

25 November 2024

### The 6th ASEAN-India Trade in Goods Agreement (AITIGA) Joint Committee Meeting

**Context:** The 6th AITIGA Joint Committee Meeting was held from 15-22 November 2024 at Vanijya Bhawan, New Delhi to strengthen trade relations between India and ASEAN.

#### About ASEAN-India Trade in Goods Agreement (AITIGA)

- ▶ The ASEAN-India Trade in Goods Agreement (AITIGA) is a trade deal between ASEAN and India.

#### Background:

- » The ASEAN-India Free Trade Area (AIFTA) began with the Framework Agreement signed in October 2003, leading to agreements on Trade in Goods, Services, and Investment.
- » The AITIGA entered into force on January 1, 2010.

- ▶ **Key Provisions:** Aims to reduce and eliminate duties on 76.4% of goods traded between ASEAN and India.

- ▶ **Review Process:** In September 2022, both sides initiated a review to make the agreement more trade-facilitative. The review is expected to conclude in 2025.

- ▶ **Sub-Committees:** 8 sub-committees focus on areas like market access, rules of origin, and trade remedies.

- ▶ **Bilateral Trade:** ASEAN-India trade reached \$122.67 billion in 2023-24, with a 9.96% increase in Indian exports to ASEAN, and a 34.30% increase in imports.

#### What is ASEAN?

- ▶ **Founded:** It was founded on August 8, 1967, in Bangkok by Indonesia, Malaysia, Philippines, Singapore, and Thailand.
- ▶ **10 countries :** Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Myanmar, Cambodia, and Vietnam are the current members of the organisation.
- ▶ **Future Member:** In November 2022, ASEAN agreed to admit East Timor (Timor-Leste) as its 11th member and granted it observer status at high-level meetings.



- ▶ **ASEAN Summit:** The highest policy-making body, meeting twice annually since the first summit in February 1976 in Bali, Indonesia.
- ▶ **Influence:** ASEAN is a key regional grouping, with dialogue partners including India, the US, China, Japan, and Australia.

#### India-ASEAN Relations:

- ▶ **'Act East' Policy:** ASEAN centrality remains a key part of India's foreign policy.

#### ▶ History of Dialogue:

Relations began as a sectoral dialogue in 1992, became a full dialogue partnership in 1995, and were elevated to a "Strategic Partnership" in 2012. In 2022, relations were upgraded to a "Comprehensive Strategic Partnership."

#### ▶ Trade Goals:

India-ASEAN bilateral trade is projected to reach \$300 billion by 2025. ASEAN is India's fifth-largest trading partner.

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## Local Currency Usage Agreement between India and Maldives:

**Context:** The Reserve Bank of India (RBI) and the Maldives Monetary Authority (MMA) have signed a Memorandum of Understanding (MoU) to promote the use of local currencies—the Indian Rupee (INR) and the Maldivian Rufiyaa (MVR)—in cross-border transactions.

- ▶ The MoU establishes a framework for using INR and MVR in current account transactions, permissible capital account transactions, and other economic and financial dealings between the two nations. The agreement was signed by RBI Governor Shaktikanta Das and MMA Governor Ahmed Munawar.

### Strategic Objectives of this agreement :

- » The use of local currencies aligns with India's strategy to promote the INR internationally.
- » For the Maldives, whose economy relies heavily on tourism and trade with India, using MVR for cross-border transactions reduces currency conversion costs and stabilizes its financial system.
- » India is the Maldives' largest trading partner, with strong ties in tourism, trade, and development aid. The local currency framework is expected to boost this relationship by improving transaction efficiency, lowering costs, and increasing financial transparency.
- » This initiative contributes to broader financial integration in South Asia.

### Benefits of Local Currency Transactions:

- ▶ **Reduction of Transaction Costs:** By avoiding third-party currencies like the U.S. Dollar, the costs related to foreign exchange conversions are significantly reduced, benefiting businesses involved in regular cross-border trade.
- ▶ **Faster Transactions:** Local currencies help streamline transaction processes, reducing the time spent on currency exchanges and settlement procedures, making business operations more efficient.
- ▶ **Stabilization of Exchange Rate Volatility:** Using local currencies reduces risks associated with fluctuating exchange rates, providing stability to the financial systems of both countries.

- ▶ **Increased Trade and Economic Cooperation:** The agreement is expected to encourage more Indian businesses to invest in the Maldives and vice versa, simplifying financial transactions and boosting sectors like tourism, agriculture, and manufacturing.
- ▶ **Promoting Financial Sovereignty:** The MoU supports national currency sovereignty by reducing reliance on foreign currencies for cross-border transactions, aligning with global trends of de-dollarization.



