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1. Why Vietnam wants US to change its 'non-market economy' status

Why in News?

Vietnam has been pushing the President Joe Biden administration to quickly change its "non-market economy" classification to "market economy", in a bid to avoid high taxes imposed by the US on the goods imported from Vietnam.

Although Vietnam has emerged as one of the top trading partners of the US and helped thwart China's expanding influence in the region, it has continued to be on Washington's list of non-market economies for more than two decades. In total, the list includes 12 non-market economies such as Russia, China, and some countries which used to be a part of the erstwhile Soviet Union.



What are 'non-market economies'?

The Department of Commerce in US administration has the authority to designate countries as NMEs. An NME is a country that Commerce determines "does not operate on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of merchandise."

In designating a country as an NME, Commerce considers the extent to which

- (1) the country's currency is convertible;
 - (2) its wage rates result from free bargaining between labor and management;
 - (3) joint ventures or other foreign investment are permitted;
 - (4) the government owns or controls the means of production; and
 - (5) the government controls the allocation of resources and price and output decisions
- Other factors like human rights are also considered.

Purpose

The non-market economy label allows the US to impose "anti-dumping" duties and other duties on goods imported from designated countries. In international trade, dumping is when a country's export prices are considered to be intentionally set below domestic prices, thereby

inflicting harm to industries in the importing country. Anti-dumping duties essentially compensate for the difference between the imported good's export price and their normal value.

The level of anti-dumping duties is determined by relying on a third country, for instance, Bangladesh, which is a market economy. The US assesses the value of a product to be imported from a non-market economy like Vietnam based on what it is worth in Bangladesh and then assumes that this is the supposed production cost to a Vietnamese company. The company's own data about the costs are not considered.

Why does Vietnam want to get the 'market economy' status?

Vietnam has argued that in recent years it has implemented enough economic reforms that should get its name off the non-market economies list. The country does meet a number of criteria for the status to be changed. For instance, Vietnam allows foreign investment, wages are determined by free negotiations between workers and management, and most of the means of production are not owned by the state.

The change in status will also help Vietnam get rid of the anti-dumping duties, making its products more competitive in the US market.

Relevance: GS Prelims & Mains Paper II; International Issues

Source: Indian Express

2. Meeting nutrition challenge: What new guidelines prescribe

Why in News?

With noncommunicable diseases (NCDs) — cardiovascular disease, cancers, diabetes, etc. — rising, and affecting adolescents and even children, India's premier nutrition research institute has published comprehensive guidelines on the diet of vulnerable groups, including pregnant and lactating women, and children and the elderly.

The guidelines issued by the National Institute of Nutrition (NIN), Hyderabad, which works under the Indian Council of Medical Research (ICMR), also prescribe general principles such as reducing consumption of salt and highly processed foods (such as packaged chips, cookies, bread, ketchup, candy, etc.).



The guidelines say an estimated 56.4% of India's total disease burden can be attributed to unhealthy diets. A healthy diet and physical activity can prevent 80% of Type 2 diabetes cases, and significantly reduce the burden of heart disease and high blood pressure.

General dietary principles

1. The guidelines recommend getting required nutrients from at least eight food groups, including vegetables, leafy vegetables, roots and tubers, dairy, nuts, and oils.
2. Consumption of cereals — the staple of Indian meals — should be restricted, so they contribute only 45% of the total energy (instead of the 50-70% now). Instead, more proteins (pulses, meat, poultry, fish) should be consumed, making up 14% of the total daily energy (instead of only 6-9% now).
3. Achieving adequate levels of essential polyunsaturated fatty acids (PUFA) and B12 is a challenge for vegetarians. The guidelines recommend consumption of flax seeds, chia seeds, walnuts, vegetables, and greens.
4. The report says salt consumption should be restricted to 5g a day, and strongly recommends against consuming highly processed foods that are typically high in fats, salt, sugar.

Group-specific guidelines

Pregnant women: Small frequent meals for those experiencing nausea and vomiting. The guidelines recommend consumption of lots of fruit and vegetables, especially those high in iron and folate content.

