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## TEDIOUS PROCESS OF ADOPTION

### Context

- From September 1, District Magistrates (DM) have been empowered to give adoption orders instead of courts. All cases pending before courts have to be now transferred.
- Hundreds of adoptive parents in the country are now concerned that the transfer process will further delay what is already a long and tedious process.
- There are questions whether an order passed by the executive will pass muster when an adopted child's entitlements on succession and inheritance are contested before a court.

### About amended rules

- The Parliament passed the Juvenile Justice (Care and Protection of Children) Amendment Bill, 2021 in July last year in order to amend the Juvenile Justice Act (JJ Act), 2015.
- The key changes include authorising District Magistrates and Additional District Magistrates to issue adoption orders under Section 61 of the JJ Act by striking out the word "court".
- This was done "in order to ensure speedy disposal of cases and enhance accountability," according to a government statement.
- The District Magistrates have also been empowered under the Act to inspect child care institutions as well as evaluate the functioning of district child protection units, child welfare committees, juvenile justice boards, specialised juvenile police units, child care institutions etc.
- The Act and the corresponding rules came into effect from September 1. The amendments to the Juvenile Justice (Care and Protection of Children) Model Rules, 2016 say, "all the cases pertaining to adoption matters pending before the Court shall stand transferred to the District Magistrate from the date of commencement of these rules."

### What is the concern ?

- The revised rules have parents, activists, lawyers and adoption agencies worried as cases already before courts for the past several months will have to be transferred and the process will have to start afresh.
- A petition for adoption orders is filed after a parent registers for adoption, who is then assessed through a home study report, referred a child and subsequently allowed to take a child in pre-adoption foster care pending an adoption order.
- A delay in such an order can often mean that a child can't get admission into a school because parents don't yet have a birth certificate, or like in one case, parents unable to claim health insurance if a child is admitted to a hospital.
- The Central Adoption Resource Authority (CARA) says there are nearly 1,000 adoption cases pending before various courts in the country.
- Parents and lawyers also state that neither judges, nor DMs are aware about the change in the JJ Act leading to confusion in the system and delays. According to CARA, the Ministry of Women and Child Development is drafting a letter to be sent to State governments clarifying that where adoption orders have already been given, or will be given shortly, the DMs should consider them valid. But there are also larger concerns.
- "District Magistrates don't handle civil matters that bestow inheritance and succession rights on a child. If these rights are contested when a child turns 18, a judicial order is far more tenable to ensure the child is not deprived of his or her entitlements.

**Adoption procedure and related challenges in India**

- Adoptions in India are governed by two laws — the Hindu Adoption and Maintenance Act, 1956 (HAMA) and the Juvenile Justice Act, 2015. Both laws have their separate eligibility criteria for adoptive parents.
- Those applying under the JJ Act have to register on CARA's portal after which a specialised adoption agency carries out a home study report. After it finds the candidate eligible for adoption, a child declared legally free for adoption is referred to the applicant. Under HAMA, a "dattaka hom" ceremony or an adoption deed or a court order is sufficient to obtain irrevocable adoption rights. But there are no rules for monitoring adoptions and verifying sourcing of children and determining whether parents are fit to adopt.
- There are many problems with the adoption system under CARA but at the heart of it is the fact that there are very few children in its registry.
- According to the latest figures there are only 2,188 children in the adoption pool, while there are more than 31,000 parents waiting to adopt a child which forces many to wait for upto three years to be able to give a family to a child. This allows traffickers to take advantage of loopholes in HAMA. These concerns were also highlighted by a Parliamentary panel in August in its report on the "Review of Guardianship and Adoption Law", which recommended a district-level survey of orphaned and abandoned children.
- According to Nilima Mehta, what is needed is a "child-centric, optional, enabling and gender-just" special adoption law like in other countries.
- "HAMA is a parent-centric law that provides son to the son-less for reasons of succession, inheritance, continuance of family name and for funeral rights and later adoption of daughters was incorporated because kanyadaan is considered an important part of dharma in Hindu tradition.
- As far as the JJ Act is concerned, the law handles issues of children in conflict with law as well as those who are in need of care and protection and only has a small chapter on adoptions.
- In 2015, the then Minister for Women and Child Development Maneka Gandhi centralised the entire adoption system by empowering CARA to maintain in various specialised adoption agencies, a registry of children, prospective adoptive parents as well as match them before adoption.
- This was aimed at checking rampant corruption and trafficking as child care institutions and NGOs could directly give children for adoption after obtaining a no-objection certificate from CARA. But the new system has failed in ensuring that more children in need of families are brought into its safety net.
- "Yes, there was a need to check malpractices and improve monitoring. But in the new system the soul in adoption is gone. The human contact, bonding and psychological preparedness has been taken away. Therefore, parents may look at other ways to adopt a child." One other dangerous repercussion of this is that in the past few years, there is an increasing number of disruptions and dissolutions, where children are returned after an adoption is formalised.

