

# **DAILY CURRENT AFFAIRS**



**16 OCTOBER, 2023** 



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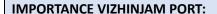
## VIZHINJAM PORT ON MARITIME MAP WITH BERTHING OF FIRST SHIP

SOURCE: LIVEMINT
WHY IN NEWS?

> The first ship, Zhen Hua 15, recently called at the Vizhinjam International Seaport, marking a significant event in the maritime history of Kerala.

#### **ABOUT VIZHINJAM PORT:**

- Vizhinjam is an under-construction port that received a historic visit from Zhen Hua 15.
- The vessel was carrying container-handling cranes for the port.
- The port is strategically located, just 10 nautical miles from the international shipping route connecting Europe, the Persian Gulf, and the Far East.
- It is set to become the largest private port in Kerala and the first semi-automated container terminal in India.
- Vizhinjam aims to be a global bunkering hub, supplying clean and green fuels like hydrogen and ammonia.
- The port is committed to environmental consciousness and aims to be one of the greenest ports in the world.



- Strategic Location:
  - ✓ Located on the southern tip of the Indian Peninsula, just 10 nautical miles from major international sea routes.
  - ✓ Centrally situated along the Indian coastline, making it the closest transshipment hub to international shipping routes in the Indian subcontinent.
- Natural Depth and Minimal Maintenance:
  - ✓ Vizhinjam Port boasts a natural depth of 20-24 meters with minimal littoral drift and sedimentation.
  - ✓ Requires minimal dredging, reducing operating costs significantly.
- Accommodation of Large Vessels:
  - ✓ With a **depth advantage over Colombo Port (15 meters),** Vizhinjam Port can accommodate Panamax class and futuristic vessels.
- **Economic Benefits:**







- ✓ Potential to attract a significant portion of container transshipment traffic, leading to the creation of numerous job opportunities.
- ✓ Expected to save Indian exporters Rs 1000 crores in cargo transshipment fees.
- ✓ Aims to reduce the current reliance on foreign ports like Colombo, Singapore, and Salalah for transshipment.
- ✓ Offers a capacity of 4.10 million TEUs per year, doubling India's port capacity, which currently stands at 4.61 million TEUs per year.

#### **PORTS & SHIPPING INDUSTRY IN INDIA:**

- India has a vast maritime sector with over 200 ports along a 7,517 km coastline.
- Indian ports handle about 95% of the country's external trade by volume and 68% by value.
- > India ranks 18th globally in shipping tonnage and is the 16th largest maritime country.
- Major and Minor Ports are governed by Central and State governments, respectively.
- India is a significant player in ship recycling and has a 30% share in the global market.

#### **MAJOR AND MINOR PORTS IN INDIA**

- India boasts several ports crucial to its trade and shipping activities, including Mumbai, Chennai, Kolkata, and Mundra, among others.
- Each port plays a specific role in the country's import and export operations and contributes to economic growth.
- India has major and minor ports.
  - Major ports are owned and operated by the Central Government.
  - ✓ They are governed by the Indian

    Ports Act of 1908 and the Major

    Port Trust Act of 1963.
- Porbandar

  Bhavnagar

  Porbandar

  Surat

  Surat

  Pradip

  Mumbai

  Jawaharlal Nehru

  Port

  Ratinagiri

  Fanaji

  Marmagaa

  Ennore (Kamarajar Port)

  Manglore

  Cochin

  Alappuzha
- ✓ Major ports have Boards of Trustees appointed by the Government of India.
- ✓ These boards handle port development, management, and operations.
- ✓ Minor ports are owned and operated by state governments.
- ✓ State Maritime Boards or port departments oversee minor ports.
- ✓ They have tariff-setting authority and work to attract private investment through concession contracts, incentives, exclusive rights, and land acquisition.
- > Six of India's 13 major ports are located on the western coast.
- > The other six ports are on the east coast, with one on the Andaman Nicobar Islands in Port Blair.

