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Budget 2023-24

The fifth budget in a row for FM, the last full budget before the 2024 elections and keeping in view nine state elections this year, the budget has something for everyone. On the one hand tax rebate has been increased from three lakhs to seven lakhs and a reduction in the rate of taxes for all other slabs. By reducing taxes under the new regime, the government has put more money in the pockets of almost ninety per cent of taxpayers, which will lead to an increase in consumption, which in turn will increase GST collection for the exchequer. In the new regime, taxes on LIC premiums, PF, medical policy, and standard deduction are also extended. Small savings schemes get more interest and pensioners also get relief in addition to leave encashment limit increased manifold.

This 'Amrit Kaal Budget' focuses on the growth of the Indian economy at 7%, the highest among major economies, two lakh crore for rural free food grains, priority to green growth to reduce carbon intensity; and the agriculture sector with an open source digital infrastructure for relevant information for crop planning, farm inputs, insurance, and support for agro-based industries and start-ups. Hefty increase in agri-credit target, the main focus on increasing rural income with innovative ways in the field of animal husbandry, dairy and fisheries opening new avenues for youth under self-employment. The impetus to increase cotton crop productivity, a centre of excellence for millets to push millet cultivation as a prime agriculture product, and promotion to natural farming with organic fertilisers.

The big jump of thirty-three per cent in Capex target, two lakh forty thousand crores for railways, nine times more than as compared to 2014. The defence budget touches six lakh crores, a hike of almost thirteen per cent, with a focus on new weapons and indigenization. Pension and salaries are the major head. The budget deficit has been a cause for worry, so a projection of 5.9 per cent has been set against last year's figure of 6.4 per cent.

More focus on housing for the poor with an increase of sixty-six per cent in PM Awas Yojana. Giving more importance to women, the new Mahila Samman Bachat Scheme offers an increase in the rate of interest for small deposits for women, encouraging deposits for women of the family to eventually make them financially secure. Focus on MSME and direct benefit transfer to forty-seven lakh youth in three years.

Gold and silver become costly, and so will imported rubber. Customs duty on seeds for lab-made diamonds was reduced to give impetus to the diamond industry. Revision of duty on cigarettes to support the National Calamity Contingency.

Special focus on energy, battery energy storage systems, and transmission systems to evacuate 13 GW of energy from Ladakh. Keeping in view the targeted manufacturing hub for mobile phones, customs duty on camera lenses and Li-ion cells for batteries, and machinery for their manufacturing. More focus on electric vehicles, reduction in the custom duty of components and machinery for Li-ion automotive batteries. Giving a flip to ethanol-blend petrol, denatured ethyl alcohol has been exempted from basic customs duty.

Keeping in mind the G-20 Presidency, special schemes to promote tourism in every state and UT have been proposed. There are plans to have a Unity Mall in every state capital to showcase products from one product for each district. Fifty cities have to be developed as destination cities, to be promoted as a 'complete package'. Fifty new airports and heliports to target new tourism destinations. Dekho Apna Desh, Vibrant Village, theme-based tourist circuits, the 'Swadesh Darshan Scheme' and many more will give a much-needed flip to domestic tourism, an opportunity to create lakhs of jobs, and an opportunity to earn precious foreign exchange.

Unprecedented construction of roads, bridges, and flyovers has been the USP of the government since 2014, and in this budget too, transport infrastructure will get a major boost with hundreds more projects. Thirty-three per cent increase in capital outlay to focus on roads, energy and other infra projects to push the economy. Separate funds to develop tier-1 and tier-2 cities on modern lines.

From Jammu and Kashmir's perspective, huge potential to get benefit from the focus on tourism, a major game changer is possible if all offered projections are lapped up and implemented. Another much more important sector is agriculture with stagnated income for the last few years, a golden opportunity to perform. From Ladakh's perspective, tourism and green energy are major focus areas, generating 13 GW of green solar power and transmitting it to the rest of the world will be the highlight of this financial year.

