

Test Code: 21077

FIAS - 2019 - GS6D

ForumIAS
MGPO14669**ForumIAS**
ACADEMY**GENERAL STUDIES**

Name Of Candidate	Goutanjali Sharma		
Email Id.		Roll No.	1910032948
Mobile No.		Date:	30/8/2019

Time Allowed: Three Hours

Maximum Marks: 250

INDEX TABLE			INSTRUCTION						
Q. No.	Max. Marks	Marks Obtained	<p>1. Please do furnish Name, Email, Roll No and Mobile in the answer sheet.</p> <p>2. There are TWENTY questions printed in ENGLISH, all questions are compulsory.</p> <p>3. The number of marks carried by a question/part is indicated against it.</p> <p>4. Answers must be written in the medium authorized in the admission Certificate, which must be stated clearly on the cover of this Question-Cum-Answer (QCA) Booklet in the space provided.</p> <p>5. Word limit in questions, if specified, should be adhered to. Any page or portion of the page left blank in the Question-Cum Answer Booklet must be clearly Struck off.</p> <p><i>Any specific messages for ForumIAS Mentors/ Evaluators with respect to your copy? Write it here.</i></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p>						
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Start Time 12:15	End Time 4:00 15:05								
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Q.1) ^{379 Simple and effective} ~~simple and effective~~ minimum wage system is an 'urgent necessity' for India's inclusive growth. Comment. (10 Marks, 150 Words)

The Economic Survey 2018-19 has pointed out for the need of a effective minimum wage system in the country.

Necessity of Simple and Effective
minimum wage :

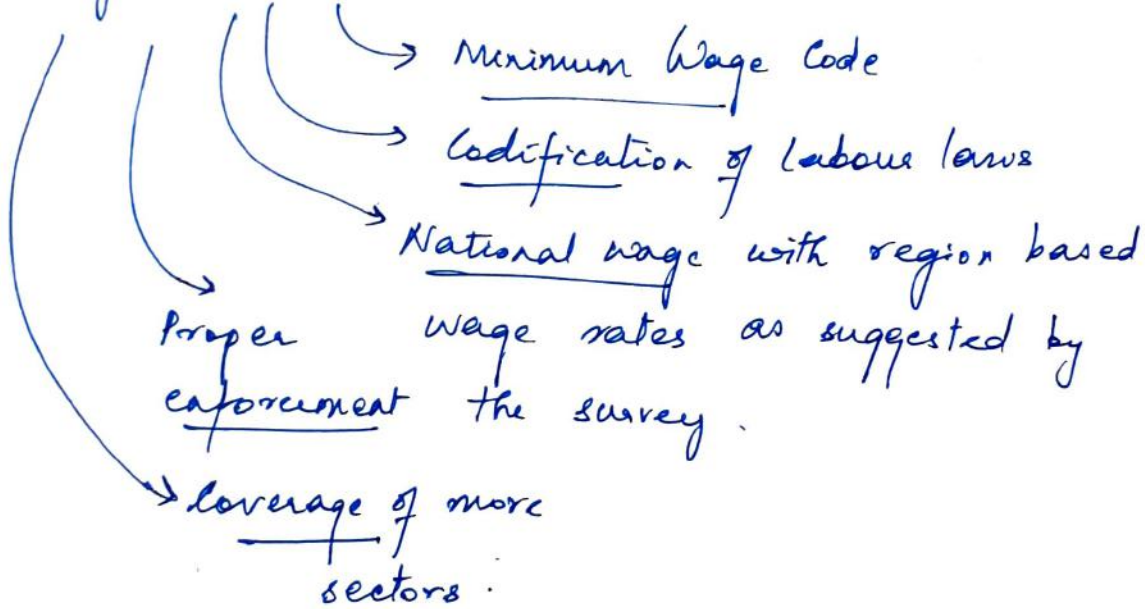
- 1) Guarantees a living wage to workers
- 2) High out of pocket expenditure on health has potential to increase poverty - can be countered by minimum wage.
- 3) Improve education, health, social security of workers
- 4) Firms are ensured a efficient and productive work force.
- 5) Tackle issues of child labour, manual scavenging

Issues in Current Minimum Wage System :

According to the Economic Survey (2018-19)

1. Lack of adequate coverage
2. No standard criteria for minimum wage
3. Variability and complexity across states.
4. Lack of enforcement
5. Lack of awareness

Way Forward



Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.2) What is gene editing? List out the advantages and disadvantages of this technology.

(10 Marks, 150 Words)

Gene editing is the technology through which the gene of an organism is altered by additions, deletions, silencing, in order to change its expression. In recent times CRISPR Cas 9 technology has been used for gene editing.

Advantages

- Gene therapy for cure of genetic diseases
- legacy issues like malaria, cancer, diabetes can also be cured.
- Transhumanism envisages greater mental and physical capability of humans through editing.
- 3 parent babies has potential to cure mitochondrial disease (Eg: UK's recent experiment)

Disadvantages

- Opens door for human cloning.
- Designer babies raises ethical concerns.
- Gene line editing obviates the need for consent of future generation.
- Genetic discrimination is a possibility

• Genetic editing in plants and animals give GM crops with better productivity & resistance to pests

• Neo-eugenics movement may arise

• The technology will only be available to the rich.

Researcher of China He Jiankui claimed to have created the first genetically edited babies and this has raised global calls for a global treaty to regulate gene editing.

