

### MAKING IN INDIA. BUT HOW?

#### Context

- The article discusses the scope and viability of Production Linked Incentive scheme (PLI).
- In **Budget 2022-23**, the government has set aside Rs 1.97 lakh crore for PLI schemes in various sectors, with an additional allocation of Rs 19,500 crore for PLI for solar PV modules.

#### Production Linked Incentive scheme (PLI)

- **Objective:** It is intended to create a sustainable manufacturing base in India.
- **Reasons for initiating PLI scheme:** It starts from the premise that India manufactures too little. As per GoI, for example, that the electronics sector suffers a **competitive disadvantage** of around 8.5-11% on account of various factors as follows:
  - Lack of adequate infrastructure in India and high cost of finance
  - Inadequate availability of quality power
  - Limited design capabilities in industry and its neglect of R&D
  - Inadequacies in skills of Indian workers.



- **Sectors covered so far:** The government has so far announced PLI schemes for **14 sectors**, including automobiles and auto components, electronics and IT hardware, telecom, solar modules, pharmaceuticals, metals and mining, textiles and clothing, white goods, drones, and advanced chemical cell batteries.

#### Measuring incentive in PLI scheme

- The incentives, computed on **incremental sales**, range from as low as 1% for electronics and technology products to as high as 20% for the manufacturing of **critical** key starting **drugs** and certain drug **intermediaries**.
- In some sectors, such as advanced chemistry cell batteries, textile products, and the drone industry, the incentive will be computed based on sales, performance, and local value addition over a five-year period.

## Key concern of PLI scheme

- **Continuation uncertainty:** Whether manufacturers will continue to produce even after the scheme ends is an unsettled question.
- **Finer climes:** The producers may shift production to better climes, say **Vietnam**, when PLI ends and achieve scale economies **without incurring disadvantages** .
  - Given the **small investment** required to meet PLI eligibility (approximately \$125 million over four years), there will be little tying them to India.
- **Intensify demands:** The manufacturers may continue to produce, but will require continued tariff and subsidy protection. Already, firms are lobbying for PLI to be extended to compensate for the pandemic period. They can also threaten to close down when the scheme ends, firing workers. Fearing unrest, the government may agree to their demand.
- **Associated risks:** If PLI-induced domestic production does not become globally cost-competitive, it will reduce exports in other sectors.
  - For example, high cost domestically produced PLI-favoured semiconductors will reduce the competitiveness of two wheeler exports that rely on chips.

## Way forward

- New substitutes need to be figured out for longer term tasks like enhancing human capital investment, creating a simple but fair land acquisition process, ceasing the constant rejigging of tariffs and taxes that make it hard for producers to invest, and strengthening infrastructure.

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## [VARANASI TOPS CITIES IN CUTTING PM10 LEVELS, SAYS GOVT; CSE FLAGS CITY-BASED APPROACH](#)

### In News:

- 95 out of the 132 polluted cities identified under a national programme on clean air have shown improvement in air quality by reducing Particulate Matter (PM10) concentration in 2021-22 compared to 2017.

### National Clean Air Programme:

- National Clean Air Programme (NCAP), launched in **2019**, is India's flagship program for better air quality.
- It was launched as a long-term, time-bound, national level strategy to tackle the air pollution problem across the country in a comprehensive manner.
- **Goal:** 20% to 30% reduction in Particulate Matter concentrations by 2024 keeping 2017 as the base year.
- Under NCAP, **132 non-attainment cities** have been identified across the country based on the Air Quality data from 2014-2018.
  - Non-attainment cities are those that have fallen short of the National Ambient Air Quality Standards (NAAQS) for over five years.
- **Nodal Ministry:** Ministry of Environment, Forest and Climate Change

## National Air Quality Index (AQI)

- It was launched in October 2014 to **disseminate information on air quality** in an easily understandable form for the general public.
- The measurement of **air quality is based on eight pollutants**, namely, PM10, PM2.5, NO2, SO2, CO, O3, NH3, and Pb