#### **PORTS ON WESTERN COAST**

Port Name	Location	Notable Information
Cochin Port	Kochi, Kerala	India's first trans-shipment terminal.
Kolkata Port	Kolkata, West Bengal	India's sole riverine major port.
Kandla Port	Gandhidham, Gujarat	Largest port on the west coast; designated as a Trade Free Zone.
Mangalore Port	Mangalore, Karnataka	Deep-water port; mainly exports iron ore.
Mormugao Port	Mormugao, Goa	Major iron ore exporting port; natural harbour.

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Mumbai Port	Mumbai, Maharashtra	India's largest natural port with three enclosed wet docks.
Jawaharlal Nehru Port (JNPT)	Navi Mumbai, Maharashtra	India's largest artificial port and leading container port.
Vadhavan Port	Maharashtra	India's 13th major port; intended for deep draught vessels.

#### **PORTS ON EASTERN COAST**

Port Name	Location	Notable Information
Chennai Port	Chennai, Tamil Nadu	India's second-largest container port.
Ennore Port	Chennai, Tamil Nadu	India's 12th major port and first publicly traded port.
Paradip Port	Odisha	India's first major port after independence.
Tuticorin Port	Tuticorin, Tamil Nadu	Also known as V.O. Chidambaranar Port.
Visakhapatnam	Visakhapatnam, Andhra Pradesh	India's second-largest port by cargo volume.
Port Blair	Andaman and Nicobar Islands	Located between international shipping lines.

#### **CONCERN WITH THE VIZHINJAM PORT**

#### Concerns of Fishermen:

- Fishermen protested the port's construction, claiming it caused sea erosion and harm to their livelihoods and homes.
- ✓ Protests lasted about 138 days and ended when the government agreed to certain demands without halting port construction.
- ✓ Coastal erosion led to the loss of 350 families' homes, leaving them vulnerable to cyclones.

#### > Coastal Erosion:

- ✓ A breakwater, worsened coastal erosion in Thiruvananthapuram.
- ✓ Erosion intensity increased after the breakwater's construction.

#### Ecological Impact:

- ✓ Dredging and construction may harm marine life and breeding grounds for mussels and lobsters.
- ✓ The port involves reclaiming 66 ha of coastal waters and building a 3.2-km-long breakwater.

#### > Financial Feasibility:

- ✓ A report from the **Comptroller and Auditor General of India in 2017 found** unfavorable **concession conditions** for the state government.
- ✓ The concession period extended by ten years would benefit Adani Ports Private Limited with extra revenue.
- ✓ Vizhinjam port faces competition, particularly from Sri Lanka's Colombo Port, handling 35% of Indian Subcontinent trans-shipment traffic.

#### **WAY FORWARD**

**➤** Government initiatives for the Ports & Shipping Industry:

Initiative	Description
FDI in Port and Harbor	Allows up to 100% Foreign Direct Investment for port and harbor construction
Projects	and maintenance.
Operational Efficiency	Mechanization, deepening of draft, and efficient evacuations are
Improvement	implemented to enhance port operations.

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Modernization and Regulatory Streamlining	Initiatives like Bharatmala Pariyojna and the Inland Vessels Bill aim to modernize logistics and streamline regulations.	
Sagarmala Programme	Focuses on <b>port-led development and includes the completion of projects</b> , development of new mega ports, and national perspective planning.	
Maritime India Vision 2030	Outlines <b>comprehensive objectives for the maritime sector</b> , driving future developments.	
Collaboration for Maritime Heritage Complex	MoU signed between the Ministry of Ports, Shipping, and Waterways, and the Ministry of Culture for the development of the National Maritime Heritage Complex.	

- Increasing investment and cargo traffic indicate a positive outlook for India's ports and shipping industry.
- > Domestic waterways offer cost-effective and eco-friendly freight transportation options.
- Investment opportunities include **shipbuilding**, **repair**, **recycling**, **inland waterways**, and port construction projects.
- > The Indian Ports and Shipping sector is integral to the country's economic progress and global trade connectivity.

