

## BRICS

### SYLLABUS: GS PAPER-II (IMPORTANT INTERNATIONAL INSTITUTIONS)

**CONTEXT:** Prime Minister Narendra Modi will attend the annual summit of the five-nation grouping BRICS on June 23 and 24 following an invitation by Chinese President Xi Jinping, the Ministry of External Affairs (MEA) announced on Tuesday.

- China is hosting the summit in its capacity as its chair of the grouping for the current year.
- Discussions during the 14th BRICS Summit are expected to cover intra-BRICS cooperation in areas such as counter-terrorism, trade, health, traditional medicine, environment, science and technology, and innovation, agriculture, technical and vocational education & training, and MSMEs.
- The theme of this summit is **"Foster High-quality BRICS Partnership, Usher in a New Era for Global Development"**.
- The chair of BRICS 2021 was **India**. The theme of the 13th BRICS Summit was, **'BRICS @ 15: Intra-BRICS Cooperation for Continuity, Consolidation and Consensus.'**

### ABOUT BRICS

- BRICS is an acronym for the grouping of the world's leading emerging economies, namely Brazil, Russia, India, China, and South Africa.
- The term BRIC was coined by Jim O'Neil, the then chairman of Goldman Sachs in 2001.
- The first BRIC summit took place in the year 2009 in **Yekaterinburg (Russia)**.
- South Africa was invited to join BRIC in December 2010, after which the group adopted the acronym BRICS.
- The Chairmanship of the forum is rotated annually among the members, in accordance with the acronym B-R-I-C-S.
- The grouping was formalised during the first meeting of BRIC Foreign Ministers' in 2006.
- BRICS is an association with more than 40% of the global population and with 25% of the global GDP (nominal GDP of US\$16.039 trillion) and an estimated US\$4 trillion in combined forex. Bilateral relations are conducted mainly on the basis of equality and mutual benefit.

### OBJECTIVES OF BRICS

- One of the major objectives of the grouping is broadening, deepening, and intensifying cooperation among the member countries for mutually beneficial, sustainable and equitable development.
- Every member's growth and development are considered to ensure that relations are built on the economic strengths of individual countries and eliminate competition wherever possible.
- Such diverse objectives allow BRICS to emerge as an innovative and encouraging Political-Diplomatic entity that was earlier formed just to resolve the global financial issues and reform institutions.

### IMPORTANCE OF BRICS FOR INDIA

- India has been an active participant in this organisation from its inception. Maintaining economic growth that benefits India's citizens in terms of job creation, GDP growth, and poverty alleviation

are in the country's national interest.

- This forum serves as an alternative global mechanism for promoting economic and social growth, particularly at a time when global institutions and order are under significant stress (US actions on the economic front, climate change, geopolitical uncertainties around the world).
- India hopes to use this platform to strengthen ties with Africa and South America, continents that have been overlooked due to the “tyranny of distance” until recently.

## **UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)**

### **SYLLABUS: GS PAPER–III (IMPORTANT INTERNATIONAL INSTITUTIONS)**

**CONTEXT:** As per the UNCTAD, India's rank jumped one notch higher to 7th position among top recipients of foreign direct investment (FDI) in the 2021 calendar year.

#### **ABOUT UNCTAD**

- It is a permanent inter-governmental body established by United Nations General Assembly in the year 1964.
- It deals with development issues pertaining to international trade.
- UNCTAD is responsible for framing policies in the domain of trade, technology, finance, aid and transport.
- This body meets once in four years.
- Members: 195 countries including India.
- Headquarters: Geneva, Switzerland

#### **OBJECTIVES OF UNCTAD**

- To understand options to address macro-level development challenges.
- To acquire beneficial integration into the international trading system.
- To reduce the dependency on commodities by diversifying the economies.
- To increase development-friendliness by attracting more investments.

#### **REPORTS PUBLISHED BY UNCTAD**

1. Trade and Development Report
2. Trade and Environment Review
3. World Investment Report
4. Least Developed Countries Report

#### **ABOUT FOREIGN DIRECT INVESTMENT (FDI)**

- A Foreign Direct Investment (FDI) is an investment made by a firm or individual in one country into business interests located in another country. FDI lets an investor purchase a direct business interest in a foreign country.
- Investors can make FDI in a number of ways. Some common ones include establishing a subsidiary in another country, acquiring or merging with an existing foreign company, or starting a joint venture partnership with a foreign company.

