

SRI LANKA AND IMF REACH PRELIMINARY AGREEMENT FOR \$2.9 BILLION LOAN

In News:

- Sri Lanka has reached a preliminary agreement with the International Monetary Fund (IMF) for a loan of about \$2.9 billion.
- Sri Lanka is facing the worst economic crisis in decades and is currently seeking a way out of this crisis.

In Focus: Economic Crisis in Sri Lanka

Background:

- Sri Lanka is facing the double whammy of rising prices and high debt, and its people are bearing the brunt of it as the domestic situation turns increasingly grim.
- In September 2021, Sri Lanka declared a state of Economic Emergency for the Supply of Essential Foods.
 - It allowed the government to take control of the supply of basic food items, and set prices to control rising inflation.
- The crisis left Sri Lanka in political turmoil forcing the then President, Gotabaya Rajapaksa to resign.
- The current inflation in the country is now at almost 65% year-on-year. It owes more than \$51 billion in foreign debt, of which \$28 billion has to be repaid by 2028.

Factors Responsible for the Economic Crisis of Sri Lanka

Covid 19 Pandemic	<ul style="list-style-type: none">• Tourism industry which represents over 10% of the country's GDP and brings foreign exchange reserve was severely hit• It also led to production shortages and logistical bottlenecks.
Increase in foreign exchange rate	<ul style="list-style-type: none">• With the supply of foreign exchange drying up, the value of the Sri Lankan rupee started depreciating which made the imports costlier• The island nation imports a large part of its food supplies. So, the price of food items has risen in tandem with the depreciating rupee.
Push for Organic Agri-Products	<ul style="list-style-type: none">• Sri Lanka wants to become the first country in the world with an agriculture sector that is 100% organic. Govt has banned the use of chemical fertilisers in farming.• This has further aggravated the crisis by dampening agricultural production.
Role of Speculators	<ul style="list-style-type: none">• Speculators are causing the rise in food prices by hoarding essential supplies.

- Besides the above factors, domestic factors such as years of mismanagement and corruption are also responsible for the current mess.

- Also, the 2019 Easter suicide bombings at churches and hotels devastated tourism. It was further aggravated by the Covid 19 Pandemic.

News Summary

- IMF has announced that it has reached a staff-level provisional agreement for a \$2.9 billion package to bail Sri Lanka out of its worst economic crisis.
- The agreement is only preliminary, and has to be approved by the IMF management and its executive board.
- It will also go through only if Sri Lankan authorities carry out previously agreed measures.
- Sri Lanka is expected to take tough measures, through its budget, aimed at increasing revenue and reducing public debt while initiating sectoral reform.

LANKA'S IMF BLUEPRINT

- Major reforms in income tax & VAT
- Cost-recovery based pricing for fuel, power
- Restore market-based foreign exchange rate
- Ensure adequately capitalised banking system
- Reduce corruption vulnerabilities

IMF funds will help Sri Lanka

- The funds will be **disbursed over four years** to help stabilise the economy and boost growth.
- The package will help raise government revenue to support fiscal consolidation, introduce new pricing for fuel and electricity, hike social spending, bolster central bank autonomy and rebuild depleted foreign reserves.
- Starting from one of the lowest revenue levels in the world, the bailout programme will implement major tax reforms.
 - These reforms include making personal income tax more progressive and broadening the tax base for corporate income tax and VAT.
 - The programme aims to reach a primary surplus of 2.3% of GDP by 2024.
- The IMF package, to be paid in tranches over the next four years, is less than what India provided to Sri Lanka over four months.
- However, an IMF loan will boost the receiving country's credit ratings, and the confidence of international creditors and investors.

UN ACCUSES CHINA OF UIGHUR RIGHTS ABUSES

In News:

- The United Nations has accused China of committing serious human rights violations, following an investigation into allegations of abuse against Uyghur Muslims and other ethnic minorities in Xinjiang province.

Who are Uighurs?

- The Uighurs are a nomadic Turkic people native to China's Xinjiang province.
- About 12 million Uighurs live in Xinjiang, with smaller groups in Kazakhstan, Turkey and other countries.
- They are considered as one of China's 55 officially recognized ethnic minorities.

Where is Xinjiang province?



- Xinjiang, officially known as the Xinjiang Uighur Autonomous Region (XUAR), lies in the north-west of China and is the country's largest province.
 - Like Tibet, it is autonomous, meaning - in theory - it has some powers of self-governance.
 - But in practice, both regions are subjected to major restrictions by the central government.
- The region produces about a fifth of the world's cotton.
- It is also rich in oil and natural gas and because of its proximity to Central Asia and Europe, it is seen by China as an important trade link.

Why is there tension between the Chinese Communist Party and the Uighurs?

- Most Uighurs are Muslim and Islam is an important part of their life and identity.
- Their language is similar to Turkish language, and they regard themselves as culturally and ethnically close to Central Asian nations.
- In the early 20th Century, the Uighurs briefly declared independence for the region but it was brought under the complete control of China's new Communist government in 1949.

- In the 1990s, open support for separatist groups increased after the collapse of the Soviet Union and the emergence of independent Muslim states in Central Asia.
- However, the Chinese government suppressed these demonstrations.

