

# **DAILY CURRENT AFFAIRS ANALYSIS**



English Academy®

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# **1 - An analysis of catastrophe and climate insights:**

## **GS II**

### **Government Policies and Interventions**

- **Which aspects of the report stand out the most?**
- **Increasing Damages and Events That Broke Records:**
  - 398 significant natural catastrophes struck the globe in 2023, causing an astounding USD 380 billion in economic losses.
  - These losses exceeded the projected economic loss in 2022 and came during the warmest year ever recorded, highlighting the critical need for improved risk mitigation, resilience building, and catastrophe preparedness.
- **Vulnerabilities and Factors Related to the Weather:**
  - Weather-related causes were found to be responsible for 95% of the natural disasters that happened in 2023 and caused damages above one billion dollars.
  - These events—which range from intense heat to violent storms and earthquakes—showcase the threat that catastrophic risk poses to our lives and means of subsistence.
- **Insurance Coverage and the Protection Gap:**
  - Only USD 118 billion, or 31%, of the total damages were covered by insurance, suggesting a substantial "protection gap" of almost 69% as opposed to 58% in 2022.
  - In the US, most disaster losses were covered, while in three other regions (the Americas (non-US), Europe, Middle East and Africa (EMEA), and Asia and Pacific (APAC), the bulk of damages were uninsured.
  - The APAC region has the largest protection gap, at about 91%, followed by the non-US Americas (87%), and the EMEA region (87%).

- **Worldwide and Local Perspectives:**

- US: Natural disaster-related economic damages were USD 114 billion, of which 70% were covered by insurance. A substantial portion of the financial burden was attributed to severe convective storms (SCS).
- Severe local storms characterised by lightning, thunder, hail, heavy rain, strong winds, and abrupt temperature changes are called convective storms or thunderstorms. They are most frequent in the summer, but they can happen at any time of year.
- Americas (non-US): Of the USD 45 billion in economic losses, only USD 6 billion were covered by insurance.
- Hurricane Otis, which struck Mexico's southern Pacific coast, was the most expensive one-off.
- Several South American regions were affected by drought.
- Europe, the Middle East, and Africa (EMEA): Devastating earthquakes caused the region's economic losses to total USD 150 billion.
- The earthquakes in Syria and Turkey had a big effect.

- **The Asia-Pacific region:**

- Insurance losses totaled USD 6 billion, but economic losses totaled USD 65 billion with a 91% protection gap.
- Insured losses from flooding incidents were USD 1.3 billion in New Zealand and USD 1.4 billion in China. Many nations in South and Southeast Asia were affected by a heatwave that lasted for many weeks.

- **Suggestions:**

- Utilising climate analytics as catalysts capable of offering prognostic diagnostics for a variety of extreme occurrences is imperative.
- Organisations must use forward-looking diagnostics to evaluate climate trends, reduce risk, and safeguard their own workforces. This includes insurers and severely impacted industries like construction, agriculture, and real estate.
- Through creative risk transfer schemes, the insurance sector can significantly contribute to unlocking and accelerating the flow of capital into green investments and volatility management.

- **What Do Risk Management, Resilience-Building, and Disaster Preparedness Mean?**

