

NEWS TODAY

Switzerland suspends Most Favoured Nation (MFN) Clause in Tax Treaty with India over Nestle ruling

Starting from **January 1, 2025**, Switzerland will suspend MFN clause in its Double Taxation Avoidance Agreement (DTAA) with India.

- The decision is followed by Supreme Court ruling in 2023, determining that **MFN clause isn't automatically triggered when a country joins OECD** if Indian government signed a tax treaty with that country before it joined the organisation.
- SC said that DTAA cannot be enforced unless it is notified under Income-Tax Act, 1961.
- **India-Switzerland DTAA was entered into force in 1994 for the avoidance of double taxation with respect to taxes on income.**

Impact of suspension of MFN

- **Higher tax liabilities for Indian companies:** More tax burden, as withholding tax on dividends from Switzerland will rise to 10% from 5%.
- **Effects on Swiss investments in India:** Swiss companies that receive dividends from India will continue to face a 10% withholding tax, as per India-Switzerland DTAA.
- **Re-evaluation of MFN clauses by other countries:** This could prompt other nations to reconsider how MFN clause is applied in their own tax treaties with India.
- **No change for other DTAA benefits** or European Free Trade Association (EFTA) investments will remain unaffected.

Most Favoured Nation (MFN)

- **Definition:** MFN principle requires that any favourable trading terms granted by one WTO member to another must be extended to all other WTO members.
- **Purpose:** Promote equality in international trade by preventing discrimination and ensuring that all members are treated equally.
- **MFN is a priority** in General Agreement on Trade in Services (GATS) (Article 2) and Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (Article 4).

India's Nuclear Power Capacity Set to Triple by 2031-32: Union Minister for Science and Technology

The 'Vision Document for Amrit Kaal' by Department of Atomic Energy (DAE) envisages reaching a nuclear capacity of about **100 GW by 2047**.

Status of Nuclear Energy in India

- It accounts for about **3% of India's total electricity generation** in 2022-23, making it **fifth-largest source of electricity** in country.
- Nuclear Power Corporation India Limited (NPCIL) currently operates **24 reactors across 7 power plants** with **total capacity of 8180 MW**.

Need for Nuclear Energy by India

- **Growing energy demand:** Due to India's **expanding population** and growing economy as India is set to become the **third-largest economy** by the end of decade.
- **Limited fossil fuel resources:** Dependence on **imports for coal, oil, and natural gas**, pose risk to energy security and economic stability.
- **Environmental benefits:** Every unit of nuclear power replacing coal-based power **saves 1 kg of CO₂ emissions** and can help **India become net-zero emitter by 2070**.

Concerns associated with Nuclear Energy

- **Raw material:** Lack of uranium reserves and import dependency constraints expansion.
- **High upfront cost:** High capital costs as compared to energy sources like coal and natural gas.
- **Radioactive waste:** Long term storage and safe disposal of radioactive material along with public fear due to incidents like Chernobyl.

Steps taken by Government for Nuclear Energy

- **World's first thorium based nuclear plant "Bhavni"** using Uranium-233 is being set up at **Kalpakkam in Tamilnadu**.
- **Atomic Energy (Amendment) Act, 2015** enable NPCIL to form **joint venture with other Indian PSUs** to meet funding requirements for expansion of nuclear power programme.
- **India's 3-Stage Nuclear Energy Program**
 - ⊕ **Stage-I:** Pressurized Heavy Water Reactors (PHWR) fuelled by Natural uranium would produce plutonium-239. **Heavy water (D₂O) is used as moderator and coolant**.
 - ⊕ **Stage-II:** Fast Breeder Reactors utilise Uranium 238 and plutonium- 239 from first stage.
 - ⊕ **Stage-III:** Advanced heavy water reactor fuelled by mix of Thorium and Uranium.

RBI increases limit for Collateral-free Agricultural Loan

The move aims to provide **enhanced financial access to farmers**, ensuring they have **sufficient resources** to meet their **operational and developmental needs** without the burden of providing collateral.

Key directives to banks include:

- Enhanced limit for collateral-free agricultural loans, **including loans for allied activities**, from the **existing loan limit of ₹1.6 lakh per borrower to ₹2 lakh**.
- **Timely implementation** (from January 01, 2025) of revised guidelines to ensure swift financial assistance.
- **Awareness campaigns** to inform farmers and stakeholders of the new directive.

