

DAILY CURRENT AFFAIRS (DCA)

Time: 45 Min

Date: 03-06-2024

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MILLET PRODUCTION STAGNATES IN INDIA

Context

- According to the Reserve Bank of India's annual report for 2023-24, India grapples with stagnation in both acreage and production of millets.

What are Millets?

- Millets are a group of small grained cereal food crops popularly known as Nutri-cereals.
- **Varieties:** Multiple varieties of millets are produced such as **Pearl Millets, Sorghum, Finger Millet, Foxtail, Kodo, Barnyard, Proso, Little Millet** and **Pseudo Millets** like Buckwheat and Amaranths.

Condition for Millets Cultivation

- **Climate:** The Millets are grown in **tropical as well as subtropical** up to an altitude of 2,100 m.
 - ♦ A mean temperature range of **26-29°C** during the growth is best for proper development and good crop yield.
- **Soil:** Millet has wide adaptability to different soil from very poor to very fertile and can tolerate a certain degree of alkalinity.
 - ♦ The best soils are alluvial, loamy and sandy soil with good drainage.

Millet Production in India

- India is the largest producer of millets in the world. It accounts for almost **80 percent of Asia's** and **20 percent of global millet** production.
- India's two varieties of millets namely Pearl Millet (Bajra) and Sorghum (Jowar) together contribute approx 19 per cent in world production in 2020.
- The major millet producing states in India are **Rajasthan, Karnataka, Maharashtra, Uttar Pradesh**, Haryana, Gujarat, Madhya Pradesh, Tamil Nadu, Andhra Pradesh and Uttarakhand.

Benefits of Millets

- **Eco-friendly crops:** Millets can grow on arid lands with minimal inputs and are resilient to changes in climate.
- **Highly nutritious:** Millets contain 7-12% protein, 2-5% fat, 65-75% carbohydrates and 15-20% dietary fiber.
- **Health Benefits:** Millets are gluten free and non- allergenic. Millet consumption decreases triglycerides and C- reactive protein, thereby preventing cardiovascular disease.

- **Reduce import dependence:** They are an ideal solution for countries to increase self-sufficiency and reduce reliance on imported cereal grains.

Reasons for stagnation in millet production India

- **Low productivity:** India's productivity of millets was **1.4 tonnes per hectare**, whereas China's productivity was 3 tonnes/ha, followed by Ethiopia's at 2.5 tonnes, and Russia's 1.5 tonnes.
- **Low Consumer Demand and Awareness:** Despite their nutritional benefits, there is limited consumer demand which reduces market incentives for farmers to produce millets.
- **Socio-Economic Factors:** In many regions, millet farming is associated with low-income groups. This socio-economic stigma discourages farmers from growing millets.
- **Support Schemes Bias:** Government subsidies and support schemes are biased towards major cereals like rice and wheat. Millets receive comparatively less attention and financial support, making them less attractive to farmers.
- **Environmental Factors:** Millets are often grown in semi-arid regions that are vulnerable to erratic rainfall, prolonged droughts, etc which severely affect millet production.
- **Inadequate Research and Development:** There has been relatively less investment in R&D for millet compared to other staple crops like rice and wheat. This has resulted in fewer high-yield and disease-resistant varieties of millet being available to farmers.

Steps taken by India to promote millet production

- **International Year of Millets:** India spearheaded the UN General Assembly Resolution for declaring the year **2023** as the '**International Year of Millets**'.
- **Agri-Infrastructure Fund:** Government is popularizing Agri-Infrastructure Fund Scheme to invite farmers/FPOs/Entrepreneurs to avail the benefit of interest subvention on loans up to 2 crores for setting up primary processing units in millets.
- **Higher Minimum Support Prices (MSP):** To encourage farmers to take up millet cultivation, higher MSP to Jowar, Bajra and Ragi Has been announced.

- **Production Linked Incentive Scheme:** The Ministry of Food Processing Industries (MoFPI) has approved the PLI Scheme for Food Processing Industry for Millet-based products for implementation during **2022-23 to 2026-27**.

Way Ahead

- Millets are versatile grains that grow in half the time as wheat and use **70 percent** less water than rice, providing a multi-fold benefit.
- A concentrated campaign to enhance the production and consumption of millets, which are rich in carbs, proteins and vitamins, can change the entire paradigm of the food and health industry globally.

Source: BL

SEBI'S PROPOSAL FOR INDIAN MUTUAL FUNDS AND OVERSEAS INVESTMENTS

Context

- SEBI proposes a framework for facilitating investments by domestic mutual funds (MFs) in their overseas counterparts, or unit trusts (UTs) that invest a certain portion of their assets in Indian securities.