A mixed bag of reactions, even Sensex going flat, but the aim is to consolidate base for India @100, a tough ropewalk in a pre-election year keeping a check on fiscal prudence and fulfilling public expectations. Gol's focus is on its support base of the middle class, women, and youth. Given crumbling economies worldwide, India has been doing exceptionally well, well appreciated by World Bank, IMF and all leading analytic MNCs. An erudite budget to remember for a long time, free doling of 'Revidis' has been avoided and with this futuristic budget, the ascension of India as 'Vishav Guru' is not far away.

Time to Revisit Indus Water Treaty

Colonel B S Nagial (Retd)

On 25 Jan 2023, India issued a notice to Pakistan specifying the need to amend the Indus Water Treaty (IWT), 1960, as per the reports that appeared in the media. This notice has been issued through a commissioner appointed as per the provisions laid down in Article XII (3) of IWT, 1960. As per this notice, Pakistan has to ratify the violations of the provisions laid down in this treaty within 90 days of issuing this notice. This process will also help to update the provisions laid down in IWT, which is almost six decades old. This treaty has survived despite three wars and terrorism by Pakistan.

Sources say that Pakistan's inflexibility has forced India to issue notice to modify and update the treaty to incorporate the lessons driven for the last 62 years. This practically boils down to opening the discussion on provisions of IWT for re-negotiation. Article XII(3) of the IWT, 1960 specify, "the provisions of this Treaty may from time to time modified by a duly ratified treaty concluded for that purpose between the two Governments."

It is believed that Pakistan said on 27 Jan 2023 that a Court of Arbitration is holding the first hearing in the Hague on the objections of two hydroelectric power projects in the erstwhile state of Jammu and Kashmir. One is on the river Kishenganga, a tributary of Jehlum, and the other is on the river Chenab. In Aug 2016, Pakistan approached the World Bank, which had brokered the treaty and sought the constitution of a Court of Arbitration. India moved an application for the appointment of a Neutral Expert as Pakistan's objections didn't warrant a Court of Arbitration. On 17 Oct 2022, World Bank appointed Michel Eno as Neutral Expert and Sean Murphy as Chairman of the Court of Arbitration.

Brief about IWT, 1960.

- * The Indus River system encompasses the primary source of the Indus river, and its five tributaries, such as Ravi, Beas and Sutlej, are known as Eastern Rivers. At the same time, Chenab, Jehlum and Indus central are Western Rivers.

- * The IWT was signed between India and Pakistan on 19 Sept 1960 in Karachi. The treaty contains a preamble, twelve articles and eight detailed annexures.

- * The treaty provides India with absolute control of all the waters of the Eastern Rivers. At the same time, Pakistan shall have unhindered access to waters of the Western Rivers, which India is obliged to let flow beyond the permitted uses.

- * India is allowed to use the waters of Western Rivers for

- Domestic use
 - Non-consumptive use
 - Agricultural use as set out in Annexure C
 - Generation of hydro-electric power as set out in Annexure D
- * India is also permitted to construct water storage on western rivers upto 3.6 million acre-feet (MAF) for various purposes as specified in Annexure E of the treaty.
 - * India and Pakistan also established permanent commissioners for the Indus Rivers Watersposts. The two commissioners form part of the Permanent Indus Commission (PIC). Except that either Government should decide to take up any particular issue directly with the other Government, each commissioner will be officially authorised by the Government for all discussions and resolutions of problems arising from this treaty.
 - * The purpose and functions of the commission, among other things, are to:
 - Establish and promote cooperative arrangements for the Treaty implementation.
 - Furnishing or exchanging of information or data provided for in the treaty.
 - Encourage collaboration between India and Pakistan in the growth of the waters of the Indus Rivers System.
 - Examine and resolve by agreement any question that might arise between the parties concerning the interpretation or implementation of the provisions laid in the treaty.
 - * The commission must meet recurrently at least once a year in India and Pakistan. The meeting can also be convened by either commissioner as and when required. The commission is also required to take on tours of scrutiny of the rivers and works to ascertain the facts connected with various developments and works on the rivers.
 - * To allow Pakistan to content itself that India's planned projects are within the provisions laid in the treaty, India is obligated to convey to Pakistan in writing about the projects. Pakistan has the option to raise objections within three months of receiving information, which are then resolved under Article IX.
 - * Article IX of the treaty deals with resolving differences and disputes between India and Pakistan. If the commission cannot resolve a specific problem, provisions have been made to refer to a Neutral Expert under Annexure E and a Court of Arbitration Annexure G.
 - * Article XII provides for the treaty's provisions to remain in

