

DAILY CURRENT AFFAIRS

20th December, 2023

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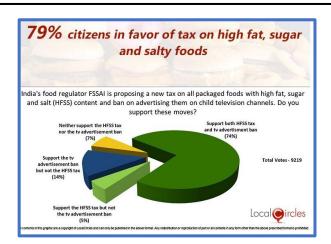
TATHASTU Institute of Civil Services

S.NO. TOPIC FOODS HIGH IN FAT, SUGAR AND SALT (HFSS) TAXES 1. 2. MARITIME SECURITY CONCERNS IN THE RED SEA 3. PRELIMS POINTERS FOODS HIGH IN FAT, SUGAR AND SALT (HFSS) TAXES SOURCE: THE HINDU WHY IN NEWS? The **urgent need for a high Fat Sugar Salt (HFSS) tax** in India has gained prominence due to the escalating health risks associated with the consumption of such foods. The rising prevalence of obesity, diabetes, and high blood pressure has become a major concern, contributing to a **significant portion of the Non-Communicable Diseases (NCDs) burden** in the country. As per the World Bank report of 2019, the global surge in overweight and obese individuals residing in Low- and Middle-Income Countries, dispels the misconception that this health issue is confined to highincome nations. In India, the shift in dietary habits towards ultra-processed foods, marked by a substantial growth rate, raises alarms about the potential health impact. **DEFINING HIGH FAT, SUGAR, AND SALT (HFSS) FOODS:** \geq **HFSS Foods:** The Ministry of Women and Child Development (MWCD) in India is taking crucial steps to address the triple burden of malnutrition, incorporating undernutrition, micronutrient deficiencies, and excess calorie intake leading to overweight and obesity. ✓ **High Fat, Sugar, and Salt (HFSS) foods c**ontribute significantly to the latter, especially in children. ✓ The working group, under the chairmanship of **Shri** HIGH SALT T. Longvah, Director In-Charge, National Institute of Nutrition (NIN), has outlined recommendations for defining Junk Foods and formulated guidelines to regulate their consumption. Definition: According to the working group, HFSS foods may be defined as "foods that contain low amounts of proteins, vitamins, phytochemicals, minerals, and dietary fiber but are rich in fat (saturated fatty acids), salt, and sugar and high in energy (calories)." The negative impact on health becomes significant if these foods are consumed regularly or in high amounts. **URGENT NEED FOR HIGH HFSS TAX:** Introduction: High Fat Sugar Salt (HFSS) foods pose significant health risks (obesity, diabetes, high blood) pressure). ✓ Global concern: 70% of overweight and obese people in Low- and Middle-Income Countries. ✓ Non-Communicable Diseases (NCDs) burden in India increased from 38% (1990) to 65% (2019). India's Dietary Shift: ✓ Ultra-processed food sector growth: 13.4% CAGR (2011-2021). 53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060 9560300770, 9560300554 enquiry@tathastuics.com www.tathastuics.com



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- ✓ Alarming surge in HFSS consumption.
- ✓ Snacks and soft drink sales tripled, exceeding \$30 billion in 2022.
- Impact on health, productivity, and economic growth.
- Global Trend of Fiscal Measures:
 - ✓ Global trend: Fiscal measures to combat obesity.
 - ✓ Taxation as an effective means to reduce HFSS consumption.
 - ✓ Sugar-sweetened beverages (SSBs) taxed in 60+ countries.



- ✓ HFSS food taxation less common but increasing globally.
- India's Context:
 - ✓ Kerala's 'fat tax' in 2016, later subsumed into Goods and Services Tax (GST).
 - ✓ Economic impact of overweight and obesity in India: Estimated \$23 billion (2017).
 - ✓ **Urgent interventions** needed to curb rising consumption.

BENEFITS OF HFSS TAX:

- Health Improvement:
 - ✓ Taxing HFSS foods can discourage their consumption, leading to a potential reduction in the prevalence of diet-related health issues such as obesity, diabetes, cardiovascular diseases, and other non-communicable diseases (NCDs).
- Encouraging Healthier Food Choices:
 - A tax on HFSS foods can incentivize both consumers and food manufacturers to shift towards healthier food options.
 - It may promote the production and consumption of foods that are lower in fat, sugar, and salt, contributing to an overall improvement in dietary habits.

