided to develop global compact for safe, orderly, and regular migration. The process to develop this global compact for migration was started in April 2017.

- **Based on Some Inherent Values:** The global compact is *non-legally binding*. It is grounded in values of state sovereignty, responsibility-sharing, non-discrimination, and human rights, and recognizes that a cooperative approach is needed to optimize the overall benefits of migration, while addressing its risks and challenges for individuals and communities in countries of origin, transit and destination.
- **Some Key Points Of Agreement**
 - The pact aims to **mitigate the adverse drivers and structural factors** that hinder people from building and maintaining sustainable livelihoods in their countries of origin.
 - It seeks to address the **legitimate concerns of states and communities**, while recognizing that societies are undergoing demographic, economic, social, and environmental changes at different scales that may have implications for and result from migration.
 - The pact also strives to **create conducive conditions** that enable all migrants to enrich our societies through their human, economic and social capacities and thus facilitate their contributions to sustainable development at the local, national, regional and global levels.
 - It also states that refugees and migrants are entitled to the **same universal human rights** and fundamental freedoms, which must be respected, protected and fulfilled at all times.
 - The pact also includes a commitment to review and revise relevant legislation, policies and practices related to immigration detention to ensure that migrants are **not detained arbitrarily**, that decisions to detain are based on law are proportionate, have a legitimate purpose and are taken on an individual basis, in full compliance with due process and procedural safeguards.
- **Opening up legal migration:** The UN pact on migration is also expected to help open up legal migration and better management of the movement of people around the world.

Australia's Rationale For Not Signing It

- **Already Have System In Place:** According to the Australian government, the nation's immigration policy already promotes safe, orderly and regular migration.
- **Sovereignty Issue:** Australia also says it's not in their national interest to hand over their border protection policy over to the UN. Further, it believes that by signing the pact, it will have to surrender its sovereignty.
- **Capacity to Manage Borders:** Australia believes that the pact will not add anything to enhancing its capacity to control the borders and manage successful immigration program.
- **Fail to Distinguish People:** The Compact fails to adequately distinguish between people who enter Australia illegally and those who come to Australia the right way, particularly with respect to the provision of welfare and other benefits.
- **Promote Illegal Migration:** The government also feels that adopting the pact would risk encouraging illegal entry to Australia and reverse the hard won successes in combating the "people smuggling trade".
- **Issue of Migrant Detention:** Australia has taken umbrage at parts of the final draft, which insist migration detention should only be used as a measure of last resort and work towards alternatives.

Way Forward

The global compact is a significant opportunity to improve the governance on migration, to address the challenges associated with migration and to strengthen the contribution of migrants and migration to sustainable development. Thus, all the countries need to adopt the same to ensure protection of the rights of the migrants.

Kenya Hosts Sustainable Blue Economy Conference

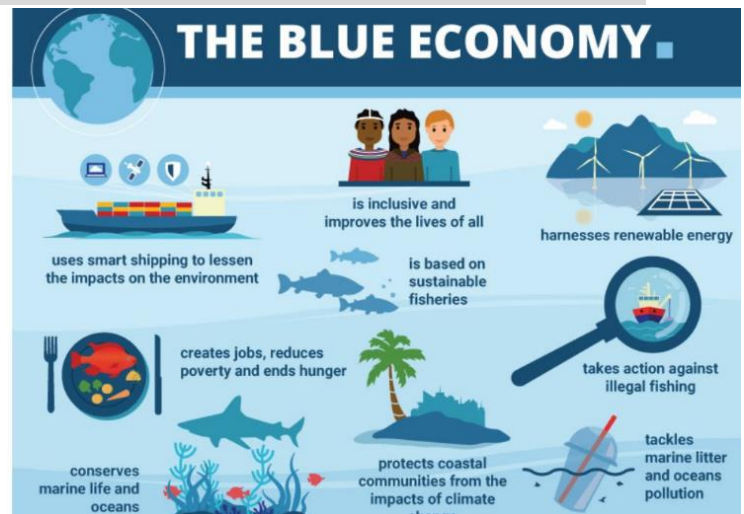
Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Kenya is hosting first ever-Sustainable Blue Conference with **Canada and Japan as co-host** in the Kenyan capital, Nairobi. The theme of the conference is “*The Blue Economy and the 2030 Agenda for Sustainable Development.*”
- **UN Sustainable Development Goal 14** tasks nations to “conserve and sustainably use the oceans, seas and marine resources for sustainable development”.

About Blue Economy

- The Blue Economy is the economic benefit and value we realize from the Earth’s coastal and marine environment. While sustainable blue economy is a marine-based economy that provides social and economic benefits for current and future generations, restores, protects and maintains the diversity, productivity and resilience of marine ecosystems and is based on clean technologies, renewable energy, and circular material flows.
- **Composition:** The blue economy’s main sectors include some familiar to all (ocean fisheries, tourism, transportation, marine energy, and seabed mining for minerals) and some unfamiliar (“*blue carbon*’ sequestration by restoring mangroves and sea grasses, amongst the largest carbon stores).