## **Prelims Specific**

## **PYQs**

- Q. Recently, which of the following States has explored the possibility of constructing an artificial inland port to be connected to sea by a long navigational channel? (2016)
- (a) Andhra Pradesh
- (b) Chhattisgarh
- (c) Karnataka
- (d) Rajasthan

Ans: (d)



## REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

**SOURCE: THE HINDU** 

#### WHY IN NEWS?

Four years after India walked out of the Regional Comprehensive Economic Partnership (RCEP) agreement, neighbour Sri Lanka and Bangladesh are now considering their chances of membership in the 15 Nation trading bloc.

#### **ABOUT RCEP**

- RCEP is a 15-nation trading bloc that includes major economies like China, Japan, and South
- ➤ It represents **30% of the global GDP** and is the first such agreement involving big Asian economies.
- > RCEP aims to eliminate up to 90% of tariffs on goods traded within the bloc within 20 years.
- RCEP is a proposed free trade agreement involving ASEAN countries and six nations with existing FTAs with ASEAN.
- It is seen as an alternative to the Trans-Pacific Partnership (TPP).
- RCEP member states represent 3.4 billion people and a total GDP of \$49.5 trillion.
- The total GDP within RCEP could exceed \$100 billion by 2050 if high growth continues.
- The U.S. withdrew from the TPP in 2017, shifting global attention to RCEP.
- > RCEP will cover various aspects, including trade in goods, trade in services, investment, cooperation, intellectual property, and dispute settlement.
- India's exit in **November 2019 from negotiations on the world's largest trade deal** the Regional Comprehensive Economic Partnership (RCEP) — was a significant disappointment for proponents of regional economic integration.

#### **REASONS FOR INDIA'S WITHDRAWAL FROM RCEP:**

- **Unfavourable Balance of Trade:** 
  - ✓ Post-FTA, India experienced faster import growth than exports with RCEP member countries.
  - ✓ Bilateral trade deficits with most RCEP nations, as per NITI Aayog report.
- **Dumping of Chinese Goods:** 
  - ✓ India had FTAs with all RCEP countries except China.
  - ✓ Concern that RCEP would flood the Indian market with cheaper Chinese products.
- Non-acceptance of Auto-trigger Mechanism:
  - ✓ India sought an auto-trigger mechanism to raise tariffs when imports crossed a threshold.
  - ✓ Other RCEP countries were against this proposal.
- **Protection of Domestic Industry:** 
  - Apprehensions about lowering and eliminating tariffs on products like dairy and steel.







- ✓ The dairy industry could face strong competition from Australia and New Zealand.
- ✓ India's current average bound tariff for dairy is around 48.5%.
- Lack of Consensus on Rules of Origin:
  - ✓ Concerns about potential circumvention of rules of origin.
  - ✓ Rules of origin determine the national source of a product.
  - Current provisions may not prevent countries from routing products through others to maintain higher tariffs.

#### **IMPLICATIONS OF INDIA'S EXIT FROM RCEP:**

- Protection from Chinese Dumping:
  - ✓ India can maintain control over China's goods dumping in the Indian market.
- Protection for Domestic Industry:
  - ✓ Safeguarding Indian domestic industries from cheap imports.
- Strengthening China's Economic Power:
  - ✓ RCEP is a China-backed trade deal; India's exit can boost China's economic influence.
- Impact on India's Neighborhood:
  - ✓ India's decision affects regional dynamics, as China seeks influence through economic ties.

#### INDIA'S TRADE BALANCE WITH RCEP MEMBERS RCEP Member | 2018-19 | 2019-20 ASEAN -21.85 -23.82 China -53.58 -48.65 South Korea -12.05 -10.81 -7.91 -7.91lapan New Zealand | -0.25 -0.14 Australia -9.61 -6.93

All figures in \$ billion Source: Ministry of Commerce and Industry

- Missed Trade Opportunities:
  - ✓ India loses trading opportunities with countries accounting for a significant share of global trade.
- Global Supply Chain Integration:
  - ✓ Hindrance to India's ambition to become a manufacturing hub by remaining out of RCEP.
- Embracing Freer Trade:
  - ✓ Opportunity to signal support for freer trade and attract companies relocating from China.
- Effect on India's Act East Policy:
  - ✓ Implications for India's Act East policy due to changing regional dynamics.
- Missed Reform Opportunities:
  - ✓ A chance to enact necessary reforms for increased competitiveness.

