Prelim Bits 18-09-2019

Specially Designated Global Terrorist (SDGT)

- Recently, US has designated the leader of the Tehreek-e-Taliban Pakistan, Mufti Noor Wali Mehsud, as a Specially Designated Global Terrorist (**SDGT**).
- He is believed to have fought against the North Alliance alongside Afghan Taliban before the US invaded Afghanistan.
- Individuals or entities designated as SDGTs have either,

1. already taken part in terrorist activities or
2. believed to be potential threats by the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury.

- An individual is designated as an **SDGT** by the US under the provisions of **Executive Order 13224**.
- The Order 13224 was issued by President George W Bush in 2001, and which has been renewed annually thereafter.
- It was issued in the aftermath of the 9/11 attacks aimed at,
  - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism.
- Individuals acting as a part of terrorist organisations and financiers of these groups can be designated as SDGTs.
- Once an individual or an entity is designated an SDGT,
  - Their assets in the US or their possessions held by US persons are frozen or blocked.
- This includes leaders of terrorist organisations and individuals who have participated in terrorism-related training activities.
- Apart from SDGT, terrorist groups can be designated as “Foreign Terrorist Organisations” (**FTOs**) under the ‘Immigration and Nationality Act of 1965’.

The Federal Reserve Interest Rates

- The Federal Reserve, the US central bank, is expected to cut its main interest rates.
- If it does, the aim will be to stimulate the US economy and get inflation closer to the Fed's target.

- An oil price spike after attacks on Saudi Arabian oil facilities added to the list of risks facing an economy.

1. Already the economy is slowed by ongoing trade tensions and global weakness.

- Fed policy impact on the rest of the world,

1. US economy's performance is important for the rest of us.
2. If the Fed gets it wrong, the US could end up underperforming.
3. This would be bad news for many other countries.
4. It can have an impact through financial markets by affecting exchange rates, international interest rates.

- Cuts in interest rates in any country tend to make its currency lose value against others,

1. That is because lower interest rates mean there is less money to be made by investing in assets, such as government bonds.
2. If investors are less keen to buy, for example US government bonds, they have less demand for the currency needed to buy.
3. So the currency concerned, the dollar in this case, tends to lose value.
4. That in turn will make other countries less competitive against goods that are priced in US dollars.
5. But it also helps slow inflation by making dollar-priced goods cheaper in other countries' currencies.

- Impact on International investment,

1. When a large economy such as the US changes its interest rates, it is possible for the movement of investment funds to be disruptive.
2. As interest rates are likely to be cut, it is more likely that money will go into emerging economies.
3. That can sometimes lead to financial instability (or unsustainable bubbles).
4. It is a reason why countries need to keep a careful eye on what happens in the US.

Russian-built Floating Nuclear Plant

- "**Akademik Lomonosov**", the first floating nuclear plant to be built in the world completed its 5000-km journey.
- It cause an excitement in the energy sector, but sparking fears among environmentalists over the safety of the Arctic region.
- The floating plant contains two nuclear reactors of 35 MW each.
- It is a small plant compared to conventional land-based nuclear projects.

- The plant will supply electricity to the Chukotka region, where important Russian national assets such as oil, gold, and coal reserves are located.
- Environmental groups such as Greenpeace Russia have criticised the project as a “Chernobyl on Ice” and a “Nuclear Titanic”.
- Activists fear that any accident aboard the plant could cause great damage to the fragile Arctic region.
- A recent nuclear accident in Russia after which there was a brief spike in radiation levels has added to the fears.
- The radiation fallout from the Fukushima nuclear disaster in Japan is also cited as a reason to not rush into such projects.

Astra Missile

- Air-to-Air missile, **ASTRA**, has been successfully flight tested from Su-30 MKI as a part of User trials.
- It was indigenously designed and developed by the **DRDO**.
- It is capable of engaging targets of different ranges and altitudes.
- It is beyond Visual Range Air-to-Air Astra missile with a range of over 70 kms.
- Modifications of the Sukhoi-30 MKI jets to accommodate Astra missiles has been carried out by Hindustan Aeronautics Limited.
- The main purpose of astra is to replace the R77 from IAF.
- Being a 5^{th} Generation missile, it would provide true beyond visual range capability with greater strategic depth.
- It is smoke free, having two way data link, it provides very less chances to enemy to be alert about it.
- The Astra missile is developed as part of the Integrated Guided Missile Development Programme (**IGMDP**).
- DRDO carried out mission analysis, system design, simulation and post-flight analysis of the weapon system.

Source: PIB, The Indian Express

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