



Daily Current Affairs Dated On 19-July-2019

GS-1

Arctic heat wave

Why in news?

Temperatures hit a record 21 degree Celsius in Alert, the northernmost permanently inhabited spot on the planet less than 965 km from the North Pole, the Canadian meteorology service said on Tuesday.

Details:

- The temperature was recorded on Sunday at Alert, a permanent military base on the 82nd parallel which intercepts Russian communications and which has been home to a weather station since 1950.
- In October, a landmark United Nations report warned that time is running out to avert global disaster and that avoiding climate chaos will require an unprecedented transformation of society and the world economy.
- The previous record of 20 degrees Celsius was set on July 8, 1956, but since 2012 there have been several days where the temperature has risen to 19 or 30 degrees Celsius at the base on the shore of the Arctic Ocean.

The current heatwave is due to a high pressure front over Greenland, which is “quite exceptional” and feeds southerly winds on the Arctic Ocean, said Castellan.

The Arctic is heating up three times faster than other parts of the planet, he .

Antarctic Ice melt and global warming

Why in news?

Governments could stop the West Antarctic Ice Sheet from sliding into the ocean and submerging coastal cities by launching a last-ditch engineering project to blanket its surface with “artificial snow”, according to a study released on Wednesday.

Why is it needed?



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- Scientists believe that global warming has already caused so much melting at the south pole that the giant ice sheet is now on course to disintegrate, which would trigger an eventual global sea level rise of at least three metres (10 feet) over centuries.
- With the droughts, floods, storms and wildfires associated with climate change intensifying globally, some scientists have begun to seriously contemplate interventions that would have been dismissed as wildly impractical even a few years ago.
- The sea level rise from Western Antarctica will eventually submerge Hamburg, Shanghai, New York and Hong Kong.
- Melting ice sheets in Greenland, the Arctic and shrinking glaciers around the world would worsen the problem.
- Sea levels could ultimately rise at least five metres (16 feet) even if countries manage to implement the Paris pact.

What is to be done?

- The authors of the new study envisaged using 12,000 wind turbines to pump seawater 1,500 metres (4,900 feet) up to the surface, where it would be frozen into “snow” to try to weigh the sheet down enough to stop it collapsing any further.

GS-2

Ebola crisis

Why in news?

The World Health Organization says the deadly Ebola virus outbreak in Congo is now an international health emergency. More than 1,600 people have died since August in the second-worst outbreak of the disease in history. Wednesday's declaration was sparked by confirmation of a case in Goma, a Congo city of more than two million people on the border with Rwanda.

What is Ebola?

- The Ebola virus can spread quickly and be fatal in up to 90% of cases. Symptoms include fever, vomiting, diarrhea, muscle pain and at times internal and external bleeding. The virus is most often spread by close contact with bodily fluids of people exhibiting symptoms and with contaminated objects such as sheets.



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- Health care workers are often at risk.
- There is no licensed Ebola treatment, but early care such as rehydration helps to improve the chances of survival. Some patients in this outbreak have received experimental treatments but their effect has not been fully studied.

Prevention and cure

- An experimental Ebola vaccine has been effective in its first widespread use, and more than 163,000 people have been vaccinated.
- The vaccine's testing was sped up during the West African Ebola outbreak in 2014-16 that killed more than 11,300 people.

Why is this outbreak unique?

- Health workers call this the first Ebola outbreak to occur in what is essentially a war zone. Dozens of rebel groups are active in Congo's northeast, killing hundreds of people in recent years. Attacks have led to a traumatized population that can be wary of outsiders and authorities.

What's the significance of declaring a global emergency?

- Declaring a global health emergency often brings an increase in international attention and aid. While WHO has said that tens of millions of dollars are needed to help contain this outbreak, authorities in Congo lobbied against a declaration amid concerns that it could hurt the economy and lead other nations to close their borders.

RTI Bill:

Why in news?

The Centre will introduce a Bill to amend the Right to Information Act, 2005 in the Lok Sabha on Friday.



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Proposed amendment

The Bill proposes to give the Centre the power to set the tenure and salaries of state and central Information Commissioners.

Issues:

- Critics warn that such a move could dilute the effectiveness of the RTI Act and threaten the autonomy of the Information Commissions.
- This will fundamentally weaken the institution of the Information Commissions as it will adversely impact the ability of commissioners to function in an independent manner.
- Key concerns regarding federalism were raised by the Centre “usurping” for itself the powers to decide tenure and salaries of even state commissioners.

Current scenario:

- The current law gives Information Commissioners a tenure of five years and salaries which match those of Election Commissioners.

Government's stand:

- In a copy of the amendment Bill dated July 15, 2019, which has been circulated among Lok Sabha MPs, the Centre argues that the functions being carried out by the Election Commission are “totally different” from the Information Commissions.
- A statement of objects and reasons attached to the amendment Bill argues that while the Election Commission is a constitutional body, the Information Commissions are statutory bodies, and that their differing mandates mean that “their status and service conditions need to be rationalised accordingly”.

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G-securities

Why in news?



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Yields of 10-year G-secs (or the 10-year government bonds) have been falling sharply and almost continuously of late. At the end of trading sessions on July 16, these yields were trading at a 30-month low.

So why does a fall in government bond yields matter?

- The way the bond market functions, the yield, or the interest rate earned, on a government bond — especially the 10-year one — is a good indicator of the prevailing interest rate in an economy.
- If yields on government bonds (also called government securities or G-secs) are falling, it is reflective of a downward movement in interest rates applicable for the broader economy as well.
- For the average consumer then, the rate of interest that she will pay for say, a new car this Diwali, will likely be lower than a year ago or indeed, the present.

And what exactly are G-secs?

- In simplest terms, a G-sec is an IOU given by the government to anyone who lends it money. Like every entity in an economy, the government too needs to borrow to carry out its functions. The G-sec is the government's vehicle to borrow from the public.

What makes G-secs attractive?

- In any investment, apart from the reward (that is, the rate of return or rate of interest), the other key factor is the level of risk.
- G-secs are appealing because they are considered to be among the safest of investments — the sovereign is not expected to default or go bankrupt.
- However, as is always the case, the price of a safe investment is modest returns.



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But what is the relation between G-sec yields and interest rate in the economy?

- The way bond yields function implies that they are in close sync with the prevailing interest rate in an economy.
- With reference to the above example, only if the interest rate in the broader economy is 5% will the bond's selling price be the same as the bond's face value.
- If there is any discrepancy, the market will ensure it is removed.
- For instance, if the prevailing interest rate is 4% and the government announces a bond with a yield of 5% (that is, a face value of Rs 100 and coupon of Rs 5) then a lot of people will rush to buy such a bond to earn a higher interest rate.
- This increased demand will start pushing up bond prices, even as the yields fall.
- This will carry on until the time the bond price reaches Rs 125 — at that point, a Rs-5 coupon payment would be equivalent to a yield of 4%, the same as in the rest of the economy.
- process of bringing yields in line with the prevailing interest rate in the economy works in the reverse manner when interest rates are higher than the initially promised yields.

So, are interest rates likely to fall in the coming future?

- The yields of G-secs have been falling, and are now at the lowest level since the November 2016 demonetisation exercise.
- The fall has been faster since the announcement in the Budget that the government would limit its borrowing.
- A lower supply of bonds, without a change in demand, has effectively pushed up prices and, in the process, brought down yields.

Moreover, the RBI is concerned about the low inflation and deceleration in economic growth, and is expected to further cut interest rates in its forthcoming reviews. The falling bond yields are, thus, pointing to where the interest rates are likely to be in the coming months.