

18 September, 2024

## Jute industry in India

**Context:** Jute production is set to drop by 20% due to floods damaging crops in West Bengal and Assam.

### ➤ Overview:

- Jute exports, projected at ₹3,500 crore this year, had annual potential of ₹4,500 crore.
- The Board is drafting Jute Technology Mission 2.0, exploring ethanol extraction and jute composites for diverse uses.



### ➤ About the Jute Industry

- **Global Status:** India is the world's leading jute goods producer, accounting for about 70% of global production.
- **Regional Importance:** The industry is a major economic activity in the eastern region, especially in West Bengal, which accounts for approximately 73% of production.
- **Local Consumption:** Around 90% of jute production is consumed domestically.
- **Employment:** Provides direct employment to approximately 370,000 workers in organized mills.
- **Export Potential:** The annual export potential of the industry is Rs 4,500 crore, up from Rs 3,000 crore in 2023-24.

### ➤ Opportunities

- **Employment Generation:** Significant employment in organized mills.
- **Export Growth:** Increasing export potential indicates growing opportunities in the global market.

### ➤ Challenges

- **Declining Area:** Area under jute cultivation has decreased by 170,000 hectares between 2013-14 and 2021-22.
- **Competition from Alternatives:** Availability of low-cost synthetic products impacts jute demand.
- **Quality Issues:** Over 80% of raw jute is of below-average or poor quality.
- **Lack of Modernization:** The industry faces issues with modernization and a shortage of skilled labor.
- **State Support:** Insufficient state-level initiatives for procuring jute products like geo-textiles.

### ➤ Measures Suggested (Standing Committee on Labour, Textiles, and Skill Development)

- **Comprehensive Policy:** Develop policies for establishing new mills.

- **Skill Development:** Address the shortage of skilled workers through targeted schemes.

### ➤ Production Decline

- **Expected Drop:** Jute production is anticipated to decline by 20% in FY 2024-25 due to natural calamities, particularly floods impacting jute crops in West Bengal and Assam.
- **Affected Regions:** West Bengal and Assam are major jute-producing states, contributing significantly to the industry.

### ➤ Initiatives Taken

- **National Jute Board (NJB):** Established under the National Jute Board Act, 2008, responsible for the development of jute cultivation, manufacturing, and marketing.
- **National Jute Development Programme:** An umbrella scheme aimed at industry development.
- **Production Linked Incentive (PLI):** A scheme to incentivize production.
- **Jute Corporation of India (JCI):** Established to support the jute sector.
- **Jute Packaging Materials Act, 1987:** Mandates the use of jute packaging materials for certain commodities.
- **Other Initiatives:** Includes Jute Mark Logo, Improved Cultivation, and Advanced Retting Exercise (Jute ICARE) Scheme.

## WMO Ozone and UV Report

**Context:** Recently, The World Meteorological Organization (WMO) has released the 2nd Edition of the WMO Ozone and UV Report

### ➤ Overview:

- Coincides with World Ozone Day (16 September).
- Highlights the Montreal Protocol's success in phasing out ozone-depleting substances (ODS).
- The WMO Global Atmosphere Watch (GAW) Program is essential for observing ozone levels and UV radiation.
- Meet every three years to assess global ozone monitoring needs.

### ➤ World Meteorological Organization (WMO) Bulletin

- **Release Date:** On World Ozone Day (16 September).
- **Theme:** Montreal Protocol: Advancing Climate Actions.
- **Recommendations:**
- Focus on five areas:
  - Research needs
  - Systematic observations
  - Coverage of controlled substances
  - Data archiving and stewardship
  - Capacity-building