- Disaster preparedness is the proactive steps done to improve preparation and reaction in advance of a disaster.
- Early Warning Systems: Establishing effective early warning systems is a part of being prepared. These systems let people to evacuate and take the appropriate safety measures by providing timely notifications about approaching disasters (such as earthquakes, floods, and cyclones).
- Training and exercises: Frequent training sessions and simulated exercises equip the public, medical professionals, and emergency personnel to manage emergencies with effectiveness.
- Stockpiling Supplies: Being prepared for a crisis involves having enough food, water, and medication on hand to suit your needs in a hurry.
- Community Awareness: Spreading knowledge about disaster risks and safety precautions across communities helps to build a resilient and safe culture.
- Risk management is the process of determining, evaluating, and reducing the risks connected to calamities.
- Risk assessment: Risk management assists in setting priorities by examining exposure, vulnerabilities, and possible effects.
- Risk Reduction Strategies: Vulnerability is decreased by putting in place both structural (like building rules) and non-structural (like land-use planning) measures.
- Financial Resilience: Mechanisms for risk financing and insurance offer financial protection against losses.
- Climate Adaptation: To handle changing hazards, risk management incorporates measures for adapting to climate change.
- Building Resilience: Resilience is the capacity of a community to recover from a calamity.
- Social and Psychological Resilience: Resilience is increased via fostering mutual support, community cohesion, and strong social networks. Coping strategies and mental health support aid in the healing process after trauma.
- Resilience in the economy and infrastructure: Resilience in the economy is bolstered by diversifying sources of income, supporting small enterprises, and generating job opportunities. It is essential to construct resilient infrastructure (roads, bridges, utilities) that can tolerate shocks.

- **Environmental Resilience:** Preserving ecosystems (wetlands, forests) helps build resilience on the whole.
- **How Does Insurance Coverage Help to Reduce Economic Losses?**
- **Safety Net during Tough Times:**
  - High rates of inflation and unstable economies might result in unforeseen financial losses; in these situations, insurance serves as a safety net.
  - For example, the cost of building materials and services has increased, making it more expensive to repair or replace damaged structures. Repairs may be further delayed by labour shortages and broken supply systems.
  - Financial protection against such losses is guaranteed for both people and corporations with insurance coverage. The cost of not having insurance, or having insufficient insurance, can be disastrous.
- **Enhanced Awareness of Risk:**
  - Consumers become more risk-aware and cautious after financial shocks.
  - Insurance providers can profit from this by highlighting how important they are for controlling inflation risk and ensuring stability in the economy.
  - Following disasters, economic activity can continue because insurance assist individuals and businesses in recovering more quickly by providing timely payouts.
- **Stability and Economic Development:**
  - Insurance makes saved money into profitable ventures. It helps companies to reduce losses, preserve their financial stability, and advance trade and business endeavours.
  - Consistently strong insurance markets support long-term economic expansion.

- **Risk reduction and disaster mitigation:**

- Insurance firms encourage policyholders to invest in risk reduction measures, which helps to mitigate disasters more and more. Insurers contribute to lower total risks by providing incentives for long-term thinking.
- For instance, the Pradhan Mantri Fasal Bima Yojana (PMFBY) provides farmers with financial protection against crop losses brought on by pests, diseases, cyclones, floods, and droughts.
- PMFBY helps farmers recover from losses and lessens their susceptibility to economic shocks brought on by catastrophes by promptly compensating for crop damages.
- In an increasingly uncertain world, investing in risk management, resilience-building, and disaster preparedness is not only essential for short-term life safety and livelihood protection but also for long-term community sustainability and profitability.

Source → *The Hindu*

## **2 - Ladakh's Call for Statehood:**

### **GS II**

#### **Government Policies and Interventions**

- **What Are the Main Ladakh-Related Demands?**
- After Article 370 was repealed and the state was divided into two distinct Union Territories in August 2019, Ladakh, which had previously been a part of the former state of Jammu and Kashmir, became a Union Territory.
- Since then, the area has fought for more autonomy and the preservation of its unique cultural and demographic identity while adjusting to its changed administrative position.

- **Main Demands:** The movement's two socio-political organisations are requesting that the UT, which was previously protected by Article 370 and 35A, be given additional protection.
- **Their main requests are as follows:**
  - Ladakh's aspiration to become a state involves converting from its present Union Territory status to a full state, which would provide it more political independence and decision-making authority.
  - 6th Schedule safeguards: Fighting for 6th Schedule constitutional protections that uphold the indigenous population's land, language, and cultural rights.
  - Job Reservation: Requesting that employment opportunities be reserved for Ladakh's young in order to guarantee fair access to financial resources and opportunity.
  - Creating Different Parliamentary seats: It is suggested that Leh and Kargil have their own separate parliamentary seats, which would represent the distinctive geographic and demographic features of each area.
  - A powerful committee has been established by the Ministry of Home Affairs (MHA) to interact with the representatives of the Ladakh aspirations.
  - Article 35A, which is no longer in force, gave the assembly of Jammu and Kashmir the authority to define "permanent residents" of the state and provide them exclusive rights and benefits that were not granted to other Indian citizens.