Infants and children: For the first six months, infants should only be breastfed, and must not be given honey, glucose, or diluted milk. There is no need to give water, even during hot months. After age 6 months, complementary foods must be included.

Elderly: The elderly should consume foods rich in proteins, calcium, micronutrients, and fibre. Apart from pulses and cereals — with at least one-third as whole grains — at least 200-400 ml of low-fat milk or milk products, a fist full of nuts and oilseeds, and 400-500g of vegetables and fruit should be consumed. Exercise is important in order to maintain bone density and muscle mass.

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express

3. The socio-ecological effects of LPG price hikes

Introduction

Data from the 2014-2015 ACCESS survey, conducted by the Council on Energy, Environment and Water, found LPG's cost to be the foremost barrier to its adoption and continued use in rural poor households. Thus, 750 million Indians primarily use solid cooking fuels — wood, dung, agricultural residues, coal, and charcoal — every day. Solid cooking fuels are associated with innumerable health hazards and socio-economic and environmental impacts.



Has the govt. pushed LPG use?

The Indian government has often placed a premium on the cooking fuels in rural households transitioning to LPG. The Rajiv Gandhi Gramin LPG Vitruk scheme was launched in 2009 to increase LPG distribution in remote areas; nearly 45 million new LPG connections were thus established between 2010 and 2013.

Direct benefit transfers for LPG under the 'PAHAL' scheme were initiated in 2015. In 2016, direct home-refill deliveries were implemented and the 'Give it Up' program enrolled around 10 million LPG consumers to voluntarily discontinue subsidies.

The Pradhan Mantri Ujjwala Yojana (PMUY) followed, to install LPG connections in 80 million below-poverty-line households. The scheme also provides a subsidy of ₹200 for every 14.2-kg cylinder, which increased to ₹300 in October 2023.

Fast forward to 2022

Of the 54 countries whose LPG prices were available, those in India were reportedly the highest, around ₹300/litre. In 2023, a study done by the author and Amir Kumar Chhetri showed how local communities of the Jalpaiguri district in West Bengal depend on the forests for fuelwood. The landscape has highly degraded forest remnants in a mosaic of tea estates, human settlements, and agricultural land, thanks to a history of forest conversion and fragmentation.

Based on 40 focal group discussions in tea-estate labour colonies and in forest and revenue villages, the study found that residents in the area depend mainly on forests for fuelwood, for both household consumption and to sell. Roughly half of the 214 local shops in 10 markets used fuelwood; the shop-workers reported the cost of a commercial cylinder, ₹1,900, to be exorbitant. Around 38.5% of Jalpaiguri's population is below the poverty line and most of them work in tea estates with a daily wage of ₹250. Against this backdrop, the persistent use of fuelwood as cooking fuel is unsurprising.

What are suitable alternatives?

While the act of collecting fuelwood gives the people cooking fuel, it also degrades the forest and forces people to risk adverse encounters with wild animals. Due to various government schemes, most households in Jalpaiguri have LPG connections but few refill the cylinder even twice a year. On introduction of the PMUY scheme, many households quickly switched to LPG from fuelwood, and reported that their cooking activities became fast and smokeless, they could forgo the need to rise early and the time and effort spent in collecting fuelwood. But the hike in the price of LPG rendered these advantages short-lived.

Devising locally acceptable, suitable, and sustainable alternatives to fuelwood is important to secure the forests, wildlife and locals' livelihoods. Work is ongoing with the West Bengal Forest Department and Joint Forest Management Committees to help four villages acquire saplings of high fuelwood value on the conditions that they will be native species, prohibited from logging, unpalatable to elephants and will be maintained by locals.

What next?

Findings suggest that the LPG price rise, especially over the last decade, could cause socio-ecological crises in places where there are no viable alternatives to fuelwood and socio-

economic deprivation is common. Future governments must focus on making, and keeping, LPG affordable. At the same time, they also need to endeavour to free solid cooking fuels from socio-ecological endangerment, like, say, with a national policy on introducing smokeless cooking stoves that consume less fuelwood.

Relevance: GS Prelims & Mains Paper III; Economics

Source: The Hindu

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