### What is a Currency Swap Agreement?

- » A currency swap agreement involves the exchange of currencies between two countries for use in transactions.
- » It allows businesses and individuals to settle transactions in their local currencies, bypassing third-party currencies like the U.S. Dollar.
- » This strengthens bilateral trade, reduces dependency on foreign currencies, and minimizes exchange rate risks. The MoU aims to enable both India and the Maldives to conduct transactions directly in their respective currencies, enhancing financial integration.

### Key differences between local currency uses and currency swap agreement:?

- » The use of local currencies aims to promote trade and economic ties, while a currency swap agreement aims to provide liquidity and reduce exchange rate risk.
- » The use of local currencies involves direct transactions between countries, while a currency swap agreement involves exchanging cash flows in different currencies.
- » The use of local currencies is typically limited to bilateral trade, while a currency swap agreement can be used for a broader range of transactions, including investment and financing.
- » The use of local currencies involves minimal risk, while a currency swap agreement involves counterparty risk and exchange rate risk.

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### Telecommunications (Telecom Cyber Security) Rules, 2024

**Context:** The Telecommunications (Telecom Cyber Security) Rules, 2024 have been issued under the Telecommunications Act, 2023, replacing the Prevention of Tampering of the Mobile Device Equipment Identification Number Rules, 2017. The rules are designed to strengthen cybersecurity within the telecom sector and address emerging security challenges.

#### Key Provisions of the Rules:

##### ▶ Definitions of Key Terms:

- » **Telecom Cyber Security:** Refers to the protection of telecommunication networks and services using policies, tools, and techniques to safeguard against cyber risks.
- » **Telecommunication Entity:** Any person or organization involved in providing telecommunication services or maintaining telecom networks.
- » **Security Incident:** An event or occurrence that could potentially impact the security of telecom services or networks.

#### Data Collection and Sharing:

- » The Central Government or designated agencies may request traffic data and other related information from telecom entities.
- » Such data can be shared with law enforcement agencies and other telecom entities for security purposes. Telecom entities are required to set up the necessary infrastructure to facilitate data collection, processing, and storage from designated points.

#### Obligations for Individuals and Entities:

- ▶ **Individuals:** No person is allowed to send messages or perform actions that could adversely impact telecom cybersecurity.
- ▶ **Entities:** Telecommunication entities must develop and implement cybersecurity policies to address risks, conduct audits, and manage incident responses.
- » They must establish Security Operations Centres (SOCs) to monitor and respond to security incidents like intrusions.

- » A Chief Telecommunication Security Officer (CTSO) must be appointed by entities to oversee telecom cybersecurity efforts. The CTSO's details must be provided to the Central Government.

#### Incident Reporting:

- ▶ **Timeframe for Reporting:** Telecom entities are required to report any security incidents to the Central Government within 6 hours of becoming aware of the incident.

Within 24 hours, entities must provide detailed information, such as:

- The number of users affected.
- Duration and geographical area of the incident.
- Measures taken to address the issue.

#### Penalties and Enforcement:

While penalties for misuse or failure to comply are not explicitly mentioned, the rules focus on the establishment of a security framework and accountability mechanisms for telecom entities.

#### Impact of the Rules:

The new rules aim to enhance cybersecurity in India's telecom sector by ensuring swift response to security incidents and establishing comprehensive measures for data protection and incident management. However, these rules also grant significant power to the government to access telecom data, potentially raising concerns around privacy and data security.

### Withdrawal from the Paris Agreement

**Context:** Argentina, under President Javier Milei, is considering withdrawing from the Paris Agreement, joining a broader trend of climate change skepticism. This comes as the world prepares for potential U.S. withdrawal under President-elect Donald Trump.

#### What is the Paris Agreement?

- » The Paris Agreement, adopted in 2015, aims to limit global warming to well below 2°C, with efforts to keep it below 1.5°C.

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- » It focuses on reducing GHG emissions and promoting sustainable development.
- » Countries must submit Nationally Determined Contributions (NDCs) every five years to increase climate action.

### How Does a Country Withdraw from the Paris Agreement?

A country can withdraw after three years of ratification, with withdrawal becoming effective one year after notifying the UN.

- » The process is formal and gradual but signifies disengagement from global climate efforts.

### Why Is Argentina Considering Withdrawal?

- » President Milei, a climate skeptic, has previously labeled climate change a “socialist lie” and is re-evaluating Argentina’s participation in the agreement.
- » The government acknowledges climate change but attributes it to natural cycles rather than human activity.

