



C.A Dated On 20-05-2019

SIMBEX-19

Why in News?

On successful completion of IMDEX 19, *IN* ships Kolkata and Shakti are continuing their stay at Singapore to participate in the annual Singapore India Maritime Bilateral Exercise SIMBEX-2019 scheduled from 16 May to 22 May 19.

About SIMBEX:

- Since its inception in 1993, SIMBEX has grown in tactical and operational complexity. the annual bilateral exercise saw its progression from traditional anti-submarine exercises to more complex maritime exercises such as advanced air defence operations, anti air/ surface practice firings, tactical exercises, etc.
- Over the years SIMBEX has stood the test of time in demonstrating the nation's commitment to enhance maritime cooperation between the two navies and bolster bonds of friendship between the two countries.
- For SIMBEX 19, the *IN* has deployed its finest assets for with an aim to strengthen mutual trust, enhance interoperability, and build greater synergy to address common maritime concerns among both navies.

Objectives:

- SIMBEX 19 would also conclude the two month long deployment of *IN* ships Kolkata and Shakti to South and East China Seas.
- It is aimed at extending the bridges of friendship through enhanced cultural, economic and maritime interactions with countries of east and south-east asia.
- *IN* ships' participation in International Fleet Review (IFR) at Qingdao, China as part of PLA (Navy) 70th anniversary celebrations and ADMM-plus MS FTX also reflects the government of India's 'Act East' policy and the Indian Navy's efforts to "*unite nations through the oceans*".

Shanghai Cooperation Organisation :

Why in News?

External Affairs Minister Sushma Swaraj will attend a two-day meeting of the Shanghai Cooperation Organisation (SCO), beginning on Tuesday, in Kyrgyz



C.A Dated On 20-05-2019

capital Bishkek. At the meeting, several pressing issues, including threat of terrorism, are expected to be discussed.

India and SCO:

- India became a full member of the China-dominated grouping in 2017 and New Delhi's entry has increased the bloc's heft in regional geopolitics, besides giving it a pan-Asian hue.
- India is also keen on deepening its security-related cooperation with the SCO and its Regional Anti-Terrorism Structure (RATS), which specifically deals with issues relating to security and defence.
- "India actively took part in various SCO dialogue mechanisms under the Chairmanship of the Kyrgyz Republic over the past year.
- India was an observer at the SCO since 2005 and has generally participated in the ministerial-level meetings of the grouping which focus mainly on security and economic cooperation in the Eurasian region.
- Along with India, Pakistan was also granted SCO membership in 2017.

About SCO:

- The SCO was founded at a summit in Shanghai in 2001 by the presidents of Russia, China, Kyrgyz Republic, Kazakhstan, Tajikistan and Uzbekistan.
- The SCO is widely regarded as the "alliance of the East", due to its growing centrality in [Asia-Pacific](#), and has been the primary security pillar of the region.
- It is the largest regional organisation in the world in terms of [geographical coverage](#) and [population](#), covering three-fifths of the [Eurasian continent](#) and nearly half of the human population.

RISAT-2B:

What is it?



C.A Dated On 20-05-2019

RISAT-2B, the satellite due to be launched before dawn on May 22 from Sriharikota, will mark the resumption of a vital ring of Indian all-seeing radar imaging satellites after seven years.

At least a half-dozen could be foreseen in the near future, mainly to add to the reconnaissance capability from about 500 km in space.

A constellation of such space-based radars means a comprehensive vigil over the country.

Advantages:

- When it is cloudy or dark, 'regular' remote-sensing or optical imaging satellites — which work like a light-dependent camera — cannot perceive hidden or surreptitious objects on the ground.
- Satellites that are equipped with an active sensor, the synthetic aperture radar (SAR), can sense or 'observe' Earth in a special way from space day and night, rain or cloud.
- This all-weather seeing feature is what makes them special for security forces and disaster relief agencies.
- "Radar imaging satellites are at a premium in the Earth observation scene.
- Worldwide, quite a few of them are planned to be launched.
- There is also a large availability of radar images data in the market."

Complex task

- A radar imaging satellite is complex to assemble. Interpreting its images is equally complex.
- ISRO took almost 10 years to realise RISAT-1.
- India has almost kept pace with the world with radar sats.
- Radar imaging satellites pick up structures, new bunkers very well, and sometimes help to count them, too.
- "In India we also use radar imaging for crop estimation because our main crop growing season of kharif is in May-September when it rains and gets cloudy.
- We have used this data extensively for forestry, soil, land use, geology and during floods and cyclone."



