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Anti-Dumping and Countervailing Duties

Context: The Directorate General of Trade Remedies (DGTR), under the Ministry of Commerce and Industry, recommended on Friday the imposition of an anti-dumping duty on aluminum foil imports from China.

➤ Background on Countervailing Duty and Anti-Dumping

- **Dumping:** When a country sells goods to another country at prices lower than those in its own market, it's considered dumping. This can distort global trade.
- **Anti-Dumping Duty:** A customs duty on imports to prevent the dumping of goods at prices below their normal value.
- **Countervailing Duty (CVD):** A customs levy imposed on imports to counteract the effect of government subsidies in the exporting country.

➤ What is Dumping?

- **Benefits to Consumers:** Consumers in importing countries benefit from lower prices.
- **Impact on Local Markets:** Dumping can harm the local market, causing job losses and firm closures.
- **Regulation:** The WTO and EU regulate dumping, imposing duties and fees when there is sufficient proof of dumping.
- **Market Effects:** Dumping can also occur in the exporter's home market if the product is priced higher abroad.

➤ Types of Dumping

- **Sporadic Dumping:**
 - Occurs when businesses dump surplus unsold inventory to avoid price wars at home.
 - Excess supply can be destroyed or exported to foreign markets.
- **Predatory Dumping:**
 - Involves regular dumping in foreign markets at prices lower than in the domestic market.
 - Aims to monopolize the foreign market by removing competition.
- **Persistent Dumping:**
 - Continuous offering of products at lower prices in foreign markets compared to domestic markets.
 - Occurs when there is steady demand in foreign markets.
- **Reverse Dumping:**
 - Happens when the foreign market has less elastic demand, meaning price changes do not affect demand.
 - Allows firms to charge higher prices internationally while maintaining lower domestic prices.

➤ What is Countervailing Duty (CVD)?

- **Purpose:** Imposed to protect domestic manufacturers from the adverse effects of import subsidies.
- **Mechanism:** A tax levied by the importing country to neutralize the price advantage that foreign products gain from subsidies.
- **Effectiveness:** CVD nullifies the cost advantage of subsidized imports, protecting the local industry.

➤ What is Anti-Dumping Duty?

- **Protectionist Levy:** Imposed by domestic governments on foreign goods deemed underpriced.
- **Purpose:** To ensure fair trade rather than merely protecting domestic industries.
- **Impact:** Protects local enterprises from the negative effects of dumping, such as market undercutting.

➤ Role of Directorate General of Trade Remedies (DGTR)

- **Primary Authority:** DGTR is the national authority responsible for administering trade remedial measures like anti-dumping and countervailing duties.
- **Support for Local Industry:** Helps local industry and exporters deal with foreign trade remedy investigations.
- **Established:** The Directorate was formed in April 1998, headed by a Designated Authority supported by an adviser and eleven Investigating and Costing Officers.

➤ Objectives of Anti-Dumping Duty

- **Addressing Dumping:** Anti-dumping duty aims to counteract the trade-distorting effects of product dumping.
- **Long-term Impact:** These duties can limit international competition for domestic industries.
- **WTO Sanctioned:** Anti-dumping measures are allowed under WTO agreements as a tool for fair competition.

➤ Difference Between Countervailing Duty and Anti-Dumping Duty

- **Purpose:**
 - **Countervailing Duty:** Mitigates the harmful effects of import subsidies.
 - **Anti-Dumping Duty:** Protects against the dumping of goods at prices below their normal value.
- **Nature:**
 - **Countervailing Duty:** Applied to goods receiving government subsidies in the exporting country.
 - **Anti-Dumping Duty:** Levied on imports sold at prices much lower than their typical worth.

➤ WTO Provisions Related to Anti-Dumping Duty

- **Duration:** Anti-dumping duties last for five years unless terminated earlier.

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- **Sunset Review:** These duties can be extended for another five years through a sunset review to assess the program's need and effectiveness.
- **Review Trigger:** A sunset review can be initiated either on its own or in response to a request from the domestic industry.

India's Second Nuclear Submarine 'Arighaat'

Context: India's second nuclear submarine, the Arighaat, was commissioned into the Indian Navy in Visakhapatnam.

➤ INS Arighaat

- **Second Nuclear Submarine:** INS Arighaat is India's second nuclear submarine, weighing 6,000 tonnes.
- **Nuclear Triad:** Joins INS Arihant as a key component of India's nuclear triad, enabling nuclear missile launches from air, land, and sea.
- **Global Standing:** India is part of an elite group of countries with nuclear triad capabilities, alongside the U.S., Russia, China, and France.
- **Enhanced Capabilities:** Strengthens the Indian Navy's nuclear strike capacity, complementing land-based missiles like Agni 2, Agni 4, Agni 5, and nuclear-capable IAF aircraft such as Rafales, Su-30MKIs, and Mirage 2000s.

