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**Topic: For Prelims and Mains**

**GS III**

**China's GDP Growth:**

**How has China recovered?**

1. While much of the global economies are impacted by the Covid-19, China's GDP growth has recovered sharply.
2. This is a result of a **bounceback in manufacturing output** and a public spending boost.
3. China's recovery points towards a V-shaped recovery – a sharp fall followed by an **equally sharp recovery**.
4. It has also effectively avoided a **technical recession**.

## **Why is China's recovery important?**

1. The sharp recovery signals a major turnaround in the world's second largest economy.
2. **It also points to facts that**
  - a. The recovery in economic activity is directly linked to a country's success in controlling the coronavirus spread
  - b. The quality of policy support matters, even if the scale of spending is modest.
3. According to the IMF, China's COVID-19 related support policies, amounted to just **2.5% of GDP**, as compared to **11% for the US, over 20% for Japan, and 34% for Germany.**
4. In China one-half of GDP is driven by consumption.
5. China focused on maintaining consumption by attempting to put money in the hands of consumers.
6. This was done through pre-paid vouchers for specific products and other related measures.

## **Which are key takeaways?**

1. The sharp recovery in growth points that the size of the fiscal package is not such a big determinant.
2. The quality of spending could have a significant positive impact on the economy.
3. The swiftness of a country in bringing the epidemic under control is crucial.

## **Where does India differ from China?**

1. According to various agencies, India's GDP estimates are projected to contract by 5-6%.
2. Central government's **fiscal relief of under 2% of GDP** is regarded megear to mitigate the adverse impact of the economic crisis triggered by the Covid-19 pandemic and subsequent lockdown.

3. In China – the efforts were to put money directly into the hands of the people.

4. But in India, much of the Rs 20 lakh crore Covid-19 economic package has been liquidity driven, with little burden on the Central exchequer.

5. It has been primarily focused on pushing banks to extend credit on the back of government guarantees to sectors like small businesses, non-banking financial companies, microfinance institutions and housing finance companies

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**Topic: For Prelims and Mains**

**GS II**

**China- Iran Ties:**

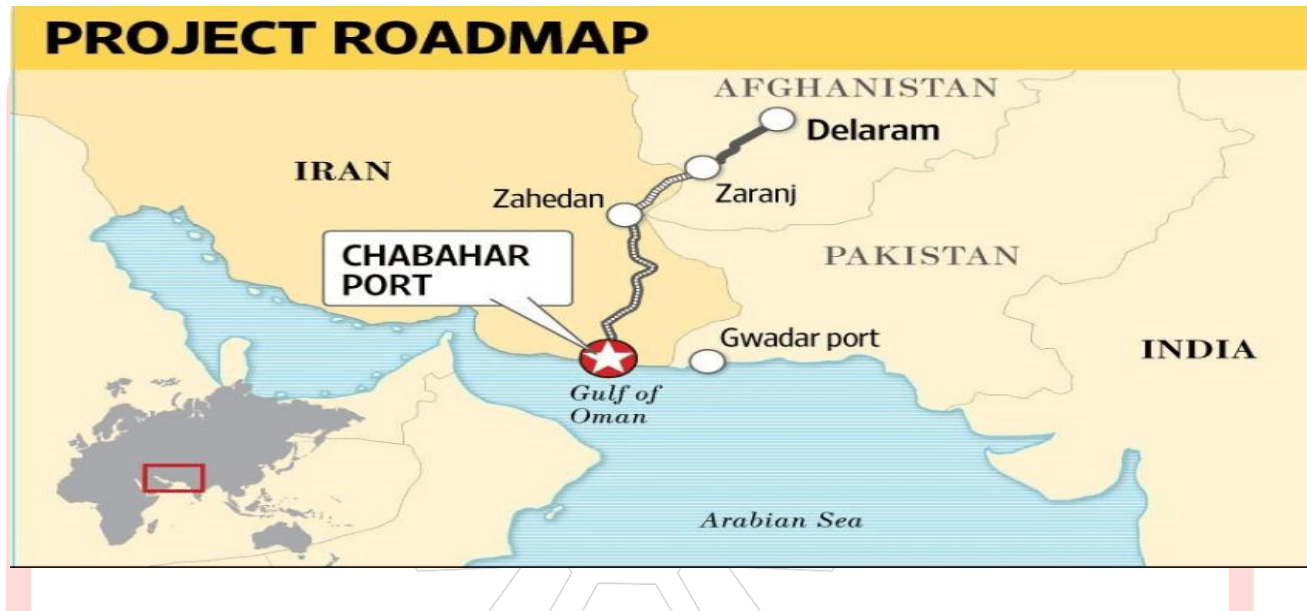
**Why in News?** China & Iran has recently signed various deals in defence & economic fields. It will hugely impact the India – **Iran Geo-Political** relations .