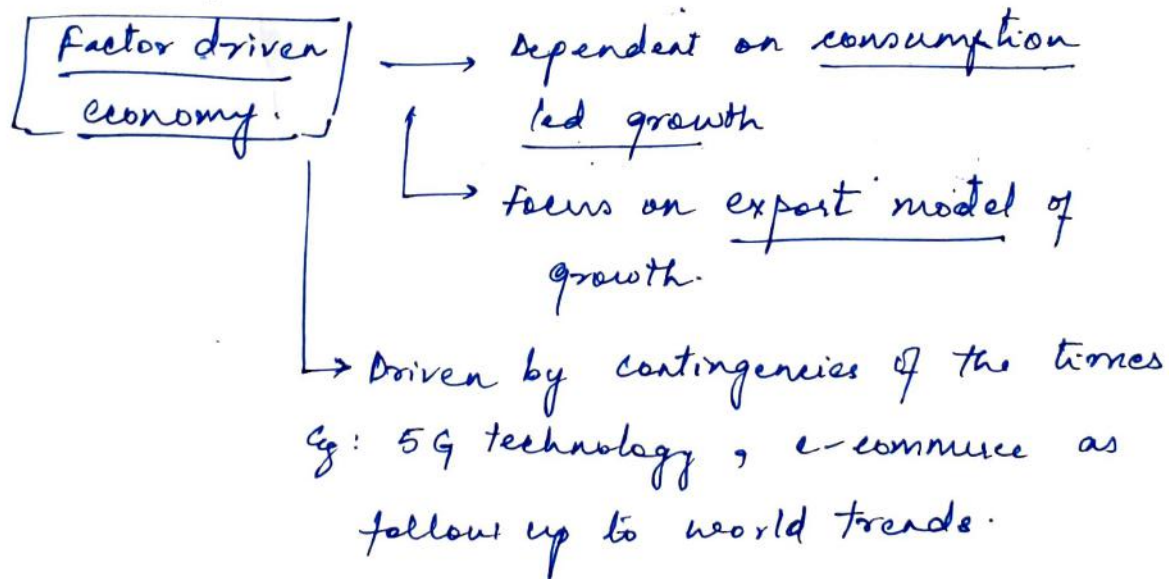
Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.3) "India needs to transform itself from a factor-driven to an innovation-led economy". Comment on the importance of innovation in creating a virtuous cycle in the Indian economy .

(10 Marks, 150 Words)

In her maiden budget speech, the Finance Minister announced the target of becoming a \$ 5 trillion economy by 2024-25. This requires a virtuous cycle of growth fuelled by innovation .



Need for Innovation

1. Novel solutions for localised / India specific issues. Eg: Sanitation, stunting, wasting in children.
2. Enable India to become technology

leader rather than dependence on technology transfer.

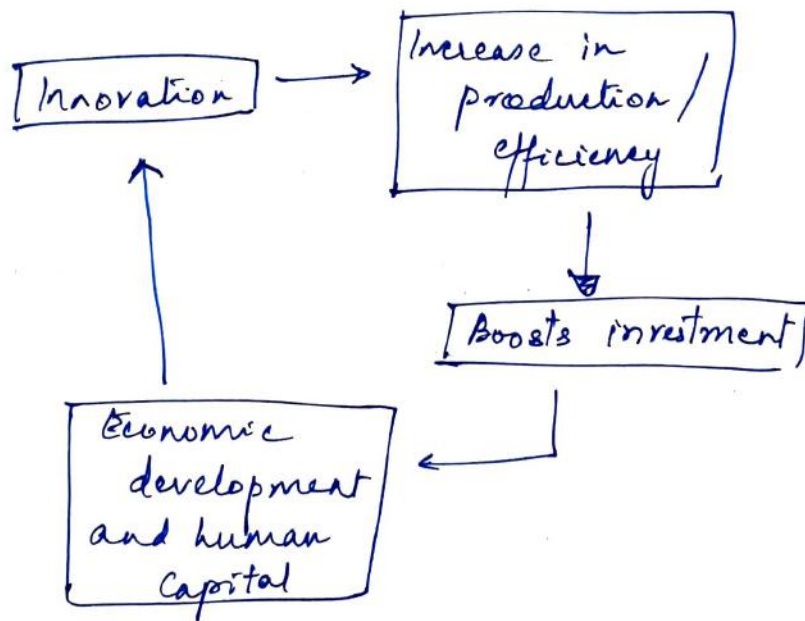
3. lead to reduction in imports.

4. Optimal utilization of scarce resources.

Eg: Rare earth minerals.

5. Boost investment in economy leading to

virtuous cycle:

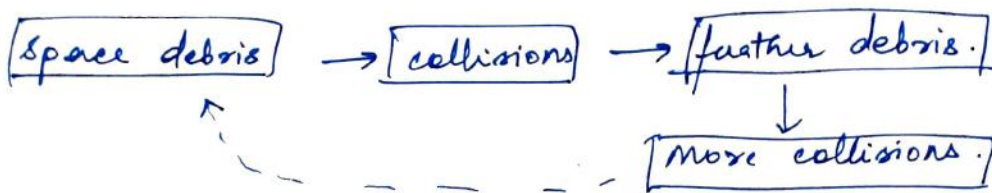


Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.4) What do you understand by Kessler syndrome? What is its effect on Low Earth Orbital objects?
(10 Marks, 150 Words)

Kessler syndrome refers to the loop of collisions followed by debris which increases probability of further collisions in space.



