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*C – Chennai; B – Bengaluru; D – Delhi; H-Hyderabad; T – Thiruvananthapuram
Farmers hit by sharp decline in pepper prices
Cheaper imports from Vietnam via Sri Lanka, duty-free, blamed for distress

E.M. MANOJ KALPETTA
A drastic fall in the price of black pepper and low production owing to climate vagaries are the major concerns of farmers in Kerala and Karnataka, the two major pepper producing States in the country.

Black pepper prices have crashed from ₹760 a kg in 2017 to ₹490 a kg and then to ₹290 a kg.

The spot price of pepper in Kerala’s Wayanad and Karnataka’s Coorg markets on Wednesday was ₹285 a kg as against ₹390 a kg during the corresponding period last year.

“The influx of imported pepper from Vietnam via Sri Lanka was the major reason for the fall in prices in the Indian market,” M.C. Abdu of structure under the ASEAN (Association of South-East Nations) trade agreement, SAFTA (South Asian Free Trade Area) and ISFTA (Indo-Sri Lanka Free Trade Agreement)

Black pepper prices have crashed from ₹760 a kg in 2017 to ₹490 a kg and then to ₹290 a kg. *K.K. MUSTAFI*
Black Pepper - King of Spices

* Native - dense evergreen forests of Western Ghats

* Important Producing Countries
  - India,
  - Brazil,
  - Indonesia,
  - Sri Lanka, etc
  - Malaysia,

* International Pepper Community (1972)
  - International Organization for Pepper producing countries

* Distribution:
  - Mainly in Kerala, Karnataka & Tamil Nadu

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<tr>
<th>States</th>
<th>% of Area of Cultivation</th>
<th>% of Total Production</th>
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<tr>
<td>Kerala</td>
<td>63</td>
<td>34.3</td>
</tr>
<tr>
<td>Karnataka</td>
<td>27</td>
<td>54.6</td>
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* Agroclimatic Conditions
  - Tropical Climate + 28°C
  - Rainfall 125 - 250 cm +
    High humidity (75 - 90 %)
Drastic fall in price:
- **Reasons:**
  - Domestic → Low Production,
    → Diseases &
    → Climate Vagaries
  - International
    * Cheaper import from Vietnam via Sri Lanka
    * Provision of two FTAs misused by third countries - Vietnam (member of ASEAN - India FTA)
      - India - Sri Lanka Free Trade Agreement (ISFTA)
      - South Asian Free Trade Area (SAFTA) - SAARC nations

**Measures:**
1) Minimum Import Price (MIP)
   - ₹500 / kg
2) Sri Lanka’s new procedure to prevent misuse of Country of Origin Certificate

Need government intervention
Still a developing country

India’s publicity overdrive about development can come back to bite it at the WTO

PRABHANSHU RANJAN

While on the one hand, the official narrative in India is that of a country making rapid developmental strides since 2014, on the other, when it comes to developmental status at the World Trade Organization (WTO), India is trying hard to prove that it is a poor country.

Developing country status
Why this dichotomy? While the former assertion is made to please the domestic constituency, the latter proclamation is because of U.S. President Donald Trump’s threat that countries like India should be stripped off their ‘developing country’ status in the WTO. Under the lion in 1995 to $2.63 trillion in 2017. The U.S. proposed that any country that meets one of the following criteria shall not be eligible for S&D benefits: membership of, or seeking accession to OECD; membership of G20; share in world exports exceeding 0.5% or classified as high-income group by the World Bank.

India is a member of the G20 and its share in world exports is around 1.7% as of early 2019. So, as per these criteria, India will not qualify as a developing country. While graduating to a ‘developed country’ status would have been a matter of joy, the ground reality is very different. India rightly countered the U.S.’s argument. In a paper submitted to the WTO, it gave several numbers to show that it is still

Part B—Main Examination
PAPER-III

General Studies-II: Governance, Constitution, Polity, Social Justice and International relations.

- Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.
- Effect of policies and politics of developed and developing countries on India’s interests, Indian diaspora.
- Important International institutions, agencies and fora—their structure, mandate.

