



PIB, THE HINDU Newspaper and Editorial

Current Affairs- 12th June

Posted at: 13/06/2019

1. **Wreckage of missing AN-32 located in Arunachal:**

Why in news?

The wreckage of the Indian Air Force's AN-32 transport aircraft that went missing eight days ago with 13 personnel on board in Arunachal Pradesh was located.

Location:

- The wreckage was spotted today 16 km north of Lipo, northeast of Tato, at an approximate elevation of 12,000 feet by the IAF Mi-17 helicopter undertaking search in the expanded search zone," the IAF said in a statement.
- Tato is the headquarters of Shi-Yomi district bordering China.

Different site?

- However, Shi-Yomi Deputy Commissioner Mito Dirchi said local officials, engaged in coordinating the search on the ground for the missing aircraft with local hunters and villagers, reported the sighting of wreckage near Gatte village in Siang district, adjoining Shi-Yomi.
- Gatte is in Payum circle over which the contact with the AN-32 was lost 35 minutes after it took off on June 3.

2. **GDP growth overestimated during 2011-17:**

Why in news?

Former Chief Economic Adviser (CEA) Arvind Subramanian has said India's GDP growth in the period 2011-12 to 2016-17 is likely to have been over-estimated, and the tag of fastest-growing major economy may not hold.

GDP Mis-estimation:

- In a research paper, 'India's GDP Mis-estimation: Likelihood, Magnitudes, Mechanisms, and Implications', published by Harvard University, Mr.

Subramanian has argued that GDP growth during that **period was actually 4.5%** rather than the 7% presented by the official data.

- Official estimates place annual average GDP growth between 2011-12 and 2016-17 at 7%. We estimate that actual growth may have been about 4.5%, with a 95% confidence interval of 3.5-5.5%.
- Mr. Subramanian, whose term as CEA from October 2014 to June 2018 coincided in part with this period of “overestimation”, has stressed that his paper deals with the technical origins of the overestimation and not the political aspects.
- One of the problems highlighted by the former CEA was that growth numbers no longer correlated with other indicators of economic growth such as electricity consumption, two-wheeler sales, airline passenger traffic, index of industrial production, and export figures, to name a few.
- In total, Mr. Subramanian looked at 17 such indicators and found that the correlations between most indicators and GDP growth broke down in the post-2011 period.

Government stand:

- Responding to Mr Subramanian's paper, the Ministry of Statistics and Programme Implementation reiterated its stance that the methodology adopted was in line with international standards as set by the United Nations and was as such robust

Methodological issues:

- Former Chief Statistician of India and expert on India's GDP calculations Pronab Sen countered Mr. Subramanian's thesis, arguing that it is the result largely of the methodology.
- If you think about GDP growth, it can come from three distinct factors, Dr. Sen explained.
- One is **growth in volumes**, the amount that is produced. The second is **growth in productivity**, and the third is **improvement in product quality**.
- What Arvind has done is that the indicators he has used are all volume indicators, and having done that, he has said they were very strongly correlated prior to 2011 but not after that period.
- The reason for this breakdown in correlation, Dr. Sen explained, is precisely because the **shift in methodology in 2011** meant that the value of goods and services were now considered to estimate growth and not their volume.
- In estimating the growth of the high-frequency indicators pre-2011, he has in a sense replicated the method in which the GDP growth was calculated during that period, and then said that there is a correlation between these indicators and GDP growth, Dr. Sen said.

Based on Value Indicators:

- **Post 2011, when we moved to value indicators from volume indicators**, the relationship is weaker because the other two drivers would start getting picked

up by the values.

- If he had made the statement that in the post-2011 growth, only 4.5% came from volumes and the remaining 2.5% came from other factors which we don't know, then that would have been correct, Dr. Sen added.
- Mr. Subramanian also argued that the shift in 2011 to using values rather than volumes meant that price changes, especially in important inputs such as oil, would have started to have a big impact on the final growth number.
- Under the old, establishment-based GDP estimates, price changes mattered less because real growth numbers were largely based on volumes not values, Mr. Subramanian says.
- Under the new system, however, values had to be deflated by prices to get real magnitudes. And this mattered crucially for the manufacturing sector where the often-dramatic changes in oil prices can heavily influence input costs.