Space debris may be natural - in form of meteorite particles, space dust, or artificial - as created by ASAT (Anti Satellite Test) or ageing satellites.

Effect on Low Earth Orbital objects:

- Potential threat to human space stations like ISS
- Threat to human space flight missions like upcoming Gaganyaan.
- Threat of collision with functional satellites in LEO.

• Also a threat to life on Earth when debris falls to Earth

Space debris is not currently covered under Outer Space Treaty and a ~~new~~ renegotiation of the same is needed to tackle Kessler's syndrome.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.5) Non-banking financial companies (NBFCs), although an agent of financial inclusion at the grassroots level, increases systemic vulnerabilities many folds. Analyze. (10 Marks, 150 Words)

Non banking financial companies (NBFC) are firms that undertake bank-like operations but do not come under formal definition of bank i.e. not under Banking Regulation Act.

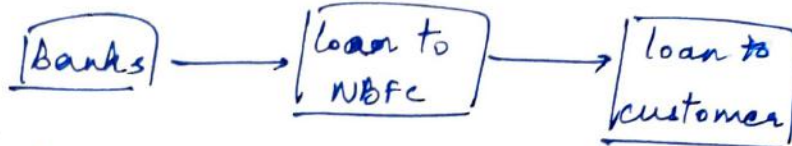
NBFCs AS AGENTS OF FINANCIAL INCLUSION:

1. Regional presence in Tier II, Tier III cities and rural areas
2. Flexible lending without need for prior credit history.
3. Lending to MSMEs, STPGs etc.
4. Customised and innovative lending products for customers.
5. Have better risk assessment capabilities
6. Provide instruments for financialisation of middle class savings.

P.T.O.

INCREASE IN SYSTEMIC VULNERABILITIES:

1. Refinance model increases rate of interest



2. Under regulated (not under RBI)
3. Various ponzi scheme
4. Asset - liability mismatch led to IL&FS crisis
5. Cannot go to RBI as lender of last resort.
6. Deposits in NBFC not insured under DICG Act → can lead to panic withdrawal in case of crisis.

Thus the Government has recently given more powers to RBI in order to regulate the NBFC sector after the IL&FS crisis.

Feedback (For OFFICE use only)

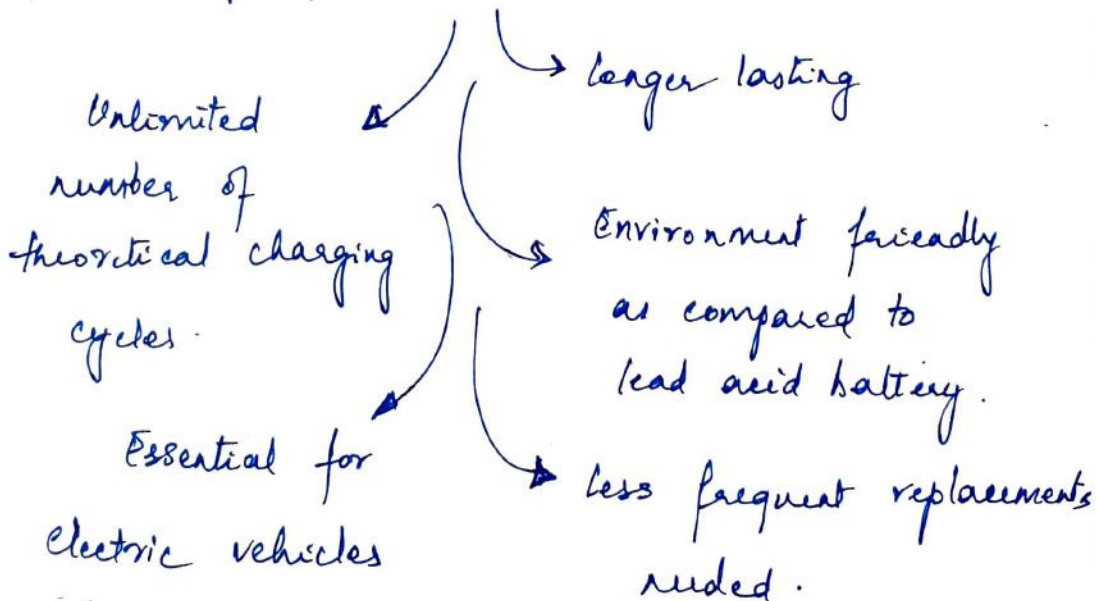
Structure		Content	
Question Interpretation		Total :	

Q.6) Highlight the advantages and limitations of the lithium-ion battery. Discuss the environmental concerns associated with lithium-ion batteries.

