



18 September, 2024

Jute industry in India

Context: Jute production is set to drop by 20% due to floods damaging crops in West Bengal and Assam.

➤ Overview:

- Jute exports, projected at ₹3,500 crore this year, had annual potential of ₹4,500 crore.
- The Board is drafting Jute Technology Mission 2.0, exploring ethanol extraction and jute composites for diverse uses.



➤ About the Jute Industry

- **Global Status:** India is the world's leading jute goods producer, accounting for about 70% of global production.
- **Regional Importance:** The industry is a major economic activity in the eastern region, especially in West Bengal, which accounts for approximately 73% of production.
- **Local Consumption:** Around 90% of jute production is consumed domestically.
- **Employment:** Provides direct employment to approximately 370,000 workers in organized mills.
- **Export Potential:** The annual export potential of the industry is Rs 4,500 crore, up from Rs 3,000 crore in 2023-24.

➤ Opportunities

- **Employment Generation:** Significant employment in organized mills.
- **Export Growth:** Increasing export potential indicates growing opportunities in the global market.

➤ Challenges

- **Declining Area:** Area under jute cultivation has decreased by 170,000 hectares between 2013-14 and 2021-22.
- **Competition from Alternatives:** Availability of low-cost synthetic products impacts jute demand.
- **Quality Issues:** Over 80% of raw jute is of below-average or poor quality.
- **Lack of Modernization:** The industry faces issues with modernization and a shortage of skilled labor.
- **State Support:** Insufficient state-level initiatives for procuring jute products like geo-textiles.

➤ Measures Suggested (Standing Committee on Labour, Textiles, and Skill Development)

- **Comprehensive Policy:** Develop policies for establishing new mills.

- **Skill Development:** Address the shortage of skilled workers through targeted schemes.

➤ Production Decline

- **Expected Drop:** Jute production is anticipated to decline by 20% in FY 2024-25 due to natural calamities, particularly floods impacting jute crops in West Bengal and Assam.
- **Affected Regions:** West Bengal and Assam are major jute-producing states, contributing significantly to the industry.

➤ Initiatives Taken

- **National Jute Board (NJB):** Established under the National Jute Board Act, 2008, responsible for the development of jute cultivation, manufacturing, and marketing.
- **National Jute Development Programme:** An umbrella scheme aimed at industry development.
- **Production Linked Incentive (PLI):** A scheme to incentivize production.
- **Jute Corporation of India (JCI):** Established to support the jute sector.
- **Jute Packaging Materials Act, 1987:** Mandates the use of jute packaging materials for certain commodities.
- **Other Initiatives:** Includes Jute Mark Logo, Improved Cultivation, and Advanced Retting Exercise (Jute ICARE) Scheme.

WMO Ozone and UV Report

Context: Recently, The World Meteorological Organization (WMO) has released the 2nd Edition of the WMO Ozone and UV Report

➤ Overview:

- Coincides with World Ozone Day (16 September).
- Highlights the Montreal Protocol's success in phasing out ozone-depleting substances (ODS).
- The WMO Global Atmosphere Watch (GAW) Program is essential for observing ozone levels and UV radiation.
- Meet every three years to assess global ozone monitoring needs.

➤ World Meteorological Organization (WMO) Bulletin

- **Release Date:** On World Ozone Day (16 September).
- **Theme:** Montreal Protocol: Advancing Climate Actions.
- **Recommendations:**
- Focus on five areas:
 - Research needs
 - Systematic observations
 - Coverage of controlled substances
 - Data archiving and stewardship
 - Capacity-building