Background

- Mutual funds in India are **not explicitly permitted to invest in overseas mutual fund units**, which have exposure to Indian securities.
- However, if the fund has significant exposure to Indian securities, the purpose of making an overseas investment is defeated.
- Also an indirect investment through an (indirect) overseas investing instrument is **not cost-effective for an end-investor** in comparison to a direct investment made in Indian securities — thus, fulfilling no purpose.

What are Mutual Funds?

- A mutual fund is a **pool of money** managed by a professional Fund Manager.
- It is a trust that **collects money from a number of investors** who share a common investment objective and invests the same in equities, bonds, money market instruments and/or other securities.
- The income / gains generated from this collective investment is **distributed proportionately amongst the investors** after deducting applicable expenses and levies.

Need for the Proposed Framework

- SEBI observes that **Indian securities offer an attractive investment opportunity** for foreign funds.
- This has led to several international indices, exchange traded funds (ETFs), MFs, and UTs allocating a part of their assets towards Indian securities.
- Indian mutual funds diversify their portfolios by launching '**feeder funds**' which invest in overseas instruments such as (units of) MF, UTs, ETFs and/or index funds. Other than diversification, it eases the path to make global investments.

Proposals floated by SEBI

- **The upper limit** for investments made by overseas instruments (in India) has been **capped at 20%** of their net assets.
 - ♦ It would help strike a balance between facilitating investments in overseas funds with exposure to India and preventing excessive exposure.
- Indian mutual funds must also ensure that all investors of the overseas instrument are **receiving gains proportionate to their contribution** – and in no order of preference.
 - ♦ Indian mutual funds would have to ascertain that the overseas instrument is managed by an "**officially appointed, independent investment manager/fund manager**" who is "actively involved in making all investment decisions for the fund."
 - ♦ SEBI stresses that these investments are to be made autonomously by the manager without any influence from the investors or undisclosed parties.
- SEBI is also seeking **public disclosures** of the portfolios of such overseas MF/UTs periodically for the sake of transparency.
- It also warns against the existence of any advisory agreement (business agreement) between the Indian mutual fund and the overseas MF/UT.
 - ♦ This is to prevent conflict of interest and avoid any undue advantage.

Breach of the 20% limit

- **If the overseas instrument breaches the 20% limit**, the Indian mutual fund scheme which is investing in the overseas fund would slip into a **6-month observance period**.

- This period is to be utilized by the overseas fund to rebalance its portfolio adhering to the cap.
- During this time, the domestic mutual fund **cannot undertake any fresh investment** in the overseas MF/UT.
- If the portfolio is not rebalanced within the observation period, the Indian mutual fund must **liquidate its investment** in the overseas instrument within 6 months.
- It involves the removal of damaged/injured tissues or organs from the body of a person and their substitution by similar tissues/organs from a donor; and it is the act of surgical removal of an organ from one person and placing it into another person.
 - ♦ The most **commonly transplanted organs** are the kidney, liver, heart, lungs, pancreas & intestines, and tissues are corneas, heart valves, skin and bone.

Concluding remarks

- Investments in international markets provide **diversification opportunities** to Indian investors. They also provide investment opportunities in sectors or industries that may not be available in the Indian listed market space.
- Therefore, they are a useful avenue for **diversifying investor portfolios** as well as generating significant risk adjusted returns.

Source: TH

WORLD HEALTH ASSEMBLY APPROVES GLOBAL ORGAN TRANSPLANT STRATEGY

In News

- At the 77th World Health Assembly, member states approved a draft resolution on **improving organ transplantation** availability, including human cells and tissues.

Key Points

- The resolution tasked countries with developing a global strategy to be presented for adoption in 2026.
 - ♦ It also encouraged the establishment of a **World Donor Day** to raise public awareness and donations.
- The resolution urged the director-general to establish an expert committee under the **Regulations for Expert Advisory Panels and Committees**, to help the Secretariat in developing the proposed global strategy and its implementation.

Organ transplantation

- Organ transplantation is the life-saving therapy for end-stage organ failure.

- The **world's first successful organ transplant** was kidney transplantation which was undertaken by **David Hume** and **Joseph Kelly** at the Peter Brigham Hospital in Boston in **1954**.
- The **first kidney transplant in India** was performed on 1st December, 1971 at the Christian Medical College, Vellore (Tamil Nadu).