Significance of the Enhanced Limit

- **Enhanced Credit Accessibility:** Increases access to loans, particularly for small and marginal farmers (over 86% of the sector).
- **Streamlined Loan Disbursement:** Simplifies the loan process, encouraging higher uptake of Kisan Credit Card (KCC) loans.
- **Promotion of Financial Inclusion:** Expands formal financial access to the rural farming community and fosters credit-driven economic growth, aligning with the government's long-term vision for sustainable agriculture.

Key issues in disbursement of Agricultural Credit: Skewed focus on short-term crop loans, rising fiscal burden due to loan waivers, over-reliance on non-institutional credit, etc.

Other Initiatives to enhance Credit Flow to Agricultural Sector

- **Promotion of Co-operative Credit Societies** such as Primary Agricultural Credit Societies (PACS) at the grass-roots level.
- **Kisan Credit Card (KCC) Scheme** to provide adequate and timely credit to the farmers for their agricultural operations.
- **Modified Interest Subvention Scheme** to provide short-term loans at a concessional interest rate to farmers for agriculture and allied activities, etc.

Moldova signed International Solar Alliance (ISA) Framework Agreement (FA)

ISA FA entered into force in 2017. With amendment of its FA in 2020, all member states of UN are now eligible to join ISA.

About ISA (HQ: Gurugram, India)

- **Genesis:** Conceptualized on sidelines of COP21 in Paris in 2015.
- **Aim:** Collaborative initiative between **India and France** aimed at uniting efforts to **combat climate change by implementing solar energy solutions**.
- **Mission:** ISA is guided by 'Towards 1000' strategy, aiming to:
 - ⊕ **Mobilise USD 1,000 billion of investments** in solar energy by 2030.
 - ⊕ **Delivering Energy access to 1,000 million people**.
 - ⊕ **1,000 GW of solar energy** installation.
- **ISA Assembly: Apex decision-making body.** It plays a key role in shaping and overseeing implementation of **ISA's Framework Agreement**.
- **Membership:** 104 Member countries and 16 signatories' countries.

Significance of ISA

- **Encourage use of sustainable, low global warming potential solar-based cooling technologies** through financing and incentives for small- and medium-sized farms.
- **Mitigate global carbon emissions**, reducing 1,000 million tonnes of CO2 annually.
- **Advances India's role in clean energy**, energy security, and achieving net-zero emissions by 2070.
- **Create global solar energy market** by encouraging large scale deployment with reduced cost and collaborative development.

Initiatives taken by ISA

- **Scaling Solar Applications for Agricultural Use (SSAAU)** to address the growing demand for solar water pumps.
- **ISA CARES** to provide innovative, robust solar energy solutions for health in low- and middle-income countries.
- **Program on Solarizing Heating and Cooling systems** to facilitate solarizing of growing heating and cooling demand from commercial, industrial, and residential sectors in Member Countries.
- **Global Solar Facility**, launched at COP27, to catalyze solar investments in underserved segments and geographies across Africa.

UK joins Comprehensive and Progressive Agreement for Trans-Pacific Partnership

UK has recently become the **first European country** to join the **Indo-Pacific trade bloc** Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

- Previously, in 2023, CPTPP parties and the UK **signed the accession protocol** to enable the UK to join the CPTPP.

About CPTPP

- **Genesis:** It is a Free Trade Agreement across the Pacific signed originally by the 11 countries in March 2018 in Santiago, Chile and **entered into force on December 30, 2018**, after the **US withdrew from the original Trans-Pacific Partnership (TPP) in 2017**.
- **Membership:** Comprises **12 member nations**, including the **UK**, with other members being **Australia, Canada, Japan, New Zealand, Brunei, Chile, Malaysia, Mexico, Peru, Singapore, and Vietnam**.
- **Significance:** The bloc accounts for about **15% of global GDP** and provides trade access to a **market of more than 500 million people**.

Significance of such multilateral groupings for India

Recently, **NITI Aayog CEO advocated for India to join trade blocks** like CPTPP and RCEP (Regional Comprehensive Economic Partnership) due to following benefits:

- **Economic Opportunities:** Would allow India to tap into **new markets** and benefit from "China plus one" strategy.
- **Export market:** Reduced tariffs and access to expansive markets in the Asia-Pacific region can **boost exports**, particularly from the **Micro, Small, and Medium Enterprises (MSMEs) sector** that accounts for 40% of India's exports.



Union Government unveils 'Jalvahak' Scheme to boost Inland Waterways

Scheme aims to encourage business enterprises with safe and timely delivery of cargo through inland waterways, in a cost effective manner.

