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23

11

21

Notes

SL. NO.	TOPICS	THE HINDU PAGE NO.
1	India – US Economic relations	08
2	Reforming fertilizer sector	07
3	Joint parliamentary committee on personal data protection bill	06,09

1. UPSC Current Affairs: India – US Economic relations relation | Page – 08

UPSC Syllabus: GS Paper II – International relations

Sub Theme: Potential, issues and way forward | UPSC

- Bilateral trade in goods and services—estimated at just \$16 billion in 1999 and \$59.5 billion in 2009—topped \$146 billion in 2019.
- The U.S. is India's largest trading partner, goods and services combined. Bilateral trade in goods and services grew by more than 10% per annum over the past two years to reach US\$ 142 billion in 2018

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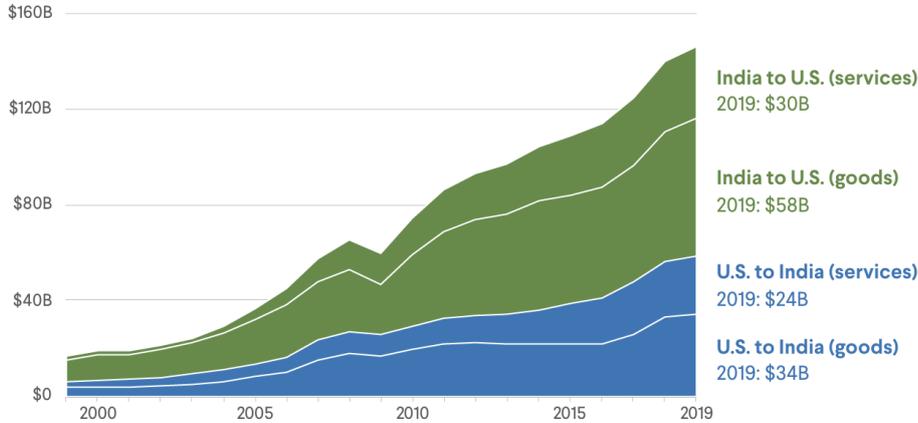
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- In 2019, India was the ninth-largest trading partner of the United States, while the United States was India's largest trading partner—surpassing China's rank for the second consecutive year.

The Growth of U.S.-India Trade



Potential

- The level of goods traded between the United States and Korea is nearly 1.5 times larger than between the United States and India— despite the fact that Korea's GDP is roughly 40 percent smaller than India's.
- Vietnam's trade with the United States is 84 percent that of India's, even though India's GDP is 10 times larger than that of Vietnam
- China's trade with the United States is six times larger than.

Issues

Tariffs

- US imposed tariffs on steel and aluminium imports from India.
- India drew up a list of retaliatory tariffs and filed it with the World Trade Organization (WTO), but held off on applying them.

Generalized System of Preferences (GSP)

- US removed India from the GSP program.
- India imposed retaliatory tariffs, after which the United States filed a dispute at the WTO. These retaliatory tariffs remain in place.
- In 2018, India was the largest beneficiary of GSP; over one-tenth (\$6.3 billion) of U.S. goods imports from India entered duty-free under the program (e.g., chemicals, auto parts, and tableware).

Intellectual property rights

- US concerns include piracy of software, film, and music and weak patent protections.
- India amended the Patents act to recognize **product rather than process patents**.
- **US has raised concerns about** insufficient patent protections, restrictive standards for patents, and threats of compulsory licensing.

Investments

- India restricts FDI in certain sectors for which beyond a limit the FDI investors have to take the government route.
- This has been opposed by US.

Medical Devices

- U.S. Trade Representative (USTR) expressed concern for years about customs duties on medical equipment and devices.
- Issues increased when Indian government applied new price controls on coronary stents and knee implants.

Digital Economy

- Issues exist regarding data localization, data privacy, and e-commerce.

- E-commerce rules of India
- Data Protection bill

Visas in Trade services

- United States, H1B and L1 visas permit highly skilled workers from other countries to be employed, with an annual limit of sixty-five thousand regular applications and another twenty thousand for those who have earned an advanced degree in the United States.
- The Indian government continues to object to U.S. laws passed in 2010 and 2015 that apply higher fees on companies with more than fifty employees if more than half of those employees are in the United States as non-immigrants.
- In 2016, India filed a trade dispute at the WTO over these visa fees, arguing that the higher fees “raised the overall barriers for service suppliers from India.”