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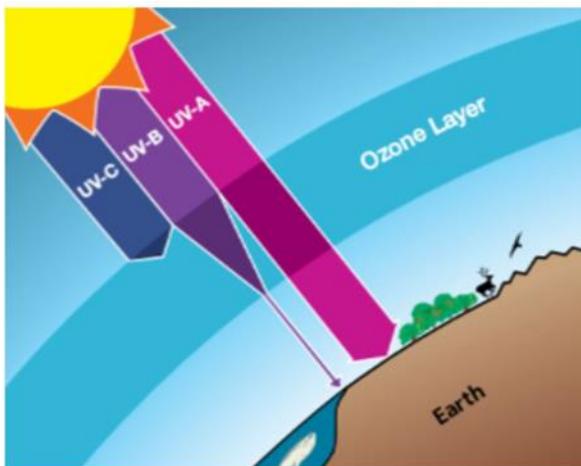
### Key Findings

#### ➤ Ozone Layer Recovery:

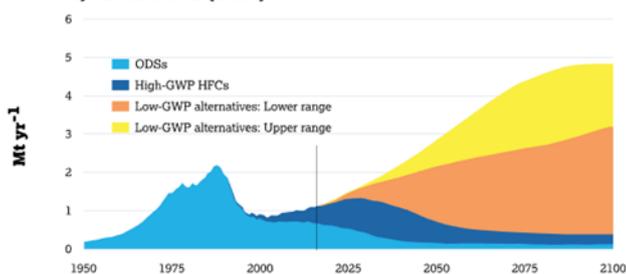
- Phaseout of some Ozone-depleting substances (ODS) also reduces greenhouse gasses, contributing positively to climate mitigation.
- Full recovery expected by:
  - 2066 over Antarctica
  - 2045 over the Arctic
  - 2040 for the rest of the world

#### ➤ 2023 Ozone Hole Characteristics:

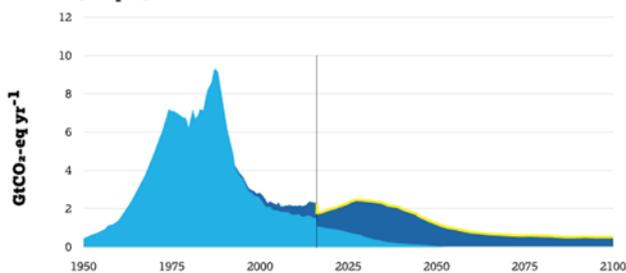
- Early onset in late August and persistence into December.
- Influenced by the 2022 Hunga Tonga-Hunga Ha'apai volcanic eruption, which increased stratospheric water vapor.



A) - EMISSIONS (mass)



B) CO<sub>2</sub>-eq EMISSIONS



- **Kigali Amendment Impact:** Could reduce global heating by 0.5°C by 2100.

#### ➤ About the Ozone Layer

- **Location:** 15 to 30 km in the stratosphere.
- **Formation:** Produced by UV light interacting with molecular oxygen (O<sub>2</sub>).
- **Depletion:** Caused by ODS like Chlorofluorocarbons (CFCs) and Halons.
- **Ozone Hole:** Primarily over Antarctica, exacerbated by stratospheric clouds.
- **Impacts:** Increases skin cancer risk, disrupts plant growth, and affects marine ecosystems.

#### ➤ Initiatives Taken

- **Global:**
  - **Vienna Convention (1985)** and **Montreal Protocol (1987):** Regulate ODS.
  - **Kigali Amendment (2016):** Phases down Hydrofluorocarbons (HFCs).
- **India:**
  - **Cooling Action Plan (2019):** Addresses cooling demand, refrigerants, and energy efficiency.
  - **Phased Out:** CFCs, Carbon Tetrachloride, Halons, Methyl Bromide, and Methyl Chloroform.

## Windfall Tax

**Context:** Recently, the government has abolished the windfall tax on domestically produced crude oil

#### ➤ Overview:

- The windfall tax, as Special Additional Excise Duty (SAED), is revised biweekly based on average oil prices.
- The SAED on the export of diesel, [petrol](#) and jet fuel or ATF, has been kept as 'nil'.
- A **windfall tax** is an extraordinary tax levied on companies or individuals that experience sudden and significant profits due to unforeseen circumstances, such as market fluctuations or regulatory changes.