**Background:**

**Exclusion of India from project:** There are reports that Iran had launched the track laying programme for the 628 km long rail link between Chabahar and Zahidan.

**Clarification:** Iran has since clarified that India could join the project at a later stage.

- China and Iran are also close to sealing an ambitious deal on an economic and security partnership.



### The Chabahar project:

- Chabahar port on Iran's Makran coast just 1,000 km from Kandla is well situated. There is a need to build road and rail links from **Chabahar to Zahidan** and then 200 km further on to Zaranj in Afghanistan.
- **Role of India:** IRCON had prepared engineering studies estimating that the 800 km long railway project would need an outlay of \$1.6 billion. India concentrated on the 220 km road to connect **Zaranj to Delaram** on the Herat highway which was completed in 2008 at a cost of \$150 million.

## **Progress on project:**

**During sanctions on Iran (2005-2013):** There was little progress.

**After sanctions were eased on Iran after 2015:** A MoU was signed with Iran during Indian PM's visit to Tehran in 2016 to equip and operate two terminals at the **Shahid Beheshti port** as part of Phase I of the project.

- Another milestone was the signing of the **Trilateral Agreement** on Establishment of **International Transport and Transit Corridor** between Afghanistan, Iran and India.
- In addition to \$85 million of capital investment, India also committed to provide a line of credit of \$150 million for port container tracks.
- **Phase I** was declared operational in 2018 and India's wheat shipments to Afghanistan have been using this route.
- A special economic zone (SEZ) at **Chabahar** was planned but re-imposition of U.S. sanctions has slowed investments into the SEZ.

## **Delays to project:**

- Time is taken by the U.S. Treasury to actually clear the import of heavy equipment such as rail mounted gantry cranes, mobile harbour cranes, etc.

## **The rail-track project:**

- A financing MoU was signed under which India undertook to provide \$500 million worth of rolling stock and signalling equipment including \$150 million of steel rail tracks.
- **Iranian responsibility:** It was for local works of land levelling and procurement.

### **Ambitious plans by Iran:**

- To extend the railway line from **Zahidan to Mashad** (about 1,000 km) and then another 150 km onwards to **Sarakhs** on the border with **Turkmenistan**.
- Another plan is to link it with the International North-South Transport Corridor towards **Bandar Anzali** on the **Caspian Sea**.

### **Importance of China for Iran:**

#### **The nuclear programme:**

- **1980s-90s:** China provided direct assistance to Iran's nuclear and missile development programmes.
- **After 1997:** China stopped further assistance to the programme and sales of complete missiles but Iran by then had progressed sufficiently to carry on the project.
- **Partnership:** After sanctions were eased in January 2016, Chinese President Xi Jinping visited Tehran and proposed a long-term comprehensive, strategic partnership programme. It would involve Chinese investment in Iranian infrastructure and assured supplies of Iranian oil and gas at concessional rates.

#### **Tensions in the region:**

- It has been growing since last year with missile strikes in Saudi Arabia claimed by the Houthis and a U.S. drone strike in January killing Islamic Revolutionary Guard Corps (IRGC) chief Gen. Qassim Soleimani.
- The U.S. announced that it wanted the UNSC to continue the ban on Iranian acquisition of conventional weapons.

- **UNSC Resolution 2231** was adopted in July 2015 by consensus to endorse the JCPOA and contains a five-year restriction on Iran's importing conventional weapons that ends on October 18.
- **Unilateral quitting by US from JCPOA:** It is threatening to invoke the automatic snapback of sanctions provisions of JCPOA.

### **Stakes for India:**

### **Alarming for India:**

- China is also concluding a security and military partnership with Tehran. It calls for “**joint training and exercises**, joint research and weapons development and intelligence sharing”.
- Initial reports in Iran have suggested China will deploy 5,000 security personnel to protect its projects in Iran.