PAPER-IV


- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
- Inclusive growth and issues arising from it.
**Status at the World Trade Organisation:**

*WTO System:*
- Developed, developing and least developed countries
- LDC status - based on recognition by UN
- No criterion to determine ‘developing country’ status
  - Countries self-designate
- Article XVIII of the General Agreement on Tariffs and Trade (GATT)
  - Facilitate progressive development of countries that can only support low levels of development and are at the early stages of development

- Special and Differential Treatment (S & DT) Provisions
  - Increasing trade opportunities for developing countries
  - Longer time to comply with WTO obligations
  - Technical assistance to developing countries

*GATT:*
- Provided rules for world trade from 1948 to 1994
- Mainly dealt with trade in goods
- WTO (Since 1995) - Covers trade in services and intellectual property + trade in goods
Arguments of India to retain 'developing country' status:

* Very low GDP per capita

<table>
<thead>
<tr>
<th>India</th>
<th>USA</th>
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<tr>
<td>$ 2015.6</td>
<td>$ 62,641.0</td>
</tr>
<tr>
<td>[≈ ₹ 1.4 lakhs]</td>
<td>₹ 43.8 lakhs</td>
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Source: World Bank

* India has nearly 36 crore people living in Multidimensional poverty
  - Multidimensional poverty Index 2019 developed and released by UNDP and Oxford Poverty and Human Development Initiative

* Domestic subsidies provided per farmer is low i.e., a meagre $ 227

* Very low research and development capacity
Why now a discussion on this status at WTO?

* Jan 2019 - US made formal submission to WTO
  - India no more a developing country, so, it should not enjoy S & DT provisions
  - Criteria proposed by US to determine developing country status
    1. Membership or seeking accession to OECD
    2. Membership at G20
    3. If country's share in global exports exceed 0.5%
    4. If country is classified as "High-Income group country" by World Bank

(If a country meets any one of these criteria, it shall not be eligible for S & DT benefits)

India:

* Member at G20
* Classified by World Bank as "Lower Middle-Income Economy"
* Neither a member nor seeks accession to OECD
* Share in world exports around 1.7% as of early 2019
RCEP raises grave concerns, says expert

SPECIAL CORRESPONDENT
THIRUVANANTHAPURAM

The Regional Comprehensive Economic Partnership (RCEP), among other things, raises serious concerns about the intellectual property obligations on India in the agriculture sector, a senior agriculture scientist said here on Monday. Dr. Indiradevi, Director of Research, Kerala Agricultural University (KAU), said on Monday. Dr. Indiradevi was making a brief presentation on RCEP at a public convention organised to protest against India’s proposed entry to the 16-country trade pact.

Ahead of summit, Indian stand on RCEP unclear

Won’t sign just to meet deadline, says Goyal

SUHASINI HAIDAR
NEW DELHI

India will not sign a free trade agreement (FTA) just because there is a deadline, Union Commerce Minister Piyush Goyal said here on Wednesday. The comments come just days ahead of the Regional Comprehensive Economic Partnership (RCEP) summit meeting, which is expected to conclude the 16-nation FTA. Prime Minister Narendra Modi will attend the RCEP summit in

Part A—Preliminary Examination

Paper I - (200 marks) Duration: Two hours
- Current events of national and international importance.

Part B—Main Examination

PAPER-III

General Studies- II: Governance, Constitution, Polity, Social Justice and International relations.
- Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.
- Effect of policies and politics of developed and developing countries on India’s interests, Indian diaspora.

Civilspedia Team - Powered by Shankar IAS Academy
Context: RCEP raises grave concerns

- Upcoming RCEP Summit on 4th Nov 2019 at Bangkok
- Regional Comprehensive Economic Partnership (RCEP):
  - proposed FTA between 10 ASEAN countries + 6 free trade agreement partners (India, China, S. Korea, Japan, Australia and New Zealand)
  - 45% world’s population, 33% of World’s GDP, atleast 28% of total global trade
- Apprehensions:
  - leads to lowering of subsidies
  - giving market access to China
  - Agricultural produce and the dairy sector to be kept out of RCEP

The International Union for the Protection of the New Varieties of Plants (UPOV)

- Intergovernmental Organisation
- HQ - Geneva, Switzerland
- Established in 1961 by the International Convention for the Protection of New Varieties of Plants (UPOV Convention)
- Mission: to provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants, for the benefit of society
- India is not a member of the UPOV Convention
Submarine propulsion system test a success

SPECIAL CORRESPONDENT
NEW DELHI

The indigenous Air Independent Propulsion (AIP) system to enhance the endurance of conventional submarines being developed by the Defence Research and Development Organisation (DRDO) reached a milestone on Wednesday with the successful operation of a land-based prototype. All Scorpene submarines of the Navy are planned to be

"Operation of the land-based prototype engineered to the form-and-fit of a submarine was witnessed by Chief of the Naval Staff Admiral Karambir Singh in the presence of Secretary, Department of Defence R&D and Chairman DRDO Dr. G. Satheesh Reddy at the Naval Materials Research Laboratory, Ambarnath,” the DRDO said in a statement.