Reduced Healthcare Costs:

- By reducing the consumption of HFSS foods, the government may experience a decrease in healthcare costs associated with treating diseases related to poor dietary habits.
- ✓ This can result in **long-term cost savings for the healthcare system**.
- Addressing Childhood Obesity:
 - ✓ Implementing a tax on HFSS foods can be particularly beneficial in addressing the rising issue of childhood obesity.
 - ✓ It can discourage the consumption of unhealthy snacks and beverages among children, promoting better long-term health outcomes.

KEY CONCERN AND CHALLENGES FOR IMPLEMENTATION OF HFSS FOODS TAX:

- Fiscal Tool, Not Just Revenue Generation:
 - ✓ HFSS taxation differs from traditional sin goods like tobacco and alcohol, as its primary purpose is not revenue generation.
 - ✓ Instead, it serves as a fiscal tool to incentivize the industry to reformulate products in favour of healthier alternatives.
 - ✓ It also encourages individuals to reorganize their food consumption patterns toward a healthier diet.
- > Non-regressive and Fiscally Neutral Design:
 - ✓ HFSS food taxes, if properly designed, can be non-regressive and fiscally neutral.

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- ✓ A study on South Africa's Health Promotion Levy demonstrated larger relative reductions in
 - **purchases among lower socio-economic status** households, making such taxes nonregressive.
- Differentiated Tax Rates Based on Nutritional Quality:
 - ✓ Tax rates should be differentiated based on the nutritional quality of the food.
 - For instance, a Goods and Services Tax (GST) system can place HFSS foods in the highest rate structure, while healthier alternatives have either zero or minimal tax rates.
 - This ensures that the overall tax burden on a household's food consumption basket remains constant.
- **71%** citizens want Government to provide subsidy on healthy and nutritious foods. (of value equivalent to HFSS tax realized) If the new tax on high fat, sugar and salty (HFSS) foods is introduced, should the Government also give an equivalent subsidy on healthy and nutritious foods?

- Creating a Level-playing Field:
 - ✓ The proposed tax structure aims to create a level-playing field between HFSS and healthier alternatives, making the latter more affordable and accessible.

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✓ This approach aligns with the goal of promoting healthier food choices in the population.

KEY RECOMMENDATIONS:

<u>Niti Aayog Explores Taxation to Co<mark>m</mark>bat Obesity <mark>(Source: Economics Times)</mark></u>

- Proposal for Taxation:
 - India, grappling with a surge in obesity, is considering impactful measures, including the taxation of foods high in sugar, fat, and salt.
 - This initiative is part of the comprehensive review outlined in the annual report of Niti Aayog for the year 2021-22.
- Global Trend and Effectiveness:
 - Taxation of foods with elevated levels of sugar, fat, and salt aligns with a global trend where fiscal measures have proven effective in reducing the consumption of unhealthy products.
 - This approach aims to deter the purchase of such items while promoting healthier dietary choices.
- Front-of-the-Pack Labelling:
 - ✓ Alongside taxation, the report suggests the implementation of front-of-the-pack labelling.

✓ This involves providing **clear and prominent**



- nutritional information on packaging to empower consumers to make healthier choices.
- ✓ Such labelling is seen as a **crucial tool for raising awareness**.
- Holistic Strategy:
 - ✓ Niti Aayog's approach involves a holistic review of available evidence, aiming to craft a wellinformed strategy.
 - ✓ The goal is to explore interventions that not only address the immediate concerns of obesity but also contribute to long-term public health improvement.

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The working group has proposed comprehensive guidelines to regulate the sale of HFSS foods in school canteens and their vicinity: (Report – MoWCD 2015)

Ban on Sale:

- ✓ A complete ban on the sale of all HFSS foods in school canteens.
- ✓ Private vendors and street vendors are also prohibited from selling HFSS foods during school timings (7 A.M to 4.00 P.M) within a vicinity of 200 meters.