### What Would Argentina's Withdrawal Mean?

**Impact on Global Climate Goals:** Argentina is the 24th-largest emitter of GHGs. Its withdrawal could undermine efforts to limit global warming and prompt other countries to follow suit.

- ▶ **Economic and Trade Implications:** Argentina has large fossil fuel reserves. Exiting the agreement could increase reliance on fossil fuels, making it less attractive to climate-conscious trade partners. Trade relations with climate-focused countries, like the EU, could be strained.

- ▶ **Domestic Politics and Challenges:** Argentina ratified the agreement constitutionally, so Milei would need parliamentary approval to withdraw. Domestic opposition could complicate this. could be strained.

### Global Reactions and Concerns:

- » Niklas Höhne, a climate expert, warns that Argentina’s exit could isolate it economically and diplomatically.
- » Withdrawal would strain relations with climate-focused nations and hinder efforts to avoid severe environmental impacts like extreme weather and biodiversity loss.

### Implications for Global Climate Goals:

- » **Emission Reduction Targets:** Global emissions need to be reduced by 42% by 2030 to stay on track for a 1.5°C future. Argentina's exit could jeopardize this target.
- » **Role of Developing Nations:** As a developing nation with significant fossil fuel reserves, Argentina’s withdrawal could weaken support for other developing

## Power Packed News

### Exercise Sea Vigil 24

The fourth edition of the Pan-India Coastal Defence Exercise, Sea Vigil 24 was concluded recently, showcasing India’s focus on maritime security.

- The 36-hour exercise covered the country’s 11,098 km coastline and a 2.4 million sq. km Exclusive Economic Zone. Over 21 agencies from six ministries participated, including the Indian Navy, Army, Air Force, Coast Guard, State Marine Police, and port authorities.
- The exercise involved the deployment of more than 550 maritime assets and 60 air sorties, amounting to 200 flying hours. Before the main phase, a seven-day Coastal Defence and Security Readiness Evaluation (CDSRE) audited 950 critical coastal locations like fishing
- Key areas of focus included securing oil rigs, ports, and merchant vessels, with drills like simulated hijackings and vessel rerouting. Fishing communities and youth groups actively participated through community outreach programs, promoting grassroots awareness of maritime security.



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- Since its launch in 2018, Sea Vigil has been vital in improving India's coastal defence. The 2024 edition further enhanced inter-agency coordination and preparedness, reaffirming India's resolve to protect its maritime borders.

### India's First Self-Sufficient Gaushala with a CBG Plant Inaugurated in Gwalior

- Gwalior's Adarsh Gaushala has set a milestone by establishing India's first modern, self-sufficient gaushala equipped with a state-of-the-art Compressed Biogas (CBG) plant. Recently inaugurated by the Prime Minister, this facility in Laltipara is operated by the Gwalior Municipal Corporation and houses over 10,000 cattle, marking a significant step in the "Waste to Wealth" initiative.
- Developed on a 5-acre site at a cost of ₹31 crores in collaboration with the Indian Oil Corporation, the plant processes 100 tons of cattle dung daily to produce 2-3 tons of compressed biogas and 10-15 tons of bio-manure. It also utilizes vegetable and fruit waste from markets and households. Additionally, windrow composting is integrated into the project to process organic waste further.
- This innovative facility supports sustainability by reducing carbon emissions, providing clean energy, and promoting organic farming through affordable bio-manure. It benefits local farmers and generates employment while enhancing skills in green energy practices.



### PM Modi Honored with Global Peace Award in Washington

- The Association of Indian American Minorities (AIAM), a newly established non-governmental organization, was officially launched on November 22, 2024, at the Sligo Seventh-day Adventist Church in Maryland. AIAM seeks to unite minority communities within the Indian American diaspora and promote their welfare.
- During its inaugural event, Prime Minister Narendra Modi was conferred the prestigious Dr. Martin Luther King Jr. Global Peace Award for Minority Upliftment. The award, jointly presented by Washington Adventist University and AIAM, acknowledged his efforts toward fostering inclusive growth and advancing minority welfare.
- AIAM aims to strengthen the unity among Indian Americans while fostering their active contribution to the multicultural landscape of the United States. Renowned Sikh philanthropist Jasdeep Singh was appointed as the organization's Founder and President, supported by a seven-member Board of Directors representing diverse minority communities.
- AIAM is poised to play a significant role in promoting harmony, addressing socio-economic challenges, and enhancing the representation of Indian American minorities in the broader societal framework of the United States.



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