



PIB, THE HINDU Newspaper and Editorial Current Affairs

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Odisha evacuates over 11 lakh people

Why in news?

With the extremely severe cyclonic storm Fani expected to cross Odisha coast between Gopalpur and Chandbali, south of Puri town on Friday morning, the State government on Thursday evacuated more than 11 lakh people from low-lying areas in as many as 15 districts. Senior officials took part in mobilising seaside villagers to move to cyclone shelters.

Rain arrival:

- Heavy rainfall had started at many places in the coastal districts of the State by Thursday evening under the influence of the storm.
- Fani is expected to make landfall between 8 a.m. and 10 a.m. and continue to rage up to noon, officials said.
- The cyclone will hit the coast with maximum sustained wind speed of 170-180 kmph gusting to 200 kmph.
- Storm surge of about 1.5 metre height is likely to flood low-lying areas at landfall.

Robust plan in place to import oil

Why in news?

India has a “robust plan” to import oil from other countries, the Ministry of External Affairs said, even as the deadline for the U.S. sanction waiver for oil imports from Iran expired on May 2 without an extension from the U.S.

US Sanctions:

- Last year, the U.S. re-imposed sanctions on Iran, prohibiting countries from importing oil from it, but waived these sanctions for eight countries, including India.
- That waiver has now expired and the U.S. announced last month that it would not be extending it.
- The U.S. refused to change its stance despite a last-minute call by External Affairs Minister Sushma Swaraj to U.S. Secretary of State Mike Pompeo on Saturday.
- Whatever decisions we take will be a combination of a number of factors [including] commercial negotiations and keeping our legitimate security interests and economic interests in mind,” Ministry of External Affairs (MEA) spokesperson Raveesh Kumar said.

Responded accordingly:

- We continue to engage with the U.S. on this matter. But a decision has been taken by them and accordingly we have responded.
 - We have a robust plan in place to import oil from other countries,” Mr. Kumar added. “This is a decision that will be taken in a considered manner.” Indian oil companies, meanwhile, have stopped placing orders for Iranian oil
 - Prior to the sanctions and the subsequent reduction in the quantity of oil imported from Iran, Iran accounted for about 10% of India’s oil requirements.
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Pulwama played a role in UN decision

Why in news?

India reiterated that it would not negotiate with any country on terrorism

and national security, saying the listing of Masood Azhar as a global terrorist was the result of a sustained process started a decade ago during the UPA government.

Decade long process:

- “Our objective has been all along the naming of Azhar. The process started in 2009, in 2016 and 2017 it was continued. Designation was not on the basis of a single incident, but was on the basis of evidence we have shared linking Azhar to several acts of terrorism,” said Raveesh Kumar, spokesperson of the External Affairs Ministry.
- He said India would maintain the international campaign against cross-border terrorists.
- India demanded listing Azhar after the Pulwama attack of February 14 that New Delhi had traced to the Jaish-e-Mohammad which is led by Azhar.
- However, the May 1 announcement from the **1267 Sanctions Committee of the UN Security Council** did not refer to the terror attack in its statement giving rise to speculation on whether the UN appreciated India’s immediate concerns about the role played by the JeM in cross-border acts of terrorism from Pakistan.
- The spokesperson reiterated that the aim of the campaign was to get Azhar designated as a global terrorist, which had been achieved.
- There are elements being introduced to divert attention from the huge diplomatic setback that they have suffered. Frankly they have no choice,” he said explaining that the terror attack in Pulwama had played a role in the ultimate listing.
- The Ministry’s statement clarified that the listing resulted from years of terrorism and violent plots traced to Azhar who operates from Pakistan.
- India had claimed on February 26 that Air Force jets had bombed locations belonging to the Jaish.
- In compliance with the UN listing, **Pakistan issued a Statutory Regulatory Order** on Wednesday ordering freezing of financial assets belonging to Azhar. **It also ordered travel ban and arms embargo on him.**
- India said Pakistan would be held responsible by the international community on the follow up actions it is expected to take after the U.N. listing.

Did China abandon its 'all-weather friend'?

Why in news?

After years of resistance to listing Masood Azhar, founder of the Pakistan-based terrorist group Jaish-e-Mohammad, as a global terrorist, China has finally changed its position.

Chinese Protection:

- Earlier attempts to add Azhar to the UN blacklist, under the 1267 Committee, failed as China had put a hold, calling for a solution through consultations.
- After the February 14 Pulwama attack, France, the U.K. and the U.S. had co-sponsored a new listing application, which was also blocked by China. However, when its hold expired, China raised no fresh opposition.
- The main reason for China's opposition to Azhar's terror designation was the Pakistan factor.
- Pakistan has robust economic and strategic ties with China, which is also investing billions of dollars in Pakistan to build an ambitious economic corridor.

Why did China change its position now?

- First, both India and China have manifested their desire to deepen bilateral ties despite the structural problems they face.
- Prime Minister Narendra Modi went to **Wuhan in April last year for an informal summit** with Chinese President Xi Jinping even when bilateral ties were not at their best.
- The shadows of the Doklam stand-off between the Indian and Chinese Armies and Beijing's repeated hold on Azhar and its opposition to India's Nuclear Suppliers Group membership continued to impinge on the bilateral ties.
- Still India preferred to stay engaged with China as the Wuhan summit suggested.

- China had shown in recent past that it was ready to do business with India even overlooking Pakistan's sensitivities.
- Last year, **China dropped its opposition to adding Pakistan on the Financial Action Task Force grey list**, which allowed the listing to go through smoothly.