## Particulate Matter:

- Particulate matter is the sum of all solid and liquid particles suspended in air many of which are hazardous.
- This complex mixture includes both organic and inorganic particles, such as dust, pollen, soot, smoke, and liquid droplets.
- These particles vary greatly in size, composition, and origin.
- **PM 10:**
  - Also known as coarse particles, PM10 is defined as all particles with an aerodynamic diameter of 10  $\mu\text{m}$  or smaller.
  - Coarse particles, while not as dangerous as fine particles, can still pose a significant health threat.
  - These particles can penetrate into our lungs and irritate airways, nose, throat, and eyes.

- PM10 is usually created directly, with sources like construction work, road dust, or natural dust storms, rather than secondary, atmospheric sources.
- **PM 2.5:**
  - Also known as fine particles, PM2.5 is a grouping of particles with an aerodynamic diameter of 2.5 µm or less.
  - It is capable of penetrating deep into the lungs and even entering the bloodstream.
  - Fine particles can come from natural or human-made sources, like:
    - Vehicle exhaust, Wildfires, Power plant emissions, Other combustion activities.

### News Summary:

- 95 out of the 132 polluted cities identified under a national programme on clean air have shown improvement in air quality by reducing Particulate Matter (PM10) concentration in 2021-22 compared to 2017.
- Varanasi has recorded the highest reduction (53%) in the level of hazardous pollutant during the period.
- The report has mentioned that 20 of the 95 cities have even conformed to the National Ambient Air Quality Standards (NAAQS) that put acceptable annual average limit of PM10 at 60 micrograms per cubic meter.
- Meanwhile, a thinktank named Centre for Science and Environment (CSE) has flagged limitations of such city-based approach.
- The CSE warned that the existing clean air action plans that draw hard boundaries around cities for the clean-up job are failing to address the major pollution sources in the larger orbit.

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### CENTRE BANS EXPORT OF BROKEN RICE DUE TO DOMESTIC DEMAND

#### In News:

- The Centre has banned the export of broken rice in view of the domestic demand and production scenario of rice.
  - Broken rice is mainly used for consumption by domestic poultry industry and for other animal feedstock; and to produce ethanol.

## News Summary

- The government has imposed curbs (not outright ban), on rice shipments.
- Barely four months ago, government banned exports of wheat from the country, following an unexpected crop failure resulting in low procurement and depletion of public stocks.

## Restrictions that have been put on rice exports

- There are four categories of rice exports. Out of these, exports in the case of two – basmati rice and **parboiled** non-basmati rice –are still freely allowed.
  - Parboiling is a process where the paddy is soaked in water, steamed and dried while retaining its outer husk. It results in the rice becoming harder with less breakage on milling.
- The curbs are only for the other two: raw (white) and **broken** non-basmati rice.
  - The Department of Revenue in the Ministry of Finance had notified the slapping of a 20% duty on exports of rice other than parboiled and basmati rice.
  - Later, in another notification, the Ministry of Commerce and Industry imposed a blanket ban on broken rice exports.
  - Thus, even within raw non-basmati, only export of full grain consignments would be permitted on payment of 20% duty.

## Reasons for these restrictions

- **Possibility of decline in the level of rice production**
  - There is a possibility of India's rice production declining significantly because of deficient monsoon rainfall in Uttar Pradesh, Bihar, Jharkhand and Gangetic West Bengal.
  - During the current kharif cropping season from June 1 to September 9, farmers have planted 2.1 million hectares (mh) less area under rice compared to the same period last year.
  - The rice production would further decline if yields in Punjab and Haryana turn out lower due to a new virus that has caused dwarfing of paddy plants in many fields there.
- **Fear of depletion in public rice stocks**
  - Public wheat stocks on August 1, at 26.65 mt, were the lowest in 14 years for this date.