**About CARA:**

- Central Adoption Resource Authority (CARA) is a **statutory body** of Ministry of Women & Child Development, Government of India.
- It functions as **the nodal body for adoption of Indian children and is mandated to monitor and regulate in-country and inter-country adoptions.**
- CARA is designated as **the Central Authority to deal with inter-country adoptions** in accordance with the provisions of **the Hague Convention** on Inter-country Adoption, 1993, ratified by Government of India in 2003.
- CARA primarily deals with adoption of orphan, abandoned and surrendered children through its associated / recognised adoption agencies.
- CARA is also mandated **to frame regulations on adoption-related matters from time to time as per Section 68 of the Juvenile Justice (Care and Protection of Children) Act, 2015.**

## CLOUIBURST FORECAST STILL REMAINS ELUSIVE

### Context:

- Cloudbursts — violent and voluminous amounts of rain pouring down in a short duration over a small area — have been reported since the mid-19th century. Yet, the characteristics of these events remain elusive, and our efforts in monitoring and forecasting them is at an embryonic stage.
- However, their disastrous impact that cause loss of lives and property are seemingly increasing in a changing climate and have led to close observations in the recent decade, advancing our understanding of these events.
- Clouds blanket 70% of the Earth’s surface at any given time. They are like a thin layer of the floating ocean, with enough water to cover the entire surface of Earth with about one inch of rain. A modest-sized cloud (1 cubic km) may contain more than 5,00,000 litres of water — equivalent to the mass of hundred elephants.
- Cloudburst events are often associated with cumulonimbus clouds that cause thunderstorms and occasionally due to monsoon wind surges and other weather phenomena. Cumulonimbus clouds can grow up to 12-15 km in height through the entire troposphere (occasionally up to 21 km) and can hold huge amounts of water.

### Characteristics

- However, cloudbursts are not defined based on cloud characteristics and do not indicate clouds exploding. Cloudbursts are defined by the amount of rainfall. According to the India Meteorological Department (IMD), 100 mm of rain in an hour is called a cloudburst. Usually, cloudbursts occur over a small geographical region of 20 to 30 sq. km.
- In India, cloudbursts often occur during the monsoon season, when the southwesterly monsoon winds bring in copious amounts of moisture inland. The moist air that converges over land gets lifted as they encounter the hills. The moist air reaches an altitude and gets saturated, and the water starts condensing out of the air forming clouds. This is how clouds usually form, but such an orographic lifting together with a strong moisture convergence can lead to intense cumulonimbus clouds taking in huge volumes of moisture that is dumped during cloudbursts.

### Why forecasting cloudbursts is a challenge

Efforts to monitor and forecast cloudbursts are still at a nascent stage

**1** As per the IMD definition, over **100 mm of rainfall in one hour** is called a cloudburst. It usually occurs over a small geographical region (20-30 sq. km)

**2** Rainfall of 100 mm per hour translates to **100 litres for every square metre** where a cloudburst occurs. For a small region of 20 sq. km, it is about **two billion litres of water** in an hour

**3** Tall cumulonimbus clouds causing cloudbursts can develop quickly (in about **30 minutes**) as the moisture

updraft happens rapidly — 60-120 km/hr

**4** Cloudbursts occur mostly over the rugged terrains over **the Himalayas, Western Ghats**, and northeastern hill States of India

**5** In India, cloudbursts often occur during the monsoon season, when the **SW monsoon winds bring in** copious amounts of moisture inland