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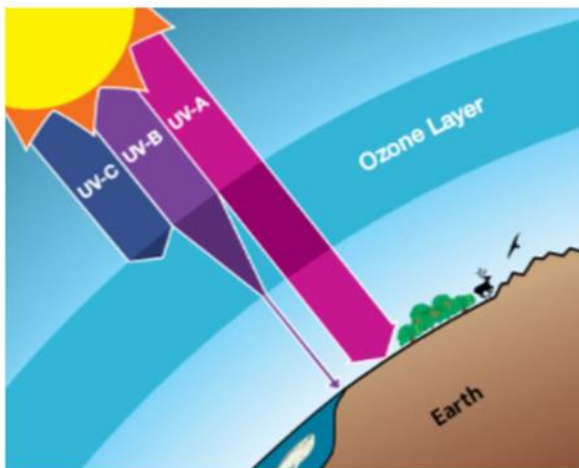
Key Findings

➤ Ozone Layer Recovery:

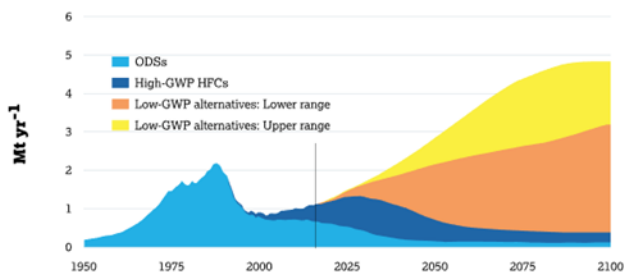
- Phaseout of some Ozone-depleting substances (ODS) also reduces greenhouse gasses, contributing positively to climate mitigation.
- Full recovery expected by:
 - 2066 over Antarctica
 - 2045 over the Arctic
 - 2040 for the rest of the world

➤ 2023 Ozone Hole Characteristics:

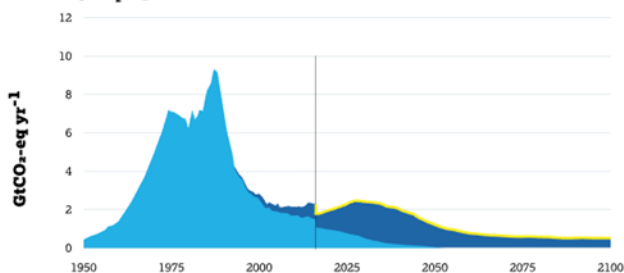
- Early onset in late August and persistence into December.
- Influenced by the 2022 Hunga Tonga-Hunga Ha'apai volcanic eruption, which increased stratospheric water vapor.



A) - EMISSIONS (mass)



B) CO₂-eq EMISSIONS



- **Kigali Amendment Impact:** Could reduce global heating by 0.5°C by 2100.

➤ About the Ozone Layer

- **Location:** 15 to 30 km in the stratosphere.
- **Formation:** Produced by UV light interacting with molecular oxygen (O₂).
- **Depletion:** Caused by ODS like Chlorofluorocarbons (CFCs) and Halons.
- **Ozone Hole:** Primarily over Antarctica, exacerbated by stratospheric clouds.
- **Impacts:** Increases skin cancer risk, disrupts plant growth, and affects marine ecosystems.

➤ Initiatives Taken

- **Global:**
 - **Vienna Convention (1985)** and **Montreal Protocol (1987):** Regulate ODS.
 - **Kigali Amendment (2016):** Phases down Hydrofluorocarbons (HFCs).
- **India:**
 - **Cooling Action Plan (2019):** Addresses cooling demand, refrigerants, and energy efficiency.
 - **Phased Out:** CFCs, Carbon Tetrachloride, Halons, Methyl Bromide, and Methyl Chloroform.

Windfall Tax

Context: Recently, the government has abolished the windfall tax on domestically produced crude oil

➤ Overview:

- The windfall tax, as Special Additional Excise Duty (SAED), is revised biweekly based on average oil prices.
- The SAED on the export of diesel, petrol and jet fuel or ATF, has been kept as 'nil'.
- A **windfall tax** is an extraordinary tax levied on companies or individuals that experience sudden and significant profits due to unforeseen circumstances, such as market fluctuations or regulatory changes.