Way Forward

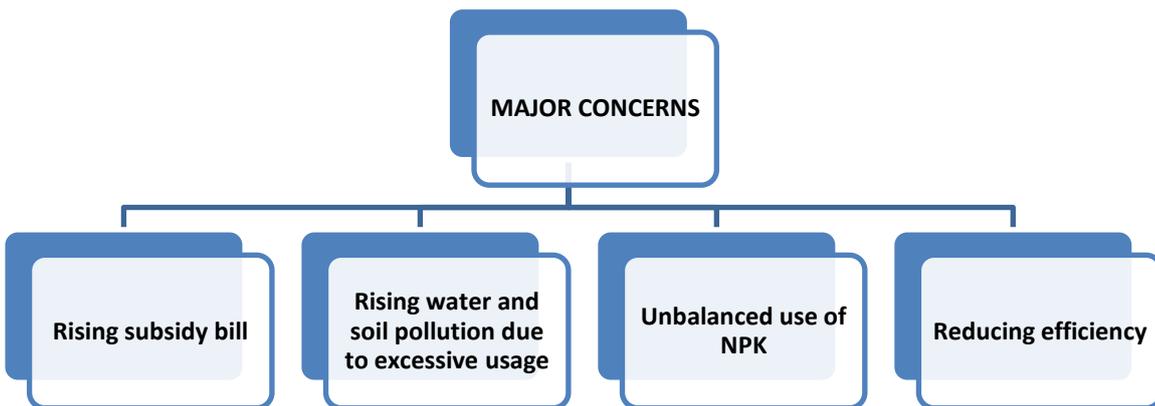
- Both are emerging as strategic partners and as such there is a need for convergence on all issues concerning both the countries. Trade forms a foundation of such strategic partnership.
- Reinstatement of the GSP - It would benefit the India exports. India can act as an alternative for Chinese goods in the US markets.
- Delinking Issues - US reportedly considered capping the issuance of H1B visas to about 15 percent for any country that “does data localisation. This goes against the spirit of having an overall improvement in trade between the two.
- Similar to the 2+2 dialogue, there is a need for institutionalisation of the economic dialogue between USTR and MOCI.
- India needs to boost manufacturing sector and make exports more competitive a for becoming a major trade partner of USA replacing China.
- Both nations must actively work towards de-escalating trade tensions.

2. UPSC Current Affairs: Reforming the fertilizer sector| Page 07

UPSC Syllabus: GS Paper III – Economy

Sub Theme: Major concerns, impacts and solutions | UPSC

REFORMING THE FERTILIZER SECTOR

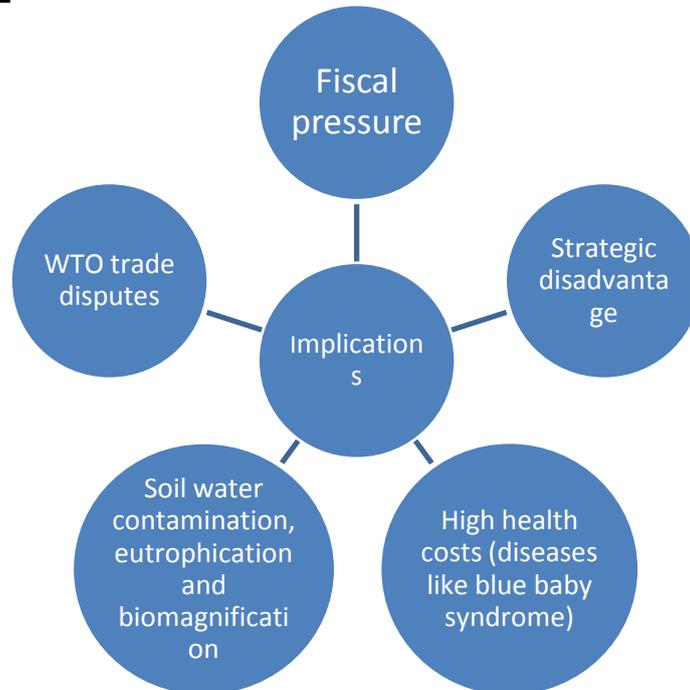


UNDERLYING CAUSES:

- (1) **Government policies-** Subsidised prices and lower prices of Urea (Nitrogen) compared to others. Fertilizer subsidy has doubled in a short period of three years. For 202122, the Union Budget has estimated fertilizer subsidy at ₹ • 79,530 crore (from ₹ • 66,468 crore in 2017-18) but it is likely to reach a much higher level due to the recent upsurge in the prices of energy, the international prices of urea and other fertilizers.
- (2) **Nutrient based subsidy** takes only P and K in its ambit and leaves N out of it.
- (3) **High dependence on imports-** The total demand for urea in the country is about 3435 million tonnes (mln t) whereas the domestic production is about 25 mln t

- (4) **Fluctuating prices**- The international prices of fertilizers are volatile and almost directly proportional to energy prices. Besides, cartels of major global producers have a strong influence on prices. Of late, there has been a surge in international prices with urea prices rising to a record level of over \$900 per metric tonne (mt) in November 2021 from nearly \$270 per mt in September 2020
- (5) **Lack of farmer awareness**- Farmers in order to increase their short term productions adopt irrational practices and are unaware about the larger social and environmental issues.