Problem with the new methodology:

- Dr Sen also acknowledged that this problem with the new methodology should be addressed. However, he pointed out that while price changes did have an effect now, the direction of that impact was not evident.
- So, to say that there was only an over-estimation of GDP growth would not be correct. Gauging the effect of price changes on GDP growth using the new methodology would be a different exercise, separate from the one Mr. Subramanian has conducted, Dr. Sen said.
- Earlier, prices didn't matter, as he said, Dr. Sen said. But it's not obvious that the direction of error is constant. When oil prices are falling, then you would be over-stating GDP, but when they are rising, you would be under-stating GDP.

Measuring informal sector:

- Mr. Subramanian's paper also points towards the fact that the way the informal sector in India was measured was using formal sector proxies, which was an increasingly inaccurate approach.
- This, too, is a correct assessment, according to Dr Sen, who said this problem has become even more acute post-demonetisation, when the informal sector's growth fell away.
- But remember that the period Arvind is talking about is pre-demonetisation, so this argument I don't think applies with as much force then, Dr. Sen said.

Implications:

- Mr. Subramanian derives several implications from the findings of his paper.
- The first is that growth needed to be restored to high levels.
- The second that the **quality and integrity of data** in India needs to be improved, something called for by several other economists.
- And the third is that India must restore the reputational damage suffered to data generation across the board.
- He also called for the creation of a taskforce to revisit the entire methodology and

implementation of GDP estimation.

- The Finance Ministry spokespeople were not available for comment on whether this will be taken up or not.
- It is understandable when policy makers favour the status quo if that status quo is apparently delivering the fastest growth rate of any major economy in the world.
- But if growth is actually 4.5% instead of 7%, attitudes to policy action should and would be very different.

3. **Virendra Kumar is Pro-tem Speaker:**

Why in news?

BJP MP from Madhya Pradesh Virendra Kumar will be the Pro-tem Speaker of the Lok Sabha.

Appointment:

- The first all-party meeting will be convened on June 16, before the first session of the 17th Lok Sabha to be held from June 17 to July 26.
- Mr. Kumar, 65, is a seven-term Member of Parliament. He won the Lok Sabha election from Tikamgarh.
- As Pro-tem Speaker, he will preside over the first sitting of the Lok Sabha, administer the oath of office to the newly elected MPs, and oversee the election of the Speaker.
- He was a Minister of State in the previous Narendra Modi government.
- In the first week of the session, the Speaker and the Deputy Speaker will be elected.

Leader of Rajya Sabha:

- Union Minister Thawarchand Gehlot was appointed the Leader of the Rajya Sabha, a position occupied in the previous Narendra Modi-led government by senior BJP leader Arun Jaitley.

4. **Free speech cannot be choked by arrest: SC**

Why in news?

Ordering the immediate release on bail of arrested journalist Prashant Kanojia, the Supreme Court said, We are not appreciative of the manner of his tweets, but we are bothered about his arrest and incarceration.

Constitutional Right:

- Addressing Additional Solicitor General (ASG) Vikramjit Banerjee, appearing for the Uttar Pradesh government, Justice Indira Banerjee said, We live in a country where there is a Constitution. Proceed against him in accordance with law, but should he be behind bars?"
- Mr. Banerjee countered that free **speech is not "absolute" and another's right cannot be trampled upon. With great liberty comes great responsibility**, he said.
- To this, Justice Banerjee said free speech and criticism on social media cannot be choked by incarceration. Even we take in a lot from social media, but does that mean incarceration? Show your magnanimity, she told the State
- To this, the ASG said, this order of release should not be seen as an endorsement of his tweets.
- Justice Banerjee responded, It is very wrong to think whatever uploaded will be swallowed by the public. People are educated.
- However, the court later clarified in its order that the journalist's release should not be construed as an "endorsement" of his tweets, but as a firm stand taken by the highest court to protect personal liberty.
- The court said fundamental rights of free speech and personal liberty were "non-negotiable."
- We need not comment on the nature of the posts/tweets for which the action has been taken.
- The question is whether Prashant Kanojia ought to have been deprived of his liberty for the offence alleged. The answer to that question is prima facie in the negative, it recorded in the order.

