

The Indian Express

Front page

Parties, judges, media can get funds from kin abroad without prosecution fear (Page no. 3) (GS Paper 2, Governance)

With the Ministry of Home Affairs effecting changes in the Foreign Contribution (Regulation) Act (FCRA) and its rules through two gazette notifications, political parties, legislature members, election candidates, judges, government servants, journalists and media houses among others.

All barred from receiving foreign contribution will no longer be prosecuted if they receive foreign contribution from relatives abroad and fail to intimate the government within 90 days.

The amended rule makes this a compoundable offence, and the recipient will be required to pay 5% of the foreign contribution received — earlier, such an offence would entail prosecution in a court of law.

The new notifications have increased the number of compoundable offences under the Act from 7 to 12 and this is one of them.

The other key changes are exemption from intimation to the government for contributions less than Rs 10 lakh – the earlier limit was Rs 1 lakh — received from relatives abroad, and increase in time limit for intimation of opening of bank accounts.

On the compoundable offences, the gazette notification said, “Offence punishable under sections 3, 11 and 35 of the Act read with rule 6 for failure to intimate about receipt of foreign contribution within the prescribed time limit” shall be compoundable with a penalty of “Five per cent of such foreign contribution received in a financial year”.

Forces trying to run down judiciary, we are answerable only to Constitution: CJI (Page no. 3) (GS Paper 2, Constitution)

Hitting out at “forces whose only aim is to run down the only independent organ” in the country, Chief Justice of India N V Ramana said that the judiciary is answerable only to the Constitution.

He said the party in power expects every action of the government to be endorsed by the judiciary while the Opposition wants the judiciary to advance its positions and causes.

Speaking at a felicitation ceremony organised by the Association of Indian Americans in San Francisco, CJI Ramana said, “As we celebrate the 75th year of Independence this year and as our Republic turned 72, I must add here, with some sense of regret, that we still haven’t learnt to appreciate wholly the roles and responsibilities assigned by the Constitution to each of the institutions.”

“The party in power believes that every governmental action is entitled to judicial endorsement. The parties in Opposition expect the judiciary to advance their political positions and causes,” he said, adding “this flawed thinking of all hues flourishes in the absence of proper understanding among people about the Constitution and the functioning of democratic institutions.”

“It is the vigorously promoted ignorance among the general public which is coming to the aid of such forces whose only aim is to run down the only independent organ. i.e., the judiciary. Let me make it clear. We are answerable to the Constitution and Constitution alone.”

Express Network

‘The biggest problem is our dependence on imported energy, which is 4% of our GDP’ (Page no. 9) (GS Paper 3, Energy)

As economies have opened up, supply is responding but demand had gone up well in advance. That created inflation exacerbated by what we call supply chain bullwhips.

When there is a slight amount of shortage, everyone moves from “just in time” to “just in case.” Instead of having enough inventory, you start saying, “I don’t want to lose production, so let me order some more.” The apparent demand starts to move up much faster than real demand.

Everyone is building an inventory. In the US in particular, this became really bad because it didn’t have the manufacturing capacity to meet the additional demand, but it had triggered that demand by handing over cash to people through a stimulus.

The demand went over to China, Japan, India, Bangladesh and when the goods started hitting the US ports, they realised these didn’t have the capacity. This triggered a wage-price spiral in the US, which is the most dangerous form of inflation where people start demanding wage hikes and prices go up.

In February 2022, when the Russia-Ukraine conflict started, the global oil supply went down, exacerbating inflation. Dense energy is critical for economic growth and if there is a shortage of gas and oil, the global GDP has to shrink by that much.

Now for that to happen, demand has to fall, and for demand to fall, prices have to go up. I think this is a very serious problem. Fiscal and monetary interventions are being undertaken by most countries which can afford to subsidise oil prices.

Everyone, from Australia to the US and China, is giving incentives. They have cut down excise duties so that the retail price of oil doesn't change. But the suppliers benefitting from this are unwilling to invest in increasing capacity because they're unsure how long this will last.

Then there is what I would call forced saving. If the global oil market was \$ 2.5 trillion at \$ 70 a barrel, it is now closer to \$ 4 trillion, so \$ 1.5 trillion is moving from consumers to suppliers.