- Scheme aims to incentivise cargo movement via inland waterways, promoting sustainable and cost-effective transportation across **National Waterways (NW)-1, NW-2, and NW-16**.

About the Jalvahak scheme

- **Ministry:** Union Ministry of Ports, Shipping & Waterways.
 - ⊖ To be **jointly implemented by the Inland Waterways Authority of India (IWAI)** and **Inland & Coastal Shipping Ltd (ICSL)**, a subsidiary of the Shipping Corporation of India.
- **Aim:** Schemes aim at Incentivising Modal Shift of 800 Million Tonnes KMs with an investment of ₹95.4 crores.
- **Time frame:** Valid for an initial period of 3 years.
- **Route:** Fixed Day Scheduled Sailing Service will ply vessels between **Kolkata - Patna - Varanasi - Patna - Kolkata stretch of National Waterways (NW)-1, between Kolkata and Pandu in Guwahati on NW 2, and NW 16 via Indo Bangladesh Protocol Route (IBPR)**.
- **Incentive:** Offers **reimbursement upto 35% of total operating expenditure** incurred while transporting cargo.
- **Criteria:** Provides **direct incentive** to transport their **goods** via inland waterways for a distance of **more than 300 kms**.
- **Significance:** Reduced logistics costs, decongestion of road and railways, and adapting to a sustainable mode of transportation.

Inland Waterways in India

- **National Waterways:** To promote Inland Water Transport in the country, **111 waterways** have been declared as **National Waterways (NWs)** under the **National Waterways Act, 2016**.
 - ⊖ Some important NWs include – **NW-1** (Haldia – Allahabad on Ganga-Bhagirathi-Hooghly River System), **NW-2** (Dhubri – Sadiya on River Brahmaputra), **NW-16** (Barak River), among others.
- **Institutional Structure:** **Inland Waterways Authority of India (IWAI)** established through **IWAI Act, 1985** is responsible for the regulation and development of National Waterways in India.

Also in News



"Crossroads of Peace" Initiative

During a recent **trilateral consultation between India-Iran-Armenia**, the **Armenian side** briefed on its connectivity initiative, "**Crossroads of Peace**."

About Crossroad of Peace Initiative

- It is an ambitious regional transport proposal aimed at connecting Armenia with its neighboring countries—**Turkey, Azerbaijan, Iran, and Georgia**.
- **Objectives:** Seeks to revitalize and develop crucial infrastructure—roads, railways, pipelines, cables, and electricity lines—to facilitate the flow of goods, energy, and people across these nations.
- It aims to connect the **Caspian Sea to the Mediterranean Sea** and the **Persian Gulf to the Black Sea** through easier and more efficient transportation links.



CHARAK (Community Health: A Responsive Action for Koylanchal) Initiative

Under guidance of Ministry of Coal, Singrauli based Coal India arm **North-eastern Coalfields Limited** has launched '**CHARAK**' CSR initiative.

About CHARAK Initiative

- It is aimed at providing **free treatment for patients suffering from identified Life-Threatening diseases** belonging to Economically Weaker Sections of **Singrauli region**.
- Under this, Malignancy, TB and related complications, HIV and related complications, Organ Transplant, Neurological Disorders, Connective Tissue disorders, etc. are covered.

Singrauli Coalfield

- Situated at **northern most part of Son Mahanadi Master Basin** in Central India.
- **Located mainly** in Singrauli district of **Madhya Pradesh** with a small portion falling in **Sonbhadra district of Uttar Pradesh**.



Kerch Strait

Recently, Russian tanker splits in storm spilling oil in Kerch Strait waterway.

- A strait is a **narrow waterway between two pieces of land** that connects two large bodies of water.

About Kerch Strait

- **Location:** It is located in the eastern part of the **Crimean Peninsula** connecting **Black Sea and the Sea of Azov**.
- **Significance:** Key route for exports of Russian grain and for exports of crude oil, fuel oil, LNG, etc.



Cyclone Chido

Cyclone Chido has made landfall in **Pemba**, capital of Mozambique's Cabo Delgado province and in French overseas territory of **Mayotte**.

About Cyclone Chido

- Cyclones are **caused by atmospheric disturbances around a low-pressure area** distinguished by swift and often destructive air circulation.
- **Tropical depression Chido** developed in **south-eastern Indian Ocean Basin**.
- It is the **strongest storm in more than 90 years** to hit islands of Mayotte.
- It is **classified as a Category 4 storm**, with wind speeds **exceeding 220 km/h (136 mph)**.