## HOW DOES FDI ENTER IN INDIA?

India gets FDI through two routes:

- A. **Automatic route:** Under this route, the non-resident or Indian company does not require a prior nod from the Reserve Bank of India (RBI) or the government of India for FDI.

**Government route:** Under this route, the government's approval is mandatory. The company will have to apply through Foreign Investment Facilitation Portal, which facilitates single-window clearance. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce, issues the Standard Operating Procedure (SOP) for the processing of applications under the existing FDI policy.

## SECTORS IN WHICH FDI IS PROHIBITED

- Atomic Energy Generation
- Any Gambling or Betting business
- Lotteries (online, private, government, etc.)
- Investment in Chit Funds
- Nidhi Company
- Agricultural or Plantation activities (with the exception of horticulture, fisheries, tea plantations, pisciculture, animal husbandry etc.)
- Housing and Real Estate (except townships, commercial projects, etc.)
- Cigars, Cigarettes or any related tobacco industry

## NATIONAL INITIATIVE FOR PROMOTION OF UPSKILLING OF NIRMAN WORKERS (NIPUN)

### SYLLABUS: GS PAPER-II (GOVERNMENT POLICIES AND INTERVENTIONS)

**CONTEXT:** Ministry of Housing & Urban Affairs, Government of India, launched an innovative project for skill training of construction workers called 'NIPUN'.

#### ABOUT NIPUN

- Project NIPUN is an initiative under the MoHUA's flagship scheme, **Deendayal Antoyada Yojana- National Urban Livelihood Mission**, aiming to train over 1 lakh construction workers through fresh skilling and upskilling programmes.
- The **National Skill Development Corporation (NSDC)**, the nodal agency under the Ministry of Skill Development & Entrepreneurship (MSDE), Government of India, will be the Implementation Partner for the project NIPUN.
- The project implementation is divided into three parts –
  - Training through Recognition of Prior Learning (RPL) at construction sites.
  - Training through Fresh Skilling by Plumbing and Infrastructure Sector Skill Council (SSC).
  - International Placement through industries/ builders/ contractors.
- Under NIPUN, NSDC has envisaged to place approximately 12,000 people in foreign countries such as the Kingdom of Saudi Arabia, UAE and other GCC countries.

#### SIGNIFICANCE OF THE SCHEME

- This scheme will enable the construction workers to seek better job opportunities, increase their wages and pursue overseas placements.
- Trainees will be provided with accidental insurance (Kaushal Bima), digital skills (like cashless transactions), orientation on entrepreneurship etc.

## **ABOUT DEENDAYAL ANTYODAYA YOJANA–NATIONAL URBAN LIVELIHOOD MISSION (DAY–NULM)**

DAY–NULM is a scheme under the Ministry of Housing and Urban Affairs that focuses on reducing poverty as well as vulnerability of the urban poor households by enabling them to access gainful self employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level.

## **INDIA RANKS FOURTH IN GLOBAL GOLD RECYCLING**

### **SYLLABUS: PRELIMS**

**CONTEXT:** India has emerged as the fourth largest recycler in the world and the country has recycled 75 tonnes in 2021, according to a **World Gold Council (WGC)** report.

### **FACTS**

- According to the WGC report titled 'Gold refining and recycling', China topped the global gold recycling chart as it recycled 168 tonnes of the yellow metal, followed by Italy in the second position with 80 tonnes and the US in the third rank with 78 tonnes in 2021.
- As per the WGC, from 300 tonnes in 2013, India's gold refining capacity increased by 1,500 tonnes (500%) in 2021.
- The report further noted that the gold refining landscape in the country has changed over the last decade, with the number of formal operations increasing from less than five in 2013 to 33 in 2021.

### **ABOUT WORLD GOLD COUNCIL**

- The World Gold Council (WGC) is a nonprofit association of the world's leading gold producers.
- It was established in 1987 and is headquartered in the **London, United Kingdom**.
- The WGC covers the markets which comprise about three–quarters of the world's annual gold consumption.
- It is a market development organization for the gold industry which includes 25 members alongwith many gold mining companies.
- The WGC was established to promote the use of and demand for gold through marketing, research and lobbying.