### • **What Justifies Ladakh's Present Unified Territories Status?**

- **Cultural and Demographic Differences:** Ladakh was a part of Jammu and Kashmir before it was declared a UT.
- The majority of people of Ladakh are Buddhist, in stark contrast to the people of the former state of J&K, who are predominantly Muslim.
- This distinction frequently resulted in worries about the distribution of resources, political representation, and cultural preservation.
- **Security Considerations:** Ladakh's strategic importance is a major factor, as it borders sensitive regions such as China and Pakistan.
- The union territory's establishment permitted the central government to administer security-related affairs more effectively and directly.

- **Developmental Perspective:** The establishment of the union territory of Ladakh was probably viewed by the Indian government as a means of resolving long-standing issues, enhancing administrative effectiveness, and accelerating regional development.
- **Which provisions of the Indian Constitution are related to the creation of states?**
- The Indian Constitution's Article 3 gives Parliament the power to make a number of decisions pertaining to the creation, modification, or dissolution of states. Among these are the following:
  - **Creation of New States:** Parliament may combine any area with a portion of an existing state, divide a territory from an existing state, or unite two or more states to form a new state.
  - **State Area Increase or Decrease:** Any state's area may be increased or decreased by the parliament.
  - **Modification of State Boundaries:** Any state's boundaries may be changed by parliament.
  - **Change of State Name:** Any state may have its name changed by the parliament.
  - **Conditions as stated in Article 3:**
    - A bill recommending such modifications can only be tabled in either chamber of Parliament with the President's prior approval.
    - The concerned state legislature must provide a set amount of time to voice its opinions on the bill before the President can recommend it.
- A portion of any state or union territory may be united with another state or union territory to form a new state or union territory, as part of Parliament's power to create new states.
- Even if the state legislature's opinions are received on time, parliament is free to adopt or reject them.
- Regarding union territories, Parliament is free to act in any way it sees fit without consulting the relevant legislature.
- India is therefore a union of destructible states that cannot be destroyed.



- **The Sixth Schedule: What Is It?**

- **About:** Under Article 244(2) of the Indian Constitution, the Sixth Schedule contains unique provisions for the governance of tribal territories in the four northeastern states of Assam, Meghalaya, Tripura, and Mizoram.
- **Goals:** To protect tribal lands and resources from being taken over by non-tribal organisations. Additionally, it works to safeguard and promote the cultural and social identities of tribal communities by preventing exploitation of them.
- **Autonomous Regions and Districts:** These states' tribal territories are to be governed as Autonomous Districts.
- The Governor may create Autonomous Regions within an autonomous district if the district is home to multiple Scheduled Tribes.
- The Governor has the authority to reorganise autonomous districts and change their names or borders.
- **District and Regional Councils:** A District Council, with a maximum of thirty members, must be established for each autonomous district.
- Of these, the Governor may nominate up to four members; the remaining members are chosen by adult suffrage.
- Similarly, every area recognised as an autonomous region has its own Regional Council.