➤ Purpose

- **Redistribution of Wealth:** Aims to address economic disparities by taxing excessive profits, particularly in times of crisis.
- **Revenue Generation:** Provides governments with additional funds to support public welfare or infrastructure projects.
- Commonly applied to sectors benefiting disproportionately from specific events:
 - **Energy Sector:** Significant profits during spikes in oil or gas prices.

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- **Financial Sector:** Increased revenues during economic recovery phases.
- **Pharmaceuticals:** High profits from vaccine sales during health crises (e.g., COVID-19).

➤ Key Features

- **Tax Rate:** Typically higher than standard corporate tax rates to capture excess profits.
- **Profit Thresholds:** Defines what constitutes "excess" profits, ensuring only substantial gains are taxed.
- **Temporary Measure:** Often enacted in response to specific economic conditions, with a predetermined duration.

➤ Arguments For Windfall Tax

- **Equity and Fairness:** Promotes social equity by redistributing wealth from companies benefiting without additional investment.
- **Crisis Response:** Acts as a government tool to manage economic disparities during crises.
- **Public Funding:** Generates additional revenue for public services and infrastructure.

➤ Arguments Against Windfall Tax

- **Disincentive for Investment:** May deter companies from investing in growth due to fears of future taxation on profits.
- **Market Distortion:** Potentially leads to adverse market reactions and impacts overall economic stability.
- **Complex Implementation:** Difficulty in defining and assessing "windfall" profits can lead to legal and regulatory challenges.

➤ Implementation Considerations

- **Clear Definitions:** Establish guidelines on what qualifies as a windfall to ensure transparency.
- **Revenue Allocation:** Clearly communicate how collected taxes will be utilized, such as for social welfare or public health.
- **Stakeholder Consultation:** Engage with businesses and communities to assess the tax's impact and design.

NEWS IN BETWEEN THE LINES

Exercise AIKYA



A two-day national symposium entitled Exercise AIKYA will begin in Chennai today on 18th of September.

About the Exercise AIKYA:

- Exercise AIKYA is a **two-day national symposium** organized by the **National Disaster Management Authority (NDMA)** and the **Army Southern Command**.
- It aims to **enhance disaster preparedness** while fostering robust collaboration among key stakeholders.
- Key stakeholders participating in the exercise include representatives from the **Railways, Transport, Civil Aviation, Health, Environment** and **Climate Change departments**, along with both the State and National Disaster Management Authorities.
- The Indian Army will play a central role, with additional participation from officials of the **Indian Meteorological Department (IMD)**, National Remote Sensing Centres, **Central Water Commission** and the **Forest Survey of India**.
- The exercise will focus on contemporary disasters such as **tsunamis, landslides, floods, forest fires, and cyclones**, reviewing recent disasters and discussing prevention strategies.

Dharmachakra Mudra



Recently, India's High Commissioner to Sri Lanka, Santosh Jha, gifted a Lord Buddha statue in Dharmachakra Mudra to Colombo's Dharmayatana Temple, with the ceremony coinciding with Binara Poya and the 160th Birth Anniversary of Srimala Anagarika Dharmapala.

About Dharmachakra Mudra:

- The Dharmachakra mudra is a **hand gesture in Buddhism** that symbolizes the **Wheel of Dharma** in Sanskrit.
- It signifies one of the most important events in Buddha's life, the **first sermon he delivered at Sarnath** after attaining Enlightenment.
- It's performed by **touching the tips of the thumb and index finger** of each hand to form a circle.
- The middle finger of the right hand represents the **'hearers' of Buddha's teachings**, the **ring finger symbolizes the 'solitary realizers'** and the **little finger signifies the Mahayana or 'Great Vehicle'**, while the **extended fingers of the left hand represent Buddhism's Three Jewels – the Buddha, the Dharma, and the Sangha**.
- The hands in the Dharmachakra Mudra are **held in front of the heart**, symbolizing that Buddha's teachings come directly from his heart.
- This mudra is demonstrated by **Vairochana, the first Dhyani Buddha**.
- The Dharmachakra Mudra is thought to connect individuals to **universal energy** and the **cosmic order**.