#### IMPACT OF INDIA WITH NEIGHBORING COUNTRIES JOINING RCEP:

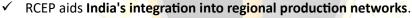
- Development of Concern:
  - ✓ Neighbours joining RCEP could raise concerns for India.
  - ✓ Opening markets in India's vicinity to a group dominated by Chinese trade.
  - ✓ Possibility of these markets becoming more globally competitive than India.
- Regional Dynamics Sri Lanka:
  - ✓ Sri Lanka considers regional markets key for its development.
  - ✓ Sri Lanka seeks to join RCEP and other FTAs to expand its market.
  - ✓ Anticipates that participation will drive competitiveness.
- Bangladesh's Graduation from LDC:
  - ✓ Bangladesh is expected to graduate from the list of Least Developed Countries.
  - ✓ Losing preferential access to global markets.
  - ✓ **Estimation of potential consequences**, including a drop in export earnings and tariff increases.
- Bangladesh's Export Potential:
  - ✓ Bangladesh anticipates joining RCEP could increase its exports by \$5 billion.
  - ✓ Already negotiating free trade agreements with six of the 15 RCEP countries.



- ✓ Believes RCEP membership would simplify the process.
- More Open and Competitive Neighbours:
  - Neighbours' participation in RCEP could make them more open and globally competitive.
  - ✓ Regional dynamics may shift as a result.
- **Learning from Regional Markets:** 
  - ✓ Sri Lanka's **experience during crises emphasizes** the importance of regional markets.
  - ✓ The need to embrace RCEP and other FTAs to enhance competitiveness.

#### **IMPORTANCE OF RCEP FOR INDIA:**

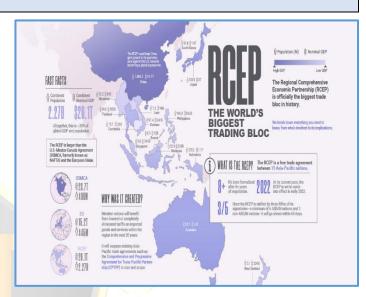
- Advancing India's Act East Policy:
  - ✓ RCEP aligns with India's Act East policy, bolstering its influence among South Asian nations.
- **Complementing Existing FTAs:** 
  - ✓ RCEP complements **India's current** free trade agreements with ASEAN nations.
  - √ Facilitates greater economic integration with South East and East Asian countries.
  - ✓ Provides access to expansive regional markets, benefiting India's economy.
- Integration into Regional Production **Networks:**



- ✓ Harmonizes trade-related rules, fostering trade ties with countries like those in Asia-Pacific **Economic Cooperation and Trans-Pacific Partnership.**
- Attracting FDI in Key Sectors:
  - ✓ India holds a comparative advantage in sectors like ICT, IT-enabled services, healthcare, and education services.
  - RCEP encourages greater Foreign Direct Investment (FDI) in these areas, supporting economic growth.

#### **WAY FORWARD**

- **Reevaluate RCEP Participation:** 
  - ✓ India should reconsider its decision to withdraw from RCEP, especially in light of neighboring countries' interest in joining.
  - ✓ A fresh assessment of RCEP's implications is crucial.
- **Diplomatic Engagement:** 
  - ✓ Initiate diplomatic dialogue with Sri Lanka and Bangladesh to understand their aspirations and concerns regarding RCEP membership.
- **Balanced Trade Policies:** 
  - Focus on addressing trade imbalances, including trade deficit issues, to ensure a fair and mutually beneficial trade relationship with RCEP nations.
- **Participation in Regional Growth:** 
  - Emphasize India's interest in participating in the economic growth and integration of the region while protecting its domestic industries.
- Reform and Competitiveness:





✓ Take proactive steps to implement necessary reforms that enhance India's competitiveness and align with the principles of free trade, potentially making a return to RCEP more favorable.

#### > Focus on Subregional Cooperation:

✓ Strengthen subregional trade and cooperation, reinforcing SAARC and BIMSTEC partnerships as complementary avenues for regional economic growth.