#### ➤ Purpose

- **Redistribution of Wealth:** Aims to address economic disparities by taxing excessive profits, particularly in times of crisis.
- **Revenue Generation:** Provides governments with additional funds to support public welfare or infrastructure projects.
- Commonly applied to sectors benefiting disproportionately from specific events:
  - **Energy Sector:** Significant profits during spikes in oil or gas prices.

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- **Financial Sector:** Increased revenues during economic recovery phases.
- **Pharmaceuticals:** High profits from vaccine sales during health crises (e.g., COVID-19).

➤ **Key Features**

- **Tax Rate:** Typically higher than standard corporate tax rates to capture excess profits.
- **Profit Thresholds:** Defines what constitutes "excess" profits, ensuring only substantial gains are taxed.
- **Temporary Measure:** Often enacted in response to specific economic conditions, with a predetermined duration.

➤ **Arguments For Windfall Tax**

- **Equity and Fairness:** Promotes social equity by redistributing wealth from companies benefiting without additional investment.
- **Crisis Response:** Acts as a government tool to manage economic disparities during crises.
- **Public Funding:** Generates additional revenue for public services and infrastructure.

➤ **Arguments Against Windfall Tax**

- **Disincentive for Investment:** May deter companies from investing in growth due to fears of future taxation on profits.
- **Market Distortion:** Potentially leads to adverse market reactions and impacts overall economic stability.
- **Complex Implementation:** Difficulty in defining and assessing "windfall" profits can lead to legal and regulatory challenges.

➤ **Implementation Considerations**

- **Clear Definitions:** Establish guidelines on what qualifies as a windfall to ensure transparency.
- **Revenue Allocation:** Clearly communicate how collected taxes will be utilized, such as for social welfare or public health.
- **Stakeholder Consultation:** Engage with businesses and communities to assess the tax's impact and design.

## NEWS IN BETWEEN THE LINES

### Exercise AIKYA



A two-day national symposium entitled Exercise AIKYA will begin in Chennai today on 18th of September.

**About the Exercise AIKYA:**

- Exercise AIKYA is a **two-day national symposium** organized by the **National Disaster Management Authority (NDMA)** and the **Army Southern Command**.
- It aims to **enhance disaster preparedness** while fostering robust collaboration among key stakeholders.
- Key stakeholders participating in the exercise include representatives from the **Railways, Transport, Civil Aviation, Health, Environment** and **Climate Change departments**, along with both the State and National Disaster Management Authorities.
- The Indian Army will play a central role, with additional participation from officials of the **Indian Meteorological Department (IMD)**, National Remote Sensing Centres, **Central Water Commission** and the **Forest Survey of India**.
- The exercise will focus on contemporary disasters such as **tsunamis, landslides, floods, forest fires, and cyclones**, reviewing recent disasters and discussing prevention strategies.

### Dharmachakra Mudra



Recently, India's High Commissioner to Sri Lanka, Santosh Jha, gifted a Lord Buddha statue in Dharmachakra Mudra to Colombo's Dharmayatana Temple, with the ceremony coinciding with Binara Poya and the 160th Birth Anniversary of Srimath Anagarika Dharmapala.

**About Dharmachakra Mudra:**

- The Dharmachakra mudra is a **hand gesture in Buddhism** that symbolizes the **Wheel of Dharma** in Sanskrit.
- It signifies one of the most important events in Buddha's life, the **first sermon he delivered at Sarnath** after attaining Enlightenment.
- It's performed by **touching the tips of the thumb and index finger** of each hand to form a circle.
- The middle finger of the right hand represents the **'hearers' of Buddha's teachings**, the **ring finger symbolizes the 'solitary realizers'** and the **little finger signifies the Mahayana or 'Great Vehicle'**, while the **extended fingers of the left hand represent Buddhism's Three Jewels – the Buddha the Dharma, and the Sangha**.
- The hands in the Dharmachakra Mudra are **held in front of the heart**, symbolizing that Buddha's teachings come directly from his heart.
- This mudra is demonstrated by **Vairochana, the first Dhyani Buddha**.
- The Dharmachakra Mudra is thought to connect individuals to **universal energy** and the **cosmic order**.

