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MK Yadav Sir

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THE HINDU

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SOUTH CHINA SEA

(Syllabus: GS Paper 2 – IR)

U.S., Vietnam warn against 'threat' in South China Sea

Both countries call for settlement of competing claims under international norms; they also promise to deepen cooperation to counter Beijing's growing assertiveness in the region

Agence France-Presse
HANOI

The United States and Vietnam warned on Monday against the "threat or use of force" in the disputed South China Sea, days after the latest clash involving Chinese vessels.

U.S. President Joe Biden and Vietnam's Communist Party chief Nguyen Phu Trong said the competing claims on the strategic waterway must be settled under international norms.

Beijing claims almost the entire sea, through which trillions of dollars in trade passes annually, and has ignored an international court ruling that its assertion has no legal basis.

"The leaders underscored their unwavering support for the peaceful resolution of disputes in accordance with international law, without the threat or use of force," Mr. Biden and Mr. Trong said in a joint statement.

They also called for "freedom of navigation and overflight and unimpeded lawful commerce in the South China Sea".

The statement came a day after Mr. Biden and Mr. Trong struck a deal to deepen cooperation, widely seen as a way to counter China's growing assertiveness in the region.

Washington is at loggerheads with Beijing on a range of issues including trade, security, human rights and climate change and is looking to boost its network of allies to counter Chinese influence.

Vietnam, which fought a war with China between 1979 and 1988, is wary of its giant northern neighbour, and is one of a handful of countries with claims on the many islets and outcrops that dot the South China Sea.

Last week the Philippines accused Chinese Coast Guard and "militia" boats of harassing two of its own coast guard vessels as they took supplies to Filipino troops on the Second Thomas Shoal.

The Philippine Navy deliberately grounded an old ship on the shoal in 1999 to check China's advance in the waters.

China deploys hundreds of vessels to patrol the South China Sea and swarm reefs.



Happy note: U.S. President Joe Biden raises a toast at a state luncheon with Vietnam President Vo Van Thuong in Hanoi. AP



Context: Recently, both the **United States and Vietnam** issued warnings against the "threat or use of force" in the South China Sea, following a recent clash involving Chinese vessels in the disputed region.

South China Sea

- It is one of the **world's busiest waterways** and plays a crucial role in global trade and merchant shipping.
- **Location**: The South China Sea is a marginal sea of the Western Pacific Ocean
- **Bordering Countries**: The People's Republic of China, the Republic of China (Taiwan), the Philippines, Malaysia, Brunei, Indonesia, Singapore and Vietnam.
- **Straits**: Taiwan Strait, connecting to the **East China Sea**; the Luzon Strait, linking to the **Philippine Sea**; straits surrounding Palawan, connecting to the **Sulu Sea**; the Strait of Singapore, providing access to the **Strait of Malacca**; and the Karimata and Bangka Strait, connecting to the Java Sea.
- **Reason for Dispute**: The South China Sea disputes involve claims over maritime territories and islands by various sovereign states in the region.
- **Countries Party dispute**: China, Brunei, Taiwan, the Philippines, Vietnam, Malaysia, Indonesia etc.

Claims Over Islands

- **The Paracel Islands**: Claimed by China, Taiwan and Vietnam.
- **The Spratly Islands**: Claimed by China, Taiwan, Malaysia, Vietnam, Brunei and the Philippines.
- **The Scarborough Shoal:** Claimed by the Philippines, China and Taiwan.

LIVEMINT

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NUCLEAR ENERGY

(Syllabus: GS Paper 3 – SCI & TECH)

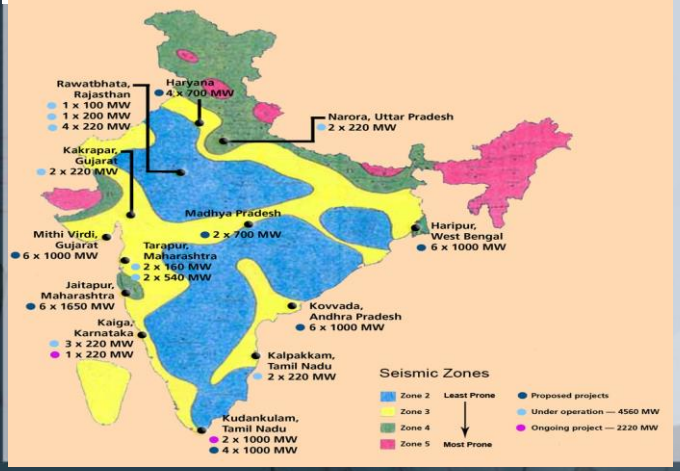
Nuclear energy is clean but too risky to rely on