## > Strengthen India's Position:

✓ Enhance India's standing in regional and global economic forums to remain a strong and influential participant in regional trade agreements.

## **Prelims Specific**

#### Which countries are in RCEP?

Fifteen countries signed RCEP in 2020. These countries include the 10 members of the Association of Southeast Asian Nations (ASEAN):

- Brunei-Darussalam
- Cambodia
- Indonesia
- Laos
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Viet Nam

## Plus five regional countries with which ASEAN has free trade agreements:

- Australia
- China
- Japan
- South Korea
- New Zealand





## THE KAZIRANGA NATIONAL PARK

## SOURCE: THE HINDU

### WHY IN NEWS?

- The **Kaziranga National Park and Tiger Reserve has reopened**, and it commemorated the occasion with the inauguration of the **PD Stracey Library**.
- This **library** is dedicated to a British-era forest officer, Patrick D. Stracey, who played a significant role in renaming the Kaziranga Game Sanctuary as a wildlife sanctuary in 1950 and contributed to environmental conservation in the region.

#### **ABOUT KAZIRANGA NATIONAL PARK**

#### Location:

- ✓ Situated in the State of Assam, India.
- ✓ Covers an area of 42,996 hectares (ha).
- ✓ It's the largest undisturbed and representative area in the Brahmaputra Valley floodplain.

#### Legal Status:

- ✓ Designated as a National Park in 1974.
- ✓ Declared a **tiger** reserve since **2007**, encompassing a total area of 1,030 sq km with a core area of 430 sq. km.

#### International Status:

- Acknowledged as a UNESCO World Heritage
  Site in 1985.
- Recognized as an Important Bird Area by Bird Life International.



✓ Situated along the banks of the Brahmaputra River, providing a stunning natural setting.

#### Focus on 'Big Four' Species:

- Renowned for its emphasis on conserving the 'big four' wildlife species: Rhino, Elephant, Royal Bengal tiger, and Asiatic water buffalo.
- National Highway Passage:
  - ✓ The park is intersected by National Highway 37, allowing easy access and transportation.
- Diphlu River Presence:
  - ✓ The **Diphlu River flows through the park**, enhancing its ecological diversity and providing a water source for wildlife.

#### Varied Landscape:

✓ Distinguished by its landscape, which encompasses **tropical moist mixed deciduous forests**, **tropical semi-evergreen forests**, **tall grasses**, **open jungles**, **and short grasses**.

#### **PROTECTED SITES IN ASSAM**

NATIONAL PARK & TIGER RESERVES IN ASSAM





National Park	Location & Description	Notable Fauna/Flora
Dihing Patkai National Park	<ul> <li>✓ Foothills of Patkai Hills</li> <li>✓ Dihing River flows through it.</li> <li>✓ Also known as Jeypore Rainforest</li> <li>✓ Nearby Digboi Oil Refinery and Lido Coal Mines</li> </ul>	<ul> <li>✓ White Winged Wood Duck (EN)</li> <li>✓ Lowland rainforests in India</li> <li>✓ Assam Valley tropical wet evergreen forest (rainforest with distinct four layers)</li> <li>✓ Elephant, tiger, clouded leopard, and more</li> <li>✓ Oriental darter, hornbills, and more</li> </ul>
Dibru-Saikhowa National Park	<ul> <li>✓ Bounded by         Brahmaputra, Lohit,         and Dibru Rivers         ✓ Habitat: Wet         evergreen, semi-         evergreen, deciduous,         littoral, and swamp         forests     </li> </ul>	<ul> <li>✓ Feral horses, Bengal tiger, and more</li> <li>✓ Gangetic dolphin, Asian elephant, wild boar, and more</li> </ul>
Kaziranga Tiger Reserve, National Park	<ul><li>✓ Eastern Himalayan biodiversity hotspot</li><li>✓ Brahmaputra River flows through the park</li></ul>	<ul> <li>✓ One-Horned rhinoceros (VU), Royal Bengal Tiger, and more</li> <li>✓ Alluvial grasslands, savanna woodlands, and more</li> </ul>
Manas Biosphere Reserve, National Park, Tiger Reserve	<ul><li>✓ UNESCO Natural World Heritage site</li><li>✓ Located on the Himalayan Foothills</li></ul>	<ul> <li>✓ Hispid hare, Bengal florican, and more</li> <li>✓ Semi-evergreen forests, moist and dry deciduous forests, and more</li> </ul>
Nameri Tiger Reserve, National Park	<ul><li>✓ Foothills of Eastern Himalayas</li><li>✓ Kameng River along its southern boundary</li></ul>	<ul> <li>✓ Tiger, clouded leopard, white-winged wood duck, and more</li> <li>✓ Ajar, hollock, orchids, and more</li> </ul>
Rajiv Gandhi Orang National Park, Tiger Reserve	<ul><li>✓ On the bank of the Brahmaputra River</li><li>✓ Alluvial flood plains</li></ul>	<ul> <li>✓ Indian rhinoceros (VU), pygmy hog (EN), Gangetic dolphin (EN), and more</li> <li>✓ Rhesus macaque</li> </ul>
Raimona National Park	<ul><li>✓ Along the Himalayan foothills</li><li>✓ Bounded by rivers and the Indo-Bhutan border</li></ul>	<ul> <li>✓ Asian elephant, Bengal tiger, golden langur (EN), and more</li> <li>✓ Moist deciduous and semi-evergreen forest</li> <li>✓ White-bellied heron, Bengal florican, and more</li> </ul>