The consumers are buying less and the suppliers are saving the surplus. This is a forced saving which is very bad for growth and leads to stagflation. I don't think this is going away in a hurry.

Economy

'5 green verdicts cost govt' 8K-cr revenue' (Page no. 13)

(GS Paper 3, Indian Economy)

The government lost revenue worth Rs 8,000 crore from mid-2018 to mid-2021, and at least 75,000 people were adversely impacted with around 16,000 workers losing their jobs, due to five major environment-related judgements passed by the Supreme Court and National Green Tribunal (NGT), a report commissioned by the NITI Aayog has estimated.

The verdicts assessed in the report include three judgements by the apex court — stopping iron ore mining in Goa, shutting down Sterlite Copper's Tuticorin plant in Tamil Nadu, and halting consultation of Mopa Airport in Goa — and two from the NGT — the sand mining ban case, and halt on construction activities in Delhi-NCR.

According to a person aware of the deliberations about the report, these five cases were chosen due to their prominence when the report was being commissioned.

According to the report titled 'Economic Impact of Select Decisions of the Supreme Court and National Green Tribunal of India', in the aftermath of the five verdicts, the industry lost close to Rs 15,000 crore in revenues, and workers lost around Rs 500 crore of income.

The estimated revenue loss of Rs 8,000 crore to the government could have resulted in an economic impact of more than Rs. 20,000 crore if invested as capital expenditure, it said. The report was first commissioned in 2019 and has been finalised with financial support from the NITI Aayog.

Jaipur-based policy research and advocacy group CUTS International, which submitted the report to the government think-tank this June, prepared it.

India-EU FTA talks: Next round at Brussels in Sept, says Com Min (Page no. 13)

(GS Paper 3, Indian Economy)

The Commerce Ministry on Saturday said that India and the European Union (EU) concluded the first round of talks for their proposed free trade agreement (FTA) on Friday and the next round of talks is scheduled at Brussels in September. India and the 27-nation bloc resumed negotiations on June 17, after a gap of over eight years, on the proposed agreements on trade, investments and Geographical Indications (GI).

The first round of talks, which began on June 27, ended July 1. India's FTA negotiations were led by Chief Negotiator Nidhi Mani Tripathi, Joint Secretary in the Department of Commerce and the EU was represented by its Chief Negotiator Christophe Kiener, the ministry said in a statement.

The week-long negotiations were held in a hybrid fashion—with some of the teams meeting in Delhi and the majority of officials joining virtually.

During the first round, 52 technical sessions covering 18 policy areas of FTA and seven sessions on investment protection and GIs were held, it added.

India's bilateral trade with the EU amounted to \$116.36 billion in 2021-22. At present, the EU is India's second largest trading partner after the US, and the second largest destination for Indian exports.

"The trade agreement with the EU would help India further expand and diversify its exports of goods and services, including securing the value chains. Both sides are aiming for the trade negotiations to be broad-based, balanced, and comprehensive, based on the principles of fairness and reciprocity,"

The World

China's top diplomat visits Myanmar amid Opposition protest (Page no. 14) (GS Paper 2, International Relation)

China's top diplomat on Saturday arrived on his first visit to Myanmar since the military seized power last year to attend a regional meeting that the government said was a recognition of its legitimacy and opponents protested as a violation of peace efforts.

Chinese Foreign Minister Wang Yi will join counterparts from Myanmar, Laos, Thailand, Cambodia, and Vietnam in a meeting of the Lancang-Mekong Cooperation group in the central city of Bagan, a UNESCO World Heritage site.

The grouping is a Chinese-led initiative that includes the countries of the Mekong Delta, a potential source of regional tensions due to an increasing number of hydroelectric projects that are altering the flow and raising concerns of ecological damage.

China has built 10 dams along the upper stretch of the Mekong, the part it calls the Lancang. Military government spokesman Maj. Gen. Zaw Min Tun told a news conference in the capital Naypyitaw on Friday that the attendance of the foreign ministers at the meeting was a recognition of Myanmar's sovereignty and its government.

Myanmar's military seized power from the elected government of Aung San Suu Kyi on Feb. 1, 2021. It was quickly met by nonviolent nationwide demonstrations and triggered armed resistance that some U.N. experts now characterize as civil war.