India and France have plans for this option. Nuclear power does offer us a tempting path to carbon neutrality free of fossil fuels, but we can't ignore meltdown and waste disposal risks

India's flurry of diplomacy over the weekend included a joint statement issued with France that envisioned the co-development of modular nuclear reactors, the kind with interchangeable parts meant for rapid assembly at scale. Since nuclear plants heat water to drive turbines and generate power without burning fossil fuels, they qualify as climate-friendly from an emission perspective. India's current pace of renewable capacity addition—wind, solar and hydro energy projects—would need sharp acceleration for non-fossil sources to yield 500 gigawatts of electricity by 2030, a target the country must meet on its way to carbon neutrality by 2070. A huge nuclear step-up is not just a big temptation, but also the elephant in the clean-energy hall. Unlike other ways to keep our lights on and gadgets going, it remains tied up in global geopolitics over its potential for misuse. In 2005, a celebrated nuclear deal with the US gave India access to supplies of reactors and fuel under a regime that had long barred us for our defiant pursuit of nukes. It was an agreement seen as heralding a bold new era of nuclear power. This did not materialize, however. The reason may explain why we hear so little about it today.

At the end of August, India switched on an indigenously developed 700-megawatt nuclear plant in Kakrapar, Gujarat. But news of such inaugurations is rare. In all, this form of energy accounts for only 1.6% of India's total installed generation capacity, as listed by the ministry of power. This is a remarkably thin sliver of the pie and we're largely dependent on coal-fired plants to keep our grids alive. Our newfound market access failed to spark off a proliferation of reactors because a secondary legislation put foreign suppliers off. India's Civil Liability for Nuclear Damage Act of 2010 made it clear that reactor makers and others in the supply chain would get no indemnity in case of a disaster. Operators would bear a burden for their role, sure, but the liability would not be limited to them, as danger could also arise from faulty equipment, etc. Nor could caps be placed on compensation sums for insurers to price their risk coverage by. The deterrence effect this law had on nuclear suppliers showed just how risky this industry is. Did insurers, as experts of risk estimation, demand premiums that were too steep for supply deals to work out?

The extreme hazard of a big Chernobyl-style nuclear meltdown that could irradiate a bunch of districts is at the mega-impact but low-likelihood end of the scale. No matter how much care is taken, the worst-case scenario is horrific, and with many more reactors at work, the country's exposure would rise sharply as critical points add up. Even less openly discussed is the problem of waste disposal. The makeshift solution for small quantities of spent fuel is to store these in cooling ponds, though getting rid of coolant water can be a challenge even with far smaller volumes than Japan's ill-fated Fukushima plant had to dump. Eventually, heavy nuclear waste needs to be sealed off in vaults deep in the ground (or under a seabed), so that no radiation can escape. This is a costly aspect that nuclear advocates tend to play down. Still, it's a radioactive package that must not be handed over to the government—and by extension, people—as a *fait accompli* once the country is dotted with nuclear reactors in a quick bid to attain carbon neutrality. Although these seem to offer a useful way to meet our climate goals, without clarity on sticky matters like liability sharing and waste disposal, we must not count on them.



Context: Recently, **India and France** have been actively discussing the option of nuclear power as a **tempting path towards achieving carbon neutrality**, despite the pressing concerns of potential meltdowns and the challenges associated with waste disposal.