*Source → The Hindu*

### **3 - Simplifying Food Safety Act (FSSAI):**

#### **GS II**

#### **Government Policies and Interventions**

- **What changes to the Food Safety and Standard Regulations are being proposed?**
- **Removal of Several Certifications:**
  - The modifications seek to do away with the need for food products to be certified by the Agricultural Marketing and Standards Board (AGMARK) and the Bureau of Indian Standards (BIS).
  - Rather, if these modifications are approved, only FSSAI certification would be required.
- **Encouraging Ease of Conducting Business:**
  - The changes are in line with the government's "One Nation, One Commodity, One Regulator" goal, which aims to streamline administrative procedures and rules for companies in the food industry.
- **Extension of Guidelines:**
  - The proposed revisions involve not only streamlining the certification procedure but also introducing requirements for alcoholic ready-to-drink (RTD) beverages and mead, or honey wine, as well as 'Haleem,' a dish consisting of meat, pulses, grains, and other ingredients.
  - As of right now, Haleem has no established quality standards.
- **What is the Indian Authority for Food Safety and Standards?**
  - The Food Safety and Standards Act of 2006 established the independent statutory authority known as FSSAI.

- The Prevention of Food Adulteration Act of 1954, the Fruit Products Order of 1955, the Meat Food Products Order of 1973, and other legislation pertaining to food that were formerly under the purview of several ministries and departments are all combined into one act under the Act of 2006.
- The Act also intends to replace multi-level, multi-departmental control with a single line of command, so creating a single point of reference for all issues pertaining to food safety and standards.
- Operating under the Ministry of Health & Family Welfare, FSSAI is in charge of regulating and overseeing food safety and quality in India in order to safeguard and promote public health.
- With regional offices located in eight different regions of the nation, FSSAI is headquartered in New Delhi.
- the FSSAI's CEO and Chairperson, who is chosen by the national government. The Chairperson has the position of Secretary in the Indian Government.

- **Roles and Capabilities:**

- defining guidelines and specifications for food additives and goods.
- granting food enterprises licences and registration.
- enforcement of rules and legislation pertaining to food safety.
- Food quality and safety are observed and monitored.
- carrying out scientific studies and risk assessments about food safety concerns.
- imparting knowledge and instruction on food safety and cleanliness.
- encouraging the use of organic and fortified foods.
- coordinating food safety-related issues with other organisations and interested parties.

- **Campaigns and Events:**

- World Day for Food Safety.
- India, Eat Right.
- Consume Correct Station.
- Consume Proper Mela.
- Index of State Food Safety.
- Repurpose Used Cooking Oil, or RUCO.
- Food Safety Microscope.
- One Hundred Food Streets.

- Indian Standards Bureau (BIS)
- The BIS Act of 2016 created the National Standard Body of India, or BIS. The Ministry of Consumer Affairs, Food, and Public Distribution is in charge of it.
- BIS is in charge of the orderly development of product certification, marking, and standards.
- The head office of BIS is located in New Delhi.
- The government can now permit entities other than BIS to certify and enforce standards thanks to the BIS Act of 2016.
- It consists of consumer protection measures like compensation, product recalls, and harsher fines for non-conforming standard-marked goods.
- Marketing of Agriculture (AGMARK)
- Under the terms of the Agricultural Produce (Grading Marking) Act, 1937, AGMARK is a certification mark for agricultural produce, guaranteeing that it complies with a grade standard announced by the Directorate of Marketing & Inspection (DMI), Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & Farmers Welfare.
- Two to three grades are specified for each commodity, and these criteria allow for quality differentiation.
- Grade criteria have been announced for 222 agricultural commodities thus far.

*Source → The Hindu*

## **4 - India's Oil Import Dynamics and the Disruptions in the Red Sea:**

### **GS II**

#### **International Issues**

- **Why is India importing less oil from the US?**

- The United States has been one of India's top five exporters of crude for some time now, with US refiners obtaining 205,000 barrels per day (bpd) on average in 2023.
- On the other hand, according to recent data, Indian refiners did not purchase any US oil in January 2024.
- Red Sea issues caused freight charges to rise, making US crude unprofitable for refiners in India. As a result, Indian refiners went back to their long-standing Persian Gulf (West Asia) sources.
- A drone attack occurred recently against the chemical tanker MV Chem Pluto, around 200 nautical miles off the coast of Gujarat.
- The chemical tanker MV Chem Pluto is operated by the Netherlands, owned by Japan, and flying the Liberian flag.
- It was scheduled to arrive in New Mangalore, India, having departed with crude from Al Jubail, Saudi Arabia.
- Houthi militants from Yemen are thought to have carried it out in retaliation for Israel's actions in Gaza.