**6** Satellites fail to detect cloudburst systems as the **resolution of the**

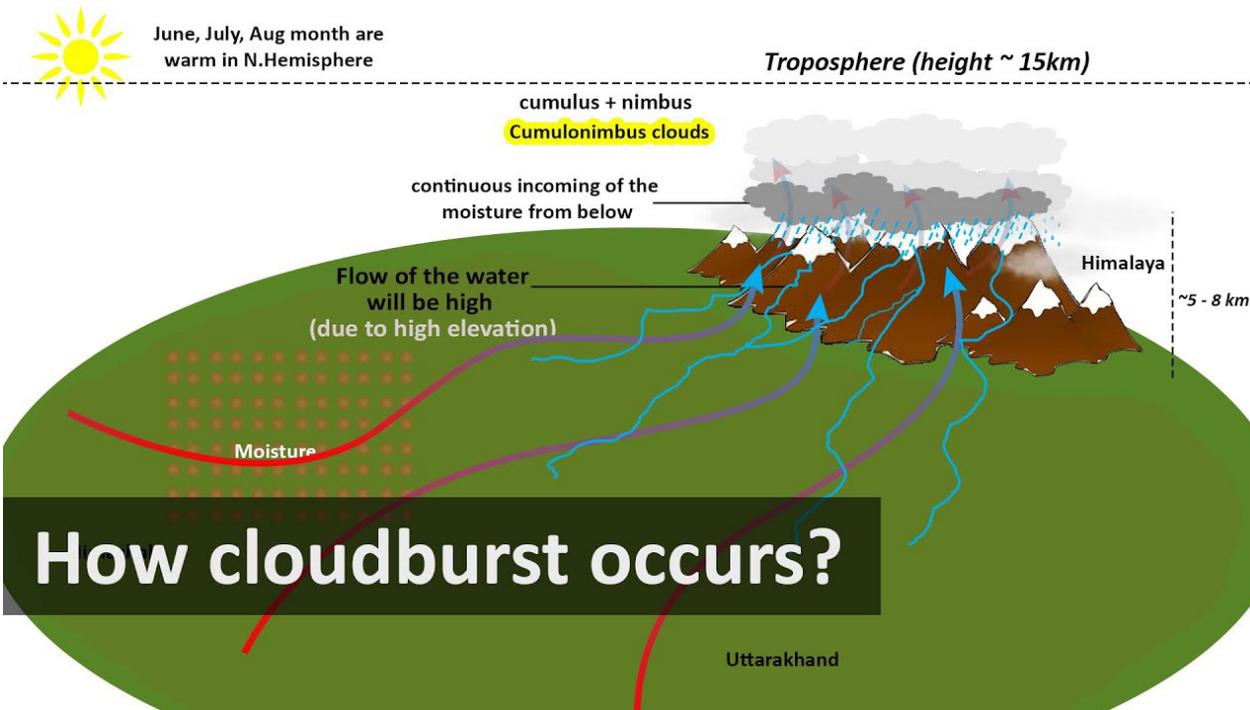
**precipitation radars** are much smaller than the area of individual cloudburst events

**7** Multiple doppler weather radars can **monitor moving cloud droplets** and help to provide forecast for the next three hours. But **radars are expensive** and installing them widely may not be feasible

**8** The change in monsoon extremes and cloudbursts are in response to the **1-degree Celsius rise** in global surface temperature

### More prone areas

- Cloudbursts, hence, occur mostly over the rugged terrains over the Himalayas, the Western Ghats, and northeastern hill States of India. The heavy spells of rain on the fragile steep slopes trigger landslides, debris flows, and flash floods, causing large-scale destruction and loss of people and property.
- Recent cloudbursts that caused significant devastation occurred over the Himalayan foothills in Himachal Pradesh (in the year 2003), Ladakh (2010), and Uttarakhand (2013). Cloudbursts were reported from the northeastern States and Western Ghats States during the current monsoon season (2022).