5. Quad one way to fix regional issues:

Why in news?

There is need for flexibility, agility and speed in solving regional problems and the Quad is "one of many such small groupings" in solving them, asserted Harinder Sidhu, Australia's High Commissioner in India. Ms. Sidhu also identified strengthening of the economic order in the Indo-Pacific as a focus area for future cooperation.

"Quad is developing into a substantive forum for discussing a wide range of issues," Ms. Sidhu observed at a talk organised by the Indian Association of Foreign Affairs Correspondents on Tuesday. "It is now accepted as one part of a strategic landscape that involves many different forms of dialogues. This is what it should be. Quad should be important but not particularly remarkable as part of that landscape," she added.

'Pursue substance'

Stating that she was very positive about the Quad, Ms. Sidhu said individual statements were being issued by member states as a “practical measure” instead of a joint statement. “I would keep the Quad at an official level and pursue substance and genuine working level cooperation... may be raised to ministerial level at some point. I am not sure we are at that point yet,” she added.

The quadrilateral grouping comprising India, Australia, Japan and the U.S. was revived in 2017 but the grouping has so far shied away from adding a military aspect to it. The latest meeting was held last month in Bangkok.

‘RCEP is vital’

On trade and investment in the region, Ms. Sidhu stressed the importance of concluding the Regional Comprehensive Economic Partnership (RCEP) between ASEAN and six Asia-Pacific countries. A successful conclusion to negotiations on RCEP would help shape the “regional rules and norms governing trade, investment and the broader economy,” she said, adding “very importantly, it deals India into regional economic integration.”

While India has not responded positively to Australia’s request to join the Malabar exercises, the two countries have expanded bilateral military cooperation over the last few years. The latest edition of the bilateral naval exercise AUSINDEX in April saw the largest deployment of Australian military assets to India in peacetime, Ms. Sidhu noted. There had been a fourfold increase in defence engagement from 2014.

6. **New agency to develop space warfare weapon systems:**

Why in news?

To enhance the capabilities of the armed forces to fight wars in space, the government has approved the setting up of a new agency which will develop sophisticated weapon systems and technologies.

Defence Space Research Agency:

- The Cabinet Committee on Security headed by Prime Minister Narendra Modi has cleared the setting up of the **Defence Space Research Agency (DSRO)** which has been entrusted with the task of creating space warfare weapon systems and technologies.
- The decision was taken at the topmost level some time ago and the agency has started taking shape under a Joint Secretary-level scientist.
- The agency would be provided with a team of scientists which would be working in close coordination with the tri-services integrated Defence staff officers.
- It would be providing the research and development support to **the Defence Space Agency (DSA)** which comprises members of the three services. The DSA has been created to help the country fight wars in the space.

Space deterrence:

- In March, India had carried out the Anti-Satellite Test (ASAT) which demonstrated its capability to shoot down satellites and joined an elite club of four nations with similar capability.
- The test also helped the country develop deterrence capability against adversaries who may want to attack Indian satellites to cripple systems in times of war.
- The **Defence Space Agency is being set up in Bengaluru** under an Air Vice Marshal-rank officer and will gradually take over the space-related capabilities of the three forces.

7. Trump again points to high Indian tariffs on Harley bikes:

Why in news?

India's high import tariff on the iconic Harley Davidson motorcycles has come in for criticism from U.S. President Donald Trump yet again.

Trade Cries:

- In an interview with CNBC, focussed on international trade, Mr. Trump took shots at India and a number of other countries.
- You look at India, a very good friend of mine, Prime Minister Modi, you take a look at what they have done, 100% tax on a motorcycle.
- We charge them nothing. So, when Harley sends it over there, they have 100% tax. When they send it, they make a tremendous number of motorcycles. When they send them, no tax, Mr. Trump said.
- I called Mr. Modi. I said it's unacceptable. He reduced it by 50% with one phone call. I said it's still unacceptable because it is 50% versus nothing. It's still unacceptable. And they're working on it, he added.
- Mr. Trump had first described this call days after it had happened in February 2018 and has repeatedly made references to the Harley issue and Indian tariffs.