Nuclear Energy

- **About:** It is the energy stored in the nucleus of an atom. It can be used to produce electricity. But, before it can used, it must be released.
- **Global**: Nuclear energy accounts for **approximately 10% of global electricity** production, generated by around 440 power reactors.
- Nuclear energy stands as the **second-largest contributor** to low-carbon power worldwide, comprising 26% of the total in 2020.
- **In India:** Nuclear power ranks as the **fourth-largest electricity source**, following thermal, hydroelectric, and renewable energy sources.
    - Roughly 2.5% of India's total energy needs are satisfied by nuclear energy.
    - India currently **operates 22 nuclear reactors** situated within **7 nuclear power plants**, boasting an aggregate installed capacity of 6780 MW.
    - Nuclear energy can help India meet the INDC target under the **Paris Climate Treaty**.

Nuclear Fusion: In fusion, nuclei of two lighter elements are made to **fuse together** to form the nucleus of a **heavier atom**.

- **Best Example:** It is the same nuclear process that **powers the Sun and other stars.**

Nuclear Fission: It occurs when a neutron slams into a larger atom, forcing it to excite and **split into two smaller atoms**, known as fission products. Additional neutrons are also released that can initiate a chain reaction.

- **Result:** When each atom splits, a tremendous amount of energy is released.
- **Best Example:** Nuclear power reactors where uranium and plutonium are most commonly used because they are easy to initiate and control.

19TH HACGAM
(Syllabus: GS Paper 3-– Security)

Indian Coast Guard participates in 19th Heads of Asian Coast Guard Agencies Meeting (HACGAM) in Istanbul, Türkiye

Context: Recently, the Indian Coast Guard participated in the **19th Heads of Asian Coast Guard Agencies Meeting** (HACGAM) in Istanbul, Türkiye.

19th Heads of Asian Coast Guard Agencies Meeting

- **About:** This apex-level forum serves as a platform for convening the leading Coast Guard Agencies from across the Asian region.
- **Established:** In 2004
- **Hosted by:** Turkey
- **Members:** 23 Countries
  - Australia, Bahrain, Bangladesh, Brunei, Cambodia, China, France, India, Indonesia, Japan, South Korea, Lao PDR, Malaysia, Maldives, Myanmar, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Turkiye, Vietnam and one Region i.e., Hong Kong (China).
- **18th HACGAM Hosted:** India
- **Focus**: Fostering cooperation between the Coast Guards of the member Asian states to ensure and promote safe, secure, and clean seas in the region.

Indo Pacific Region

- The Indo-Pacific region refers to the **confluence of the Pacific and Indian Oceans**, which interconnect in Southeast Asia.
- The **concept of the Indo-Pacific** is relatively recent, gaining prominence around a decade ago. In the years since its inception, it has experienced substantial growth.
- A **key factor driving the adoption** of this term is the recognition of the interconnected strategic importance of the Indian Ocean and the Pacific Ocean.
- Many experts believe the shift from **Asia-Pacific to Indo-Pacific** is the exponential economic growth ranging from **India to China and Japan**.

DTE

Sept 12

GLOBAL DEBT RESTRUCTURING

(Syllabus: GS Paper 3 – Economy)

G20 Summit: Good progress on easing debt in Zambia, Ethiopia & Ghana, says finance minister

Context: India has taken the lead in facilitating **debt discussions** with **global sovereign debt roundtable (GSDR),** for the climate change programme at the New Delhi-based think tank **Centre for Science and Environment (CSE).**

Key Points of Declaration

- Since the **Common Framework's** establishment in 2021, **Chad is the only country** that has undergone debt restructuring, which involved concessions from creditors to alleviate the financial burden on insolvent nations, while others are still waiting.
    - The **Common Framework, initiated by the G20** in November 2020, aims to **strengthen the international debt structure** for the world's poorest nations by facilitating coordinated efforts among official creditors for timely and sustainable debt treatment.
- India, during its G20 presidency, has made substantial progress in addressing the debt issues of **Zambia, Ghana, and Ethiopia**, and has also established a coordinated mechanism for addressing the debt situation in Sri Lanka.

Debt Restructuring: It is a strategy businesses, individuals, and nations employ to mitigate the potential of defaulting on their current financial obligations.

- This may **involve negotiations** for reduced interest rates among other measures.
- The **debt restructuring process** typically involves getting lenders to agree to reduce the interest rates on loans, extend the dates when the company's liabilities are due to be paid, or both.