force till ended by a duly endorsed treaty between the two Governments.

Time to re-visit the IWT, 1960.

Efforts to promote goodwill shouldn't be one-sided. Voices have been emerging from different corners of India to review the treaty seriously. It could curtail the scale at which the water is flowing to Pakistan now. Even within this treaty's realms, India could draw and utilise 3.6 Million Acre Feet of additional water from western rivers (the Indus, the Jehlum, the Chenab).

India has various options. It could restart the Tulbul Navigation project, which could help J&K immensely. This project envisages increasing the level of water of the river Jehlum and 'Wular Lake', which would enable round-the-year facilities for navigation connecting Anantnag, Srinagar and Baramulla. But this project has been held up as Pakistan has raised certain objections, which have no standing as far as IWT, 1960 is concerned. The resumption of work will put tremendous pressure on Pakistan, and its protest will expose Pakistan's hypocrisy. This project is for the welfare of the people of Kashmir Valley.

India could also speed up and complete the three dams on the river Chenab: Pakul, Souvalkot and Bursan and take extensive repair works of headworks falling on the Indian side. This will also check the leakage of water to the Pakistani side.

Pakistan may repeat its usual threatening rhetoric that revoking the treaty could be an 'act of war'. India need not cancel it entirely but could certainly tighten the grip on the implementation mechanism of provisions laid down in the treaty. This is needed because Pakistan, as of now, is getting generous treatment. Instead of thanks giving, it is exporting cross-border terrorism to India. On 26 Sep 2016, in Kozhikode, PM Narendra Modi made it clear that blood and water will not flow together.

To hide its gross inefficient use of water resources, Pakistan, especially its irresponsible and jingoist leadership, have been trying to mislead its people accusing India of resorting to water terrorism. As per Pakistan's Senate Committee Report of 9 July 2015, India uses less than the allocated water share. (Sh. Jagmohan, My Frozen Turbulence in Kashmir, p 866). Reports in the media that India is getting more water is just propaganda.

In the aftermath of the Uri terrorist attack, India established a high-level task force to use the treaty's full potential best. I think the time has come to think over the IWT, 1960, favouring Pakistan in its present form.

Wetlands in climate change

Shafat Reshi

All human bodies produce waste matter due to the working of different systems necessary to maintain its healthy function. Kidneys have a very important role in extracting toxic waste material from the human body. When uncontrolled pressure comes on these kidneys and they start breaking down, in extreme conditions it could lead to kidney failure which means failure of entire systems in a human body.

Now if we compare the above theory of waste extraction from the human body with the system of our environment, wetlands take on the role of these kidneys. Wetlands are very important constituents of an ecosystem and act like kidneys in a human body. These kidneys need to be maintained with utmost care much like in human bodies. Kidneys not only extract toxic waste from our body but also purify blood and circulate it back to the system. Wetlands work on the same analogy in our ecosystem with additional purpose of conservation of biodiversity and overall maintenance of the health of water bodies. Photo by Ansaar ahmed

Modern day phenomenon such as urbanization, industrialization, deforestation and mobilization has strong negative effects and bad impact on these defense mechanisms of our environment. Nature has given the environment a proper defense system but it is viable only up to a certain limit and when this threshold is exceeded due to different man made activities, it produces an adverse affect on our eco system and paves the way for unhealthy environments giving birth to numerous issues like Global warming, Melting of Glaciers, excessive rains, very cold winters, and very hot summers, shortage of water, shortage of food due to droughts, floods, health issues like different cancers, communicable diseases etc etc