\geq **Restrictions on Proprietary Foods:**

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- Shops and restaurants selling proprietary foods within a vicinity of 200 meters of a school are not permitted to sell these foods to school children in uniform.
- \geq **Color-Coded Categories for Non-Standardized Proprietary Foods:**
 - ✓ Non-standardized proprietary foods in school canteens can be categorized based on a color-coded concept:
 - ✓ Green Category (Green Flag):
 - Includes healthy options like vegetables, legumes, fruits, whole grain foods, lean meat, • eggs, fish, low-fat milk, soy drinks, and water. Always on the menu.
 - ✓ Yellow Category (Yellow Flag):
 - Includes carefully selected items like baked vegetable-based snacks, ice creams, milkbased ices, dairy desserts, etc.
 - Orange Category:
 - Not recommended on the canteen menu, comprising confectionery items, energy drinks, • carbonated and sweetened beverages, fried foods, chocolates, potato fries, etc.
 - Should not be sold in school canteens.
- \geq **Oil Usage Restrictions:**
 - The use of hydrogenated oils is entirely banned in school canteens, and the use of oils high in saturated fats should be limited.
 - Encouragement of blended oils and those high in monounsaturated fatty acid/polyunsaturated fatty acid oils like mustard oil, rice bran oil, soya bean oil, sunflower oil, etc.

WAY FORWARD:

- Aligning with Global Practices:
 - Many countries have successfully implemented taxes on HFSS foods as part of their public health strategies.
 - Implementing a similar tax in India aligns with global best practices and allows the country to learn from the experiences of others.
- \triangleright Niti Aayog's Annual Report on Tackling Rising Obesity:
 - India is contemplating crucial measures to address the growing obesity crisis, including the possibility of taxing foods high in sugar, fat, and salt.
 - According to the annual report of Niti Aayog, the government think-tank is meticulously reviewing available evidence to understand effective actions to combat the escalating rates of obesity in the population.
- \triangleright **Public Health Imperative:**
 - ✓ HFSS taxation as a public health imperative, **not just an economic** or **fiscal concern**.
 - ✓ Designed taxes as **deterrents, promoters of healthier choices**, and inducers of product reformulation.
 - Combining measures: Promotion of nutrition literacy, effective food labeling for a sustainable and equitable food system.

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MARITIME SECURITY CONCERNS IN THE RED SEA

SOURCE: INDIAN EXPRESS

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WHY IN NEWS?

- Prime Minister Narendra Modi and Israeli Prime Minister Benjamin Netanyahu discussed the escalating threats to maritime security in the Red Sea.
- Tensions in the Red Sea have escalated due to Houthi militants from Yemen attacking or seizing commercial ships, impacting major entities like AP Møller-Maersk and British Petroleum.
- > The situation is a **spillover from the Israel-Hamas conflict**.

RECENT TENSIONS IN THE RED SEA - OPERATION PROSPERITY GUARDIAN:

> Houthi Attacks:

- In the past four weeks, Houthi militants from Yemen have attacked or seized commercial ships in the Red Sea 12 times.
- Affected Companies:
 - Major companies, including AP Møller-Maersk and British Petroleum, have halted movements through the Red Sea due to the attacks.
- International Response:
 - U.S. Defence Secretary Lloyd Austin announced "Operation Prosperity Guardian," a multinational security initiative to address the Red Sea's security challenges.
- Reasons for Attacks:
 - ✓ The Houthis claim to be targeting vessels with links to Israel, protesting Israel's military offensive in Gaza.
 - The attacks are seen as a spillover from the Israel-Hamas conflict.
- > Hijacking Incident:
 - In a previous incident, Houthi militants hijacked the India-bound ship "Galaxy Leader" in November.
- Operation Prosperity Guardian Leadership:
 - ✓ The operation falls under the Combined Maritime Forces, led by Task Force 153, focusing on enhancing security in the Red Sea.