IMPLICATIONS-



WHAT SHOULD WE DO?

- We need to be self reliant and not depend on import of fertilizers. In this direction, five urea plants at Gorakhpur, Sindri, Barauni, Talcher and Ramagundam are being revived in the public sector.
- We need to extend the NBS model to urea and allow for price rationalisation of urea compared to non - nitrogenous fertilizers and prices of crops.
- We can go for full fledged DBT model (presently we follow partial DBT where govt provides subsidy to the manufacturers directly when the fertiliser is delivered to the farmer, and the latter's identity viz. Aadhaar is captured on the point of sale (PoS) machine at the dealer's shop.
- We need to develop alternative sources of nutrition for plants by promoting organic and bio fertilizers.
- India should pay attention to improving fertilizer efficiency through need based use rather than broadcasting fertilizer in the field. The recently developed Nano urea by IFFCO shows promising results in reducing the usage of urea.

3. UPSC Current Affairs: Joint parliamentary committee on personal data protection bill | Page 06,09

UPSC Syllabus: GS Paper II – Governance

Sub Theme: JPC highlights, applicability of data protection | UPSC

What does this news highlight?

- Members of Joint Parliamentary Committee (mainly from the opposition) have filed their dissent note on some of the controversial clauses of Personal Data Protection Bill (PDP), 2019. The editorial further mentions about

certain deviations of the 2019 Bill from the Draft version of the Bill as recommended by Justice Srikrishna Committee.

- Earlier, the Unique Identification Authority of India (UIDAI) has asked for exemption from the Personal Data Protection (PDP) Law. In an interaction with the Joint Parliamentary Committee on Data Protection Bill 2019, UIDAI functionaries said the authority is already being governed by the Aadhaar Act and there cannot be duplicity of laws.
- The Personal Data Protection (PDP) Bill 2019 has a contentious clause 35, which invokes “sovereignty and integrity of India,” “public order”, “friendly relations with foreign states” and “security of the state” to give powers to the Central government to suspend all or any of the provisions of this Act for government agencies.

Controversial Clause	Concerns Highlighted by Members
<p>Clause 35 of PDP 2019 – as it exempts agencies of Union Government from the application of the law for processing of personal data on grounds of “public order”, “sovereignty”, “friendly relations with foreign states” and “security of the state”. However, such exemption must be in writing for the purpose of official records.</p> <p>Recently UIDAI has asked for exemption or indemnity from PDP Bill 2019 under clause 35.</p> <p><i>35. Where the Central Government is satisfied that it is necessary or expedient</i></p> <p><i>(i) in the interest of sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order; or</i></p> <p><i>(ii) for preventing incitement to the commission of any cognizable offence relating to sovereignty and integrity of India, the security of the State, friendly relations with foreign States, <u>public order</u></i></p> <p><i>it may, by order, <u>for reasons to be recorded in writing</u>, direct that <u>all or any of the provisions of this Act shall not apply to any agency of the Government in respect of processing of such personal data, as may be specified in the order subject to such procedure, safeguards and oversight mechanism to be followed by the agency, as may be prescribed.</u></i></p>	<p>Six of the 30 members of the committee have filed dissent notes against the exemption clause provided to government agencies under Clause 35 of PDP Bill 2019.</p> <p>Remove Public Order - Members had argued to remove “public order” as a ground for exemption as it can be easily misused.</p> <p>Fair & Reasonable Processing Standards - Government must always comply with the requirement of <u>fair and reasonable processing</u> and implement the necessary safeguards.</p> <p>Exemptions Granted to be Placed in both Houses of Parliament.</p> <p>Bill creates two Parallel Universes - one for the private sector where it would apply with full rigour and one for the Government providing exemption, carve outs and escape clauses.</p> <p>Against Fundamental Rights – One of the member said that any Bill that seeks to provide blanket exemptions either in perpetuity or even for a limited period to the ‘state’ and its instrumentalities, is ultra vires of the Fundamental Right to privacy as laid down by the nine-judge Bench of the Supreme Court of India in Puttaswamy (2017) judgment.</p> <p>No Adequate Safeguards - the Bill did not provide adequate safeguards to protect the right to privacy and gave an overboard exemption to the Government. Clause 35 was open to misuse since it gave unqualified powers to the Government.</p> <p>Orders in Writing & Partial Exemption - There should be an order in writing with reasons for exempting certain agency from the ambit of the PDP Bill. Whereas other members had asked that only partial exemption should be given to the agency if needed.</p>

Most of the concerns of the members filed as dissent note were not accepted by the Joint Parliamentary Committee.