C.A Dated On 20-05-2019

US-China trade war:

The story so far:

On July 6, 2018, the United States administration slapped a tariff of 25% on \$50 billion worth of imports from China. China responded immediately with retaliatory tariffs on a similar scale. On May 10, 2019, U.S. President Donald Trump raised the tariff rate to 25% (from the existing level of 10%) on \$200 billion of imports from China.

When did the trade war begin?

The first stone was cast in what looks to be a protracted global economic conflict when the Trump administration decided, in January 2018, to impose tariffs on solar panels and washing machines.

In March, tariffs were slapped on steel and aluminium.

[China](#), already facing allegations of dumping cheap metal across global markets, retaliated with duties on \$3 billion of U.S. products.

The trade dispute between the U.S. and China now includes around 10,000 products of global trade.

Why did Mr. Trump impose tariffs on China?

The American President is a long-time critic of the U.S.'s deficit with its trading partners and believes that countries such as China do not provide a level-playing field for free trade, especially denial of market access.

There is also bipartisan consensus in the U.S. that Beijing has taken advantage of the American economy for decades, including by theft of intellectual property, leading to the loss of millions of jobs.

The U.S. trade deficit with China has soared, rising from around \$100 billion in 2000 to \$419 billion in 2018.



C.A Dated On 20-05-2019

The Trump administration considers this a threat to economic, hence national, security.

Can tariffs address the deficit problem?

- There are structural reasons why the trade deficit may be hard to reverse.
- The U.S. earns a bulk of its net income from services, such as finance, travel and tourism, whereas China exports a far greater proportion of manufactured goods.
- Therefore, even if the intention behind the crackdown on Chinese trade practices is purposeful protectionism — shielding U.S. domestic industries from foreign competition — it is unclear that the massive shifts in global supply chains required to achieve that goal will happen any time soon, or produce the macroeconomic effects.

What has the economic impact of the tariffs been?

- Higher tariffs have already had an impact on prices for American companies and individuals.
- The price of steel and washing machines, for example, has already spiralled upward in the U.S. since the trade war kicked off.
- Reports suggest China's retaliatory tariffs, and the resulting steep fall in demand for U.S. export products, have impacted everything from soybean from North Dakota to bourbon from Kentucky and fossil fuels, copper and wood.
- Simultaneously, stock markets have almost inevitably reacted badly to every new announcement of additional tariffs.
- However, the impact that tariffs on Chinese have on overall inflation should not be exaggerated.
- According to reports, researchers at the Federal Reserve Bank of San Francisco have estimated that "China tariffs have added 0.1% to inflation for consumers and 0.3% for business investment goods".

What has India's position been?

- While India had last year secured an exemption from the U.S. on steel and aluminium tariffs, the U.S. Trade Representative said in March 2019 that India would no longer be eligible for preferential market access to the U.S. under the Generalised System of Preferences programme.



C.A Dated On 20-05-2019

- This meant New Delhi lost out on \$190 million per year in duty reductions.
- This comes on the back of repeated allusions by Mr. Trump to India's high tariff barriers, for example impacting Harley-Davidson motorcycles and medical devices.
- With an overall bilateral trade value of \$126.2 billion in 2017, the U.S.'s goods and services deficit with India was \$27.3 billion (2017).
- In June 2018 India joined the EU and other countries in imposing retaliatory duties to counter Washington's tariff on steel and aluminium.

When can we expect the dispute to be resolved?

- In 2018, at the G20 summit in Buenos Aires, Argentina, Mr. Trump called a "temporary truce" with President Xi Jinping of China after the bruising year-long trade battle between their countries.
- The agreement that they reached was effectively to pause the trade war and apply themselves toward agreeing a pact.
- However, it failed to produce any tangible progress.
- A solution remains elusive for now.

Climate Change:

The story so far:

On May 10, 20 institutional investors from 11 countries convened by the U.N. Environment Finance Initiative (UNEP FI) made public [a report](#) that helps investors understand how to calculate the risk companies face from climate change. What necessitated this new protocol, which is more like an investor guide?

What led to the investor guide?