- On July 8 2022, flash floods occurred in the Lidder Valley en route to Amarnath Temple in Jammu and Kashmir, taking the lives of several pilgrims. While the media linked this event to cloudbursts that occurred upstream of the temple, there is no meteorological record in the surrounding regions to validate this. Weather forecasts indicated scattered light rains for the region, and the IMD recorded moderate rainfall at the temple station.
- Monitoring stations on the ground can hardly capture the cloudburst characteristics due to their highly localised and short occurrence. Hence, most of these events go unreported due to the lack of monitoring mechanisms in the region, weakening our ability to understand these events in complete perspective.
- Heavy rains and waterlogging brought Bengaluru to a standstill during the first week of September 2022. Social media was abuzz, passing off a two-year-old video of cloudbursts in Perth, Australia, as Bangalore cloudbursts. None of the city's weather stations recorded a cloudburst but indicated heavy rains during the week as the monsoon winds gained strength due to a low-pressure area developing in the Arabian Sea.
- Strong monsoon wind surges along the coast can also result in cloudbursts, as in the case of Mumbai (2005) and Chennai (2015). Coastal cities are particularly vulnerable to cloudbursts since the flash floods make the conventional stormwater and flood management policies in these cities dysfunctional.

### Detecting cloudbursts

- While satellites are extensively useful in detecting large-scale monsoon weather systems, the resolution of the precipitation radars of these satellites can be much smaller than the area of individual cloudburst events, and hence they go undetected. Weather forecast models also face a similar challenge in simulating the clouds at a high resolution.

- The skillful forecasting of rainfall in hilly regions remains challenging due to the uncertainties in the interaction between the moisture convergence and the hilly terrain, the cloud microphysics, and the heating-cooling mechanisms at different atmospheric levels. The IMD's forecasts, and in general, the weather prediction scenario, have advanced such that widespread extreme rains can be predicted two-three days in advance. Cyclones can be predicted about one week in advance. However, cloudburst forecasts still remain elusive.
- Multiple doppler weather radars can be used to monitor moving cloud droplets and help to provide nowcasts (forecasts for the next three hours). This can be a quick measure for providing warnings, but radars are an expensive affair, and installing them across the country may not be practically feasible.
- A long-term measure would be mapping the cloudburst-prone regions using automatic rain gauges. If cloudburst-prone regions are co-located with landslide-prone regions, these locations can be designated as hazardous. The risk at these locations would be huge, and people should be moved, and construction and mining in nearby regions should be restricted as that can aggravate the landslides and flash flood impacts.
- Climate change is projected to increase the frequency and intensity of cloudbursts worldwide. As the air gets warmer, it can hold more moisture and for a longer time. We call this the Clausius Clapeyron relationship. A 1-degree Celsius rise in temperature may correspond to a 7-10% increase in moisture and rainfall. This increase in rainfall amount does not get spread moderately throughout the season. As the moisture holding capacity of air increases, it results in prolonged dry periods intermittent with short spells of extreme rains. More deeper cumulonimbus clouds form and the chances of cloudbursts also increase.

### Frequent occurrences

- Cloudbursts are reported frequently from across the country. The climate change signal is conspicuous, but we do not have long-term (20 years or more) hourly data to attest it. With IMD enhancing its automatic weather stations, we may have hourly data that can help map cloudburst-prone regions.
- The change in monsoon extremes and cloudbursts we see now are in response to the 1-degree Celsius rise in global surface temperature. As emissions continue to increase and global commitment to reduce emissions proves insufficient, these temperatures are set to hit 1.5°C during 2020-2040 and 2°C during 2040-2060. We will need urgent action and policies to protect lives and property from extreme events that will amplify as the global temperature change doubles.

## WINDFALL TAX

### Context :

- Against the backdrop of rising crude oil prices due to Russia's invasion of Ukraine, there has been a buzz in markets about a one-time windfall tax on oil and gas companies.
- Recently Finance Minister Nirmala Sitharaman defended the windfall tax **imposed by the Centre on domestic crude oil producers**, saying that it was not an ad hoc move but was done after full consultation with the industry.

### About Windfall tax

- Windfall taxes are designed to tax the profits a company derives from an external, sometimes unprecedented event— for instance, the energy price-rise as a result of the Russia-Ukraine conflict.
- These are profits that cannot be attributed to something the firm actively did, like an investment strategy or an expansion of business. The United States Congressional Research Service (CRS) defines a windfall as an “unearned, unanticipated gain in income through no additional effort or expense”.
- Governments typically levy a one-off tax retrospectively over and above the normal rates of tax on such profits, called windfall tax. One area where such taxes have routinely been discussed is oil markets, where price fluctuation leads to volatile or erratic profits for the industry.