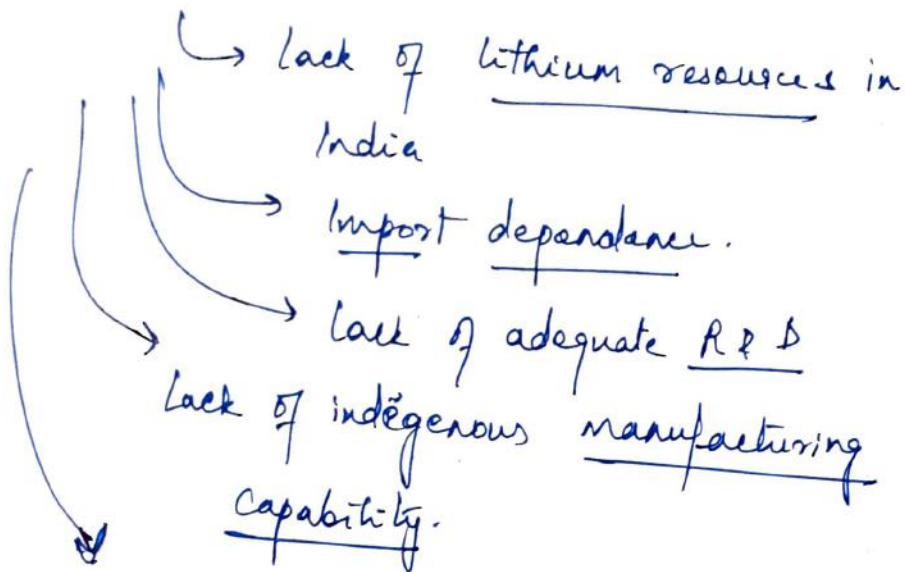
(10 Marks, 150 Words)

Lithium ion batteries function on underlying technology of lithium ion exchange and ~~also~~ are an improvement over lead acid batteries. Recently ISRO had announced plans to commercialise its lithium ion technology to boost production

Advantages of Lithium ion :



P70.

Limitations

Environmental concerns : Increased use of lithium ion batteries (mobiles, ~~soft~~ hardware in computers) has created issues of disposal and recycling and toxic waste in land fills.

Lithium batteries present a technological opportunity for India but the concerns need to be addressed as well.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.7) Examine recent changes in the E-commerce policy of the government of India and its impact on the e-commerce sector.

(10 Marks, 150 Words)

E-commerce refers to the buying and selling of goods on a digital platform. It may follow either inventory or market place model.

RECENT CHANGES IN E-COMMERCE

Policy

1. An e-commerce regulatory to be established
2. Data localisation requirement
3. Non-exclusivity
 - Platform cannot hold more than 25% in a single vendor
 - A vendor cannot be selling > 25% on the platform.
4. Deep discount sunset in 2 years.

IMPACT ON E-COMMERCE SECTOR :

1. Signals a form of policy uncertainty in policy of Government

2. Can ensure level playing field
3. Preventing monopolisation
4. Promotes Indian investors and platforms
5. Has potential to unduly benefit deep-pocketed Indian firms - reduces competition.
6. Data localisation norms may ensure data protection but has met resistance

The Economic Survey 2018-19 signals the need for a predictable, forward looking policy backed with proper implementation to achieve full potential of e-commerce sector.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.8) What do you understand by generic medicines. How are they different from biosimilars?
(10 Marks, 150 Words)

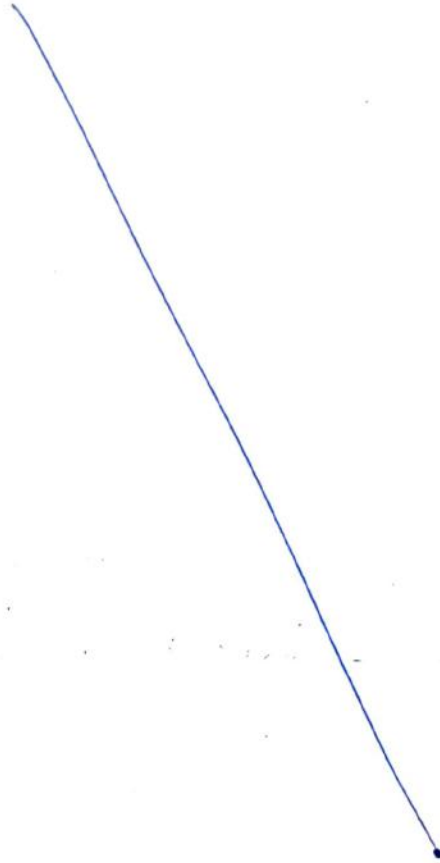
Generic medicines are those medicines which are essentially duplicates of patented medicines in terms of their bio activity and medical effects, however they are manufactured at a fraction of the cost and sold as unbranded unpatented varieties.

Recently the Government launched Jan Aushadhi Yojana in order to provide generic medicines for the citizens for free.

Manufacture of generic medicines is allowed for essential medicines as per Government norms.

Biosimilars : These are products or chemicals that recreate the exact molecular reaction as the ~~over~~ original medicine / chemical. Different biosimilars.

may be used to create different versions of the same drug.



Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.9) It is widely agreed that India stands at the cusp of a vital transition- from an informal to a formal economy. Discuss the opportunities and challenges associated with the formalization of the economy.

(10 Marks, 150 Words)

According to ILD, the proportion of workers in informal sector is 81%. However India is transitioning to a formal economy as per the following evidence:

1. PLFS report has shown decrease in agriculture employment to now 44%.
2. EPFO data quoted by the Government has shown creation of 7 million jobs per year. Also same according to GST data.
3. Changing nature of jobs due to advent of 4th industrial revolution.

Opportunities of formalisation

- Benefits workers - social security, job security, minimum wage
- Benefits Government - Greater tax collection, more data available for evidence based policy making

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- Benefits industry - Increases access to credit, investment and skilled workforce
- 4th industrial revolution can be supported by a formal economy.

Challenges

- Large informal sector and lack of data
- Complex labour laws and high compliance costs.
- Large number of 'dwarf firms' with low growth potential.
- Slowing rate of investment and economic slow down.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.10) What is GDP deflator? Should GDP deflator be the anchor for inflation rather than CPI and WPI?