- This guide was made in line with recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), a 32-member board formed as a result of an agreement at a G20 summit in London, 2009.



C.A Dated On 20-05-2019

- This board consisted of representatives from large banks, insurance companies, asset managers, pension funds, large non-financial companies, accounting and consulting firms, and credit rating agencies.
- The TCFD in 2017 developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders.
- To do that they considered the physical, liability and transition risks associated with [climate change](#) and what constitutes effective financial disclosures across industries.

Why is the report significant?

- Climate change is already impacting economies around the world and this will continue to intensify.
- Extreme weather events, including floods, tropical cyclones, and extreme hot and cold days are already physically impacting business operations.
- Several reports by the Intergovernmental Panel on Climate Change warn of myriad risk to economies but so far there's been no specific assessment of how companies can account for such risks.

How was it compiled?

- The 20 institutional investors made up an Investor Pilot Group (IPG) and used a methodology developed by an analytics firm called Carbon Delta and the IPG to determine the risk to their portfolios.
- Each of the IPG members prepared scenarios, on how an average rise of global temperature by 1.5°C, 2°C, and 3°C respectively would impact the "portfolios" the companies they had invested in.
- This was intended as a pilot project and a model for other companies to account for the risk of climate change to their business activities.

What does the report find?

- Investors face as much as 13.16% of risk from the required transition to a low-carbon economy:
- The 1.5°C scenario, in line with the latest special report by the Intergovernmental Panel on Climate Change, exposes companies to a significant level of transition risk, affecting as much as 13.16% of overall portfolio value.



C.A Dated On 20-05-2019

- Extrapolating this to the total assets under management (AUM) for the largest 500 investment managers in the world — \$81.2 trillion — would represent a value loss of \$10.7 trillion.
- Utilities, transportation, agriculture as well as mining and petroleum refining sectors are at high levels of policy risk.
- On the bright side, there were profits to be made too and the report said that there was potentially \$2.1 trillion as 'green profits' for the taking.
- However, green revenues generated from the sale of low carbon technologies, which support the transition, will help companies offset costs from complying with greenhouse gas (GHG) reduction policies.

What necessitated these new protocols?

- Governments have long been collaborating with scientists who use computer models to forecast how warming will impact their economies.
- These same models, which have been the basis for inter-governmental negotiations on the greenhouse gas emission cuts they must undertake, are now being used by large companies to plan — and hedge — for the risks posed by climate change.

What is in it for India?

- India, in spite of being one of the top greenhouse gas emitters, finds no mention in this report.
- However, the guidelines proposed can — in theory at least — be adopted by any company based anywhere in the world. India has committed to reducing the emission intensity of its GDP by 33-35% below 2005 levels by 2030.

Hornbill :

Why in News?

Researchers from Nature Conservation Foundation, Mysore, have mapped the different frugivore (fruit eater) birds and their interactions that are important for the forest ecosystem.

Details:



C.A Dated On 20-05-2019

- The study carried out in Pakke Tiger Reserve in Arunachal Pradesh noted that hornbills, one among the large-sized frugivores, are the top seed dispersers.
- Sadly, they are also the most threatened. This is because they are hunted for meat, and the tribal communities use their feathers for head dresses.
- The study looked at 43 tree species, 48 frugivore bird species that were seen visiting them.
- A single bird species could visit different tree species, and a single tree species would be visited by different bird species. So a complex network of over 400 interactions was created and studied.

Dispersal in Trees:

- The trees were classified into small-, medium- and large-seeded. The large-seeded trees mainly depended on hornbills and imperial pigeons for their dispersal.
- The medium-size seeded trees were visited by bulbuls, barbets along with hornbills and imperial pigeons.
- Though the frequency of visits was similar for all four bird species, the number of fruits removed from trees was high for hornbills.
- "Among the different bird species, hornbills were found to be the most effective seed dispersers.
- They were found to swallow and disperse most of the fruits they handled.
- They also removed maximum number of fruits — and therefore seeds — in every visit to a fruiting tree.

Importance of Dispersal Agent:

- Seeds that fall under the parent tree face heavy competition, predation by rodents and insects and fungal infections.
- So their chances of survival are very low.
- Plants depend on frugivore birds to disperse the seeds at favourable sites, which have low competition and predation pressures, to expand their geographic range.
- And so the decline of frugivores could severely affect the ecosystem.