- **Missile Armament:** Armed with indigenously built K-15 missiles, which have a range of over 700 km.
- **Advanced Reactor:** Powered by 83 MW pressurized light-water nuclear reactors, allowing it to remain submerged and undetected much longer than conventional diesel-electric submarines.
- **Strategic Deterrent:** Under India's "No first-use" policy, Arighaat serves as a strong deterrent with its ability to survive a nuclear attack and launch a retaliatory strike.
- **Technological Advancement:** More advanced than INS Arihant, featuring indigenous systems and equipment conceptualized, designed, manufactured, and integrated by Indian scientists, industry, and naval personnel.

➤ Nuclear Submarine Overview

- **Power Source:** Nuclear submarines are powered by nuclear reactors, allowing for extended underwater operations without frequent surfacing.
- **Advantages:**
 - **No Air Dependency:** Nuclear propulsion removes the need for air, unlike conventional diesel-electric submarines.
 - **High Speed & Endurance:** Capable of sustained high-speed operation and virtually unlimited range, only limited by crew supplies.



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- **Limitations of Conventional Submarines:** Diesel-electric submarines are limited by battery life, restricting their underwater endurance.
- **Cost & Accessibility:** High cost restricts nuclear submarines to a few military powers.

➤ Power Generation

- **Nuclear vs. Conventional:**
 - Nuclear reactors power either electric motors or steam turbines, using highly enriched fuel for efficiency.
 - **Subsystems Powered:** The reactor also powers air quality, fresh water production, and temperature control.
 - **Backup Power:** Diesel generators provide emergency power and propulsion.
 - **Operational Endurance:** Nuclear submarines carry fuel for up to 30 years, with food supply being the primary limit on time submerged.
- **Challenges**
 - **Thermal Wake:** The reactor's cooling system creates a detectable "thermal wake," making the submarine observable by thermal imaging.
 - **Noise:** Continuous reactor operation produces noise, making nuclear submarines more detectable by sonar compared to quieter conventional submarines.

- Iran became a member in 2023.
- **Governing Body:** Headed by the Heads of State Council (HSC), which is the highest decision-making body and meets annually.

The Shanghai Cooperation Organisation



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Shanghai Cooperation Organisation

Context: India has yet to decide on Pakistan's invitation to the SCO meeting.

➤ Overview of the Shanghai Cooperation Organisation (SCO)

- **Geographical Reach and Economic Impact**
 - Encompasses about 60% of the Eurasian landmass and 40% of the global population.
 - The combined GDP of member states represents around 20% of the world's GDP.
- **Objectives:** Aims to foster cooperation in politics, security, economics, and culture.
- **Headquarters and Affiliated Organizations**
 - Permanent secretariat based in Beijing, China.
 - Includes organizations such as the SCO Regional Anti-Terrorist Structure (RATS) and the SCO Business Council.

➤ Historical Background

- **Origins:** Successor to the Shanghai Five, established in 1996 by China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan.
- **Formation of SCO:** Established on June 15, 2001, in Shanghai with the addition of Uzbekistan.
- **Expansion**
 - Membership grew to eight states, with India and Pakistan joining on June 9, 2017.

➤ Significance for India

- **Security Cooperation**
 - Addresses issues such as terrorism, separatism, and extremism.
 - Tackles regional issues like human trafficking and weapons trafficking through RATS.
 - Collaborates with organizations like the CSTO on security, crime, and drug trafficking.
 - Focuses on countering cyber warfare and harmful information dissemination.
- **Military Activities**
 - Encourages military cooperation, intelligence sharing, and counterterrorism efforts.
 - Conducts joint military exercises to enhance regional peace and stability.
 - Does not provide direct military support in conflicts but aims to maintain stability.
- **Economic Cooperation**
 - Promotes economic cooperation, joint energy projects, and resource use.
 - Supports projects through the SCO Interbank Consortium for food and energy security.
- **Cultural Cooperation**
 - Culture ministers meet regularly to bolster cultural exchange.
 - Organizes art festivals and exhibitions to promote cultural interactions among member states.

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➤ Ongoing Conflicts

- **India and China:** Disputes over border issues with unresolved tensions.
- **India and Pakistan:** Tensions due to state-sponsored terrorism and frequent ceasefire violations.
- **Kyrgyzstan and Tajikistan:** Border disputes affecting regional stability.
- **Afghanistan and Pakistan:** Instability in border areas with the Taliban leading to conflicts.

➤ Challenges Faced by SCO

- **Power Imbalance:** Dominance of China and Russia, leading to concerns about disproportionate influence.

- **Economic Integration:** Difficulties in achieving meaningful economic integration and equitable development.
- **External Influences:** Navigating competing external interests while maintaining unity and autonomy.
- **Democratic Principles and Human Rights:** Balancing member states' sovereignty with human rights promotion.
- **Divergent Interests:** Diverse political systems and priorities making consensus difficult.
- **Terrorism and Extremism:** Coordinating efforts against terrorism and extremism complicated by differing national security concerns.

