



C.A Dated On 08-05-2019

Initiatives by Commerce Ministry to Boost Trade with African Countries

The Commerce Ministry and Indian High Commissions and Embassies of eleven African countries arranged an interaction over Digital Video Conference (DVC) over two days, on 3rd and 6th May 2019, with the Indian business community in Africa.

Indo-Africa Trade:

- India's total trade with the African region during 2017-18 was USD 62.69 billion (8.15% of India's total trade with the World).
- India's share of exports to African countries as a percentage of India's total exports to the world was of the order of 8.21% in 2017-18.
- Africa region's share in India's total imports from the World accounted for 8.12% in 2017-18.
- Today, African countries present immense opportunities for India with the world's largest land mass, 54 countries, a population growing to be almost equivalent to that of India, huge mineral resources, oil wealth, a youthful population, falling poverty levels and increasing consumption patterns.

Thus, Africa has a huge demand for new business models for market entry, stable market access, entrepreneurship and investments in transport, telecom, tourism, financial services, real estate and construction.

About the Initiative:

- This initiative of the Commerce Ministry emphasizes the need for a multipronged strategy for further enhancing trade and investment ties between the two regions.
- Commerce Ministry recognizes that for formulating an effective export strategy it is imperative to engage the Indian business community in Africa for mutual gain for both sides as trade relations between the people of same origin instill greater confidence amongst trade partners.
- The inherent strength of India in Africa is its rich and vast Diaspora which has established strong links with the political, economic and social fabric of the African continent.



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Road Accident:

Why in News?

Road accidents are the leading cause of death among people in the 5-29 age-group worldwide with more than 1.35 million lives lost each year and 50 million sustaining injuries, according to a World Health Organisation (WHO) report released during the on-going global [road safety](#) week.

Background:

In 2015, India became a signatory to the Brasilia Declaration on Road Safety, where we committed to halving road crash deaths by 2020.

Relevant data :

- As per the data released by the Indian government, road crashes kill close to 1,50,000 people each year.
- However, the WHO global status report on road safety had challenged the numbers and stated that India might be losing over 2,99,000 people each year.
- "Road crashes have emerged as the single biggest killer of people in the age group of 15-45.
- Meanwhile, the reasons listed for this trend include — rapid urbanisation, poor safety, lack of enforcement, distracted, influence of drugs or alcohol, speeding and a failure to wear seat-belts or helmets, according to experts.

Diego Garcia dispute:

Why in News?

The United States Monday said it supports British sovereignty over the strategically important islands in the Indian Ocean, including Diego Garcia, and



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supported bilateral resolution of the dispute between United Kingdom and [Mauritius](#).

Details:

- The United States supports the United Kingdom's continued sovereignty over the British Indian Ocean Territory (BIOT) .
- The joint US-UK military base on Diego Garcia plays a critical role in the maintenance of regional and global peace and security.
- United States views the BIOT issue as a purely bilateral dispute between the UK and Mauritius, which can and should be addressed through efforts by both parties.
- The United States remains concerned about the precedent the International Court of Justice (ICJ) could set for all UN member states.
- UN General Assembly advisory opinion requests should not be used to litigate bilateral disputes, particularly when a state directly involved has not consented to the jurisdiction of the ICJ, US said.

Background:

- **Diego Garcia** is an [atoll](#) just south of the [equator](#) in the central [Indian Ocean](#), and the largest of 60 small [islands](#) comprising the [Chagos Archipelago](#).
- It was first discovered by Europeans and named by the [Portuguese](#), settled by the [French](#) in the 1790s and transferred to British rule after the [Napoleonic Wars](#).
- It was one of the "Dependencies" of the British Colony of [Mauritius](#) until it was detached for inclusion in the newly created [British Indian Ocean Territory](#) (BIOT) in 1965.

Dispute:

- Between 1968 and 1973, the population was forcibly removed by the [United Kingdom](#) and the [United States](#) to establish an American base through intimidation of locals and denying the return of any who left the island.



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- Many were deported to [Mauritius](#) and the [Seychelles](#), following which the United States built a large naval and military base, which has been in continuous operation since then.
- As of August 2018, Diego Garcia is the only inhabited island of the BIOT; the population is composed of military personnel and supporting contractors.
- It is one of two critical US bomber bases in the [Asia Pacific region](#), along with [Andersen Air Force Base](#), [Guam](#), [Pacific Ocean](#)

Supreme Court & the Reserve Bank of India:

The story so far:

On April 26, the Supreme Court directed the Reserve Bank of India (RBI) to disclose to the public the names of wilful defaulters on loans and also other information gathered by the central bank during its annual inspection of commercial banks.

What did the RBI do?

- In January 2016, the RBI refused to comply with demands made by activists under the Right to Information Act (RTI) to disclose copies of the annual inspection reports on banks such as the State Bank of India, Axis Bank, and ICICI Bank despite orders from the Supreme Court.
- The RBI also refused to provide information regarding the derivative losses suffered by banks and the fines imposed on banks by the RBI for violating various norms.



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Why does it matter?

- The outcome of the battle between the RBI and the [Supreme Court](#) will determine the amount of information related to banks that will be made available to the public. Supporters of the Supreme Court's position believe that greater transparency will allow the general public and investors in public and private sector banks to make better decisions with their money.
- At the same time, the number of wilful defaulters has doubled over the same period. State Bank of India, the largest public sector bank, has suffered the largest amount of wilful defaults among all banks.
- The disclosure of the names of wilful defaulters to the public, many believe, will help bring about better credit discipline in the country by exposing problems brewing within banks sooner rather than later.
- The RBI, on its part, has argued that the disclosure of auditing information related to banks can lead to the exposure of sensitive information that may not be in the commercial interest of banks or even in the interest of the wider economy.
- The RBI also seems to believe that releasing information about defaulters can unfairly shame borrowers who may genuinely not be able to pay back their loans due to various financial difficulties.
- Such shaming could have the unintended consequence of impeding genuine business activity in the economy. The [central bank](#) has also put forward the argument that it has the fiduciary duty to protect certain information about banks.

What lies ahead?

- It is hard to predict what will happen next in this battle.
- The Supreme Court may begin contempt proceedings against the RBI if it chooses to disobey its latest order, but the impact this will have on the RBI's freedom remains to be seen.
- The RBI has chosen not to obey orders coming from the Supreme Court in the past, including previous proceedings of contempt against it.
- If the RBI is forced to abide by the Supreme Court order, it will certainly increase publicly available information on banks
- Greater transparency will also help make the RBI more accountable.



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- If there are legitimate reasons for banks and the RBI to withhold certain information from the public domain, however, the forced disclosure of information following the Supreme Court's order may lead to various unintended consequences both within the financial sector and the broader economy.
- The RBI, for instance, may choose to not include in its annual inspection reports certain sensitive information about banks that it feels shouldn't be in the public domain.