Global sovereign debt roundtable (GSDR):

- **Creation:** In February 2023. It does **not replace debt restructuring mechanisms** such as the G20 Common Framework, rather, its focus is to build a greater common understanding of key concepts within the existing framework
- The GSDR is **co-chaired by the International Monetary Fund, the World Bank and India** in its capacity as the 2023 G20 Presidency.

LIVEMINT

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SOVEREIGN WEALTH FUND

(Syllabus: GS Paper 3– Economy)

Saudi plans to set up sovereign wealth fund office in GIFT City

India too will open its investment office in Riyadh: Commerce minister Piyush Goyal

Staff Writer
feedback@livemint.com

Saudi Arabia said it will consider setting up an office of its sovereign wealth fund (SWF) in Gujarat International Finance Tec-City (GIFT) to facilitate investments.

Investment minister of Saudi Arabia Khalid A. Al Falih said that within the next few weeks, he would send a strong delegation to GIFT City to explore the opportunity. "I will match your offer and commit today that we will open an office in India for investment facilitation...we are talking about bi-directional (facilitation)," he said at the India-Saudi Arabia Investment Forum meet.

Commerce minister Piyush Goyal said that India will open its investment office in Saudi Arabia. "GIFT City officials will be sent to Saudi Arabia and FICCI in partnership with Invest India and the ministry of commerce and industry will set up an

Saudi Arabia," he said.

Goyal expressed hope to kick start greater flow of investments and double the bilateral trade between the two nations to reach $100 billion from $52 billion currently along with more balance of trade between India and Saudi Arabia.

"India can look at providing food security to Saudi Arabia while Saudi Arabia helps us by providing more security in energy, oil, fertilizers," he stated.

> Goyal expressed hope of kickstarting greater flow of investments and double bilateral trade between the two nations to $100 billion

Al Falih said, "The future lies with the young people, the startups, innovators and entrepreneurs and we need to ensure that we don't give all of our attention only to big national champions, MNCs. We work to create fertile ground for entrepreneurship as in the next

champions for both the nations."

The minister also said, "We will open an office in India for investment facilitation and our investment offices will also be facilitators for outbound investments. Within the next few weeks, we will send a strong delegation to GIFT City for potential opportunities along with identifying Delhi, Mumbai or GIFT City for opening our new office."

"We will offer both physical and digital space to set up Startup Bridge in Riyadh and not only access partners from Saudi Arabia, but we will work with our VCs and in the next few weeks create a joint agreement with our National Venture Capital Fund and with Indian counterparts to fund startups," the minister added.



Context: Saudi Arabia recently announced its intention to explore the establishment of an office for its **sovereign wealth fund (SWF)** in **Gujarat International Finance Tec-City** (GIFT) with the aim of promoting and facilitating investments.

Sovereign Wealth Fund (SWF)

- **About:** It is also known as **Social Wealth Funds**, consisting of funds **generated and owned by the government**.
  - These funds are typically sourced from state-owned natural resource revenues, trade surpluses, bank reserves, and similar financial assets.
- **Types of SWF**: Savings Funds, Stabilization Funds, Reserve Investment Funds, Strategic Development Sovereign Wealth Funds (SDSWF) & Pension Reserve Funds
- **Commodities**: Created through commodity exports, either taxed or owned by the government
- **Non-Commodities**: Usually created through transfers of assets from official foreign exchange reserves
- **India's Sovereign Wealth Fund:** National Investment and Infrastructure Fund (NIIF)
- **Set up by**: Government of India in 2015
- **Aim**: To attract investments from both domestic and international sources for infrastructure development in commercially viable projects both Greenfield and Brownfield, including stalled projects.

PIB

Sept 12

EASTERN ECONOMIC FORUM

(Syllabus: GS Paper 2 – IR)

Shri Sarbananda Sonowal leaves for Russia to represent India at the Eastern Economic Forum, 2023 to be held in Vladivostok

Context: Recently, the Union Minister of Ports, Shipping & Waterways and Ayush returned from Russia after representing India at the **Eastern Economic Forum held in the Russian** port city of Vladivostok.