Data Analysis

- According to the WHO press release, "The latest data of 2022 from the Global Observatory on Donation and Transplantation indicate that more than 150,000 solid organ transplants (\leq 10 percent of global needs) are performed worldwide annually, which is an increase of 52 per cent compared with 2010."
- India sees 17,000–18,000 solid organ transplants performed every year—the most in the world after the US and China—but remains behind several high-income countries in transplantation rates per million population (0.65).

Related Steps

- **National Organ Transplant Programme:** Directorate General of Health Services, Government of India is implementing National Organ Transplant Programme for carrying out the activities as per amendment Act, training of manpower and promotion organ donation from deceased persons
- **National Organ & Tissue Transplant Organization (NOTTO):** NOTTO is a National level organization set up under the Directorate General of Health Services, Ministry of Health & Family Welfare, Government of India.
- **Legal framework in India:** India passed the Transplantation of Human Organs Act (THOA) in 1994, last amended in 2014. The act allows both deceased and living donors to donate their organs and tissues. The act made commercialisation of organs a punishable offence and legalised the concept of brain death in India.

Challenges

- Despite the progress in organ transplantation in India, particularly in nephrology, over the past five to six decades, inclusivity and equity for many patients is a big concern
- The utilisation of organs from deceased donors is suboptimal due to a multitude of factors such as religious and cultural beliefs, health-care system experiences,
- The discrepancy between current donation rates and need for transplants fuels a rise in unlawful operations
- The current legal procedure makes the process very lengthy and tiring for common people, and creates loopholes for illegal activities to thrive.
- The COVID-19 pandemic had a profound, negative effect on donation and transplantation activities, with an emphasis on approaches designed to strengthen the resilience of healthcare systems.
- Insufficient access to transplantation therapies is one of the root causes of trafficking in persons for organ removal and trafficking in human organs.

Suggestions

- Transplantation in India has come a long way, but the large burden of people living with chronic disease makes accessibility and availability a big challenge.
- Therefore, an important component of organ transplantation is prevention and early detection of chronic disease.
- Early detection and screening will require a strong diagnostics infrastructure in the public sector.
- There is a need for continued dialogue on the legal and ethical aspects of organ donation in addition to promoting awareness around deceased organ donation.
- There is a need to “establish, where appropriate, official international cooperation for the exchange of human cells, tissues and organs or transplant services, based on the principles of reciprocity and solidarity, as a means of facilitating universal access to transplantation therapies”.

Source: DTE

CONSUMPTION DIVIDE ACROSS INDIAN STATES

Context

- Economists at the public sector Bank of Baroda have published a report about the **finances of Indian states for the financial year ended March (FY2024)**.

About

- The report analyses **state-level finances based on three variables**: how much money they raised on their own, how much they spent to boost productive capacities of the state, and how much they borrowed from the market.

Major Findings

- **Fiscal Deficit**: Most states were able to limit their fiscal deficit (the amount of money they had to borrow to bridge the gap between expenses and income) within the budgeted levels.
 - ♦ This is a significant achievement, since **over-borrowing by states adds to the Centre's over-borrowings**, and ultimately leaves less money for private sector firms to borrow.
 - ♦ Less investible funds imply **higher borrowing costs for everything from home and car loans to factory loans**.
 - ♦ Large states such as **Gujarat, Maharashtra, Odisha, and Tamil Nadu undershot their budgeted borrowings by over 30%**.
- **Capital spends**: It goes into making **productive assets** such as roads and bridges, which boost economic activity in the state.
 - ♦ Taken together, states managed to spend **only 84% of their capex budget**.
 - ♦ Uttar Pradesh, Telangana, Bihar and Sikkim either spent the full amount or went beyond the target. Punjab, Chhattisgarh, and Nagaland — spent less than 50% of their capex budget.
- **Tax revenues**: A state's total tax revenues can be broadly divided into two heads: **own tax revenues (OTR), and share in Union taxes**.
 - ♦ OTR accounted for around **61% of tax revenues of states**.
 - ♦ A higher share of OTR **helps a state to be more fiscally resilient**.
 - ♦ Telangana had the highest share of OTR in total tax revenue (82%), closely followed by Haryana (79%), Karnataka (78%), Kerala (77%), Maharashtra (73%), and Tamil Nadu (71%).

