

### **MoF declines 3% GDP allocation for defence**

The Finance Ministry has declined a recommendation from the Parliamentary Standing Committee on Defence to have a fixed allocation of 3% of GDP for the Defence Ministry.

- The Committee has on several occasions expressed favour for having a benchmark percentage of GDP earmarked for deciding on the allocation to the defence sector to continue modernisation.
- The MoF in its reply to the MoD said: "Since government resources come with definite cost, resource allocation is made among various competing priorities."

Thus, defence expenditure as definite percentage of total government expenditure/GDP cannot be ensured considering the fact the resource allocations are made on need basis."

Finance Ministry further added that rationalisation of the expenditure is the prime objective of the government while finalising the revised estimates during mid-year review.

### **Spy incident: 4 nations slam Russia**

#### **In News**

Tensions between Russia and the West continued to ramp up.

France, Germany, Britain and the U.S. jointly accused Russia of involvement in the attack on Sergei Skripal and his daughter in Salisbury in early March.

They also said involved the first "offensive use" of a nerve agent in Europe since the Second World War.

Any such use by a state party is a clear violation of the Chemical Weapons Convention and a breach of international law, said U.K.

All four nations shared Britain's assessment that it was "highly likely" that Russia was responsible for the attack, and condemned Russia's failure to address the "legitimate" request by the U.K. government to explain whether and how a nerve agent developed under a Russian programme got into a third party's control.

### **Background**

Sergei Skripal and his daughter Yulia Skripal were found slumped on a bench near a shopping centre in Salisbury, Wiltshire on Sunday, March 4.

According to Theresa May, the nerve agent which poisoned them was one of a group of poisons called Novichok, which were developed by Russia.

Mr Skripal is a former Russian spy and double agent. He served in the Soviet military, part of an elite airborne troop known as the Desantniki.

Prime Minister Theresa May on Monday said it was "highly likely" the Russian state was responsible for the attacks.

She announced the suspension of high-level contacts with Russia, including a boycott of this summer's World Cup by Government ministers and members of the royal family.

### **Lowest point**

Relations between Britain and Russia have fallen to their lowest point since the Cold War, following the poisonings.

The U.K. retaliated by announcing the expulsion of 23 Russian diplomats (the largest expulsion since 1985 when Britain expelled 25), and the revocation of an invitation to Russian Foreign Minister Sergei Lavrov to visit the country.

It accused Russia of the "unlawful use of force".

At a meeting of the Security Council in New York, the U.S. joined Britain in condemning Russia, pledging to stand in “absolute solidarity with Great Britain”.

The U.S. warned that if immediate action were not taken, Salisbury would not be the last time that a chemical attack happened on Western soil.

Novichok, the type of nerve agent, which Britain says was used in the attack could not have been manufactured by “non-state actors”, Britain said.

### **Russia's Response**

Russia's initial response was that Britain was not following the protocol of the Organisation for the Prohibition of Chemical Weapons (OPCW).

Russia's UN envoy Vassily Nebenzia accused Britain of attempting to tarnish Russia with falsehoods, “irresponsible statements”, and “threats to a sovereign state”.

Accused Britain of being “afraid of having a genuine professional discussion on the topic”, by choosing the Security Council rather than the OPCW to level its accusations.

### **Objective probe**

China declined to condemn Russia. A comprehensive objective and impartial investigation could be conducted based on facts in accordance with evidence, said the Chinese envoy.

### **U.S. hits Russia with new sanctions**

The U.S. slapped sanctions on 19 Russian individuals and five groups, including Moscow's intelligence services, for meddling in the 2016 U.S. election and malicious cyberattacks.

There would be additional sanctions against Russian government officials and oligarchs “for their destabilising activities”, the U.S. Govt told.

It did not give a time frame for those sanctions, which would sever the individuals' access to the U.S. financial system.

The administration is confronting and countering malign Russian cyberactivity, including their attempted interference in U.S. elections, destructive cyberattacks, and intrusions targeting critical infrastructure.

U.S. intelligence agencies have concluded that Russia interfered in the 2016 presidential campaign using hacking and propaganda, an effort that eventually included attempting to tilt the race in President Donald Trump's favour.

U.S. Special Counsel Robert Mueller brought charges against 13 Russian individuals and three Russian companies, accusing them of participating in a criminal and espionage conspiracy to tamper in the 2016 campaign.

Those targeted by the new sanctions include the Russian nationals and entities charged by Mr. Mueller.

The new sanctions also include Russian intelligence services, the Federal Security Service and Main Intelligence Directorate, and six individuals working on behalf of the GRU.

Russia denies interfering in the election.

### **'Asian premium' on oil prices**

#### **In News**

India is planning to lobby heavily for an end to the discriminatory "Asian premium" on oil prices and a "responsible" price mechanism.

#### **What is Asian oil premium?**

It is method followed by oil producing countries which distinguished consumers in Asia from the U.S. and European countries.

For decades, Asian customers paid up to \$6 more for their oil than U.S. or European refiners.

### **International Energy Forum**

India is preparing to host a major conference (International Energy Forum (IEF) April 10-12) for oil producing and consuming countries.

India would become a “happening point” for energy after the conference, which would be close on the heels of the International Solar Alliance (ISA).

Key Oil Producing and Exporting Countries (OPEC) including Saudi Arabia, and Iran’s petroleum ministers, will attend the conference said officials handling the programme.

The IEF represents 90% of world consumption and production of oil and gas. All 92 member countries of the IEF are expected to send delegations, with about 40 participating at a ministerial level.

### **Since 2015**

Since 2015, India has made repeated demands to the IEF countries to remove what is called the “Asian premium” on prices that was pioneered by Saudi Arabia.