- There have been varying rationales for governments worldwide to introduce windfall taxes, from redistribution of unexpected gains when high prices benefit producers at the expense of consumers, to funding social welfare schemes, and as a supplementary revenue stream for the government.
- For instance, in 1980, then United States President Jimmy Carter introduced a crude oil windfall profit tax on the country's oil industry. This was because the U.S. government between 1979 and 1981 started releasing controls on oil prices and anticipated that this decontrol would lead to oil companies making huge profits.
- This meant that prices, capped till then by the government, would rise to world market levels; the U.S. government's Joint Committee on Taxation had estimated that the decontrol would increase profits for the oil industry by over \$400 billion.
- So, to recoup much of the revenue that would have otherwise gone to the oil industry as a result of the decontrol, the government imposed the windfall tax, a CRS paper notes.

### Countries that have imposed such taxes

- Italy and the UK are two key economies that have levied windfall tax.
- **Italy's case**- Italy announced taxing the profits of energy companies at 25% to help fund a support package for consumers and businesses that have been hard-hit by soaring energy costs.
- **UK's case**- UK will increase the headline rate of tax on those profits to 65 % from 40% to profits arising on or after May 26, 2022.
- A Bill is being introduced for an 'Energy Profits Levy' and it will also include a sunset clause, which will remove the tax after 2025.

### What is the case with India?

- The public expenditure on fuel, food and fertiliser subsidies are ballooning amid skyrocketing inflation.
- The FY23 fertiliser subsidy budget estimate is Rs 1.05 trillion.
- Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL) reported bumper profits in the March quarter and record earnings in 2021-22.

## Windfall Tax



### Benefits

- Boosts government revenues
- Provide public services and other benefits to the citizens
- Windfall gains can repay interest-bearing consumer
- Invest the windfall proceeds in gold deposits

### What has to be well thought before imposing windfall tax?

- **Compromise on profits**- The first consideration by the government to impose windfall tax will be the production sharing contracts (PSCs).
  - PSCs are long term contracts where the government is also a party and when the prices go up, the government also stands to profit.
  - So, the government has to compromise on dividends and share buybacks, both of which the centre is a beneficiary of.
- **Royalties**- The second consideration is the royalties and ad valorem duties.
- **Investor confidence**- If such changes are made to the taxation policy, the government will have to consider what signal this will send out to the foreign investors under the FDI policy.

### Criticisms against windfall tax

- The one-off taxes, which by definition are imposed retrospectively, are seen as arbitrary, fueling uncertainty among businesses about future taxes.
- The imposition of windfall tax is branded as anti-investment and anti-business.

## FALL IN NATURAL RUBBER PRICES

### Context:

- After a moderate post-pandemic revival, the price of natural rubber (NR) has crashed to a 16-month low of Rs 150 per kg (RSS grade 4) in the Indian market.
- The price of latex, which soared during the pandemic due to huge demand from glove makers, took a more severe drubbing with its prices rolling down below Rs 120.
- With the impact of the falling prices beginning to reflect in their daily lives as well as the local economy, the growers are up in arms against the authorities for their perceived delay in checking the slide.
- Under the aegis of the National Consortium of Regional Federations of Rubber Producer Societies India, an umbrella organisation for rubber growers, a day-long sit-in protest was staged in front of the Rubber Board headquarters in Kottayam, Kerala, last week.

### Caused of sharp fall in prices

- The current fall in prices is attributed primarily to a **weak Chinese demand** and the **European energy crisis**, along with high inflation and an import glut, among other things.
- While the unremitting zero COVID strategy in China, which consumes about 42% of the global volume, has cost the industry dearly, analysts have also flagged the acceleration of imports.
- The domestic tyre industry, according to them, is sitting pretty on an ample inventory, especially in the form of block rubber from the Ivory Coast and compounded rubber from the Far East.

### India's position in terms of the production and consumption of natural rubber

- India is currently the world's fifth largest producer of natural rubber while it also remains the second biggest consumer of the material globally. (About 40% of India's total natural rubber consumption is currently met through imports)

- A latest report by the Rubber Board has projected the natural rubber production and consumption in India during 2022-23 as 8,50,000 tonnes and 12,90,000 tonnes respectively. The production of the material improved by 8.4%, to 7,75,000 tonnes, during 2021-22 compared to 7,15,000 tonnes in the previous year. An increase in yield, tappable area and area tapped during the year contributed to the rise in production.
- On the demand side, the domestic consumption rose by 12.9%, to 12,38,000 tonnes in 2021-22 from 10,96,410 tonnes in the previous year. The auto-tyre manufacturing sector accounted for 73.1% of the total quantity of natural rubber consumption. Import of the material, meanwhile, increased to 5,46,369 tonnes from 4,10,478 tonnes.

