



CURRENT AFFAIRS



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OFFSHORE AREAS MINERAL (DEVELOPMENT AND REGULATION) AMENDMENT BILL, 2023

This article covers "Daily Current Affairs" and the topic details "Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023". The topic "Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023" has relevance in the Economy section of the UPSC CSE exam.

For Prelims:

Salient Features of the Amendment Bill?

For Mains:

GS 2: Economy

Need for the Amendment Bill?

Offshore Areas Mineral (Development and Regulation) Act, 2002?

Why in the news:

The Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023, has been approved by the Rajya Sabha, aiming to introduce amendments to the existing Offshore Areas Mineral (Development and Regulation) Act, 2002 (OAMDR Act).

Salient Features of the Amendment Bill:

Types of Operating Rights:

- Two types of operating rights, production lease, and composite licence, will be granted exclusively to the private sector through auction by competitive bidding.
- The composite licence is designed as a two-phase operating right, enabling sequential activities of exploration first and then production operations.

Operating Rights for PSUs:

- PSUs will be granted operating rights in mineral-bearing areas reserved by the Central Government.
- Exclusive operating rights for atomic minerals will be granted only to PSUs.

Fixed Period for Production Lease:

- The provision for renewing production leases has been eliminated.
- The production lease period is fixed at 50 years, aligning with the MMDR Act.

Area Acquisition Limit:

- A limit is set on the total area one entity can acquire offshore.
- No individual or entity can acquire more than 45 minutes latitude by 45 minutes longitude in respect of any mineral or prescribed group of associated minerals under one or more operating rights combined.

Non-lapsable Offshore Areas Mineral Trust:

- To ensure availability of funds for various purposes, a non-lapsable Offshore Areas Mineral Trust will be established, maintaining a fund under the Public Account of India.
- The trust will receive funding through an extra levy on mineral production, which will not exceed one-third of the royalty, and the specific rate will be determined by the Central Government.

Ease of Business and Timelines:

- Provisions are made for easy transfer of composite licence or production lease to promote ease of doing business.
- Timelines are introduced for commencement of production and dispatch after the execution of production lease to ensure timely start of production.

Revenues:

- Royalty, auction premium, and other revenues generated from mineral production in offshore areas will accrue to the Government of India.

The Amendment Bill aims to enhance transparency and efficiency in the allocation of operating rights for mining in offshore areas. It promotes private sector participation, while also safeguarding the interests of affected parties and ensuring sustainable resource management. By harnessing the full potential of India's maritime resources, the country can foster economic growth and development.

Need for the Amendment Bill:**Lack of Activity in Offshore Areas:**

- Although the Offshore Areas Mineral (Development and Regulation) Act, 2002, has been implemented, offshore areas have not witnessed any mining activity, indicating either a lack of interest or successful utilization of these resources.

Discretion and Lack of Transparency:

- The existing Act exhibits a lack of transparency and discretion in the allocation of operating rights for mining in offshore areas.
- The Amendment Bill aims to introduce a transparent auction mechanism, inspired by successful amendments to the MMDR Act for onshore areas.

Harnessing Maritime Resources:

- India's vast Exclusive Economic Zone (EEZ) contains significant recoverable resources, but their potential remains largely untapped.
- The Bill aims to harness these resources through private sector participation and support India's high-growth economy

Offshore Areas Mineral (Development and Regulation) Act, 2002

India is abundantly rich in various mineral resources, including coal, copper, iron ore, and bauxite, owing to its diverse geological structure. The significant portion of valuable minerals dates back to the pre-palaeozoic age. Given the importance of mineral resources for export and internal trade, the Indian legislature recognized the need to regulate their development to safeguard against exploitation, illegal mining, and unauthorized export. In response to this requirement, the Parliament passed the Offshore Areas Mineral (Development and Regulation) Act in 2002. This Act is designed to govern and manage the development of mineral resources in specific marine territories, such as territorial waters, the exclusive economic zone, continental shelf, and other maritime zones of India.

The primary objectives of the Offshore Areas Mineral (Development and Regulation) Act, 2002, include:**Regulation of Offshore Mining Sector:**

- The Act primarily focuses on the regulation of offshore mining activities in India.
- It covers the development of mineral resources located in territorial waters, continental shelf, exclusive economic zone, and other maritime territories.