However, the demands have met with little success and the issue is expected to be raised on the sidelines of the event, if not during the conference with Saudi Arabia and others.

### **U.S. challenges India’s export subsidies at WTO**

### **In News**

Turning the heat further on India on trade issues, the United States has challenged India’s export subsidy programmes at the World Trade Organisation (WTO).

The move comes close on the heels of a string of statements accusing India of “unfair” trade practices, by President Donald Trump. Mr. Trump had also threatened to raise duties on products from India.

### **A broad move**

Unlike the many trade disputes between India and America that are sector specific or product specific, the new move is broad and sweeping in targeting the whole range of Indian export subsidy programmes.

### **‘Distorting trade’**

A statement from the USTR listed the Merchandise Exports from India Scheme; Export Oriented Units Scheme and sector specific schemes, including Electronics Hardware Technology Parks Scheme; Special Economic Zones; Export Promotion Capital Goods Scheme, and a duty free imports for exporters programme as distorting trade.

It accused the schemes that in a way they allow Indian exporters “to sell their goods more cheaply to the detriment of American workers and manufacturers.”

These export subsidy programmes harm American workers by creating an uneven playing field on which they must compete,” said USTR.

The U.S has been imposing countervailing duties in response to all these Indian programmes already.

The decision to take this to the WTO is a political move and qualitatively different from countervailing duties,” said experts.

### **Antibiotic resistance: vultures wintering in India show pattern**

According to a study, Escherichia coli tend to show significant difference in resistance to antibiotics within a single season.

The pathogen seen in over 90% of Egyptian vultures that migrate to northwest India to spend the winter,

The vultures were resistant to certain antibiotics when they arrived and developed resistance to certain other antibiotics when they left. Their sensitivity to certain antibiotics also changed within a few months, says the study.

### **Findings of the study**

The findings of the study are significant because migrating wild birds can spread drug-resistant pathogens and cause disease.

The resistance to multiple antibiotics was as high as about 71.5% in *E. coli* collected from vultures.

Resistance of 12-13 bacterial strains to 13 commonly used antibiotics was studied.

According to the study, the diversity of *E. coli* community in vultures changed and became homogenised by the end of the wintering period. This is due to the environment that the vultures were exposed to — carcasses, garbage, and domestic animals.

There is not much difference in the percentage resistance to multiple antibiotics that are commonly used. What found was a change in the pattern of resistance.

The vultures that use human-dominated landscapes as part of their life cycle were likely to act as “reservoirs and melting pots of bacterial resistance”.

The study also showed that vultures were able to incorporate and reflect resistance determinants at the site of wintering and during the period of sampling.

## **STATE-TELANGANA**

### **It's 'people centric' budget for Telangana**

The State government has presented a “people centric” Rs 1.74 lakh crore budget for the financial year 2018-19 with heavy accent on agriculture and welfare sectors.



- The State's own revenues for the next fiscal are pegged at Rs 73,751.88 crore, 20 per cent higher than the current year.
- There is also a marginal hike in transfers from Central government from Rs 26,857.67 crore to Rs 29,041 crore.
- The total expenditure has been estimated at Rs 1.74 lakh crore of which revenue expenditure is expected to be Rs 1.25 lakh crore and capital expenditure at Rs 33,369 crore.

The budget has projected the revenue surplus at Rs 5,520.41 crore and fiscal deficit of Rs 29,077.07 crore, comprising 3.45% of the GSDP.

The irrigation sector got the lion's share of Rs 25,000 crore, close to 15 per cent of the total outlay, for the third consecutive year, but the focus was more on welfare of farmers and under-privileged sections.

- The emphasis on agriculture can be seen from the fact that agriculture and allied sectors were given around Rs 19,000 crore, of which a whopping Rs 12,000 crore has been earmarked for Investment Support Scheme, a brainchild of Chief Minister aimed at providing Rs 8,000 an acre to farmers during kharif and rabi seasons at Rs 4,000 each.
- The allocation to agriculture and marketing departments is pegged at Rs 15,788 crore and this includes allocations made for farm mechanisation (Rs 522 crore), poly house and green house cultivation (Rs 120 crore), farmers group insurance (Rs 500 crore) and promotion of drip and micro irrigation (Rs 127 crore).
- In the allied sectors, the Civil Supplies Department was given Rs 2,946 crore.

That the budget focussed on welfare sector during the election year is evident from the allocation of Rs 16,453 crore for Scheduled Caste special development fund and another Rs 9,693 crore for the STs.

- The budgetary allocation for SC development department is proposed at Rs 12,709 crore and it is Rs 8,063 crore in case of the ST development department.
- The backward classes welfare was allocated Rs 5,920 crore and the allocation to minorities welfare department was enhanced by over 60 per cent from Rs 1,200 crore to Rs 2,000 crore.



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The double bedroom housing programme received Rs 2,643 crore in addition to keeping the option open for off-budget borrowings from financial institutions and banks to supplement the budgetary allocation.

- One major beneficiary was the medical and health department which received an allocation of Rs 7,375 crore.
- The allocation to education sector crossed Rs 13,000 crore with the school education being earmarked Rs 10,830 crore and higher education Rs 2,448 crore.
- Kalyana Lakshmi/Shaaadi Mubarak scheme was allocated Rs 1,450 crore while it was proposed to allocate Rs 2,823 crore for residential schools opened for different communities.
- The Roads & Buildings department had been allocated Rs 5,575 crore.
- In the other sectors, the Industries department was allocated Rs 1,286 crore and the IT department Rs 289 crore while the Municipal Administration department would get Rs 7,251 crore.