The President has **also called India “tariff king”**.

- But we’re the bank that everybody wants to rob. And that’s what they’ve been doing for a long period of time. \$800 billion we have in trade deficits with other countries, Mr. Trump said.

India-US Trade Relations:

- Mr. Trump is known to look at trade balances as a profit and loss statement and has indicated that he sees U.S. bilateral trade deficits as a sign of there being an unfair trade relationship.
- Indian Ambassador to the U.S. Harsh Shringla, like his predecessor, has stressed the efforts to bring down the trade surplus India has with the U.S., at speeches at events, highlighting defence and energy purchases.
- The goods trade surplus (from India’s perspective, deficit from the U.S.’s) stood at just above \$ 21 billion in 2018 as per the United States Trade Representative (USTR).
- Recently, preferential access to U.S. markets was withdrawn for India under the **Generalized System of Preferences** (GSP) program, after the President cited a lack of assurances from New Delhi on issues market access in India.
- GSP is one component of a larger Indo-U.S. trade relationship that has experienced several challenges during the Trump administration.
- Nevertheless, the total two-way trade between the countries has consistently been growing.

Other Targets:

- India was not alone in being targeted by Mr. Trump during Monday’s interview.
- He alluded to China’s currency manipulation, and said that if Chinese President Xi Jinping did not meet him at Osaka, Japan, where they will both be for the G20, tariffs on \$300 billion Chinese imports into the U.S. would go into effect immediately.
- Mr. Trump complained about France charging tariffs on Californian wine when the U.S. allows French wine to come in for nothing.
- He said the European Union was “attacking” U.S. companies and said the U.S. should be retaliating.

8. China getting decimated by tariff war:

Why in news?

President Donald Trump has concluded that his tariff threat worked and forced Mexico to stop the flow of migrants. On Monday, he pivoted back to his trade fight with China and vowed to hit Beijing with more tariffs if it did not accede to America’s trade demands.

- The China deal's going to work out," Mr. Trump said in an interview on CNBC. You know why? Because of tariffs. Because right now, China is getting absolutely decimated by companies that are leaving China, going to other countries, including our own, because they don't want to pay the tariffs.
- The President has long favoured tariffs as an immediate and unilateral policy tool. But his increasing confidence that the levies have helped accomplish his goals without harming the U.S. sets up an even more tumultuous period ahead for businesses, consumers and foreign countries.
- Mr. Trump continued to attack the Federal Reserve for raising rates last year, saying it had put the U.S. at a competitive disadvantage to China, which has a fairly subservient central bank.
- They devalue their currency. They have for years, he said. It's put them at a tremendous competitive advantage, and we don't have that advantage because we have a Fed that doesn't lower interest rates.
- The President insisted his tariffs were having their intended effect pressuring other countries to make deals, prompting companies to move factories back to the U.S. and generating an enormous amount of money, all without costing American consumers.

Immediate threat:

- He said he was prepared to **place 25% tariffs on another \$300 billion** worth of Chinese goods and would do so immediately if a planned meeting with President Xi Jinping of China did not happen this month during the G-20 summit in Japan.
- We are scheduled to talk and meet, Mr. Trump said during remarks to reporters at the White House. We always have the option to raise it another \$300 billion to 25%.
- Mr. Trump has blamed China for "reneging" on a trade deal with the U.S., and last month he raised tariffs on \$200 billion worth of goods as punishment.
- China has retaliated by raising tariffs on about \$60 billion worth of American products.
- Mr. Trump said that he saw no downside to taxing nearly everything China sends into the U.S.
- We've never gotten 10 cents from China. Now we're getting a lot of money from China, and I think that's one of the reasons the GDP was so high in the first quarter because of the tariffs that we're taking in from China, he said, referring to the gross domestic product, which grew about 3.1% in the first three months of the year.

9. Gujarat put on high alert as cyclonic storm 'Vayu' inches towards coast:

Why in news?