SIGNIFICANCE OF THE RED SEA: A GEOPOLITICAL AND ECONOMIC PERSPECTIVE:

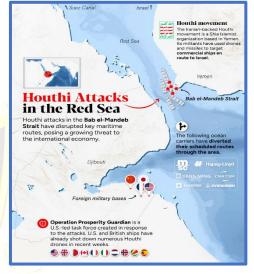
Geopolitical importance:

- ✓ It connects the Mediterranean Sea to the Indian Ocean via the strategically vital Suez Canal and Bab al-Mandab.
- ✓ Approximately 12% of global trade relies on the Suez Canal, making it vital for maritime traffic
- > Population and GDP Growth:
 - ✓ The region surrounding the Red Sea, encompassing northeastern Africa and the Arabian Peninsula, is poised for significant growth.
 - ✓ The population is projected to rise from 620 million to nearly 1.3 billion by the early 2050s, with GDP expected to increase from \$1.8 trillion to \$6.1 trillion.
- Underdeveloped African Coast:
 - Despite the potential for growth, the African coast of the Red Sea is largely underdeveloped, hindered by a lack of infrastructure and deepwater commercial ports.

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Rising Interest and Conflict:

- ✓ Growing awareness of the region's potential has led to increased political, economic, and military interest.
- However, this interest is accompanied by rising armed conflicts and political instability.
- Security Challenges:
 - ✓ Proxy activities and regional rivalries contribute to insecurity.
 - While piracy off the coast of Somalia has diminished, the war in Yemen, fueled by



Saudi-Iranian rivalry, has become a leading source of instability.

Houthi Threats:

- ✓ Houthi rebels in Yemen pose a significant threat to Red Sea shipping.
- ✓ They have employed various tactics, including rocket attacks, anti-ship missiles, mines, and naval drones, targeting both commercial and military vessels.

Gulf State Rivalries:

- Rivalries among Gulf states, particularly the Saudi-Qatar dispute, have extended to the Red Sea region.
- This has led to political interference, supporting different factions in countries like Sudan, Somalia, and Ethiopia.

IMPACT ON GLOBAL TRADE AND REGIONAL STABILITY:

- Oil Price Surge:
 - Oil prices experienced an increase due to concerns over challenges in global shipping and logistics.
 - The Atlantic Council highlighted potential journey delays of up to two weeks as a result of rerouting through Africa.
- Freight Forwarders and War Risk Surcharge:
 - Credit rating firm S&P noted that freight forwarders, integral to the transportation industry, are raising rates on shipments.
 - Containers bound for the Middle East are now subject to a war risk surcharge, reflecting heightened security concerns.



- Limited Impact on Crude and LNG Prices:
 - ✓ Goldman Sachs analysts suggested that the disruption is unlikely to significantly affect crude and liquefied natural gas (LNG) prices.
 - ✓ **Production itself is not being directly impacted**, according to the analysis.
- Market Assurance and Operation Prosperity Guardian:
 - ✓ Reports of countries working to mitigate the threat have provided some reassurance to the market.
 - ✓ The US-led Operation Prosperity Guardian involves joint patrols in the Red Sea, with increased military presence to offer umbrella protection.
- International Coalition Response:

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- ✓ The United Kingdom, Bahrain, Canada, France, Italy, Netherlands, Norway, Seychelles, and Spain have joined Operation Prosperity Guardian.
- Several other nations, though not publicly disclosed, have agreed to participate in the multinational security initiative.
- > Combined Maritime Forces and Task Force 153:
 - ✓ The Combined Maritime Forces, comprising 39 members, including India and the United States, is coordinating Operation Prosperity Guardian.
 - Task Force 153, established in April 2022, focuses on enhancing maritime security in the Red Sea, Bab el-Mandeb, and the Gulf of Aden.