Our wetlands are part and parcel of our ecosystem and water bodies are the most important constituents of our environment. Interdependency of all these constituents of our ecosystem has been studied at different levels all over the world. When deteriorating situation of water bodies was noticed as the main cause of deterioration of environment locally as well as globally, a convention was organized which paved the way for a common consensus and during the year 1971 on 2nd Feb, it was finalized at a place known as Ramsar. Ramsar is a place in Iran where first convention on wetlands was organized on 2nd February 1971 with the aim of conservation of wetlands and water bodies. Almost all developed and developing countries became its members and a wide and comprehensive platform was brought into existence for rais-

ing public awareness about the importance and values of wetlands and its conservation. All its programs where given broad open publicity in all its member countries. All member countries organized different programs and projects on this important day namely Wetland Conservation Day by different ways, means and methods.

Different constituents responsible for deterioration of water bodies in general and wetlands in particular can be discussed here:

Industrialization

Industrialization revolutionized the development of all modern cities and towns world over but also gave birth to numerous problems. Environment got affected badly in the shape of exposure to waste in different forms such as emission of poisonous gases, solid hazardous waste and toxic liquids. All these forms of wastes

and produces toxic substances which inhibit the aquatic and wildlife. Most flora and fauna disappears over time due to this unrelenting poisonous waste flow to wetland and water bodies.

Excavation

Excavation is inevitable but excess excavation gives birth to numerous environmental issues. Disturbing the earth's crust is always dangerous to water bodies as it increases run off and leads to silting of water bodies especially wetlands because wetlands are more exposed to such activities, reducing their value as well as that of other water bodies.

Lack of environmental education

No or little knowledge of conservation of wetlands, water bodies and the general environment is widely accepted to be one of the reasons for the apathy within the general masses towards

water during rainy seasons when rivers and streams flow to their full capacity and release the same during low decreased level in rivers.

Wetlands being vital part of our environment and Habitat for millions of species dwelling in them are responsible for maintaining our ecosystem. They also provide livelihood to communities living in and around these wetlands. Numerous products from wetlands contribute towards a healthy economy of its hinter land. The population living around or in close vicinity of these wetlands and water bodies are required to be educated about the importance of water bodies especially wetlands. Schools around these areas need to be given more emphasis and their wards need to be holistically engaged about the structural makeup of wetlands and their importance.

Global warming, climate change, climate disturbance in Kashmir in particular and around the world in general is the outcome of extinction of water bodies and ill treatment that is rendered towards them by human interference. Srinagar faced the devastating floods during September 2014 rendering millions jobless, homeless and crushed down the economy. This calamity can to some extent be attributed to the ill respect we gave our water bodies including these very same wetlands.

Authorities as well as NGOs and the general public need to wake up and safeguard these precious components of our ecosystem be it wetlands, lakes, or streams by means propagation, conservation and preservation. Monitoring of wetlands and other water bodies manually as well as by artificial intelligence is required. Educating general masses especially students and other population living in, around and near by these water bodies will definitely safeguard their existing position. Public should not have uninhibited access to water bodies and proper watch and ward is needed around the clock. All water bodies such as lakes, wetlands and drinking water sources should be notified and demarcated on the pattern of national parks and wildlife sanctuaries properly and geotagged. This also can be achieved by providing and maintaining proper buffer zones and green belts areas around wetlands and other water bodies and restrictions need to be put on vehicular traffic around the wetlands to decrease the carbon footprint.

Need of the hour is to shake up our conscience towards water bodies and water resources including wetlands for this conservation, propagation and management and make sure that efforts are laid into making sure that the declaration of Ramsar Iran of Second Feb 1971 is adhered to.