Changing demographics of the region:

- Major development projects have brought prosperity to Xinjiang's big cities, attracting young and technically qualified Han Chinese from eastern provinces.
- The Han Chinese are said to be given the best jobs while Uighurs are treated as second class citizens, something that has fuelled resentment among Uighurs.
- In 1949, Uighurs numbered approximately 76% of the total population of the region while Han Chinese accounted for just 6.2%.
- As per the census 2010 data, the population of the region is now made up of 45% Uighurs and 40% Han Chinese.

Oppression of the Uighurs by the Chinese government:

- China has long carried out heavy-handed ethnic assimilation of Uighurs, but the policies reached new levels under President Xi Jinping.
- Uighur commercial and cultural activities have been gradually curtailed by the Chinese state.
- For example, in July 2014, some Xinjiang government departments banned Muslim civil servants from fasting during the holy month of Ramadan.
- In 2017, China began a massive “political re-education program”, with more than 1 million Uighurs taken into detention.
- These detentions lasted for months or even years.
- During the same period, the Xinjiang government rolled out a high-tech surveillance system across the region that tracked Uighurs’ movements through police checkpoints, facial recognition surveillance cameras and house visits by officials.

News Summary:

- The UN accused China of serious human rights violations that may amount to “crimes against humanity” in a report examining a crackdown on Uighurs and other ethnic groups.

- Human rights groups have accused China of sweeping a million or more people from the minority groups into detention camps.
- In these detention camps, many have said they were tortured, sexually assaulted, and forced to abandon their language and religion.
- The assessment, conducted by UN Human Rights Council (UNHRC) concluded that China has committed serious human rights violations under its anti-terrorism and anti-extremism policies.
- It calls for urgent attention from the UN, the world community and China itself to address them.

China's Official Response:

- Foreign Ministry of China said that the report shows that the UN Human Rights Office has been reduced to an enforcer and accomplice of the U.S. and other Western nations.
- The Ministry said that the UN assessment is a patchwork of false information that serves as political tools for the U.S. and other Western countries to strategically use Xinjiang to contain China.

UGC PROPOSES CLUSTERING OF COLLEGES

The University Grants Commission (UGC) has finalised guidelines for transforming colleges and universities into multidisciplinary institutions and has prescribed three different approaches which include “clustering” of establishments located in proximity to each other.

About:

- The UGC will make public its “Guidelines for transforming higher educational institutions into multidisciplinary institutions”.
- These aim to help State governments and universities frame appropriate rules and policies. Promoting multidisciplinary institutions was a key recommendation of the National Education Policy, 2020.

- The UGC has suggested academic collaboration between institutions through “clusters” of higher education institutions (HEIs) in order to promote multidisciplinary education and research in online and offline modes.
- The cluster system will help single-stream institutions with poor enrolment due to lack of employment-oriented, innovative multidisciplinary courses and lack of financial resources and help such centres improve their grades in National Assessment and Accreditation Council (NAAC) accreditation.

CRIME MULTI AGENCY CENTRE (Cri-MAC)

At least seven States and one Union Territory have given the cold shoulder to the Centre’s online platform meant to share information and coordinate action among law enforcement agencies on serious criminal incidents, including human trafficking, data show.



About:

- The Crime Multi Agency Centre (Cri-MAC) was launched in 2020 by the Ministry of Home Affairs (MHA) to share information on crime and criminals 24x7 with various law enforcement agencies and ensure a seamless flow of information among them.
- The application run by the National Crime Records Bureau (NCRB) aims to help in early detection and prevention of crime incidents across the country.

VOSTOK-2022

An Indian Army contingent comprising troops from 7/8 Gorkha Rifles is participating in the multilateral strategic and command exercise ‘Vostok-2022’ which commenced at the training grounds of the eastern military district in Russia.



About:

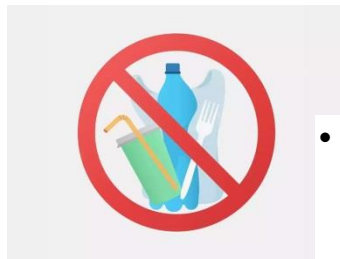
- The exercise also includes participation by the Chinese

People's Liberation Army.

- The exercise is aimed at interaction and coordination amongst other participating military contingents and observers. The exercise is scheduled to be held from Sept. 01 to 07.
 - Russia has stated that Vostok-2022 will be conducted in two phases.
 - Participating contingents include observers from the Collective Security Treaty Organisation, the Shanghai Cooperation Organisation (SCO) and other partner states.
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BAN ON SINGLE-USE PLASTICS

In keeping with the spirit of the 'Azadi ka Amrit Mahotsav', the country is taking steps to curb littered and unmanaged plastic waste pollution.



About:

- The Ministry of Environment, Forest and Climate Change, Government of India, notified the Plastic Waste Management Amendment Rules, 2021 on August 12, 2021.
 - In keeping with the spirit of the 'Azadi ka Amrit Mahotsav', the country is taking steps to curb littered and unmanaged plastic waste pollution.
 - Since July 1, 2022, India has banned the manufacture, import, stocking, distribution, sale, and use of single-use plastic (SUP) items with low utility and high littering potential. India is a party to the United Nations Environment Assembly (UNEA).
 - In all, 124 nations are party to the UNEA, and India has signed a resolution to draw up an agreement in the future that will make it legally binding for signatories to address the full life cycle of plastics, from production to disposal.
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