CHALLENGES AND IMPACT ON INDIA:

Concerns for Indian Exporters:

- ✓ Ajay Sahai, Director General of the Federation of Indian Export Organisations (FIEO), expresses serious concern as the Bab-el-Mandeb Strait is a crucial route.
- ✓ If ships opt for the longer Cape of Good Hope route, it could lead to a significant cost increase, affecting Indian exporters.
- Impact on India's Economy and Security:
 - India's heavy reliance on the Bab-el-Mandeb Strait for crude oil, LNG imports, and trade underscores the potential impact on its economy and security.
 - Disruptions could lead to increased energy costs and longer shipping routes.
- Global Trade Implications:
 - Large shipping firms, including Maersk, Hapag-Lloyd, MSC, and CMA CGM, have already halted operations in the region, posing a global trade challenge.
 - Major shipments, such as basmati rice, face risks, impacting both India and global trade.
- Multinational Security Response:



- ✓ The US-led multinational force, comprising 10 countries, aims to protect trade in the Red Sea.
- ✓ While this initiative may alleviate risks, the situation's resolution remains uncertain.
- > Impact on India's Merchandise Exports:
 - ✓ The disruption comes at a time when India's merchandise exports have fallen back into negative territory in November, with concerns about sluggish global demand and the additional challenges posed by the Red Sea crisis.

WAY FORWARD:

Multinational Security Collaboration:

- ✓ Establish a collaborative multinational task force, building on the U.S. initiative, to enhance security in the Red Sea, with a focus on critical areas like the Bab al-Mandab Strait.
- Balanced Diplomatic Approaches:
 - ✓ Advocate for balanced diplomatic approaches, taking cues from Riyadh's call for restraint and ongoing negotiations with the Houthis.
 - ✓ Draw inspiration from successful **diplomatic detentes**, such as the Saudi-Iran dialogue facilitated by China.
- > Acknowledging Non-State Actors' Roles:

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- ✓ Acknowledge the growing military capabilities of non-state actors, particularly groups like the Houthis.
- ✓ Adapt strategies to factor in the **influence of these entities in shaping regional stability**.
- ✓ Strengthen India's naval presence in the Indian Ocean, strategically positioning itself to safeguard economic interests and secure maritime routes.
- ✓ Intensify patrols and foster collaboration with foreign fleets, drawing lessons from successful initiatives like Operation Sankalp.
- ✓ Leverage India's expertise in relief work to actively support global efforts in assisting populations affected by the Yemeni crisis.
- ✓ Contribute humanitarian aid to alleviate the **impact on affected communities**.



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TOPIC

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PRELIMS POINTERS:

Launch of Indian Forest and Wood Certification Scheme (IFWCS)

WHY IN NEWS?

DISCRIPTION

Amid rising international concerns on deforestation and illicit trade in timber, the government has launched its own "national" forest certification scheme to validate entities that adhere to sustainable practices in management of forests and its products.

BACKGROUND

- Global Concerns on Deforestation and Timber Trade:
 - International worries about deforestation and illicit timber trade.
 - Private foreign certification agencies operating in India faced integrity questions.

INDIAN FOREST AND WOOD CERTIFICATION SCHEME (IFWCS)

- Objective:
 - To validate entities adhering to sustainable forest management practices.
 - An alternative to private foreign certification agencies in India.