Eastern Economic Forum

- EEF is an annual international event hosted in Vladivostok, Russia.
- **Inaugurated:** In September 2015, the first EEF took place at the Far Eastern Federal University in Vladivostok,
- **Aim:** To promote economic growth in Russia's Far East and foster international collaboration within the Asia-Pacific region.
- EEF serves as a vital platform for deliberations on critical topics such as **global economics, regional integration, advancements** in industrial and technological sectors, and the shared global challenges faced by Russia and other nations.

Russia's Far East

- The **Far Eastern part of Russia** is its easternmost region.
- **Border Sharing**: Two oceans, namely the Pacific and the Arctic
- **Five Countries:** China, Japan, Mongolia, the United States, and North Korea.
  - Encompassing over a **third of the country's landmass**, the Far Eastern Federal District is vast.
- **Abundant in Natural Resources**: Diamonds, stannary, borax materials, gold (including 50% of the nation's gold reserves), tungsten, and a variety of fish and seafood.

HINDUSTAN TIMES

Sept 12

MQ-9B DRONES

(Syllabus: GS Paper 3 – Security)

India initiates process to purchase 31 MQ-9B drones from the US

Context: India recently initiated the process to purchase **31 MQ-9B drones** from the USA.

MQ-9B drones

- **Developed by**: General Atomics Aeronautical Systems (GA-ASI).
- The MQ-9B drone is a variant of the MQ-9 "Reaper".
- **MQ-9 Reaper**: An unmanned aerial vehicle (UAV) capable of remotely controlled or autonomous flight operations.
- They are armed with strike missiles that can take out enemy targets with high accuracy.
- **The MQ-9B has two variants**: Sky Guardian and Sea Guardian.
    - The Indian Navy has been operating the **MQ-9B Sea Guardian** since 2020.

Features of MQ-9B Sea Guardian

- **Payload**: It can carry up to 5,670 kg.
- **Altitude:** 40,000 feet.
- **Endurance time**: 40 hours.
- This makes it useful for long-hour surveillance.
- It can support **land, maritime surveillance, anti-submarine warfare, anti-surface warfare, strike**, electronic warfare, and expeditionary roles.
- It is capable of **automatic take-offs** and landings.
- This **enables joint forces and civil authorities to deliver real-time** situational awareness anywhere in the maritime domain — day or night.

DTE

Sept 12

ACHANAKMAR TIGER RESERVE

(Syllabus: GS Paper 3 – Env & Eco)

To track a tigress: How officials in Chhattisgarh's Achanakmar are trying to recover big cat numbers

Context: Recently, tracking teams inside **Achanakmar Tiger Reserve** in Chhattisgarh have been diligently monitoring the movements of a tigress, aimed at bolstering the reserve's dwindling population of these majestic big cats.

- The **latest Status of Tigers, Co-Predators and Prey in India census report**, 2022 by the **National Tiger Conservation Authority (NTCA)** showed that **Chhattisgarh**, which shares a border with **Madhya Pradesh, has just 17 tigers**. Meanwhile, Madhya Pradesh — from which Chhattisgarh was carved out in 2000 — has 785 big cats.

Achanakmar Tiger Reserve

- **Location**: It is located in the Bilaspur district of Chhattisgarh.
- **About:** It was **declared a tiger reserve** in 2009. It is a part of the huge Achanakmar-Amarkantak Biosphere Reserve. **Maniyari River flows right from the center** of this reserve, which is the forest's lifeline. It has a corridor **connecting to Kanha and Bandhavgarh Tiger reserves** and plays a critical role in the dispersal of tigers among these reserves.
- **Vegetation:** Tropical deciduous forest.
- **Flora**: Sal, bija, saja, haldu, teak, tinsa, dhawara, lendia, khamar, and bamboo bloom here, along with over 600 species of medicinal plants.
- **Fauna:** Wild fauna includes the tiger, leopard, bison, flying squirrel, Indian giant squirrel, chinkara, wild dog, hyena, sambar, chital, and over 150 species of birds.

