



Current Affairs of the Day

GS Paper III

- Cities along rivers urged to include conservation plans
- After the cyberattack, hackers demand \$70 mn
- Global investors flag some AatmaNirbhar reforms
- Policy black holes spook space investors
- ‘Services shrink most since July’



Cities along rivers urged to include conservation plans

Cities situated on river banks will have to incorporate river conservation plans when they prepare their Master Plans, says a policy document from the National Mission for Clean Ganga.

Highlights:

1. The guidance document, while spelling out provisions in the National Water Policy that emphasise the need for such plans, also says that these “river-sensitive” plans must be practical and consider questions of encroachment and land ownership.
2. There is a need for a systematic rehabilitation plan for such encroaching entities that emphasise alternative livelihood options in addition to a relocation strategy.
3. Planners should make every attempt to engage with such entities during the preparation of the Master Plan in order to develop empathetic and humane solutions.
4. The recommendations are currently for towns that are on the main stem of the Ganga. There are, as per the estimate of the policy document, 97 of them encompassing five States — Uttarakhand, Uttar Pradesh, Bihar, Jharkhand, West Bengal.
5. The plan must also clarify land ownership. A key aspect of conserving and protecting the river and riverine resources involves increasing green cover in the vicinity of the river by creating green buffers, removing concrete structures and employing “green infrastructure.”
6. However, implementing such solutions will require restrictions on the Floor Area Ratio, ground coverage and setting limits on the maximum permissible heights of buildings.
7. “Ascertaining the land ownership in these areas is, therefore, important to avoid legal complications while the Plan is being implemented,” says the document.



Technology use in River management:

1. The Master Plan should not mandate specific technologies, but it can “create an environment” for facilitating the use of state-of-the-art technologies for river management.
2. These include satellite-based monitoring of water quality; artificial intelligence for riverine biodiversity mapping; big data and citizen science for river-health monitoring; and unmanned aerial vehicles for floodplain mapping. These were being used across the world successfully.
3. Cities with an ongoing Master Plan tenure ought to be conducting an “immediate analysis” of the extent to which these river guidelines could have been adopted and this “will help” in incorporating the appropriate revisions when the current plan is reviewed.

After the cyberattack, hackers demand \$70 mn

Hackers were demanding \$70 million in bitcoin in exchange for data stolen during an attack on a U.S. IT company that has shuttered hundreds of Swedish supermarkets.

Highlights:

1. Researchers believe more than 1,000 companies could have been affected by the attack on Miami-based firm Kaseya, which provides IT services to some 40,000 businesses around the world.
2. The FBI warned that the scale of the “ransomware” attack — a form of digital hostage-taking where hackers encrypt victims’ data and then demand money for restored access — is so large that it may be unable to respond to each victim individually.

Russian-link suspected

1. Experts believe the attack was probably carried out by REvil, a Russian-speaking hacking group known as a prolific perpetrator of ransomware attacks.
2. A post on Happy Blog, a site on the dark web previously associated with the group, claimed responsibility for the attack and said it had infected “more than a million systems”.



3. The FBI believes that REvil, also known as Sodinokibi, was behind an attack last month on global meat-processing giant JBS, which ended up paying \$11 million in bitcoin to the hackers.
4. The blog post said the hackers would post a decryption tool online “so everyone will be able to recover from attack in less than an hour” — if they were handed \$70 million in bitcoin.

Global investors flag some AatmaNirbhar reforms

International trade and investment flow into India could be affected by several aspects of the AatmaNirbhar Bharat programme as they posed ‘perceived as well as real challenges for global investors, the U.K. India Business Council (UKIBC) said.

Highlights:

1. The UKIBC stressed that some of the reforms announced under the programme could have ‘negative consequences for the U.K. and all multi-national companies’, even as it took note of Prime Minister Narendra Modi’s assertion that the self-reliant India program is about integrating with global supply chains, not isolated from them.
2. Warning that the spate of ‘unexpected and sharp’ increases in import tariffs could be ‘counterproductive’, the UKIBC has suggested ways to mitigate the ‘new challenges’ posed by AatmaNirbhar Bharat and urged the government to correct course.
3. U.K. businesses must not be affected by ‘restrictive measures’, they have pleaded, possibly by creating a ‘carve-out for them in the bilateral trade pact being negotiated.