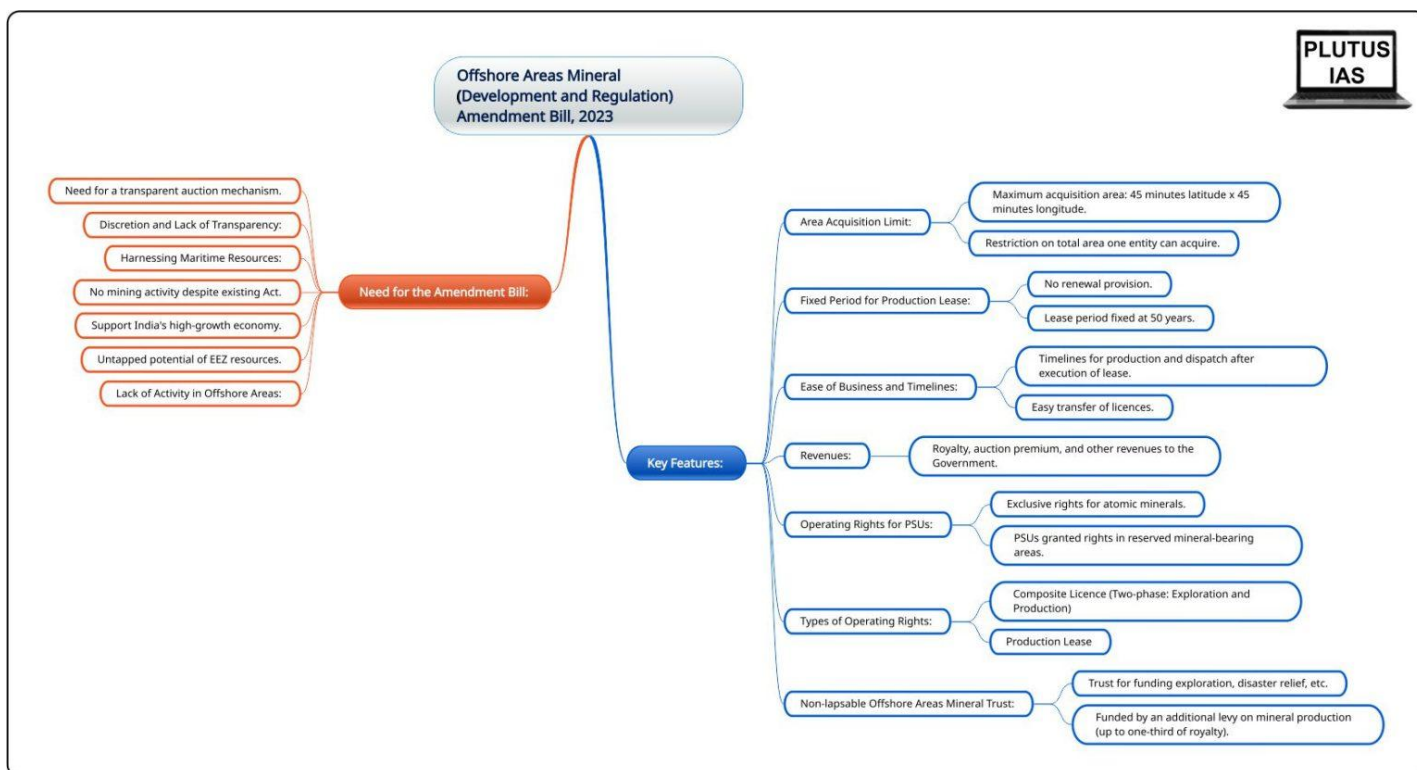
Central Legislation and Administrative Authority:

- Being a central legislation, the Act grants authority to the Union Government to oversee the mining of offshore resources.
- The Indian Bureau of Mines (IBM) is empowered to administer and regulate offshore mining operations.

- The Central Government can levy royalties and grant concessions for mining activities in offshore areas.

Safety and Environmental Concerns:

- The Act includes provisions for stringent punishment and fines in cases of safety standard violations, emphasizing the well-being of individuals involved in offshore mining and those impacted by it.
- It also addresses pollution prevention and control measures to safeguard the marine environment and protect marine life from adverse effects caused by offshore mining activities.
- The Offshore Areas Mineral (Development and Regulation) Act, 2002, officially came into effect from January 15, 2010, through an order issued by the Central Government on February 11, 2020.