- **Who Are India's Leading Providers of Crude Oil?**

- **Current Status of Oil Imports:** After the United States and China, India is presently the third-largest user of oil. Its 85% reliance on imports for its oil needs is expected to increase as domestic output declines.
- In 2027, India will surpass China as the primary contributor to the world's oil consumption. Almost half of the increase in the country's consumption would come from

diesel, making it the single biggest driver of demand growth (International Energy Agency).

- **Principal Providers of Oil:**

- Russia: At the moment, Russia is India's main oil supplier. India began importing 1.53 million barrels of oil per day (bpd) from Russia in January 2024.
- Following Western sanctions against Russia (caused by the Russia-Ukraine Conflict), India took advantage of reduced Russian offers, driving out regular suppliers.
- Russia's Urals crude oil grade is now a vital component of India's attempts to diversify its energy sources.
- Iraq: As India's second-largest oil supplier, Iraq's imports of crude reached 1.19 million barrels per day in January 2024—the highest level since April 2022.
- India is making an attempt to diversify its sources of oil purchase in order to reduce geopolitical risks and guarantee a steady supply of energy.
- Saudi Arabia: Saudi Arabia is India's third-largest oil supplier, and in January 2024, it exported about 690,172 barrels of crude oil to India, retaining its prominence in the country's energy security framework.
- UAE: In January 2024, oil imports from the UAE increased by 81% to over 326,500 barrels per day.
- India's fourth-largest crude oil supplier is Abu Dhabi.

- **What recent efforts has the government taken to rein in the rising demand for oil?**

- **Controlling Demand:**

- Encouraging Energy Efficiency: PAT (Perform, Achieve and Trade) programmes encourage businesses to use less energy.
- Appliances with star labels make energy-efficient choices easier for customers to make.
- Fuel Diversification: To lessen reliance on petrol, programmes such as the Ethanol Blending Programme (EBP) seek to blend 20% ethanol with fuel by 2025.
- In a similar vein, cars are encouraged to use compressed natural gas, or CNG.
- Electric Mobility: To encourage the electrification of shared and public transportation, the FAME scheme is a project that provides subsidies.

- The government wants to see thirty percent of private automobiles, seventy percent of commercial vehicles, and eighty percent of two- and three-wheelers sold as electric vehicles (EVs) by 2030.
- **Increasing Homegrown Production:**
- Policies for Attractive Exploration: The Hydrocarbon Exploration and Licencing Policy (HELP), the Discovered Small Field Policy, and the Production Sharing Contract (PSC) regime are designed to entice investors to participate in oil and gas exploration.
- Technological developments: In an effort to extract more oil from its current fields, ONGC is investing in enhanced oil recovery (EOR) technology.
- **The Way Ahead:**
- Diversifying Biofuel Development: The government can spend money on the study and creation of advanced biofuels made from algae, agricultural waste, and municipal solid waste in addition to ethanol blending.
- Fossil fuels can be substituted by these biofuels in the industrial and transportation sectors.
- Encouraging Public Transportation and Active Mobility: By providing effective last-mile connection, integrated public transportation networks can motivate more individuals to choose environmentally friendly ways of mobility, hence lowering the need for fuels derived from oil.
- Green Building Standards: Requiring residential and commercial buildings to adhere to green building standards can help cut down on energy use for lighting, air conditioning, and heating.
- Buildings that use energy-efficient designs and materials can use less fossil fuel to generate electricity and heat.
- India's transition to a hydrogen economy has the potential to provide a sustainable substitute for conventional fossil fuels.
- There are several industries that can benefit from the use of hydrogen fuel cells, such as manufacturing, electricity generation, and transportation.

*Source → The Hindu*