(10 Marks, 150 Words)

GDP deflator is an index of goods manufactured in the territory of a country and is used to convert nominal GDP into real GDP

$$\text{GDP Deflator} = \frac{\text{Nominal GDP}}{\text{Real GDP}}$$

GDP Deflator as anchor for inflation:

- Includes variety of products that are manufactured within country.
- larger than CPI and WPI list of goods
- can provide greater ~~pictures~~ idea on the inflationary trends arising within manufacturing sector of the country.

However it is not and cannot be used as a measure of inflation because:

- Does not consist of service sector

- Does not provide information of affect of oil prices (as it does not have imported goods)
- Is not completely representative of goods of manufacturing sector.
- Is not regularly updated and provides only annual information

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.11) Discuss the concerns and challenges in the roll-out of 5G technology in India. How is it different from 4G LTE?

(15 Marks, 250 Words)

5G technology is the 5th generation of wireless communication technology which is being rolled out across countries in order to support the 4th Industrial revolution - AI, Big data processing, robotics etc.

	4G LTE	5G
Frequency Available	3 GHz	30 GHz
Latency	10 ms	< 1 ms
Connection Density	100,000 per km ²	1 million per km ²
Speed	1 Gbps	20 Gbps (theoretical)

Concerns and Challenges in roll out of 5G

1. Lack of infrastructure - optical fibre network.
2. High spectrum pricing (in India)

3. lack of indigenous communication hardware manufacturing - import dependence
- security concerns
4. lack of single policy framework across the country - regulatory complexities
5. Huawei issue - concerns of data privacy, IPR and bilateral relations

~~The National Digital~~

6. lack of a data protection law - despite Right to Privacy SC judgement and Justice BN Sri Krishna committee report
7. Rural Urban divide in terms of infrastructure and digital literacy.
8. Telecomm sector has huge debts and faced disruption by entry of new players

Way Forward

- Implementation of National Digital Communication Policy 2018

- Infrastructure for optical fibre networks.
- Single policy framework across the country.
- 5G test beds and pilots -
 - Rationalise spectrum pricing and
 - Encourage local manufacturing of handsets and other hardware.

5G technology is essential to leaping into the age of 4th Industrial revolution and according to OECD it can raise GDP, employment and digitisation.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	



Q.12) Critically examine the challenges and opportunities of the startup ecosystem in India, with special emphasis on employment creation. (15 Marks, 250 Words)

A start up is defined in India as a firm that is less than 7 years of age and has not created profits greater than 25 crore in the past 3 years. Moreover start ups have to provide certain innovations with potential to be commercialised.

Opportunities of Start ups

- Have potential to boost employment in the economy.
- Can provide better quality jobs or jobs in the 'gig economy'
- Increase in innovation and technology adoption in businesses that increase efficiency.
- Increasing digitisation and demographic dividend provide unique opportunity and potential for start up growth.

- sectors such as agriculture, logistics, agroprocessing provide opportunities
- Can provide solutions for governance problems and regional localised solutions such as water management, education, health etc.

Challenges of Start Ups

- Regulatory : Government taxation policy until recently was a hindrance (Angel tax) and deterrence to venture capitalists
- Proposed tax of super rich in Budget.
- e-commerce FDI policy may lead to loss of investments in start ups by companies like Amazon.
- Infrastructural
 - Lack of digital communication infrastructure in all areas - rural and urban
 - Lack of data regarding public issues (traffic, health)

Credit

- Reducing investment levels and falling GDP growth
- Banks NPA crisis and NBFC crisis

Technology

- lack of availability of latest technology ~~due~~ due to low investment in R&D by both Government and private sector.