The U.S. factor:

- The Azhar issue has cast shadows on China's commitment to fighting terrorism. Jaish has been an internationally designated terrorist outfit.
- And its role in multiple terrorist attacks in India has been well established.
- China's continued hold on Azhar's listing has weakened internationally its position against terror.
- The "deradicalization" camps it is running in Xinjiang has triggered international criticism, particularly from U.S. Secretary of State Mike Pompeo who slammed China's "**shameful hypocrisy**", saying it's abusing over a million Muslims at home while protecting "violent Islamic terrorist groups from sanctions at the UN".
- After it used its hold on Azhar following the Pulwama attack, the **U.S. had distributed a draft resolution at the UN Security Council** (outside the 1267 Committee) to ban Azhar.
- Had the resolution been put to vote, China would have been left with an awkward choice either to back it or use its veto by further isolating itself among global peers.

No Pulwama reference:

- Third, in allowing the listing to go on, China could save its face and remove a thorny issue from India-China ties. But it didn't want to abandon Pakistan, its "all-weather friend".
- The original listing application which France, the U.K. and the U.S. had moved had a reference to the Pulwama attack. But it was removed from the application that went through on Wednesday, at China's insistence.
- This is in line with Pakistan's narrative that terror activities in the Valley are an indigenous uprising.
- Responding to the listing, the Chinese Foreign Ministry batted for international community's support for Pakistan, re-emphasising its

view on Islamabad.

Xinjiang surveillance app targets lawful behaviour

Why in news?

Chinese authorities are using a mobile app designed for mass surveillance to profile, investigate and detain Muslims in Xinjiang by labelling “completely lawful” behaviour as suspicious, a Human Rights Watch report said.

Mass surveillance system:

- Human Rights Watch has previously reported that Xinjiang authorities use a mass surveillance system called the **Integrated Joint Operations Platform (IJOP)** to gather information from multiple sources.
 - But the new study, entitled “**China’s Algorithms of Repression**”, worked with a Berlin-based security company to analyse an app connected to the IJOP, showing specific acts targeted by the system.
 - Xinjiang authorities closely **watch 36 categories of behaviour**, including those who do not socialise with neighbours, often avoid using the front door, don’t use a smartphone, donate to mosques “enthusiastically”, and use an “abnormal” amount of electricity, the group found.
 - The app also instructs officers to investigate those related to someone who got a new phone number, or related to others who left the country and have not returned after 30 days.
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Central banks step up gold buying in 2019

Why in news?

Central banks across the globe are building up gold reserves with the first quarter of 2019 seeing significant buying from such entities.

Gold Demand Trends:

- According to the latest **Gold Demand Trends report by the World Gold Council**, central banks bought 145.5 tonnes of gold in the first quarter a 68% jump from the same period in 2018 and also the strongest start to a year since 2013.
- Meanwhile, the overall global gold demand rose to 1,053.3 tonnes in the first quarter of 2019, up 7% compared to the same period last year.
- This year-on-year increase was largely due to continued growth in central bank buying, as well as growth in gold-backed exchange-traded funds (ETFs)
- Diversification and a desire for safe, liquid assets were the main drivers of the purchases.
- On a different note, the first quarter jewellery demand rose 1% compared with the same period last year, at 530.3 tonnes, boosted by India.

Jewellery demand in India:

- A lower local rupee gold price in late February and early March coincided with the traditional gold buying wedding season, lifting jewellery demand in India to 125.4 tonnes, a 5% increase on the same period last year and the highest Q1 since 2015," stated the report.
- Bar and coin investment softened slightly and was down 1% to 257.8 tonnes.
- According to the WGC, this was purely due to a fall in demand for gold bars, as official gold coin buying grew 12% to 56.1 tonnes even as China and Japan were the main contributors to the decline.
- The beginning of 2019 saw a sharp recovery in investor sentiment in both the equity and debt markets, but appetite for gold remained solid.

Manufacturing PMI dips to 51.8 in April

Why in news?

Manufacturing activity expanded at a slower rate in April compared to its levels in March, according to a private sector survey.

Declining Trend:

- The **Nikkei India Manufacturing Purchasing Managers' Index** registered a reading of 51.8 in April, lower than the 52.6 in March.
- **A reading over 50 indicates an expansion while one below 50 denotes a contraction.**

The Purchasing Managers' Index (PMI) is an indicator of the economic health of the manufacturing sector. The PMI is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment

A softer increase in new orders created a **domino effect** in the Indian manufacturing industry, restricting growth of output, employment, input buying and business sentiment," the report said.

The one bright spot in April was exports, which expanded solidly and at a slightly quicker pace than in March.

Broken down by sector, capital goods was the key source of weakness, recording contractions in new business and output," the report added.

Growth was meanwhile sustained at both consumer and intermediate goods makers."

The report went on to say that **new business growth moderated** in April reportedly due to the ongoing General Elections and also in response to a challenging economic environment.

The increase in order book volumes was the slowest in eight months, it said.

- The slowdown in growth of total sales, coupled with cashflow difficulties and competitive pressures, hampered output expansion in April.

RBI rate cut likely:

- Although remaining inside expansion territory, growth continued to soften and the fact that employment increased at the weakest pace for over a year suggests that producers are hardly gearing up for a rebound.
 - The fact that price pressures were cooling in the manufacturing economy and growth was losing momentum makes it increasingly likely that the **Reserve Bank of India may cut interest rates** for the third consecutive time in June.
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