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International Monetary Fund



Recently, the International Monetary Fund (IMF) has postponed indefinitely its planned consultation mission with Russia because of technical issues.

About the International Monetary Fund:

- The International Monetary Fund (IMF) is an **international organization** founded in **1944** at the **Bretton Woods Conference**.
- It currently consists of **190 member countries**.
- It **provides financial assistance to member countries** facing balance of payments problems, typically with conditions for economic reform.
- It played a crucial role in responding to various global economic crises, including the **1997 Asian financial crisis** and the **global economic crisis of 2008**.
- Its headquarter is in **Washington, D.C.**
- **India is a founding member** of the International Monetary Fund.

OI Doinyo Lengai

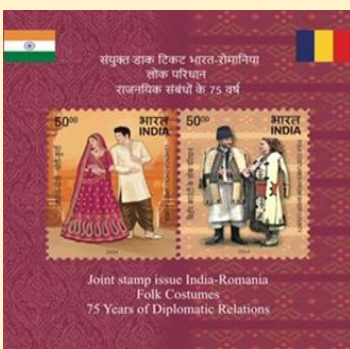


Recently, the scientists discovered a sudden bulging because of the flow of magma beneath the surface of the Earth in the OI Doinyo Lengai volcano and warned people against an impending eruption.

About the OI Doinyo Lengai:

- The Mountain of God also known as OI Doinyo Lengai volcano, is situated in the north of **Tanzania**.
- The name of the volcano 'OI Doinyo Lengai' means '**Mountain of God**' in **Maasai**.
- It is the only volcano in the world that **erupts carbonatite lava** which is black or grey when molten and turns white upon cooling, making it unique in its composition.
- It contains **basalts rich in sodium and potassium**, and is so alkaline that its lavas resemble washing soda.
- The volcano has been active **throughout the 20th century**, erupting approximately every 20 to 40 years.
- The most recent major eruption **occurred in 2007**, spreading ash over a distance of more than 10 miles.
- The Maasai tribe considers OI Doinyo Lengai to be a **sacred site** and they pray to the volcano for **healing, fertility and relief from misfortunes**.
- Since March 2022, scientists have observed rapid swelling due to the flow of underground magma, which indicates that an eruption could be imminent.

Place in News Romania



Recently, the External Affairs Minister Dr. S Jaishankar released the India-Romania joint commemorative stamps in Delhi.

Romania (Capital: Bucharest)

Location: Romania is a country located at the crossroads of Central, Eastern and Southeast Europe.

Boundaries: Romania shares its borders with **Moldova** (East), **Hungary** (West), **Ukraine** (North), **Bulgaria** (South), the **Black Sea** (Southeast) and **Serbia** (Southwest).

Physical Features:

- The highest point in Romania is **Moldoveanu Peak**.
- Romania's major rivers include the **Danube, Mureş, Olt, Prut, Siret and Someş**.
- Romania has a **temperate-continental climate**.
- Romania is rich in minerals such as **natural gas, oil, iron ore and salt**.

Membership:

Romania is a member of several international organizations, including **European Union (EU)** (joined in 2007), **North Atlantic Treaty Organization (NATO)** (joined in 2004), **United Nations (UN)**, **World Trade Organization (WTO)**, **International Monetary Fund (IMF)** and **World Bank**.



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Current affairs summary for prelims

18 September, 2024

POINTS TO PONDER

- In which state is the Palamu Tiger Reserve located? – **Jharkhand**
- When was the Carbon Credit Trading Scheme (CCTS) launched? – **2023**
- Where was the Global Bio-India 2024 event held? – **New Delhi**
- Where will the Meeting of the COP9 Bureau be held? – **New Delhi**
- Where was the 79th session of the United Nations General Assembly (UNGA) held? – **New York**

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