Labour

- India Skill report points out that 47% of graduates are unemployable

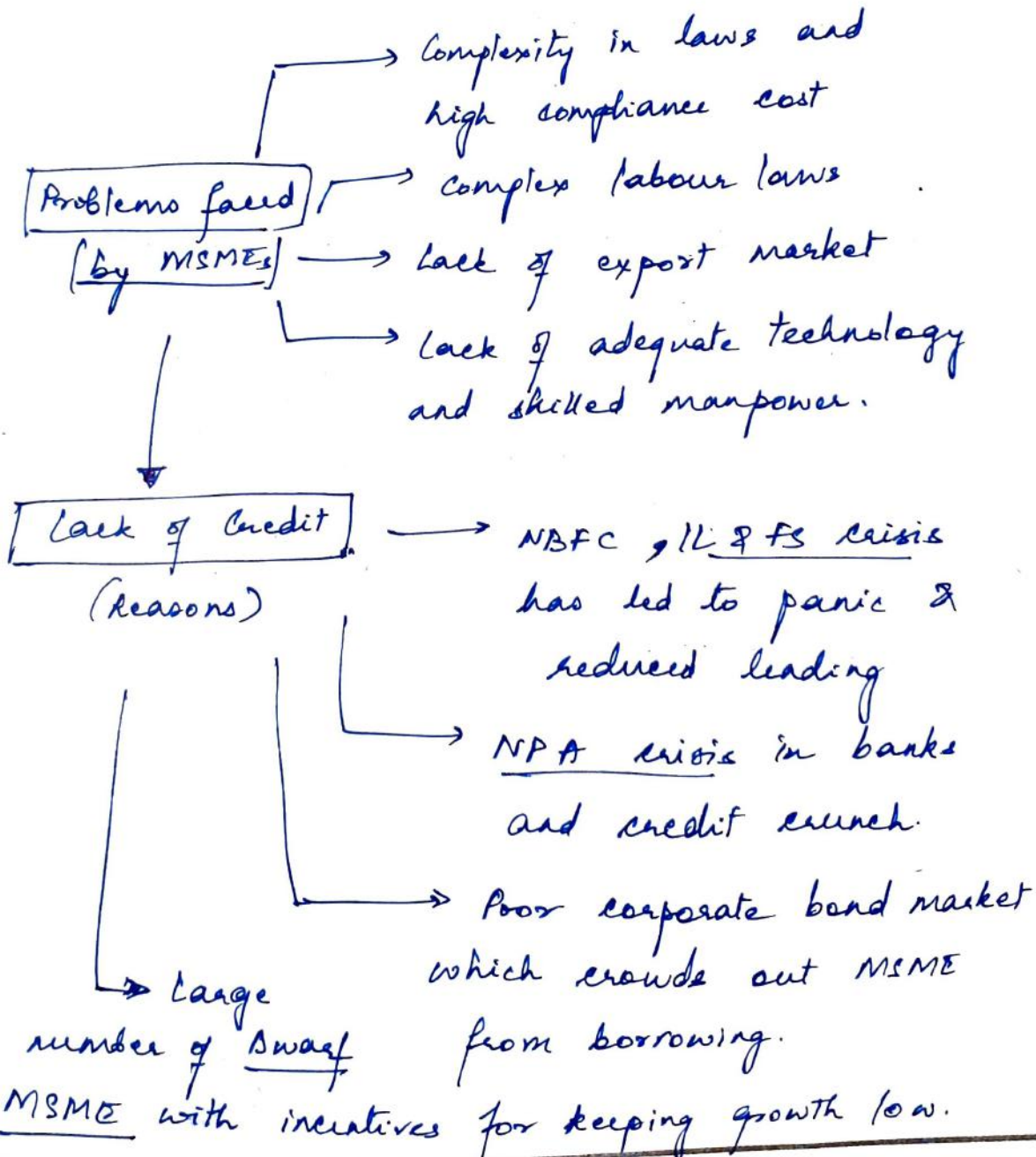
Thus the way forward lies in revamping Start Up India scheme along with favourable policy framework.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.13) Of all the problems faced by MSMEs, non-availability of credit is the most severe one. How far have the current policies, been responsible for the underperformance of this sector? (15 Marks, 250 Words)

As per the MSME Development Act, 2006 MSMEs are defined as firms with less than 10 cr investment in equipment in manufacturing sector and less than 5 cr in services sector.



Current Policies that led to underperformance
of the MSME sector :

1. MUDRA Yojana - Has not been able to lead as per targets.
- Collateral free lending restricted to 10 lakh.
2. Start Up India - Issues of Angel tax and compliance cost have restricted growth
3. Labour laws - Stringent clauses such as no firing beyond 100 employees without Government permission
- 44 Central laws and > 100 state laws increases complexity.
4. Vocational education and Skill India - Inadequate availability of skilled labour
5. Poor banking regulation and NBFC regulation - Crisis in banking sector reduced funds for MSME

However there are a number of other policies that seek to improve MSME performance :

1. 6000 crore package for technology upgradation
2. Crisidex - CRISIL and SIDBI MSME sentiment Index.
3. GEM - 25% procurement from MSMEs.
4. TReDS - Trade Receivables e-discounting system.
5. Capital and interest subsidy for GST registered MSMEs.

Thus a reform of policies along with proper implementation is the way forward.

MSMEs account for 12 crore jobs, 40% of exports and 32% of GVA and are the backbone of the economy.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	



Q.14) Discuss the achievements of Niti Aayog as a catalyst of change, outlining its limitations. (15 Marks, 250 Words)

The NITI Aayog was established in 2014 as a replacement to erstwhile Planning Commission. Its main roles include providing think tank capabilities to the Government along with Center - State coordination.

NITI Aayog Achievements

- Has released various reports and indices to promote competitive federalism
 - Composite Water Management Index
 - Start up Index
 - Ease of Doing business in States.
- Provided solutions and policy suggestions
Eg: Strategy for New India @ 75
- Improved Center - State coordination and cooperative federalism - Eg: Various sub-committees

to tackle and suggest on urban development,
water management etc.

- Incorporation and coordination with experts
and research bodies to provide up to
date analysis.

Limitations

- It lacks the financial capacity like
that of Planning Commission.
- Critics have described it as merely a
think tank.
- lack of power of enforcement.
- lack of autonomy.

Thus going forward, the NITI Aayog
needs to be strengthened to further its
role in advising the Government on
emergent issues.

Q.15) Examine the potential of AI in providing incremental value to various sectors. Also, identify the key challenges in adoption of AI in India. (15 Marks, 250 Words)

Artificial Intelligence is a component of the 4th Industrial Revolution which refers to the presence of human-like intelligence and machine learning in robots / computers.

POTENTIAL OF ARTIFICIAL INTELLIGENCE

IN VARIOUS SECTORS :

1. Health → AI based surgeries or robotic surgery.
 - Wireless monitoring of patients remotely.
 - More efficient diagnoses of cancers and ailments.