Cyclonic storm 'Vayu' has intensified into a severe cyclonic storm, forcing authorities to put Gujarat on high alert.

Speed increases:



- The State authorities have swung into action, ordering closure of schools for three days in coastal districts and asked fishermen to return to the coast from high seas.
- The India Meteorological Department (IMD) said the speed of "Vayu" had increased to 17 km per hour and was located in the Arabian Sea, about 350 km west-northwest of Goa, 410 km south-southwest of Mumbai and 530 km nearly south of Veraval (Gujarat).
- It is very likely to move nearly northwards and cross Gujarat coast between Porbandar and Mahuva around Veraval and the Diu region as a severe cyclonic storm, with a wind speed of 135 kmph during early morning of June 13.
- The cyclone will make a landfall near Veraval in Gir Somnath district on June 13 but it will be preceded by heavy rainfall in isolated places.

Shifting of people:

- June 13 and 14 are crucial for us. We have roped in the Army, the NDRF, the Coast Guard and other agencies for rescue and relief work. We will start shifting people living in coastal areas to safer locations," Chief Minister Vijay Rupani.
- After a review meet with District Collectors and officials, Additional Chief Secretary (Revenue) Pankaj Kumar said schools, colleges and anganwadis in coastal districts would remain shut on June 12 and 13.

Enrolment postponed:

- The government has postponed the State-wide school enrolment drive scheduled for June 13-14 during which all Ministers, legislators and top bureaucrats would visit schools in their areas to enrol children.
- According to the State government, around three lakh people from coastal villages will be shifted from low lying areas in Saurashtra and the Union Territory of Diu.
- According to the IMD, heavy rains with winds blowing at the speed of over 110 km on are likely on June 13 and 14 in coastal areas of Saurashtra and Kutch.

Appeal to fishermen:

- The government has advised fishermen against venturing into the sea in the next few days while ports have been directed to flag a danger signal.
- Heavy rain warning has been issued for Saurashtra and Kutch due to the depression in the Arabian Sea.

10. **28 children die of 'brain fever' in Bihar:**

Why in news?

At least 28 children have died in the past one month in Muzaffarpur district of north Bihar, allegedly due to **Acute Encephalitis Syndrome (AES)**, which is locally known as **Chamki bukhar (brain fever)**.

Rising deaths:

- Chief Minister Nitish Kumar, has expressed concern over the rising deaths of children in Muzaffarpur.
- A team of doctors and medical experts have been sent to Muzaffarpur to monitor the situation and also speed up the awareness drive about complexities and preventive measures about AES.
- Principal Secretary of the Health Department Sanjay Kumar said the deaths were caused by **Hypoglycemia** (deficiency of glucose or sugar in the blood stream), and not by the fever. He, however, added that "48 suspected AES cases have been recorded so far in the district
- Union Minister of State for Health and Family Welfare Ashwani Kumar Choubey said in Patna that "since State government officials were engaged in election-related works in the recent past months they could not make the awareness drive as it should have been, we're careful and taking all measures to tackle the situation of death of children in Muzaffarpur".
- Meanwhile, unofficial records said that 130 cases of suspected AES had come in at the Sri Krishna Medical College and Hospital (SKMCH) and private Kejriwal hospital in Muzaffarpur in the last nine days.
- Totally, 81 children with suspected AES are admitted in these two hospitals and over three dozen have already died, said a doctor of the SKMCH on the condition of anonymity.

Causes:

- Every year during summer time, especially in the season of luscious fruit litchi, AES outbreak gets reported and takes the lives of children in the district, which is India's largest litchi cultivation region.
- It generally hits those children who go to sleep empty stomach at night and eat litchis fallen on the ground.
- According to doctors, high temperatures along with excessive humidity is considered to be an ideal situation for the outbreak of AES, which has symptoms of high fever, vomiting, nausea and unconsciousness.
- Since 2010, 398 children have died in Muzaffarpur due to suspected AES.
- Earlier, three different teams of doctors had reached three different conclusions about the reason of children's deaths in summer season in Muzaffarpur

11. **Centre to work with States on water access:**

Why in news?