(The author is a town planner)



find water bodies and wetlands as their final resting place. It results in high level of pollution to water bodies and wetlands. These pollutants are the main causes of death of wildlife and flora and fauna in wetlands and the eventual deterioration of environment.

Deforestation

Deforestation causes silting of water basins. Areas of runoff increase due to removal of land cover which finally decreases the volume of wetland and other water bodies.

Urbanization

Rapid urbanization is the byproduct of industrialization. Urban areas produce more garbage, solid waste, liquid waste and construction waste as compared to the country side areas. Mismanagement of all these sorts of wastes in the form of deposition in and around water bodies and wetlands occurs unchecked as our wetlands are mostly unattended and uncontrolled. Liquid waste, primarily untreated waste water flows into these wetlands through different chan-

nel the fact of deterioration of such vital environmental components. Proper mass awareness initiatives can propel a conversation towards the saving of water bodies and preventing the wetlands from getting misused.

Kashmir, a beautiful valley surrounded by mighty Himalayas, has magnificent water bodies in the physical shape of lakes, rivers, streams, canals and wetlands. These famous water bodies not only maintain the eco balance of environment but produce variety of food items and provide efficient means of water transport. Srinagar is second home to the all migratory birds from South Asia, Siberian region, Russia, Kazakhstan, Azerbaijan and North China. Our wetlands and lake form safe Habitat these millions of migratory birds during winter months.

Larger areas in Kashmir are wetlands which remain with soaked with water for the whole year and form a vital link between land and water bodies and provide safe habitat for a variety of plant and wildlife. They also manage heavy rain-

50 Years of India-Vietnam Diplomatic Relations

Dr Bharti Chhibber

India and Vietnam, the two Asian countries share long cultural and historical connections in Buddhism and the freedom struggle from colonialism. Cham civilization in Vietnam is also a symbol of our traditional ties. Formally, diplomatic relations were established between the two countries in 1972. Over the period of time, our friendship is going from strength to strength, from Strategic Partnership in 2007 to Comprehensive Strategic Partnership in 2016 during the visit of Indian Prime Minister Narendra Modi to Vietnam. Vietnam is a gateway to India's Act East Policy and plays an important role in India's Indo-Pacific strategy. A Joint Vision for Peace, Prosperity and People was adopted during the Virtual Summit in December 2020 by Indian Prime Minister Narendra Modi and Vietnam Prime Minister Nguyen Xuan Phuc.

There have been many high-level bilateral visits between the two countries emphasising the multi-faceted nature of our association with convergences in economic, diplomatic, politico-strategic and security dimensions. Chairman of the National Assembly of Vietnam, Vuong Dinh Hue visited India in 2021. Similarly, Rajnath Singh, Defence Minister of India visited Vietnam in June 2022 followed by the visit of Do Quoc Hung, Deputy Director General of the Ministry of Industry and Trade, Vietnam to India in July 2022. Last year Shri Rajkumar Ranjan Singh, Minister of State for External Affairs also visited Vietnam for the Annual Horasis-India Meeting.

As we commemorated 50 years of our diplomatic journey in 2022, bilateral trade between India and Vietnam reached US\$ 14.14 billion from just US\$ 200 million in 2000. In 2021-22, Vietnam was India's fourth largest trading partner within ASEAN, following Singapore, Indonesia and Malaysia. Indian exports to Vietnam include iron

& steel products, textile materials, fishery, and pharmaceuticals, and Vietnam exports to India include computers, chemicals, coffee, electronic products, mobile phones, plastics and rubber.

Similarly, at present, India's investments in Vietnam are approximately US\$ 1.9 billion in the fields of agro-processing, agro-chemicals, coffee, energy, IT, manufacturing, mineral exploration, sugar and tea. Vietnam has investments of about US\$ 28.55 million in India in building materials, chemicals, information technology and pharmaceuticals. Many Indian companies in different fields are already engaged in Vietnam including Bank of India, Godrej, HC, ONGC Videsh, Tata Coffee, Tech Mahindra, and Wipro.