Aim Of The Conference

- **Listing Down Of Concerns:** The humanity's impact on the global environment has increased over the past hundred years. Issues such as pollution, plastic pollution (most striking example being the so-called *Great Pacific Garbage Patch*), coral bleaching and overfishing have become significantly larger, damaging important ecosystems around the globe.
- **Aim:** To identify how to harness the potential of the blue economy to create jobs and combat poverty and hunger; show how economic development and healthy waters go hand in hand; capture commitments and practical actions that can be taken today and bring together the players needed to transition to a blue economy.

- **End Result:** The idea behind building a blue economy is that countries should use oceans and seas to their full advantage without that leading to the suffering of aquatic life, pollution or other negative effects. This does not only include the world's oceans, but also seas, lakes, rivers and smaller bodies of water.

Way Forward

- The key to a blue economy is finding the middle road between sustainability and economic growth, often achieved with the help of innovative and new technologies. First, this means minimizing carbon emissions by switching to more sustainable energy sources and making sure that, for instance, shipping routes are planned in the most effective and least polluting way possible.
- Another important aspect of the blue economy is making sure that economic growth is sustained without exhausting natural resources. Finally, blue economies want to make sure that marine reserves and coral reefs grow and become healthier.
- The ultimate goal is that blue economies will lead to more human prosperity as well, not because they use up resources provided by the oceans, seas, lakes and rivers, but because a relationship has been found that provides enough for both humans as well as aquatic life to thrive, without either of them being affected negatively.
- Significant and coordinated effort is required from member states of the *United Nations, including Regional Fisheries Management Organisations, the International Seabed Authority* and others with important ocean jurisdictions, to re-examine their rules and performance.

Inclusive Wealth Report, 2018

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- The **UN Environment Programme (UNEP, or UN Environment)** and partners released preliminary findings from the 'Inclusive Wealth Report 2018' that aims to evaluate and report on a country's wealth and well-being.
- The Inclusive Wealth Report is a **biennial report** that ranks 140 countries using the *Inclusive Wealth Index*, a tool that assesses a country's ability to look after its wealth in a way that is sustainable and safeguards its future generations.
- The report, curated by more than 200 economists from around the world, focuses on **stocks of natural** (forests, agricultural land, rivers and estuaries, the atmosphere and the oceans), **human** (aptitude, education, knowledge and skills) and **manufactured capital** (buildings, equipment, machines and roads) to measure inclusive wealth as an alternative to using gross domestic product (GDP) as a measure of a country's wealth, arguing that GDP measures only the size of a country's economy without considering its underlying asset base.

Findings

- **Decline in Inclusive Capital:** More than *one-third of the 140 countries* ranked in the report's Inclusive Wealth Index had increased their GDP since 1998, but experienced a decline in their inclusive per capita wealth.

- **Not Sustainable Growth:** The report finds that, for many countries, increases in overall global wealth come at the expense of environmental assets, including biodiversity, forests, clean air and water.
- **Top Performer For Inclusivity:** The top ten performers on the basis of per capita inclusive wealth for 1992-2014 are the Republic of Korea, Singapore, Malta, Latvia, Ireland, Moldova, Estonia, Mauritius, Lithuania and Portugal.
- **Poor Performers:** 15 countries are assessed as unsustainable by inclusive wealth per capita, when adjusted for carbon damage and oil capital gains. These are Bulgaria, Congo, Gabon, the Gambia, Greece, Croatia, Haiti, Jamaica, Lao People's Democratic Republic (PDR), Latvia, the Sudan, Serbia, Syria, Ukraine and Vietnam.
- **Impact on Small Countries:** Carbon damage as a share of inclusive wealth produces a stronger effect on small countries because smaller countries tend to be too small to absorb such shocks. The report further finds that carbon damage is relatively large in high-income countries, such as Germany, France, the UK and the US among others.
- **Relation Between Inclusive Growth and SDG:** The report also considers the relationship between inclusive wealth and the SDGs, arguing that governments need to have a way to check whether or not the economic measures they take to meet the SDGs jeopardize the sustainability of the Goals. The report suggests that, if wealth increases as governments implement the SDGs, the Goals will be sustainable, but if wealth declines as governments try to meet the SDGs, the Goals should be considered unsustainable.
- **Importance of Inclusivity Index:** The report argues that the Inclusive Wealth Index allows policymakers to assess whether or not enacted policies are sustainable, and will allow them to make decisions on how to best manage their assets.

Global Wage Report

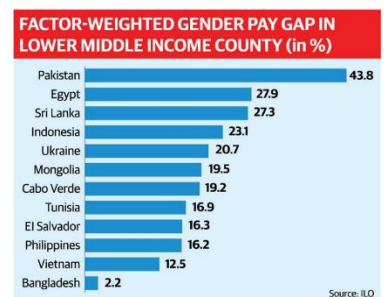
Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

International Labour Organisation (ILO) recently released the Global Wage Report 2018-19 in which analysis of prevalent wages in 73 countries was taken up.