National Tiger Conservation Authority (NTCA)

- It is a statutory body under the Ministry of Environment, Forest, and Climate Change (MoEFCC).
- **Establishment:** In 2006 under the Wildlife (Protection) Act of 1972.
- **Objectives**:
- Providing statutory authority to **Project Tiger** so that compliance with its directives becomes legal.
- **Fostering accountability of Center-State** in the management of Tiger Reserves by providing a basis for a MoU with States within the federal structure.
- Addressing the livelihood interests of local people in areas surrounding Tiger Reserves.
- **NTCA Members**: Minister in charge of MoEFCC (as Chairperson), Minister of State in MoEFCC (as Vice-Chairperson), Three members of Parliament, The Secretary (MoEFCC) and other members.

INDIAN EXPRESS Page 9

NIPAH VIRUS
(Syllabus: GS Paper 3 – Sci & Tech - Diseases)

Nipah virus alert in Kerala's Kozhikode

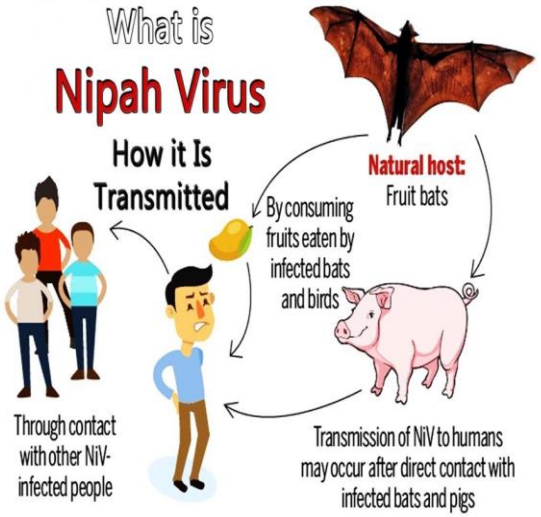
EXPRESS NEWS SERVICE
THIRUVANANTHAPURAM, SEPTEMBER 11

KERALA HEALTH Department on Monday issued an alert in Kozhikode district following two deaths suspected to be due to Nipah virus.

An official communication from Health Minister Veena George said the alert has been sounded in the district following two deaths at a private hospital in Kozhikode. "Nipah is suspected. Relatives of one of the victims are being treated under intensive care at the hospital. A high-level meeting was convened to evaluate the situation," said the release.

Even as confirmation of the virus is yet to be clinically established, the health department has already taken precautionary steps.

Nipah was first reported in Kozhikode in Kerala in 2018, claiming 17 lives.



Context: Recently, the Kerala Health Department issued an alert in the **Kozhikode district** after **two deaths were suspected** to be due to the **Nipah Virus.**

Nipah Virus (NIV)

- **About:** It is a **zoonotic virus**, meaning it can be transmitted from **animals to humans**.
- **Responsible for Nipah Virus encephalitis**: RNA virus belonging to the Paramyxoviridae family, Henipavirus genus, and is closely related to the Hendra virus.
- **Initial occurrence of the outbreak:** Malaysia (1998) and Singapore (1999).
- The estimated case **fatality rate for the Nipah Virus ranges from 40% to 75%**, which can vary depending on the outbreak's local epidemiological surveillance and clinical management capabilities.
- **Spread:** The virus can be transmitted to humans either through contact with infected animals, consumption of contaminated food, or through direct person-to-person transmission.
- **Carrier:** Fruit bats are recognized as the natural reservoir of the virus.
- **Symptoms**: Acute encephalitis and respiratory illnesses
- **Prevention**: Currently, there are **no vaccines** for both humans and animals.

TOI

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FREE TRADE AGREEMENT

(Syllabus: GS Paper 3 – Economy)

Modi, MbS endorse plans to push talks for India-GCC FTA

Sachin.Parashar
@timesgroup.com

New Delhi: As Prime Minister Narendra Modi and Saudi Arabia crown prince and PM Mohammed bin Salman chaired the first leaders' meeting of the Strategic Partnership Council, which was instituted during his visit to Riyadh in 2019, Modi said the "historic" India-West Asia-Europe economic corridor announced on the margins of the G20 summit would enhance economic and energy cooperation and also improve digital connectivity.

While it is not clear how the initiative, which is being touted as a response to China's BRI, will be funded, MEA secretary for overseas Indian affairs Ausaf Sayeed said the project would have railroads running to India. Mohammed bin Salman endorsed the project and said it would require hard work and cooperation by all.