- **No Easy Choices** - There is a need to balance the concerns regarding national security, liberty and privacy of an individual as there are no easy choices for any country.
- **Regulating Social Media Platforms** - The committee pitched for stricter regulations for social media platforms. It recommended that all social media platforms, which did not act as intermediaries, should be treated as publishers and be held accountable for the content they host and should be held responsible for the content from unverified accounts on their platforms.
- **Office in India** - No social media platform should be allowed to operate unless the parent company handling the technology sets up an office in India.
- **Creating Statutory Media Authority** - A statutory media regulatory authority, on the lines of the Press Council of India, may be set up for the regulation of the contents on all such platforms irrespective of the platform where their content is published.

The Personal Data Protection Bill, 2019 was introduced in Lok Sabha by the Minister of Electronics and Information Technology, Mr. Ravi Shankar Prasad, on December 11, 2019. The Bill seeks to provide for protection of personal data of individuals, and establishes a Data Protection Authority for the same.

- **Applicability:** The Bill governs the processing of personal data by: (i) government, (ii) companies incorporated in India, and (iii) foreign companies dealing with personal data of individuals in India. Personal data is data which pertains to characteristics, traits or attributes of identity, which can be used to identify an individual. The Bill categorises certain personal data as sensitive personal data. This includes financial data, biometric data, caste, religious or political beliefs, or any other category of data specified by the government, in consultation with the Authority and the concerned sectoral regulator.
- **Obligations of data fiduciary:** A data fiduciary is an entity or individual who decides the means and purpose of processing personal data. Such processing will be subject to certain purpose, collection and storage limitations. For instance, personal data can be processed only for specific, clear and lawful purpose. Additionally, all data fiduciaries must undertake certain transparency and accountability measures such as: (i) implementing security safeguards (such as data encryption and preventing misuse of data), and (ii) instituting grievance redressal mechanisms to address complaints of individuals. They must also institute mechanisms for age verification and parental consent when processing sensitive personal data of children.
- **Rights of the individual:** The Bill sets out certain rights of the individual (or data principal). These include the right to: (i) obtain confirmation from the fiduciary on whether their personal data has been processed, (ii) seek correction of inaccurate, incomplete, or out-of-date personal data, (iii) have personal data transferred to any other data fiduciary in certain circumstances, and (iv) restrict continuing disclosure of their personal data by a fiduciary, if it is no longer necessary or consent is withdrawn.
- **Grounds for processing personal data:** The Bill allows processing of data by fiduciaries only if consent is provided by the individual. However, in certain circumstances, personal data can be processed without consent. These include: (i) if required by the State for providing benefits to the individual, (ii) legal proceedings, (iii) to respond to a medical emergency.
- **Social media intermediaries:** The Bill defines these to include intermediaries which enable online interaction between users and allow for sharing of information. All such intermediaries which have users above a notified threshold, and whose actions can impact electoral democracy or public order, have certain obligations, which include providing a voluntary user verification mechanism for users in India.
- **Data Protection Authority:** The Bill sets up a Data Protection Authority which may: (i) take steps to protect interests of individuals, (ii) prevent misuse of personal data, and (iii) ensure compliance with the Bill. It will consist of a chairperson and six members, with at least 10 years' expertise in the field of data protection and information technology. Orders of the Authority can be appealed to an Appellate Tribunal. Appeals from the Tribunal will go to the Supreme Court.
- **Transfer of data outside India:** Sensitive personal data may be transferred outside India for processing if explicitly consented to by the individual, and subject to certain additional conditions. However, such sensitive personal data should continue to be stored in India. Certain personal data notified as critical personal data by the government can only be processed in India.
- **Exemptions:** The central government can exempt any of its agencies from the provisions of the Act: (i) in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and (ii) for preventing incitement to commission of any cognisable offence (i.e. arrest without warrant) relating to the above matters. Processing of personal data is also exempted from provisions of the Bill for certain other purposes such as: (i) prevention, investigation, or prosecution of any offence, or (ii) personal, domestic, or (iii) journalistic purposes. However, such processing must be for a specific, clear and lawful purpose, with certain security safeguards.



- **Offences:** Offences under the Bill include: (i) processing or transferring personal data in violation of the Bill, punishable with a fine of Rs 15 crore or 4% of the annual turnover of the fiduciary, whichever is higher, and (ii) failure to conduct a data audit, punishable with a fine of five crore rupees or 2% of the annual turnover of the fiduciary, whichever is higher. Re-identification and processing of de-identified personal data without consent is punishable with imprisonment of up to three years, or fine, or both.
- **Sharing of non-personal data with government:** The central government may direct data fiduciaries to provide it with any: (i) non-personal data and (ii) anonymised personal data (where it is not possible to identify data principal) for better targeting of services.
- **Amendments to other laws:** The Bill amends the Information Technology Act, 2000 to delete the provisions related to compensation payable by companies for failure to protect personal data.