### **Growing Chinese presence in Iran:**

- India is concerned about its strategic stakes around the Chabahar port project that it has been developing, and for which it committed Rs 100 crore in the last Budget.
- **Importance:** The port is close to **Gwadar port in Pakistan**, which is being developed by China as part of its CPEC that links it to the Indian Ocean through BRI.

### **Tehran's balancing act:**

- **Difficult balancing act:** To manage the hardliners at home while coping with Trump administration's policy of '**maximum pressure**' which was vetoed by **Russia and China**.

- **Domestic politics:** Hard liners have accused Foreign Minister of undue secrecy surrounding the agreement amid rumours that China may be taking over **Kish island in the Persian Gulf** and that Chinese troops would be stationed in Iran to secure Chinese companies and investments.

## Way Forward

India needs to improve its implementation record of infrastructure projects that it has taken up in its neighbourhood.

- **Expansion of Chinese footprints:** Indian cooperation projects in **Nepal, Bangladesh, Sri Lanka, Myanmar** suffers from delays and cost overruns.
- The key is to continue to remain politically engaged with Iran so that there is a better appreciation of each other's sensitivities and compulsions.

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## Topic: For Prelims and Mains

### GS III

#### 2BRI:

**Why in News?** ISRO successfully injected into orbit the country's remote imaging earth observation satellite **RISAT-2BR1** along with nine other foreign commercial satellites.

- RISAT-2BR1 is radar imaging earth observation satellite. The satellite will provide services in the field of **Agriculture, Forestry and Disaster Management**.
- Launch Vehicle- PSLV C-48. PSLV-C48 is the second flight with '**QL**' **configuration** equipped with four strap-on motors on its sides. The first flight with a similar configuration was launched in April 2019 (PSLV-C45/EMISAT and 28 other satellites).
- The mission was historic as it coincides with 50th flight of PSLV.
- It was injected precisely into the **576 km orbit** (Low Earth Orbit)
- The 628 kg remote imaging earth observation satellite RISAT-2BR follows RISAT-2B
- Apart from being used for military purposes, the key applications of **RISAT-2BR1** include agriculture, forestry and disaster management support.
- The mission life is five years.

#### Other

The satellites are being launched under a commercial arrangement with New Space India Ltd which is the commercial arm of ISRO.

#### PLSV

- Of the total 50 missions, 48 **have been successful for ISRO**.

- The PSLV has placed around 310 foreign satellites with the first mission in September 1993.
- Some significant launches by PSLV include **Chandrayaan-1**, Mars Orbiter Mission (MOM) and the record launch of 104 satellites in one go earlier.

### What is PSLV?

**PSLV** is the third generation launch vehicle of India and the first Indian launch vehicle which is equipped with **liquid stages**.

**PSLV** is designed mainly to deliver the earth observation or remote sensing satellites, whereas, **GSLV** has been designed for launching **communication satellites**.

### What is Low Earth Orbit ?

A low Earth orbit is an Earth-centred orbit with an altitude of 2,000 km or less, or with at least **11.25 periods per day** and an eccentricity less than 0.25. Most of the manmade objects in outer space are in LEO. There is a large variety of other sources that define LEO in terms of altitude.

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## Facts for Prelims:

### ❖ Eosinophils count:

It is a **blood test** that measures the number of one type of white blood cells called **eosinophils**.

Eosinophils become active when you have certain allergic diseases, infections, and other medical conditions.

### **Why in News?**

Researchers have flagged this test for early recognition of Covid-19 in patients.

### ❖ De-dollarization:

This term is loosely used in the context of foreign trade.

- **De-dollarization** is a process of substituting the US dollar as the currency used for:
  - ✓ Trading oil and/ or other commodities
  - ✓ Buying US dollars for the forex reserves
  - ✓ Bilateral trade agreements
  - ✓ Dollar-denominated assets
- Since the establishment of the **Bretton Woods system**, the US dollar is used as the medium for international trade.
- In recent years, several countries are transitioning to trade in national currencies.
- For many years, the dollar has been the standard currency used in world trade. For example, **oil, gold and most commodities** are quoted in dollars. Many countries hold their reserves in dollars, in the form of US Treasury Securities.

- **De-dollarization** describes a move away from this world order to one where nations sell their **US Treasuries to hold reserves** in other currencies, or gold, and seek to use their own currencies for transactions between their most important trade partners.



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