Given that water is a State subject, it will take the exercise of “**cooperative federalism**” to achieve the Modi government’s big-ticket agenda of providing piped drinking water to all households by the end of its second term, Jal Shakti Minister Gajendra Singh Shekhawat said.

Nal se Jal:

- He was speaking to journalists during a conference with State-level ministers and secretaries of water and sanitation departments, where he assured them that the new ‘Nal se Jal’ scheme will be flexible enough to take local issues and concerns into account.
- Currently, **only 18% of rural households get piped water**, and State performances range widely from 99% in Sikkim to less than 5% in Uttar Pradesh, Bihar, West Bengal, Chhattisgarh, Jharkhand and Odisha.

Integrated approach:

- We need to work together with an integrated approach to the problem, said Mr. Shekhawat, urging States to work on the issue out of conviction.
- If conviction is ignored, then we will have to do it out of compulsion, he warned.

12. **DNA-based personalised diet advice in the offing:**

Why in news?

A decade ago, spurred by the success of the **Human Genome Project** and the affordability of genetic sequencing, scientists began to explore the promise of **nutrigenomics**. Could personalised nutrition, informed by knowledge of an individual’s DNA, help prevent and even treat diet-related diseases.

Results of the studies:

- The results of early studies from Harvard, Stanford and elsewhere were compelling: genetic differences seemed to predispose individuals to lose different amounts of weight on different types of diets.
- A multimillion-dollar industry soon sprang up, premised on marketing DNA-based diets.
- But subsequent research has failed to show any statistically significant difference in weight loss between overweight people who “eat right for their genotype” and those who do not.

Individual metabolism:

- In fact, the effect of genes on obesity has been hard to tease out; various studies put the figure at anywhere from 35% to 85%.
- Nutritionists have long observed that no one weight-loss strategy works for everyone, and that individuals show striking differences in their responses to different diets. What, then, explains the large variation in individual metabolism?
- Last year, Tim Spector and Sarah Berry, epidemiologists at King's College, London, and Dr. Andrew Chan, of Harvard Medical School, began an ambitious new search for the answer.
- Their new study, called Predict, is the world's largest and most comprehensive experiment to look at individual responses to food.
- Their preliminary results, presented on Monday at the American Society for Nutrition's annual conference, documented, for the first time, substantial and surprising variations in how well participants processed fats and carbohydrates, even among identical twins.
- How efficiently a person metabolised one macronutrient was no predictor of how that person might respond to another.

Risk of obesity:

- For decades Dr. Spector has been exploring the causes of individual variation in disease risk, including diet-related ailments.
- In 1992, he set up TwinsUK, a research registry that now includes more than 13,000 identical and fraternal twins.
- Based on the twins, he concluded that genes contributed 70% of an individual's risk for obesity, on average.
- Intrigued, he began a series of studies to tease out which factors influenced the remaining 30%.
- Dr. Spector then started Predict to explore how variations in individual responses to fats and carbohydrates might contribute to obesity.
- Eating foods that contain fats and carbohydrates causes glucose, insulin and triglyceride levels in the blood to rise and fall; spikes that are too high, too prolonged and too frequent are associated with inflammation, weight gain, heart disease and diabetes.
- The study included 700 identical twins, 300 individual British volunteers and 100 subjects from the U.S.
- The team concluded that genes play a limited role in how a person processes fats and carbohydrates.
- Among identical twins, only about half of the amount and duration of an individual's post-meal blood glucose level could be attributed to genetic influence and less than 30% with regard to insulin and triglyceride response.
- The more important factors in how our bodies metabolise food, it seems, are environmental: sleep, stress, exercise and the diversity and population of our individual gut microbiome.

13. **CO2 emissions rose by 2% in 2018:**

Why in news?

Global carbon emissions grew by 2.0% last year, the highest rate since 2010-2011, a review by energy giant BP said, calling the trend “unsustainable”.

Mismatch:

- There is a growing mismatch between societal demands for action on climate change and the actual pace of progress, said BP chief executive Bob Dudley.
- The BP Statistical Review of World Energy is viewed as an energy industry standard. It also found that global energy demand grew by 2.9%.

