

Prelim Bits 01-08-2018

Chromium

\n\n

\n

- According to the survey by Central Groundwater Board, groundwater in 5 districts of Tamil Nadu are contaminated by chromium (>0.05 mg/ltr) which is above Bureau of Indian Standards limits.

\n

- Chromium is a naturally occurring heavy metal that is commonly used in industrial processes and can cause severe health effects in humans.

\n

- It can exist in air, water, soil, and food, and common exposure pathways include ingestion, inhalation, or dermal contact.

\n

- It is commonly found in two forms - trivalent chromium (Cr III) and hexavalent chromium (Cr VI).

\n

- Cr III is the most stable form of the element and occurs naturally in animals, plants, rocks, and soils and non-toxic.

\n

- Cr VI rarely occurs in nature and is usually the product of anthropogenic activities and it is neurotoxic, genotoxic and a carcinogen.

\n

- Chromium is used in the manufacture of alloys, inhibitory paints, wood preservatives, fixatives for dyes and tanning, photographic sensitizers and as anticorrosive in cooking systems and boilers.

\n

- The industries with the largest contribution include leather tanning operations, metal processing, stainless steel welding, chromate production, and chrome pigment production.

\n

\n\n

STA-1 Status to India

\n\n

\n

- U.S has recently placed India in Strategic Trade Authorization-1 (STA-1) license exception list.
\n
- This exception from the export control regime will allow the US to export sensitive technology to India without individual licences.
\n
- It is a privilege hitherto reserved only for 36 countries, mostly NATO members or key allies like Japan and South Korea.
\n
- India is the only **South Asian country** to be on the list.
\n
- It provides India with greater supply chain conditions for defence and other high-tech products.
\n
- It is being seen as a reaffirmation of US support for India's NSG membership bid.
\n
- Till recently India was designated as STA-2 countries along with Israel and 6 other countries.
\n

\n\n

Local Incorporation of Foreign Banks

\n\n

- Mauritius-based SBM Group, a foreign bank, has received RBI's approval to operate in the country through a wholly-owned subsidiary route.
\n
- It is the first foreign lender to receive such a licence after local incorporation was introduced in 2013.
\n
- At present, many of the foreign banks are operating in the country through opening branches in India.
\n
- In 2013, RBI has introduced the local incorporation model which allows foreign banks to operate as a wholly owned subsidiary (WOS) in India.
\n
- It would involve local incorporation, a local board of directors, and a ring-fenced capital and assets profile that would not be affected by the impact of global events on its parent.
\n
- It is to encourage foreign banks to move to this model following the global financial crisis of 2008.

\n

- It will help in scaling up supply-chain finance, transaction banking and cash management operations.

\n

- In SBM group case, at present, it operates through 4 branches in Mumbai, Chennai, Hyderabad and Ramachandrapuram (A.P).

\n

- After the approval, the bank will soon operate as a banking subsidiary of SBM Group in India under the name of SBM Bank (India) Ltd.

\n

\n\n

Safeguard Duty

\n\n

\n

- The Indian government has recently announced the imposition of safeguards duty of 25% on imported solar cells and modules for 2 years.

\n

- It would specifically impact the solar panels coming from China and more than 85 per cent of India's solar capacity is built on Chinese panels.

\n

- Safeguard duties are applied when,\n

\n

1. There is a surge in imports of a particular product irrespective of a particular country and,

\n

2. It causes serious injury to the domestic industry.

\n

\n

\n

\n\n

\n

- Safeguard measures are applied to all imports of the product in question irrespective of the countries in which it originates or from which it is exported.

\n

- This aspect distinguishes Safeguards from antidumping measures which are always country specific.

\n

- Safeguards are applied in the form of either safeguard duty or in the form of safeguard QRs (import licenses).

\n

- These measures are administered in India by an authority called Director

General of Trade Remedies (DGTR) under the Ministry of Commerce and Industry.

\n

- Earlier, it was administered by Director General of Safeguards (DGS) under Ministry of Finance. But its function was shifted to DGTR earlier this year.

\n

\n\n

Anti-Dumping duty

\n\n

\n

- Dumping is said to occur when the goods are exported by a country to another country at a price lower than its normal value.

\n

- This is an unfair trade practice which can have a distortive effect on international trade.

\n

- Anti dumping is a measure to rectify the situation arising out of the dumping of goods and its trade distortive effect.

\n

- Thus, the purpose of anti dumping duty is to rectify the trade distortive effect of dumping and re-establish fair trade.

\n

- The use of anti dumping measure as an instrument of fair competition is permitted by the WTO.

\n

- In fact, anti dumping is an instrument for ensuring fair trade and is not a measure of protection per se for the domestic industry.

\n

\n\n

Smerch MBRL - Multiple Barrel Rocket Launchers

\n\n

\n

- Smerch is designed to defeat soft and hard-skinned targets, artillery and missile systems.

\n

- It features an automatic rocket preparing and launching system and range of up to 90km.

\n

- It was developed by Russia in the early 1980s and entered service with the Russian Army in 1988.

\n

- In December 2005, India placed an order for an initial 38 systems and deliveries began in May 2007.

\n

- A tender for mobility vehicles to carry this Smerch system and missiles developed by DRDO, was opened by the Indian government earlier in 2015.

\n

- For the first time, an Indian vehicle manufacturer (Ashok Leyland) has acquired the tender and it will deliver heavy duty, high mobility vehicles for the above stated purpose.

\n

\n\n

\n\n

Source: The Hindu, BusinessLine

\n\n

\n\n

\n\n

\n\n

\n