2. Education → Creation of customised learning modules based on individual competency.
 - Teacher training modules.

3. Business / Manufacturing - Robotics in manufacturing
- Data analytics and application in reforming business strategies
4. Consumer products - Autonomous, self driven cars
- Robots for elderly persons care
- Virtual ~~set~~ reality and ~~artificial~~ ~~reality~~ augmented reality application.
5. Government - Management of data regarding traffic systems, health records, voting, vehicle registration
- Public finance management.

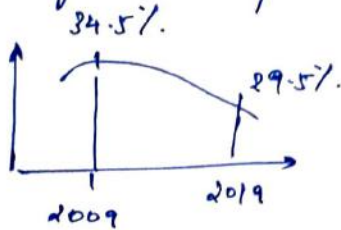
Key Challenges in Adopting

AI in India

→ (0.6% - 0.8% of GDP)

1. Lack of funding for research and development
2. Lack of skilled manpower in AI and allied sectors.

- 3. Complexity in norms and rules which deters innovation in private sector. Eg: IPR laws
- 4. Start Ups issues in taxation and ecosystems which have not adequately been addressed.
- 5. Falling rate of investments and GDP slowdown.



6. Issues with roll out of 5G technology.

AI has potential to create employment and growth in the economy as well as improve public services. The above challenges need to be addressed to promote AI.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	



Q.16) Adoption of electric vehicles on a large scale is hindered by various technical, regulatory and infrastructural concerns. Analyze. (15 Marks, 250 Words)

Electric vehicles are vehicles that run on a Battery (Lithium-ion battery) and are low-emission vehicles. India recently launched the FAME-2 scheme to promote adoption of e-vehicles.

CONCERNS AND CHALLENGES

• TECHNICAL

- Battery technology in terms of duration of charge storage is not up to the requirements.
- Lack of indigenous technical capability and dependence on imports.
- Technical constraints in incorporating solar panels / renewable energy with e-vehicles.

REGULATORY

- Policy uncertainty with regards to e-vehicles
- Higher GST rate is deterring adoption
- No uniform policy across the country.
- Issues of NBFC crisis and automobile sector has deterred investment and growth.

INFRASTRUCTURAL

- lack of charging infrastructure
- lack of maintenance, repair and overhauling services (that are present for traditional vehicles)
- lack of proper recycling infrastructure for e-waste leading to scarcity of rare earth minerals.

The share of e-vehicles in India is currently 0.06%. (According to Economic

Survey) whereas for China it is 2% and in Norway - 32%. - Effective policy framework and incentives are needed for promoting both industry and consumer to adopt e-vehicles (as done by China)

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.17) How far do you think higher taxation of the super-rich is a justifiable solution for reducing income inequalities in the country? Enumerate the strategies adopted for reducing inequalities in the current budget. (15 Marks, 250 Words)

According to Oxfam Inequality Report, India ranks 147th out of 157 countries and 1% of the population cornered 73% of wealth generated in 2018-19.

The Budget (19-20) proposed a tax on super rich in order to reduce inequality.

Taxing super rich as
solution for inequality:

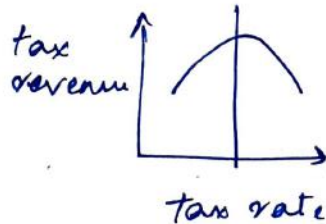
1. It is in line with principle of progressive taxation. (higher tax for higher income)
2. Increases tax to GDP ratio (which is currently low at 12% for India)
3. Can reduce fiscal deficit and enable the Government to spend more on public services and subsidies.

4. Higher tax can provide opportunity for more redistribution schemes/programmes

However wealth destruction cannot be a solution to inequality as also pointed out by PM Modi in his speech at Red fort.

This is because :

1. Higher taxation reduces business sentiment and willingness to invest
2. As per Laffer curve, revenue collection only decreases after a certain tax rate



3. Taxation of super rich will not be adequate for funding development programmes and what is needed is steps like DBT to ensure targetted delivery of benefits.

Provisions in Budget to reduce income inequality :

- i) ~~Tax slab~~
- ii) Tax benefit to people with income below Rs 5 lakh
- iii) Greater deductibles for salaried persons
- iv) Proposed tax on super rich
- v) Various schemes like allocation to MGNREGA, PM KISAN, Ayushman Bharat etc.

Reducing income inequality is the State's duty under ~~Art. 38~~ Article 38 of the Constitution and must be backed with consistent efforts.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	



Q.18) Why is biotechnology hailed as the next big sector after IT for driving the economic growth? Discuss the myriad challenges afflicting this sector and measures to tackle the same. (15 Marks, 250 Words)

Biotechnology is the fusion of biology with technological capabilities in order to arrive at novel solutions. Areas of biotechnology include :

- : GM crops
- : Gene editing.
- : Gene therapy
- : Transgenic animals
- : Customised medicines etc.

It is hailed as the next big sector after IT due to its potential applications across various sectors of the economy.

1. Agriculture : Transgenic plants and animals can have increased productivity, drought resistance, meat production, pest resistance etc.

2. Health : • Customised medicines for personalised care
• Artificial vaccines and medicines, hormones Eg: Humulin' growth hormone, artificial insulin
3. Industry : Creation of synthetic fibres and adhesive by use of biological properties
Eg: Engineering textiles in construction.
4. Consumer products :- fortified food (Golden rice) to tackle malnutrition
- DNA sequencing kits
5. Criminal justice system : Forensic application, DNA fingerprinting and creation of data bank, paternity testing, personal identification.