#### **How does the falling price affect the growers?**

- The turnaround has exposed the growers — mostly small and medium scale — to a painful reckoning, contributing to wide-spread panic in Kerala, which accounts for nearly 75% of the total production. The precipitous plunge in prices coupled with high costs have also left them staring at an uncertain future, forcing some to stop production for the time being.
- The impact of the price fall is felt more in the rural areas, where most people are solely dependent on rubber cultivation and have no other option but to cut expenses. This has caused a sluggishness in the respective local economies, which also coincided with the festive season in Kerala.
- If a reversal in prices seem distant, the trend may also trigger a crop switch or even a fragmentation of the rubber holdings in the long run.

#### **Farmer's demand**

- The key demands they have raised to the Union government include raising the import duties on latex products and compound rubber to make it on par with natural rubber, by either 25% or Rs30 per kg, whichever is lower.
- Its demands to the state government are to raise the replanting subsidy in Kerala, which remains at Rs25,000 per ha, and the support price of the crop under the price stabilisation scheme to Rs200 from Rs170.

#### **Rubber Board**

Amidst all the gloom, the Rubber Board professes to be relatively sanguine as it regards the price fluctuation as cyclical and rests its hopes on the projections of a remarkable shortage of rubber seven years from now due to slow replanting in place of old trees in existing plantations. The agency, for the time being, is said to be also working on a set of programmes to arrest the free-falling of prices.

#### **In Short :**

- After a moderate post-pandemic revival, the price of natural rubber (NR) has crashed to a 16-month low of Rs150 per kg (RSS grade 4) in the Indian market. Under the aegis of the National Consortium of Regional Federations of Rubber Producer Societies India, a day-long sit-in protest was staged in front of the Rubber Board headquarters in Kottayam, Kerala, last week.
- The current fall in prices is attributed primarily to a weak Chinese demand and the European energy crisis, along with high inflation and an import glut, among other things.
- The Rubber Board professes to be relatively sanguine as it regards the price fluctuation as cyclical and rests its hopes on the projections of a remarkable shortage of rubber seven years from now.