"Today, we are working on future opportunities. I congratulate you on the management of the G20 summit and the objectives achieved, including the economic corridor linking the Middle East, India and Europe, which requires that we work diligently to make it a reality," he said.

The Prime Minister thanked Salman for protecting the interests of the Indian community in Saudi Arabia and also for contributing to the success of the G20 summit. Modi said he and Salman had identified new initiatives to take the relationship to the next level. "The scope for cooperation in grid connectivity, renewable energy, food security, semiconductors, supply chains is immense," Modi said on X.

The government said that it would also have monitoring committees to ensure timely implementation of projects related to the refinery in Maharashtra. "Both sides decided to fully support early implementation of the trilateral west coast refinery project involving Aramco, Abu Dhabi National Oil Company and Indian firms," Sayeed said. Saudi authorities in 2019, just before Modi's visit to Riyadh, had announced their intention to invest $100 billion in India in areas like refinery, petrochemicals, infrastructure, mining, and agriculture. Around $44 billion was then earmarked for the refinery and petrochemicals project in Maharashtra.

The two leaders also endorsed plans to resume and expedite negotiations for an India-GCC FTA. The Gulf Cooperation Council (GCC) is India's largest trading partner bloc with annual bilateral trade valued at over $150 billion. Both sides want a comprehensive agreement with significant coverage of goods and services, according to the Indian government.



AFP

PM Narendra Modi and his Saudi Arabian counterpart, Crown Prince Mohammed bin Salman, in delegation-level talks in New Delhi on Monday

Both sides stress on combating terror, its funding

During the state visit of Saudi Crown Prince and PM Mohammed bin Salman, India and Saudi Arabia stressed on strengthening security cooperation in the field of combating terrorism and its financing, while underlining that terrorism, in all its forms, remains one of the gravest threats to humanity. "They agreed that there cannot be any justification for any act of terror for any reason whatsoever. They rejected any attempt to link terrorism to any particular race, religion or culture," said a joint statement.

This is significant for India as Saudi Arabia has traditionally had "brotherly" ties with Pakistan even though the relationship has come under strain in recent times. TNN

FDI	FPI
1. It is long-term investment	1. It is generally short-term investment
2. Investment in physical assets	2. Investment in financial assets
3. Aim is to increase enterprise capacity or productivity or change management control	3. Aim is to increase capital availability
4. Leads to technology transfer, access to markets and management inputs	4. FPI results in only capital inflows
5. FDI flows into the primary market	5. FPI flows into the secondary market
6. Entry and exit is relatively difficult	6. Entry and exist is relatively easy
7. FDI is eligible for profits of the company	7. FPI is eligible for capital gain
8. Does not tend be speculative	8. Tends to be speculative
9. Direct impact on employment of labour and wages	9. No direct impact on employment of labour and wages

Context: Recently, the strategic partnership between **India and Saudi Arabia** further strengthened as they signed eight agreements, underscoring their commitment to enhancing cooperation in energy, trade, defense, and security.

- The two leaders also endorsed plans to **resume and expedite negotiations for an India-GCC FTA.** The **Gulf Cooperation Council (GCC)** is India's **largest trading partner bloc** with annual bilateral trade valued at over $150 billion.

Free Trade Agreement (FTA)

- It represents an agreement **between two or more nations** aimed at lowering obstacles to the exchange of goods and services among them.
- Under such agreements, products and services can move across international borders with minimal or **no government-imposed tariffs**, **quotas, subsidies, or prohibitions** to impede their flow.
- The **idea of free trade stands** in contrast to trade protectionism or economic isolationism, emphasizing openness and the removal of barriers to international trade.

Gulf Cooperation Council (GCC)

- **About**: GCC is a political and economic alliance of six countries in the Arabian Peninsula.
- **Countries**: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.
- **Establishment**: In 1981,
- **Objective**: To promote economic, security, cultural and social cooperation between the six states and hold a summit every year to discuss cooperation and regional affairs.
- **GCC countries contribute:** Almost **35 percent of India's oil imports and 70 percent of gas imports.**

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