## **WILDLIFE SANCTUARIES IN ASSAM**

Wildlife Sanctuary	Location & Description	Major Fauna/Flora
Barak Bhuban Wildlife Sanctuary	Proposed in Assam's Barak Valley Between Barak River and Sonai River	Slow loris, macaques, langurs, gibbons
Barnadi Wildlife Sanctuary	On the Himalayan foothills bordering Bhutan	Hispid hare (EN), pygmy hog (EN)



Burachapari Wildlife Sanctuary	South bank of the Brahmaputra River	Bengal florican (CR)
Chakrasila Wildlife Sanctuary	North bank of the Brahmaputra River	Golden langur (EN)
- Sunction y	Protected habitat for golden langur after Manas National Park	
Deepor Beel Wildlife Sanctuary (Ramsar Site)	Permanent freshwater lake in a former Brahmaputra river channel	Varied wildlife and flora
Dihing Patkai Wildlife Sanctuary	On Assam-Arunachal border Recently upgraded to a National Park	Varied wildlife and flora
Garampani Wildlife Sanctuary	Adjacent to Nambor Wildlife Sanctuary	Hot water spring, waterfalls
Hollongapar Gibbon Wildlife Sanctuary	Home to hoolock gibbons (EN) and Bengal slow loris (VU)	Tea gardens
Lawkhowa Wildlife Sanctuary	Between Kaziranga National Park and Orang National Park	Indian rhinoceros (VU), Asiatic water buffaloes (EN)
Marat Longri Wildlife Sanctuary	Near Diphu, Karbi Anglong	Varied wildlife and flora
Nambor Wildlife Sanctuary	Periphery of the Mikir Hills (Karbi Anglong Plateau)	Varied wildlife and flora
Nambor-Doigrung Wildlife Sanctuary	Located in Golaghat district	Part of Kaziranga-Karbi Anglong Elephant Reserve (ER)
Pabitora Wildlife Sanctuary	About 30 km to the east of Guwahati	Rhinos, Translocation to Manas National Park
Pani-Dihing Wildlife Sanctuary (BS)	Northeast of Hollongapar Gibbon Wildlife Sanctuary	Varied wildlife and flora
Sonai Rupai Wildlife Sanctuary	West of Pakke Tiger Reserve (Arunachal Pradesh) and Nameri National Park (Assam)	Varied wildlife and flora
Amchang Wildlife Sanctuary	Near Guwahati, between Guwahati and Pobitora Wildlife Sanctuary	Varied wildlife and flora
Barail Wildlife Sanctuary	Located in the Barail Range of Assam	Varied wildlife and flora
East Karbi Anglong Wildlife Sanctuary	Near Diphu, East Karbi Anglong district	Varied wildlife and flora