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SOURCE:

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1945516>

Q.1 Consider the following statements regarding Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023:

1. Exclusive operating rights for atomic minerals are granted only to PSUs.
2. The Amendment Bill grants operating rights exclusively to the public sector through competitive bidding.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

ANSWER: A

Q.2 Consider the following statements regarding Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023:

1. The provision for renewing production leases has been retained, and the production lease period can be extended beyond 50 years.
2. The Amendment Bill introduces two types of operating rights, production lease, and composite licence, granted exclusively to the private sector through competitive bidding.

Which of the statements given above is/are correct?

- (a) 1 only

- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

ANSWER: B

Q.3 Discuss the significance and potential impact of the Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023, in harnessing India's maritime resources for sustainable economic growth. Analyze the key features of the Bill and their implications for private sector participation, transparency, and resource management.

Rishabh

INDIA'S NUCLEAR PROGRAM

This article covers "Daily Current Affairs" and the topic details "India's nuclear program". The topic "India's nuclear program" has relevance in the "Science and Technology" section of the UPSC CSE exam.

For Prelims:

What is a Smiling Buddha?

What are MTCRs?

For Mains:

GS3: Science and Technology- Developments in technology

Why in the news?

A film titled 'Oppenheimer' has recently been released, focusing on the life of J. Robert Oppenheimer, an American physicist renowned as the "father of the atomic bomb."

Origin of India's nuclear program

- **Early Development of Indian Nuclear Program:**
 - August 1947: British India partitioned into India and Pakistan.
 - Group of Indian scientists led by Homi Bhabha convinced PM Nehru to invest in nuclear energy.
 - The 1948 Atomic Energy Act established the Indian Atomic Energy Commission (IAEC). Its focus initially was on nuclear energy, not weapons.
- **Establishment of Bhabha Atomic Research Centre (BARC):**
 - Significant progress began in 1954 with the initiation of construction at the Bhabha Atomic Research Centre (BARC) in Trombay.
 - This era witnessed a substantial increase in government funding dedicated to atomic research, and a heightened drive for international scientific collaboration.
- **International Cooperation and CIRUS:**
 - In 1955, Canada agreed to supply India with a nuclear reactor (CIRUS).
 - As part of the "Atoms for Peace" initiative, the United States also extended support by providing heavy water for the reactor.
 - The resultant reactor, known as the Canada India Reactor Utility Services (CIRUS), achieved criticality in July 1960.
 - Despite being promoted as a peaceful initiative, CIRUS was a significant source of weapons-grade plutonium employed in India's first nuclear test.

Pokhran nuclear tests

China Conflict Sparks Interest:

- In 1962, the Sino-Indian War erupted as a result of a border dispute, igniting tensions between India and China. China's successful atomic bomb test in 1964 heightened concerns within India about its security.

Desire for Independence and Prestige:

- India's decision to abstain from signing the Nuclear Non-Proliferation Treaty (NPT) in 1968 reflected its desire for nuclear independence and self-reliance.

- Strengthening its ties with the Soviet Union through the Treaty of Peace, Friendship and Co-operation in 1971 underscored India's pursuit of strategic partnerships beyond the Western world.
- The 1971 war with Pakistan, resulting in India's victory, further solidified its assertion as a regional power.

First Nuclear Test – “Smiling Buddha”:

- Conducted under utmost secrecy, the Pokhran I test took place in May 1974, marking India's first foray into nuclear detonations.
- Codenamed “Smiling Buddha,” the test was presented as a peaceful nuclear explosion (PNE), though it garnered international controversy and criticism due to its dual-use implications.

Weaponization and Challenges:

- India's progression towards weaponization encountered challenges, including the difficulty in sourcing essential nuclear materials from an increasingly adversarial global market.
- The development of the Dhruva reactor, a pivotal milestone, commenced in 1977, yet achieving full operational capacity took over a decade.
- The ballistic missile program, initiated in 1983, led to the creation of short-range Prithvi and long-range Agni missiles, which eventually became nuclear-capable.

Pokhran II Tests and Consequences:

- In the 1990s, as the Comprehensive Test Ban Treaty (CTBT) gained prominence, India faced renewed international pressure to limit its nuclear aspirations.
- The turning point came with the Pokhran II tests, codenamed Operation Shakti, conducted in May 1998.
- Despite global censure and repercussions, including sanctions from countries such as the United States and Canada, India's decision to openly acknowledge its nuclear capability marked a significant milestone in its strategic posture.
- Pakistan swiftly followed suit with its own nuclear tests.