- **Consumption Based Tax:** GST is a consumption-based tax — that is, it is paid at the point where a good or service is consumed.
 - ♦ The distribution of per capita GST across states is a reflection of consumption taking place in the country. **Higher consuming states end up paying higher taxes like GST and sales tax/excise duty.**
 - ♦ Those states where consumption capacity is constrained have to depend progressively on more transfers from the Union taxes as directed by the Finance Commission.
- **Consumption Divide:** The average per capita GST collection of the **25 states considered by the researchers was Rs 7,029.**

CONSUMPTION PATTERNS, STATES AND PER CAPITA GST (IN RS)

State	Per capita GST (in Rs)	State	Per capita GST (in Rs)
Sikkim	33,574	Average for these 25 states	7,029
Mizoram	17,928	Punjab	6,572
Nagaland	13,620	Uttar Pradesh	5,822
Karnataka	12,452	Odisha	5,210
Telangana	12,296	Meghalaya	5,197
Haryana	11,542	Bihar	4,994
Maharashtra	11,358	Rajasthan	4,764
Kerala	10,443	Chhattisgarh	4,645
Andhra Pradesh	8,613	Madhya Pradesh	4,440
Gujarat	8,253	West Bengal	4,156
Tamil Nadu	8,096	Assam	4,154
Uttarakhand	7,235	Tripura	3,885
Himachal Pradesh	7,200	Jharkhand	3,185

Source: BoB, Indian Express Research

- ♦ **North-South Divide:** States in North India fall well below the national average, while states in the South pull up the national average.
- ♦ Per-capita GST levels in Karnataka or Telangana are almost 3-4 times that of Madhya Pradesh and Jharkhand, **which shows the relative lack of prosperity of the average citizen in the latter states.**
- ♦ **East-West Divide:** Consumption levels in Maharashtra and Gujarat are far in excess of those in Odisha, West Bengal and Assam.
- ♦ There are some exceptions — such as Haryana in the North — but a broad divide is clearly visible.

Source: IE

CRYONICS PRACTICE FOR FREEZING HUMAN BODY

In News

- An Australian cryonics company, Southern Cryonics, sparked a widespread debate after successfully freezing their first client in hopes of reviving him in the future.

About

- The first client, an 80-year-old man from Sydney known as **'Patient One'**, underwent the procedure after his death, involving cooling, perfusion with cryoprotective solution, and storage in dry ice before reaching the final temperature of around -200°C in a specialized cooling chamber.
- Cryonics involves preserving human bodies at cryogenic temperatures (-196°C) with the hope that future medical advancements might reverse the damage caused by aging and disease, ultimately restoring health.
- Cryopreservation is already used in laboratories all over the world to maintain animal cells, human embryos, and some organized tissues for periods as long as three decades.

Ethical Concerns of Cryonics

- **Uncertainty of Revival:** There is currently no scientific proof that revival from cryopreservation is possible. This raises concerns about whether it is ethical to offer this procedure as a potential life-saving measure, as it could be seen as giving false hope to individuals and their families.
- **Issue of Consent:** Concerns have been raised about the ability of individuals to provide informed consent for cryopreservation, as they cannot fully understand the risks and uncertainties involved.
- **Resource Allocation:** Cryonics facilities require significant resources to maintain the bodies of those who have been cryopreserved. This raises questions about the allocation of resources and whether these resources could be better used to address current medical and social needs.
- **Religious and Philosophical Objections:** Cryonics raises questions about the nature of life, death, and the human soul. It is viewed as unnatural or interfering with the natural order of life and death.

Source: Firstpost

INTERNATIONALISATION OF RUPEE

Context

- The RBI will permit opening of rupee (INR) **accounts outside India** by **persons resident outside India (PROIs)** as part of the 2024-25 agenda for **internationalisation of the domestic currency.**

About

- This move will **enable Indian banks to extend rupee-denominated loans to individuals residing outside India.**
- Additionally, the RBI will **facilitate foreign direct investment and portfolio investment** through specialized accounts, such as special non-resident rupee and special rupee vostro accounts.
- The Rationalisation of regulations towards promoting the internationalisation of the INR was undertaken to enable the settlement of bilateral trade in local currencies.

What is an International Currency?

- A currency can be termed “international” if it **is widely accepted worldwide as a medium of exchange.**
- Just like a domestic currency, an international currency performs the three functions of money – **as a medium of exchange, a unit of account, and a store of value.**
- An international currency is used and held beyond the borders of the issuing country for transactions between **residents and non-residents, and between residents of two countries other than the issuing country.**

What is Currency Internationalization?