- While the same for rice, at 40.99 mt, was quite comfortable, the government is worried about their depletion in the event of a sub-par kharif harvest.
- This is more so, given the political pressure to continue the free-foodgrains scheme (Pradhan Mantri Garib Kalyan Anna Yojana) beyond September.
- With very little wheat in government godowns, it is rice that is sustaining the public distribution system (PDS).

## INDIA ISSUES GUIDELINES TO STUDENTS WISH TO STUDY MEDICINE IN CHINA

**Embassy of India in China said that prospective Indian students who wish to seek admission for undergraduate clinical medicine programme in China are required to obtain a license to practice medicine in China before they appear for the Foreign Medical Graduates Exam (FMGE) in India.**



### **About:**

- The Indian Embassy said that such prospective Indian students are also required to clear the NEET-UG (National Eligibility cum Entrance Test- Under Graduate) exam, which is the entry examination for undergraduate medical education in India, as a prerequisite to pursue medical education abroad.
- Only such students - after completing their degree program - can appear in FMGE which is required to pursue clinical medical practice in India.
- The advisory was issued in response to several queries from prospective Indian students and their parents with respect to seeking admission to undergraduate clinical medicine programme in China.
- More than twenty thousand Indian students mostly enrolled in medical courses in different Chinese universities are waiting to return to China for more than two and half years due to COVID-related restrictions and a ban on direct flights to and from India.
- China has now started giving visas but due to non-availability of direct flights, it is very costly affair to travel to China through transit route.

## VINOBA BHAVE

Prime Minister Narendra Modi paid tributes to Vinoba Bhave on his birth anniversary.



### About:

- Vinayak Narahari also known as Vinoba Bhave (1895 – 1982) was an Indian advocate of nonviolence and human rights. Often called Acharya, he is best known for the Bhoodan Movement.
- He is considered a National Teacher of India and the spiritual successor of Mahatma Gandhi.
- He was an eminent philosopher. The Gita has also been translated into Marathi language by him with the title Geetai (meaning 'Mother Gīta' in Marathi).

## WORLD'S PARLIAMENT OF RELIGIONS, 1893

Prime Minister Narendra Modi recalled Swami Vivekananda's iconic speech at Chicago in 1893. Mr Modi said, his address gave the world a glimpse of India's culture and ethos.



### About:

- There have been several meetings referred to as a Parliament of the World's Religions, the first being the World's Parliament of Religions of 1893, which was an attempt to create a global dialogue of faiths.
- Swami Vivekananda represented India and Hinduism at the Parliament of the World's Religions (1893).
- This was the first World's Parliament of Religions, and it was held from 11 to 27 September 1893. Delegates from all over the world joined this Parliament.

## WORLD PHYSIOTHERAPIST DAY

On the occasion of World Physiotherapist Day, Prime Minister Narendra Modi today lauded the efforts of all physiotherapists who play a key role in safeguarding the health of people.



### **About:**

- World Physiotherapist Day is observed to generate awareness about the crucial contribution physiotherapists make to society, enabling people to be mobile, well, and independent.
  - This is observed on 8 September.
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## F-16 FIGHTER JET

During official meetings with U.S. Assistant Secretary of State Donald Lu in Delhi last week, India raised “strong objections” to the U.S. plan for Foreign Military Sales (FMS) to Pakistan at an estimated \$450 million for hardware, software and spares for the F-16 fighter jet programme.



### **About:**

- The Indian side cited concerns about the technology and support being made available for the F-16s which Pakistan claims are needed for “counter-terrorism operations”.
  - The government conveyed that it believed they would be used for operations against India.
  - Lu told officials that the FMS package was a maintenance deal for F-16s, some of which are 40 years old and part of the U.S.’s global policy of maintaining its defence sales for their entire life cycle.
  - The General Dynamics F-16 Fighting Falcon is a single-engine multirole fighter aircraft originally developed by General Dynamics for the United States Air Force (USAF).
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