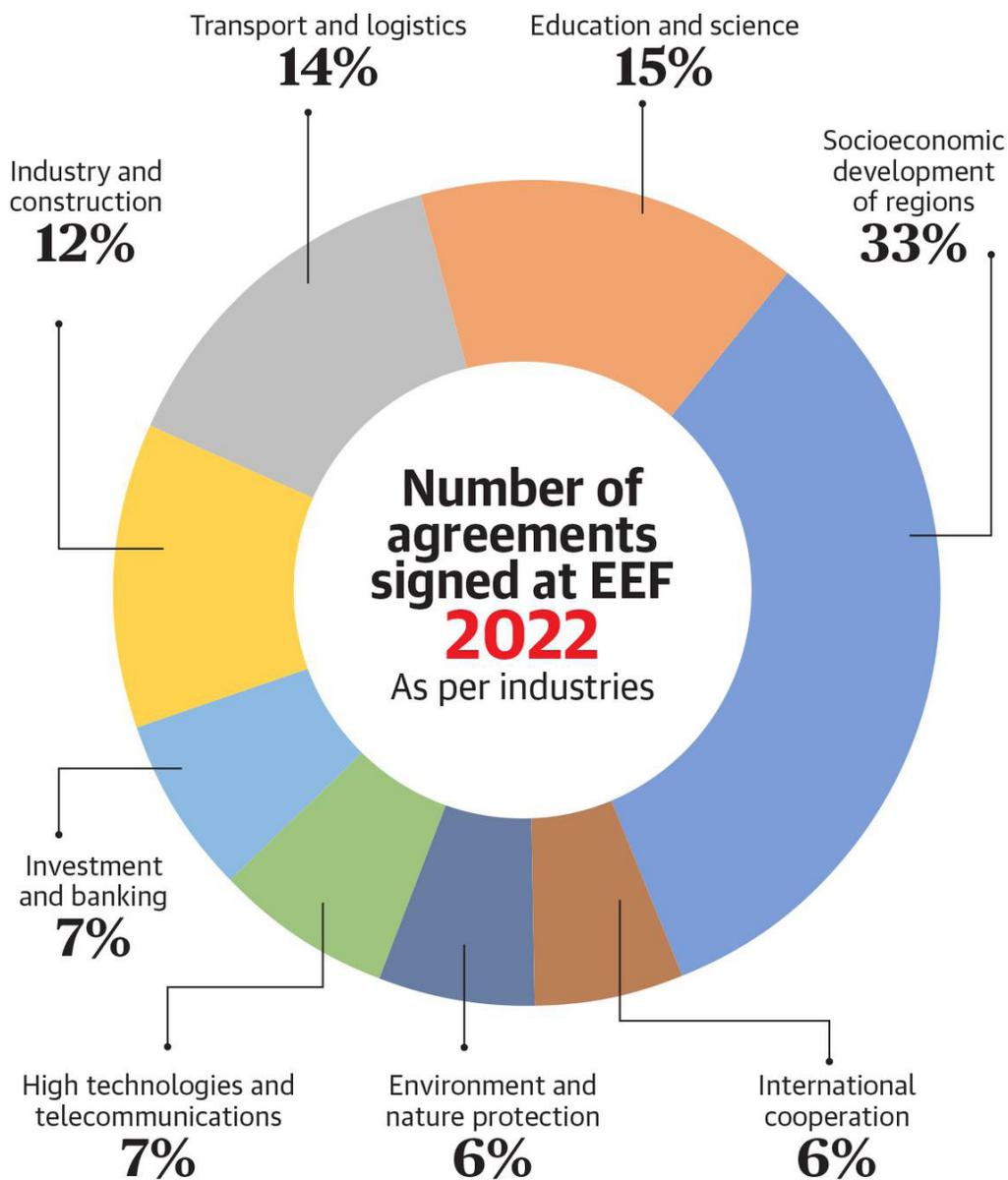
## **EEF AND INDIA'S BALANCING ACT**

#### **Context:**

- Russia hosted the seventh Eastern Economic Forum (EEF) Vladivostok from September 5 to 8. The four-day forum is a platform for entrepreneurs to expand their businesses into Russia's Far East (RFE).

**About Eastern Economic Forum**

- The EEF was established in 2015 to encourage foreign investments in the RFE.
- The EEF displays the economic potential, suitable business conditions and investment opportunities in the region.
- Agreements signed at the EEF increased from 217 in 2017 to 380 agreements in 2021, worth 3.6 trillion roubles.
- As of 2022, almost 2,729 investment projects are being planned in the region.
- The agreements focus on infrastructure, transportation projects, mineral excavations, construction, industry and agriculture.



Source: Data from Eastern Economic Forum, forumvostok.ru

**Major actors in the Forum and their interests**

- This year, the Forum aimed at connecting the Far East with the Asia Pacific region. China is the biggest investor in the region as it sees potential in promoting the Chinese Belt and Road Initiative and the Polar Sea Route in the RFE.