NEWS IN BETWEEN THE LINES

Project NAMAN



Recently, The Indian Army launched the first phase of Project NAMAN, in presence of General Upendra Dwivedi, Chief of the Army Staff along with Mrs Sunita Dwivedi, President Army Wives Welfare Association (AWWA).

About the Project NAMAN:

- Project NAMAN is designed to **provide dedicated support and services to Defence pensioners, veterans, and their families.**
- It is centered around the implementation of the **SPARSH** (System for Pension Administration Raksha), a digital pension system for Defence Pensioners.
- This system **addresses the critical need** for accessible facilitation points for Veterans and **Next of Kin (NOK)** across the country.
- The project **aims to establish around 200 centres** nationwide over the next **2 to 3 years.**
- **14 Common Services Centres** were established in key locations, including **New Delhi, Jalandhar, Leh, Dehradun, Lucknow, Jodhpur, Bengdubi, Gorakhpur, Jhansi, Secunderabad, Saugor, Guntur, Ahmedabad and Bangalore.**
- Project NAMAN ensures that veterans and their families receive the necessary **care and support.**

Nutrition Tracker App



Union Minister of Women and Child Development Annapurna Devi, recently launched the pilot project of the face authentication feature in the Nutrition Tracker app in five states of the country at Mahatma Mandir in Gandhinagar yesterday on 30th of August.

About the Nutrition Tracker App:

- The Nutrition/Poshan Tracker App is a **part of the POSHAN Abhiyaan, or National Nutrition Mission**, which was **launched in March 2018** by the Prime Minister of India.
- Its aim is to **strengthen the Digital India vision** and provide better services to citizens.
- The app was launched in **March 2021** by the **Ministry of Women and Child Development (MoWCD)** to **replace the ICDS-CAS** (Common Application Software) system.
- The app **allows AWWs** (Anganwadi Workers) to register new beneficiaries, Update beneficiary profiles, Mark attendance and Provide services through digital cards.
- The Anganwadi workers are being **provided smartphones** procured through **Government e-Market (GeM)** for efficient service delivery.

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Pacific Asia Travel Association	Recently, the Nepal Tourism Board has received the Pacific Asia Travel Association (PATA) Gold Award in Sustainable Tourism for Livelihood Recovery Project (STLRP). About the Pacific Asia Travel Association: - The Pacific Asia Travel Association (PATA) is a not-for-profit organization that works to promote responsible development of travel and tourism in the Asia Pacific region. Founded in 1951, PATA is known for its work in the Asia Pacific region. - Membership - It is a membership association that includes state tourism boards, hotels, carriers, travel agents, tour operators and other travel-related companies. - Benefits for members - Its members can increase their organization's visibility as an industry thought leader on PATA's platforms. - The PATA India Chapter was established in 1974 and is regarded as one of the most dynamic chapters in the Asia Pacific region. - The Ministry of Tourism, Government of India is the main and largest PATA India member organization. - The PATA Travel Mart 2023 was inaugurated by the Ministry of Tourism in New Delhi on October 4, 2023. Kerala Tourism of India has won the PATA Gold Award 2024 in the Digital Marketing category.
Place in News Vadhvan Port	Recently, the Prime Minister of India laid the foundation stone of Vadhvan Port in the Palghar. About Vadhvan Port: - Vadhvan Port is located near Dahanu town in Palghar district of Maharashtra, along the Arabian Sea. - The port aims to establish a world-class maritime gateway, providing direct connectivity to international shipping routes, which will reduce transit times and costs. - The port will be operated by Vadhavan Port Project Limited (VPPL) in collaboration with the Jawaharlal Nehru Port Authority. - This Port will be one of India's largest deep-water ports, designed to accommodate large container vessels and ultra-large cargo ships. - This port initiative is part of the PM Gati Shakti program, which aims to enhance infrastructure and logistics efficiency across the country. 

POINTS TO PONDER

- What is the name of the first indigenously developed Pollution Control Vessel launched by the Indian Coast Guard (ICG) recently? – **Samudra Pratap**
- Recently, the World Gold Council (WGC) raised India's gold consumption projection for 2024 to how many tonnes? – **850 tonnes**
- Which Indian ministry recently launched the Retired Sportsperson Empowerment Training (RESET) Programme? – **Ministry of Youth Affairs & Sports**
- Recently, which ministry allowed ethanol producers to participate in the Open Market Sale Scheme (OMSS) of rice between August and October 2024? – **Ministry of Food and Public Distribution**
- Recently, which organization conducted a pan-India analysis of fluoride in groundwater? – **National Remote Sensing Centre (NRSC)**

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