Other categories of Cyclones

- **Category 1** (wind speed 120-150km/h); **Category 2** (150-180km/h); **Category 3** (180-210km/h); and **Category 5** (250 km/h and above).



Desert Knight

India, France, and UAE have begun "Desert Knight" exercise over Arabian Sea.

About Desert Knight Exercise

- It is a **trilateral air combat exercise** aims to foster better interoperability among air-forces of three nations during complex combat scenarios.
 - ⊕ **Indian Air Force (IAF)** participated with aircraft like Sukhoi-30MKIs and Jaguars.
 - ⊕ **French Rafale jets** and **UAE's F-16 fighters** were deployed from Al Dhafra airbase in UAE.
- It **strengthens defence ties in strategically crucial regions**, including Indo-Pacific and Persian Gulf.



Birhor Tribe

- Jharkhand's Birhor tribe have joined movement against child marriage for first time.

About Birhor Tribe

- They are **Particularly Vulnerable Tribal Group (PVTG)**, forest-dependent and belong to a semi-nomadic tribal community.
- They **speak Birhor language**, which **belongs to Munda group** of languages of Austroasiatic language family.
 - ⊕ Their language has **similarities with Santali, Mundari and Ho languages**.
- Found in **Jharkhand, Orissa, Chhattisgarh and West Bengal**.



Manganese

As per a recent study by Scientists, Manganese (Mn) contamination of water is causing cancer in the Gangetic plains of Bihar.

About Manganese (Mn)

- It is the fifth-most abundant metal on earth that exists in the form of **oxides, carbonates, and silicates**.
 - ⊕ Manganese is an essential component of the steel-making process.
- It is present in **food, water, soil, and rock** as a naturally occurring component.
- It is an '**essential trace element**' which plays a vital role in **maintaining body homeostasis**.
- It has been reported to be **toxic in higher doses for human beings**.
- **Source of Mn contamination of Groundwater: Industrial pollution** (anthropogenic), or **sedimentary or igneous rocks** (geogenic) deposits of Mn.



Diamond Cooling

Recently, an eminent cloud provider firm has signed a contract for Diamond Cooling system for AI.

About Diamond Cooling Technology

- Developed by **Akash Systems**, it integrates **synthetic diamond, the most thermally conductive material at 2200 W/mK**, into semiconductor chips.
- **Purpose: Reduces heat from Graphics Processing Unit (GPU) chips**, minimizing thermal throttling and boosting overclocking capabilities by 25%.
- **Impact:** Improves energy efficiency, reduces GPU hotspot temperatures by 10°-20°C, cuts fan energy consumption by 90%, and enhances sustainability in data centers.



Initiative for reshaping supply chains of Fashion and Construction Sectors

Recently, **India along with 7 other countries** launched a **new initiative** with respect to the fashion and construction industries.

About the Initiative

- It will be funded by **Global Environment Facility (GEF)-funded Integrated Programme on Eliminating Hazardous Chemicals from Supply Chains** launched for the 6 years.
- **Members:** Cambodia, Costa Rica, Ecuador, India, Mongolia, Pakistan, Peru, and Trinidad and Tobago.
- **Objectives:** To transform fashion (textile) and construction industries to reduce their environmental impact by reshaping supply chains.
 - ⊕ This effort will promote **regenerative design, the replacement of non-renewable materials, resource-efficient production**, etc.



Disease X

Recent unclassified outbreak in Democratic Republic of Congo has raised concerns over Disease X.

About Disease X

- Refers to a **hypothetical disease, unknown pathogen with potential to cause global epidemic or pandemic**.
 - ⊕ **Coined by World Health Organisation (WHO) in 2018** and included it in **Blueprint for Priority Diseases** to focus on risks of emerging diseases.
 - ⊕ **COVID-19** is regarded as **first instance of real Disease X**.
- **Challenges of predicting Disease X:**
 - ⊕ **Unpredictable emergence factors** like growing risks of antimicrobial resistance, bioterrorism, accidental lab leaks etc.
 - ⊕ **Climate change reshaping disease transmission dynamics** and expanding range of vector-borne illnesses like malaria fever.



AHMEDABAD



BENGALURU



BHOPAL



CHANDIGARH



DELHI



GUWAHATI



HYDERABAD



JAIPUR



JODHPUR



LUCKNOW



PRAYAGRAJ



PUNE



RANCHI