- China's investments in the region account for 90% of the total investments. Russia has been welcoming Chinese investments since 2015; more now than ever due to the economic pressures caused by the war in Ukraine.
- The Trans-Siberian Railway has further helped Russia and China in advancing trade ties. The countries share a 4000-kilometer-long border, which enables them to tap into each other's resources with some infrastructural assistance. China is also looking to develop its Heilongjiang province which connects with the RFE.
- China and Russia have invested in a fund to develop northeastern China and the RFE, through collaborations on connecting the cities of Blagoveshchensk and Heihe via a 1,080 metre bridge, supplying natural gas, and a rail bridge connecting the cities of Nizhneleninskoye and Tongjiang.
- Besides China, South Korea has also been gradually increasing its investments in the region. South Korea has invested in shipbuilding projects, manufacturing of electrical equipment, gas-liquefying plants, agricultural production and fisheries. In 2017, the Export-Import Bank of Korea and the Far East Development Fund announced their intention to inject \$2 billion in the RFE in a span of three years.
- Japan is another key trading partner in the Far East. In 2017, Japanese investments through 21 projects amounted to \$16 billion. Under Shinzo Abe's leadership, Japan identified eight areas of economic cooperation and pushed private businesses to invest in the development of the RFE.
- Japan seeks to depend on Russian oil and gas resources after the 2011 meltdown in Fukushima which led the government to pull out of nuclear energy. Japan also sees a market for its agro-technologies which have the potential to flourish in the RFE, given similar climatic conditions.
- However, the momentum of trade that existed with Shinzo Abe was lost with the leadership of Yoshihide Suga and Fumio Kishida. The trade ties between Japan and Russia are hindered by the Kuril Islands dispute as they are claimed by both countries.
- India seeks to expand its influence in the RFE. During the forum, Prime Minister Narendra Modi expressed the country's readiness in expanding trade, connectivity and investments in Russia.
- India is keen to deepen its cooperation in energy, pharmaceuticals, maritime connectivity, healthcare, tourism, the diamond industry and the Arctic.
- In 2019, India also offered a \$1 billion line of credit to develop infrastructure in the region. Through the EEF, India aims to establish a strong inter-state interaction with Russia. Business representatives of Gujarat and the Republic of Sakha have launched agreements in the diamond and pharmaceuticals industry.

#### **Aim of EEF**

- The primary objective of the EEF is to increase the Foreign Direct Investments in the RFE. The region encompasses one-third of Russia's territory and is rich with natural resources such as fish, oil, natural gas, wood, diamonds and other minerals.
- The sparse population living in the region is another factor for encouraging people to move and work in the Far East. The region's riches and resources contribute to five per cent of Russia's GDP. But despite the abundance and availability of materials, procuring and supplying them is an issue due to the unavailability of personnel.
- The RFE is geographically placed at a strategic location; acting as a gateway into Asia. The Russian government has strategically developed the region with the aim of connecting Russia to the Asian trading routes.
- With the fast modernisation of cities like Vladivostok, Khabarovsk, Ulan-Ude, Chita and more, the government aims to attract more investments in the region.
- Russia is trying to attract the Asian economies in investing and developing the far east. The Ukraine war is a worrying issue as it affects the economic growth of the country. However, Russia believes that it can survive the economic crisis and the sanctions with the help of China and other Asian powers.

- Although, the EEF is an annual gathering, the forum comes at an opportune time for Russia who is dealing with the impact of the sanctions. Moreover, the coming together of countries like Myanmar, Armenia, Russia, and China seems like the forming of an anti-sanctions group in the international order.

### **Will India be able to achieve a balance between the EEF and the Indo-Pacific Economic Framework for Prosperity (IPEF)?**

- The U.S.-led Indo-Pacific Economic Framework for Prosperity (IPEF) and the EEF are incomparable based on its geographic coverage and the partnership with the host-countries.
- India has vested interests in both the forums and has worked towards balancing its involvement. India has not shied away from investing in the Russia-initiated EEF despite the current international conditions.
- At the same time, India has given its confirmation and acceptance to three of the four pillars in the IPEF. The country understands the benefits of being involved in the development in the RFE but it also perceives the IPEF as a vital platform to strengthen its presence in the Indo-Pacific region.
- The IPEF also presents an ideal opportunity for India to act in the region, without being part of the China-led Regional Comprehensive Economic Partnership or other regional grouping like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership .
- The IPEF will also play a key role in building resilient supply chains. India's participation in the forum will help in disengaging from supply chains that are dependent on China and will also make it a part of the global supply chain network.
- Additionally, the IPEF partners will act as new sources of raw material and other essential products, further reducing India's reliance on China for raw materials. Although, Mr. Modi has refrained from full participation in the trade pillar of the IPEF, it does not signify an end to India's role in the forum.

#### **In Short**

- The Eastern Economic Forum was established in 2015 to encourage foreign investments in Russia's Far East. As of 2022, almost 2,729 investment projects are being planned in the region.
- During the forum, Prime Minister Narendra Modi expressed the country's readiness in expanding trade, connectivity and investments in Russia. India is keen to deepen its cooperation in energy, pharmaceuticals, maritime connectivity, healthcare, tourism, the diamond industry and the Arctic.
- India has vested interests in both the EEF and the Indo-Pacific Economic Framework and has worked towards balancing its involvement. The IPEF is a vital platform for India to strengthen its presence in the Indo-Pacific region.