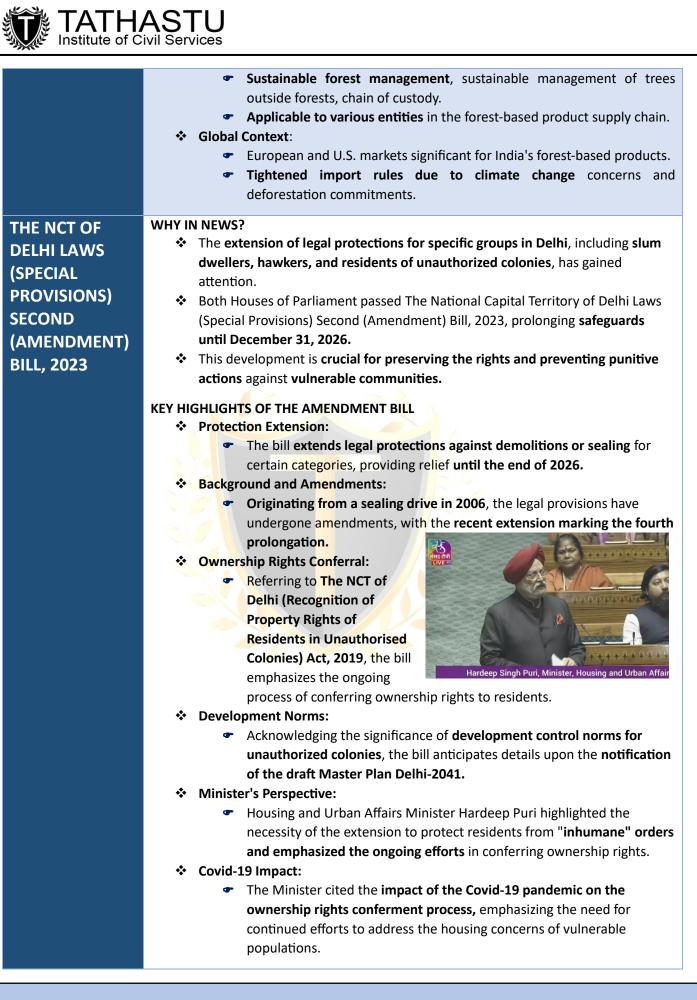
FEATURES AND FOCUS AREAS

- Certification Categories:
 - Sustainable Forest Management.
 - Sustainable Management of Trees Outside Forests (e.g., plantations).
 - Chain of Custody for traceability of forest products throughout the supply chain.
- Development of New Standards:
 - New standards for forest management developed.
 - Mandatory for all forest divisions in India.
- Indian Forest Management Standards:
 - Eight criteria, 69 indicators, and 254 verifiers.
 - Mandatory implementation for all forest divisions.
- Voluntary Certification:
 - Certification not mandatory for forest divisions.
 - Eligibility for certification depends on adherence to standards.
- Trust and Transparency:
 - Government-backed scheme aims to bring trust and transparency.
 - Enhances acceptability of Indian forest-based products in international markets.
- Potential Evolution:
 - Likely to evolve into an independent entity (similar to Bureau of Indian Standards or Quality Council of India).
- Certification Categories and Guidelines:

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BISAG(N)	WHY IN NEWS?	
	*	The Secretary of the Department for Promotion of Industry and Internal Trade
		(DPIIT), Sh. Rajesh Kumar Singh, inaugurated the Office-cum-Training Centre
		for Bhaskaracharya National Institute for Space Applications and Geo-
		informatics (BISAG-N) dedicated to PM GatiShakti.
		N1)
	BISAG(About:
	¥	 Bhaskaracharya Institute of Space Applications and Geoinformatics
		(BISAG) in Gujarat to Bhaskaracharya National Institute for Space
		Applications and Geo-informatics (BISAG(N)) under the Ministry of
		Electronics & Information Technology (MEITY), Government of India.
	*	Autonomous Status:
	·	 As an Autonomous Scientific Society under the Government of India,
		BISAG(N) will operate
		independently to ensure
		effective execution of its
		activities and projects.
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	RECENT SIGNIFICANCE AND OBJECTIVE	
	*	Enhanced Interaction:
		 The inauguration marks a
		milestone fostering
		increased interaction between BISAG-N and line Ministries, State/UTs,
		and relevant stakeholders.
	*	Technical Partner for PM GatiShakti:
		 BISAG-N plays a pivotal role as a technical partner to the Logistics
		Division for PM GatiShakti, focusing on the design, development,
		operationalization, maintenance, and upgradation of the GIS-based PM
		GatiShakti National Master Plan (NMP) platform.
	*	Office-cum-Training Centre Objectives:
		 Conducting workshops and training sessions for stakeholders to update
		real-time data on the PM GatiShakti portal.
		 Building capacities of PM GatiShakti cells in Ministries/Departments of
		the Government of India, States/UTs, space application centers, remote
		sensing agencies, and National and District Informatic Centre.
	•	 Showcasing PM GatiShakti use cases for visiting delegations.
	*	Resourceful Infrastructure:
		The newly inaugurated office is equipped with robust physical and disited IT infrastructure and bounces a gualified burger resource need
	*	digital IT infrastructure and houses a qualified human resource pool. Extended Arm:
	*	
		 Positioned as an extended arm to the headquarters in Gujarat, the Office cum Training Control will play a crucial role in supporting the
		Office-cum-Training Centre will play a crucial role in supporting the
		objectives of PM GatiShakti.

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