Recent Developments and Current Status

- **Membership in Export Control Regimes:**
 - India's recent accomplishments include becoming a member of several significant export control regimes.
 - These memberships include the Missile Technology Control Regime (MTCR) in 2016, the Wassenaar Arrangement in 2017, and the Australia Group in 2018.
- **Pursuit of NSG Membership:**
 - India has been actively pursuing membership in the Nuclear Suppliers Group (NSG), garnering explicit support from several prominent NSG members, including the United States, Russia, Switzerland, and Japan.
 - However, China has proposed an alternative approach, suggesting a two-step process that first establishes a non-discriminatory resolution for all non-Nuclear Non-Proliferation Treaty (NPT) countries before discussing individual applications.
- **India's NSG Arguments:**
 - In its bid for NSG membership, India has positioned itself as a responsible nuclear power.
 - It points to its commendable track record in nonproliferation and its unwavering commitment to the goal of complete nuclear disarmament.
 - India emphasizes that the NSG primarily serves as an export control mechanism, distinguishing it from a nonproliferation framework.

India's Nuclear Posture:

- India's declared nuclear posture centres around credible minimum deterrence.
- This strategy has led to the successful development of a strategic triad consisting of various nuclear delivery systems.
- This comprehensive approach enhances India's capabilities while maintaining a careful balance in its nuclear strategy.

- **International Agreements and Initiatives:**

- While India has not signed the Comprehensive Nuclear-Test-Ban Treaty (CTBT), it upholds a self-imposed moratorium on nuclear testing.
- India actively supports negotiations for a Fissile Material Cut-off Treaty (FMCT) that adheres to the principles of universality, non-discrimination, and international verifiability.

- **Position on NPT and No-First-Use:**

- India has chosen not to become a signatory of the NPT, asserting its independent nuclear policy.
- Despite this, India maintains an official commitment to a no-first-use policy, wherein it pledges not to use nuclear weapons as an initial strike.
- It's important to note, however, that in a speech at the Pokhran nuclear test site in August 2019, Indian Defence Minister Rajnath Singh indicated a potential review of this no-first-use policy, implying a degree of flexibility in the future.

Future Prospects

- India's nuclear arsenal has effectively fulfilled the deterrence purpose. This was evident during the 2019 Balakot surgical strike when Indian military aircraft entered Pakistan's territory, resulting in an aerial engagement where conventional weaponry was employed.
- In anticipation of the upcoming G7 summit in Hiroshima this May, Prime Minister Fumio Kishida of Japan expressed his aspiration to utilize the event as a platform to strongly advocate for a world free from nuclear weapons.
- As the chair of G20 for the current year and having received an invitation to Hiroshima, India possesses both the influence and moral authority to lead collaborative efforts with the global community in order to mitigate the potential use of nuclear weapons.

Sources:

How a nuclear 'chain reaction' and neighbourhood challenges led to India acquiring its n-weapons | Explained News – The Indian Express

Q1. With reference to Indian Nuclear Program, consider the following statements:

1. The Bhabha Atomic Research Centre (BARC) was established in 1954 in Trombay, marking a significant step in India's nuclear research and development.
2. India conducted its first nuclear test, codenamed "Angry Buddha," as a response to China's successful atomic bomb test.
3. India's decision to abstain from signing the Nuclear Non-Proliferation Treaty (NPT) was motivated by its desire for nuclear independence and self-reliance.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 3 only
- (d) 1, 2 and 3

Answer: (b)

Q2. Consider the following :

1. India is a member of the Nuclear Suppliers Group (NSG), having gained membership in 2016, with unanimous support from all member countries, including China.
2. India has consistently upheld a no-first-use policy, pledging not to use nuclear weapons as an initial strike.
3. India's membership in the Missile Technology Control Regime (MTCR) allows it to develop and sell nuclear weapons technology without restrictions.
4. India has been actively seeking entry into the Wassenaar Arrangement.

How many of the abovementioned statements are correct ?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All Four

Answer: (a)

Q3. Assess the recent developments in India's nuclear program, such as its membership in export control regimes, and analyze their impact on India's nuclear standing in the international community.