Reports Highlights

- **Lowest Growth in Wage in 2017:** The rate of growth in wages in 2017 fell to its lowest level of 1.8 % since 2008. During the financial crisis in 2008, Global wage growth stood at 3.4 %. This growth rate would fall further to 1.1 % if China, which made a significant contribution to this growth, were to be excluded from the list. What is more surprising is that the slowdown in wage growth in 2017 occurred in spite of rapid economic growth during the period.
- **Highest Wage Growth in Asia-Pacific:** Among all regions, workers in Asia and the Pacific got the highest real wage growth over the period 2006-17 with countries like China, India, Thailand and Vietnam remaining on top. But in the Asia Pacific region also real wage growth in 2017 was lower than 2016 at 3.5 per cent, down from 4.08 per cent in 2016.
- **Wage Growth Declined In Advanced Countries:** In the advanced



G20 countries, real wage growth declined from 1.7 per cent in 2015 to 0.9 per cent in 2016 and 0.4 per cent in 2017. In Europe (excluding Eastern Europe), real wage growth declined from 1.6 per cent in 2015 to 1.3 per cent in 2016 and further declined to about zero in 2017, owing to lower wage growth in countries including France and Germany and declining real wages in Italy and Spain.

- **Gender Wage Gap:** Women continued to be paid around 20 % less than men globally and the gap was lowest in high-income countries and highest in low and middle-income countries. In high-income countries, the gender pay gap is biggest in top-salaried positions. While in low and middle-income countries, however, the gap is widest among lower-paid workers.
- **Low Salaries In Developing Countries:** The salaries are still far too low in the developing world. The gaps are still significantly big as often the wage level is still not high enough for people to meet their basic needs.
- **Impact on Global Economic Growth:** The impact of overall global wage growth on global economic growth decline to 1.8% in 2017 from 2.4% in 2016. It's because restrained spending by wage earners hurt the consumption demand. So, the acceleration of economic growth in high-income countries in 2017 was led mainly by higher investment spending rather than by private consumption.
- **Impact of Globalization:** There is intensification of competition in the wake of globalization, accompanied by a worldwide decline in the bargaining power of workers. This has resulted in a decoupling between wages and labour productivity. The effect has been the weakening share of labour compensation in GDP across many countries, which remain substantially below those of the early 1990s. Also, widening inequality is slowing demand and growth by shifting larger shares of income to rich households that save rather than spend.

India Specific Findings

- **Highest Wage Growth:** Workers in India got the highest average real wage growth (adjusted for inflation) in the last decade in southern Asia. During 2008-17, real wage growth in India stood at 5.5 per cent, highest among all the countries in southern Asia.
- **High Gender Wage Gap:** According to the report, India and Pakistan had the highest gap of 34.5 per cent and 34 per cent respectively between what men and women earn. This wage gap was the worst among all the 73 countries for which data was compiled.

Regional Meeting of World Customs Organisation

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- A four-day regional meeting of the World Customs Organisation (WCO) was held at Jaipur with representatives of 33 member countries of Asia attending it.
- The meeting deliberated upon various issues including the steps required for the capacity building and reforms in customs.
- It also discussed and deliberated upon the amended Kyoto protocol, digital customs, e-commerce among other issues..

About WCO

- The World Customs Organization (WCO) is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations.
- It was established in 1952 as the Customs Co-operation Council (CCC).
- Today, the WCO represents 182 Customs administrations across the globe that collectively process approximately 98% of world trade.
- As the global centre of Customs expertise, the WCO is the only international organization with competence in Customs matters and can rightly call itself the voice of the international Customs community.
- It is headquartered in Brussels, Belgium.

International Telecommunications Union (ITU)

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- India has been elected as a Member of the International Telecommunications Union (ITU) Council for another 4-year term (2019-2022).
- The elections to the Council were held during the ongoing ITU Plenipotentiary Conference 2018 at Dubai, UAE.

Key Highlights

- By securing 165 votes, India ranked third among the 13 countries elected to the Council from the Asia-Australasia region, and eighth among the 48 countries elected to the Council globally.
- India has been an active member of the ITU since 1869, earnestly supporting the development and propagation of telecom in the global community of nations.
- The country has been a regular member of the **ITU Council since 1952**, and has played an important role in harmonizing the contributions of member States from the region, always respecting the principles of equality and consensus-building.

About ITU

- ITU is the **United Nations specialized agency** for information and communication technologies – ICTs.
- It is headquartered at Geneva, Switzerland. It has 12 regional and area offices in the world.
- It allocates global radio spectrum and satellite orbits, develop the technical standards that ensure networks and technologies seamlessly interconnect, and strive to improve access to ICTs to underserved communities worldwide.

Recently, ITU has decided to set up the *ITU South Asia Area Office and Technology Innovation Centre in New Delhi.*