‘Strengths, not tariffs’

1. India should attract investors due to its strengths rather than by using tariffs as a tool to push international businesses to invest and make in India. Moreover, the Government of India should be flexible in its ‘vocal for local’ approach, the UKIBC has underlined in a report highlighting British investors’ views on the Aatmanirbhar Bharat policy.



2. To be a manufacturing hub, India will need to be part of international supply chains, which will mean importing as well as exporting. If tariffs make manufacturing in India too expensive, investors will go elsewhere, the report noted.
3. Even if India chooses tariffs as a policy tool, it should signal how import duties will rise over the coming years so investors get an incentive and the time to create domestic supply chains, it added.
4. It has to be recognised that certain aspects of the initiative have the potential to curtail international trade and investment, such as increased tariffs, non-tariff restrictions on imports, and import substitution, it emphasised
5. The ban on the sale of items such as Scotch Whisky in the CSD canteens sends a wrong signal, the Council said, stressing that some products simply cannot be produced in India.
6. Attempts to renegotiate power purchase agreements and ad-hoc policy shifts are also unnerving for infrastructure investors, it indicated.
7. While the campaign has opened up several sectors for foreign investors, including defence, atomic energy, agriculture, insurance, healthcare and civil aviation, the UKIBC has outlined concerns and challenges across sectors in its report titled 'Road to a UK-India Free Trade Agreement: Enhancing the Partnership and Achieving Self-reliance'.

Policy black holes spook space investors

Investors cite possible conflict of interest at the Department of Space as a concern

Highlights:

1. Potential foreign investors in India's space sector are unsure if their licence applications would get 'a fair consideration' and are wary of a possible conflict of interest given that the Department of Space is both the sectoral regulator and a service provider by way of its role overseeing the Indian Space Research Organisation (ISRO).
2. Observing that the reforms announced in June 2020 to open the sector to private investors were a significant departure from the 'virtual monopoly' of state-controlled ISRO and allied entities, the U.K. India Business Council said



there was, however, a 'lack of clarity about several aspects related to the procedures.

3. Foreign Direct Investment up to 100% has been allowed under the government route in satellite establishment and operation, subject to the sectoral guidelines of the Department of Space and ISRO.
4. The processes for authorisation to launch a satellite, the frequency allocation mechanism and even the details of different agencies involved in these clearances were not clear, the Council said, calling for the regulatory structure to be refined.

Conflict of interest at the Department of Space

1. Today, the Department of Space acts as the regulator, but since it is a major service provider through ISRO, there is scope for a conflict of interest," the UKIBC said.
2. "Service delivery and decision making are critical challenges. ISRO is a party involved in both, thus creating doubt in the mind of investors, if their licence applications will receive fair consideration," it added.
3. Emphasising that the private sector was concerned about sharing its intellectual property with the government, the business group said: "If ISRO is serious about partnering with the private sector, policymakers will have to view the industry as more than just a collection of manufacturers or service providers."
4. Global investors are also keenly tracking developments over the scrapped Antrix-Devas deal in the wake of the Indian government losing an international arbitration and Devas eyeing judicial enforcement of the arbitral award in overseas jurisdictions.
5. Indian National Space Promotion and Authorisation Centre (IN-SPACe), a newly created regulatory body, has received at least 26 applications from Indian and foreign firms that include proposals to set up ground stations and make and launch satellites.



'Services shrink most since July'

Highlight:

1. Survey-based June PMI for the sector shows second successive contraction at 41.2
2. India's services sector shrank the most last month since July 2020, with the survey-based IHS Markit Purchasing Managers Index (PMI) for services at 41.2, reflecting a second successive monthly contraction in new business and increased job shedding by firms.
3. International demand for Indian services deteriorated further with new export orders falling for the sixteenth straight month. The sharp contraction in the June Services PMI followed May's 46.4. A reading above 50 denotes the expansion and one below it signifies a contraction in business activity.
4. Jobs fell in tandem with new orders. The fall in employment was the seventh in consecutive months and the fastest over this period. The decline in jobs was widespread across the five monitored sub-sectors.
5. The overall level of business sentiment was down for the third month in a row in June, reaching its lowest mark since last August," IHS Markit added, with the COVID-19 pandemic seen as the main threat to the outlook.