Part A—Preliminary Examination
Paper I - (200 marks) Duration: Two hours

- Current events of national and international importance.
- General Science.

Part B—Main Examination
PAPER-III

General Studies- II: Governance, Constitution, Polity, Social Justice and International relations.

- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

PAPER-IV

General Studies-III: Technology, Economic Development, Biodiversity, Environment, Security and Disaster Management

- Achievements of Indians in science & technology; indigenization of technology and developing new technology.
News:

* DRDO successfully tested indigenous Air Independent Propulsion (AIP) - Prototype

* Defence Research Development Organisation
  - Established 1958
  - Ministry of Defence
  - To develop cutting edge defence technologies

* Traditional diesel - electric submarines
  - Need to Surface frequently
    ▸ less underwater endurance
  - A large network of batteries → Snorkel
  - Exposure to enemy target

4 types of AIP:

1) Closed Cycle Diesel Engines
   - Supply of Oxygen to run diesel engine
   - Prone to fire

2) Closed Cycle Steam Turbines
   - Using Steam
     - Combustion of Ethanol + Oxygen

3) Sterling Cycle Engines
   - Source of Liquid Oxygen + Energy
     - Diesel fuel

4) Fuel Cells
   - Chemical energy into electricity
     - fuel + Oxidizer
Advantages of AIP:
- Increase in underwater endurance
- Longer duration than conventional non-AIP submarines

DRDO - Successfully developed land based prototype of AIP:
- All Scorpene class submarines of Indian Navy to be equipped with AIP
  Ex: Kalvari Class
- Earlier plan of Navy to install AIP delayed
- Now plans to install them during retrofit.
Practice Question – Prelims

Q1. Consider the following statements.

1. In India, Goa and Northeastern states are the largest pepper producing States.
2. India is a member of International Pepper Community.

Which of the statements given above is/are correct?

a) 1 only  
b) 2 only  
c) Both 1 and 2  
d) Neither 1 nor 2

Practice Question – Prelims

Q2. Consider the following statements.

1. India is a G20 member along with European Union.
2. European Union is the only organisation other than a country, that is a member at G20.
3. India is also a member at the Organisation for Economic Cooperation and Development.
4. According to World Bank, India is an Upper-Middle-Income Economy.

Which of the above statement(s) is/are correct?

a) 1, 2 and 3  
b) 1, 3 and 4  
c) 1 and 2 only  
d) 1, 2, 3, 4
**Practice Question – Prelims**

Q3. Consider the following statements with reference to “The International Union for the Protection of New Varieties of Plants (UPOV”).

1. UPOV was established in 1961 by the International Convention for the Protection of New Varieties of Plants (the "UPOV Convention") of United Nations.

2. The UPOV Convention provides the basis for members to encourage plant breeding by granting breeders of new plant varieties an intellectual property right as the breeder’s right.

3. India is also the member of the UPOV Convention.

Select the correct answer using the codes given below

a) 1 and 2
b) 2 and 3
c) 2 only
d) 1, 2 and 3

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**Practice Question – Prelims**

Q4. With reference to “Air Independent Propulsion” AIP system, which one of the following statements is correct?

a) AIP is used to increase the underwater endurance of non-conventional submarines.

b) AIP is used to launch satellites to near earth orbits.

c) AIP helps to increase the underwater endurance of diesel-electric submarines.

d) AIP is developed jointly by DRDO and ISRO for PSLVs.
Q. India is still a developing country to enjoy the Special and Differential Treatment benefits under WTO. Substantiate. (150 words, 10 marks)

Practice Question – Prelims Answers

1. Option (b) – 2 only
2. Option (c) – 1 and 2 only
3. Option (c) – 2 only
4. Option (c) – AIP helps to increase the underwater endurance of diesel-electric submarines.