Challenges afflicting the sector

- Investment in Research and Development in Private sector and Government is low (0.6-0.8% of GDP over past 5 years)

- IPR norms prohibiting innovation
- Falling investment rates in economy.
- Lack of skilled manpower - unemployable graduates, poor research in Universities

Measures to tackle the challenges

- Increase budgetary outlay for research
- Improve quality of Universities and research
- PPP model of investment.
- Government schemes such as Ci³ scheme of Department of Biotechnology.
- Foreign faculty through VAJRA Scheme
- Increase public acceptability of GM crops through studies and information dissemination.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	

Q.19) India's low energy consumption rate highlights the prevalent energy poverty in the country. What are the possible economic gains of high per capita energy consumption in India? Outline the challenges for achieving the same.

(15 Marks, 250 Words)

As per the Economic Survey 2018-19, India's energy consumption is $\frac{1}{3}^{\text{rd}}$ of the global average. Moreover, despite being an energy surplus nation, India has not yet achieved universal power $24 \times 7 \times 365$ hrs. in a year.

Economic GAINS OF HIGH

PER CAPITA ENERGY CONSUMPTION

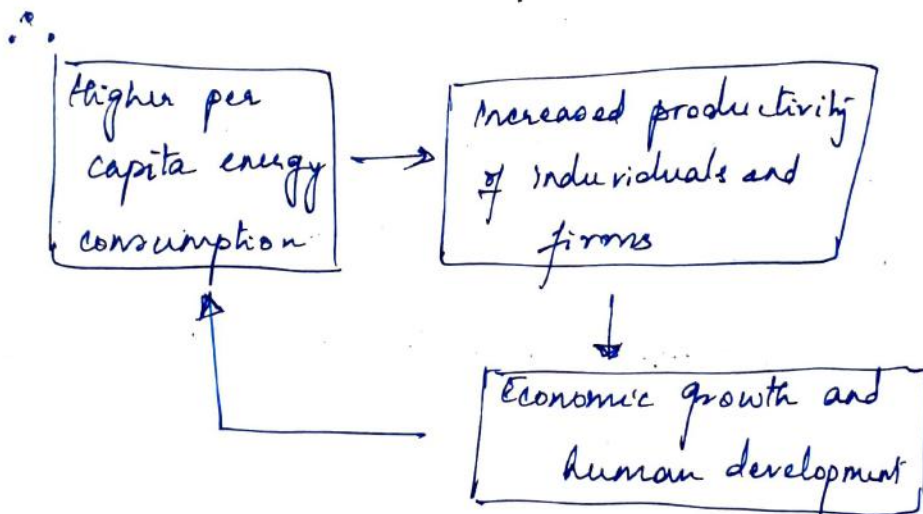
1. Reliable power is essential for growth of industries in various sectors - Eg: Mining, service sector, agriculture irrigation.
2. Individuals - Benefit from power through increased efficiency of work, higher education attainment and better skilling.

3. 4th Industrial revolution

- Requirement of reliable power for AI, data analytics, digitisation, robotics.

4. Delivery of public services

- It is contingent on power consumption especially for internet based Aadhar and digital technology.



CHALLENGES

1. Environmental concerns due to emissions from coal based plants
2. Economic Survey 2017 predicts continued dependence on coal in future leading to concerns of global warming, air pollution

3. Power sector and Discoms - inefficiency,
AT & T losses and under huge debt
4. Issue of accessibility to remote areas and
poor connectivity
5. Reliance on imports in case of LPG.
6. Reliance on imports and need for
technology transfer for renewable energy.

Thus the per capita energy consumption
needs to be raised by stop relying more
on renewables rather than coal.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	



Q.20) Despite emerging as the third-largest aviation market in the world, India airline companies are running largely profitless. What could be the reason for this paradox? Also, suggest potential solutions to tackle these problems.

(15 Marks, 250 Words)

The aviation sector in 2018 accounted for \$ 9 billion to the GDP and approximately 63 million jobs. However despite this the airlines such as Jet airways, Air India are facing losses and running profitless.

REASONS FOR THE PARADOX : (As per MITI Aayog)

1. ATF fuel accounts for 40% of operational expenses in airlines and is dependent on global oil prices.
 - o ATF is also not covered under GST.
2. Infrastructure : Lack of airports and low existing capacity has led to issue of congestion, delays in landing.
3. Predatory pricing and competition between

low cost carriers and full scale carriers

4. Regulatory issues - regarding UDAN scheme, restrictive FDI policy, state specific charges/taxes.
5. Seasonal nature of profitability and alternate forms of travel (road, rail)
6. Lack of adequate cargo capacity.
7. Huge debt (Rs 58000 cr) in Air India.

POTENTIAL SOLUTIONS

1. Proper implementation of UDAN scheme with adequate stakeholder participation
2. Infrastructure building through PPP model
3. Ensuring regional connectivity to Tier II & Tier III cities by low cost flights
4. Revisit FDI policy to promote investment in aviation
5. Disinvestment of Air India to cut losses
6. Bring ATF fuel under a single policy

framework or GST to ensure uniformity in all states.

7. creating MAO (Maintenance Repair Overhaul) facility in India.

The aviation sector has potential to provide employment and enhance business growth and above reforms may bring about ϕ better performance.

Feedback (For OFFICE use only)

Structure		Content	
Question Interpretation		Total :	