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## International Monetary Fund



Recently, the International Monetary Fund (IMF) has postponed indefinitely its planned consultation mission with Russia because of technical issues.

### About the International Monetary Fund:

- The International Monetary Fund (IMF) is an **international organization** founded in **1944** at the **Bretton Woods Conference**.
- It currently consists of **190 member countries**.
- It **provides financial assistance to member countries** facing balance of payments problems, typically with conditions for economic reform.
- It played a crucial role in responding to various global economic crises, including the **1997 Asian financial crisis** and the **global economic crisis of 2008**.
- Its headquarter is in **Washington, D.C.**
- **India is a founding member** of the International Monetary Fund.

## OI Doinyo Lengai

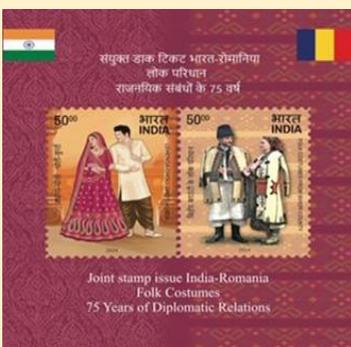


Recently, the scientists discovered a sudden bulging because of the flow of magma beneath the surface of the Earth in the OI Doinyo Lengai volcano and warned people against an impending eruption.

### About the OI Doinyo Lengai:

- The Mountain of God also known as OI Doinyo Lengai volcano, is situated in the north of **Tanzania**.
- The name of the volcano 'OI Doinyo Lengai' means '**Mountain of God**' in **Maasai**.
- It is the only volcano in the world that **erupts carbonatite lava** which is black or grey when molten and turns white upon cooling, making it unique in its composition.
- It contains **basalts rich in sodium and potassium**, and is so alkaline that its lavas resemble washing soda.
- The volcano has been active **throughout the 20th century**, erupting approximately every 20 to 40 years.
- The most recent major eruption **occurred in 2007**, spreading ash over a distance of more than 10 miles.
- The Maasai tribe considers OI Doinyo Lengai to be a **sacred site** and they pray to the volcano for **healing, fertility and relief from misfortunes**.
- Since March 2022, scientists have observed rapid swelling due to the flow of underground magma, which indicates that an eruption could be imminent.

## Place in News Romania



Recently, the External Affairs Minister Dr. S Jaishankar released the India-Romania joint commemorative stamps in Delhi.

### Romania (Capital: Bucharest)

**Location:** Romania is a country located at the crossroads of Central, Eastern and Southeast Europe.

**Boundaries:** Romania shares its borders with **Moldova** (East), **Hungary** (West), **Ukraine** (North), **Bulgaria** (South), the **Black Sea** (Southeast) and **Serbia** (Southwest).

### Physical Features:

- The highest point in Romania is **Moldoveanu Peak**.
- Romania's major rivers include the **Danube, Mureş, Olt, Prut, Siret and Someş**.
- Romania has a **temperate-continental climate**.
- Romania is rich in minerals such as **natural gas, oil, iron ore and salt**.

### Membership:

Romania is a member of several international organizations, including **European Union (EU)** (joined in 2007), **North Atlantic Treaty Organization (NATO)** (joined in 2004), **United Nations (UN)**, **World Trade Organization (WTO)**, **International Monetary Fund (IMF)** and **World Bank**.



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# DAILY pre PARE

Current affairs summary for prelims

**18 September, 2024**

## POINTS TO PONDER

- In which state is the Palamu Tiger Reserve located? – **Jharkhand**
- When was the Carbon Credit Trading Scheme (CCTS) launched? – **2023**
- Where was the Global Bio-India 2024 event held? – **New Delhi**
- Where will the Meeting of the COP9 Bureau be held? – **New Delhi**
- Where was the 79th session of the United Nations General Assembly (UNGA) held? – **New York**

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