Though our bilateral trade and investments have increased over the years, there is vast potential to expand it further. Vietnam wants to diversify its trade and India's huge, growing market provides an apt opportunity. India also sees Vietnam as an important regional actor in South East Asia, politically secure and economically vibrant with an average of seven per cent annual economic growth. It maintained three per cent economic growth even during the pandemic crisis. In addition, Vietnam is now a favourable alternative for states like Japan keen on moving their enterprises from China.

The economic association can be augmented in the fields of medical tourism and oil & gas paving the way for an alternative energy supply chain. Vietnam is also looking for further Indian projects in oil and gas exploration and medical equipment manufacturing. In contemporary times, building reliable supply chains, capacity building, human resource development in information technology, and sustainable growth requires a coordinated outlook between India and Vietnam to maximise mutual benefits in the economic realm. An integrated supply chain mechanism by India and Vietnam in textile, outsourcing and manufacturing

also call for better infrastructure development like ports and roadways with connectivity remaining central to enhanced cooperative ventures. It is high time that a free trade agreement materialises between India and Vietnam which will not only add to bilateral trade in goods and services, reinforce FDI, and value chain links but would also be expanding the network in the Indo-Pacific.

The domain of a digital-based economy further offers India and Vietnam an avenue to bolster their cooperation. At its 13th National Congress Vietnam prioritised national digital transformation, a digital-based economy, the development of science & technology, and a productive setting for business and manufacturing initiatives. India is already facilitating capability enhancement through ITEC and e-ITEC plans with Vietnam. Investment capital commitment of \$ 12 billion in the International Pharmaceutical Park project in Vietnam's Hai Duong by Indian businesses will give a boost to bilateral economic relations.

Vietnam has also supported a greater role for India in multilateral fora and in the stability and growth of the region. Vietnam perceives India as a strong partner in modifying its strategic options. India has also supported Vietnam's stand on resolving conflicts in the South China Sea in consonance with international law. India has emphasized that any Code of Conduct in the South China Sea should be guided by the UN convention and negotiations should respect the legitimate rights and interests of all the countries towards rules-based order. India has oil exploration programs with PetroVietnam and is supporting oil and gas exploration with Vietnam in spite of provocative Chinese actions in Vietnamese waters.

India is also working with Vietnam in the defence sector to accelerate Vietnam's military capabilities by extending defence Lines of Credit to Vietnam. Bilateral defence initiatives include

the construction of 12 high-speed guard boats for the Vietnam Border Guard Command and joint military exercises. In August 2021 Indian and Vietnamese navies took part in a bilateral exercise in the South China Sea. A Joint Vision Statement on India-Vietnam Defence Partnership towards 2030' was signed during India's Defence Minister, Rajnath Singh's visit to Vietnam in 2022. India and Vietnam also inked a Memorandum of Understanding on reciprocal logistics assistance to authorise the militaries of the two countries to access each other's bases for repair and replenishment of supplies.

Tourism is another area which is witnessing higher growth with Vietnam emerging as one of the favourite destinations for a large number of Indian tourists. Vietnam has launched many direct flights between its vibrant tourist places and Indian cities for ease of travel.

Hence, the growing bonhomie between India and Vietnam accentuates the confluence between the two countries in varied areas of strategic, political, defence, economic, digitalisation, information technology and people-to-people diplomacy. With their common vision of peace, prosperity, and security, India and Vietnam are committed to robust engagements bilaterally and multilaterally in the South China Sea, Indo-Pacific region and beyond. The supply chain vulnerability perceived in the last few years is an opportunity for India and Vietnam to deepen their collaboration in the commercial sector. Both states should further promote infrastructure and connectivity linkages to facilitate their dynamic association. A proactive approach to realize the full potential of India-Vietnam relations will take it forward in the next five years as a Comprehensive Strategic Partnership towards 2030.

(The author is a foreign policy & environment expert and teaches international relations at the University of Delhi.)