- Currency internationalization is the **use of a currency outside the borders of its country of issue.**
- The level of currency internationalization for a currency is determined by the **demand that users in other countries have for that currency.**
 - ◆ This demand can be driven by the use of the currency to settle international trade, to be held as a reserve currency or a safe-haven currency, or in general use as a medium of indirect exchange in other countries' domestic economies via currency substitution.
- The **US dollar** has been the **dominant global currency** for the better part of the last century.
 - ◆ Its position is supported by a range of factors, including the size of the US economy, the reach of its trade and financial networks, the depth and liquidity of US financial markets, and a history of macroeconomic stability and currency convertibility.

Benefits of Currency Internationalization

- **Limit Exchange Rate Risk:** As the internationalisation of a country's currency broadens and deepens its financial market, domestic firms are able to invoice and settle their exports/imports in their currency, thus **shifting exchange rate risk to their foreign counterparts.**
- **Access to international financial markets:** It permits domestic firms and financial institutions to **access international financial markets** without assuming exchange rate risk.
- **Boost capital formation:** A larger, more efficient financial sector serve the domestic non-financial sector better by **reducing the cost of capital** and widening the set of financial institutions that are willing and able to provide capital.
 - ◆ This would **boost capital formation** in the economy thereby **increasing growth and reducing unemployment.**
- **Finance Budget Deficit of Government:** Currency internationalisation allow a country's **government to finance part of its budget deficit** by issuing domestic currency debt in international markets rather than issuing foreign currency instruments.
- **Foreign exchange reserves:** It reduces the requirement for the authorities to **maintain and depend on large foreign exchange reserves in convertible currencies to manage external vulnerabilities.**
- **Repay external sovereign debt:** At the macroeconomic level, internationalisation of a currency results in **lowering the impact of sudden stops** and reversals of capital flows and enhances the ability to repay external sovereign debt.

Challenges

- **Conflict with domestic monetary policy:** The obligation of a country to supply its currency to meet the global demand may come in **conflict with its domestic monetary policies**, popularly known as the **Triffin dilemma.**
- **Highlight external shocks:** The internationalisation of a currency may accentuate an external shock, given the open channel of the flow of funds into and out of the country and from one currency to another.

- **Exchange rate volatility:** The costs also emanate from the additional demand for money and also an increase in the volatility of the demand. With the advances in statistical reporting, most central banks can separate foreign demand for money, but with regard to some components, such as cash, uncertainty remains.
 - ◆ The main costs of allowing greater international use of the currency emerge from the possible increased volatility in the exchange and money markets, thus making the conduct of monetary policy more complex.

Can the Rupee become an international currency?

- During the last two decades, India has emerged as **one of the world's fastest growing economies** and also a preferred destination for global investors. The Indian economy has also shown remarkable **resilience against adverse global developments**, especially during the COVID-19 pandemic.
- There is some anecdotal evidence that INR is accepted to some extent in **Singapore, Malaysia, Indonesia, Hong Kong, Sri Lanka, United Arab Emirates (UAE), Kuwait, Oman, Qatar and the United Kingdom (UK)**, among others, while it is **legal tender in Nepal and Bhutan**.
- It is argued that the **bilateral currency swap arrangements may provide a blueprint** for reducing the dependence on the US dollar for settling trade transactions.
 - ◆ **China has followed a similar approach by using a large number of bilateral swaps and Lines of Credit (LoC)** to encourage the use of the **Renminbi for international trade transactions**.

Way Ahead

- Overall, the benefits of internationalisation in terms of limited exchange rate risk, lower cost of capital due to better access to international financial markets, and reduced requirement of foreign exchange reserves far outweigh the concerns.
- Further, as the **internationalisation of a currency is a long-drawn process** involving continuous change and incremental progress, it would enable timely redressal of the associated concerns and challenges as we move forward.

Source: **BS**

NEWS IN SHORT

LIVING WILL

In News

- Justice M S Sonak, who serves on the Goa Bench of the Bombay High Court, became the first person in Goa to register a **"living will"**.

About Living will

- A 'living will' is a legal document prepared in advance, detailing your preferences for medical care or for the termination of medical support in circumstances in which you are no longer able to make those decisions for yourself.
- **Observations of Court:** The Supreme Court ruled in 2018, that in specific conditions, a person has the right to decide against artificial life-support by writing a living will.
 - ◆ It upheld **the fundamental right to die peacefully and with dignity**.
 - ◆ It had allowed passive euthanasia while recognising the living wills of terminally-ill patients who could go into a permanent vegetative state and issued guidelines regulating the procedure.
- **Guidelines:** According to the modified guidelines, to make a living will, one must be of legal age and sound mind.
 - ◆ The person must be aware of the conditions in which curative treatments and life support systems will be halted.
 - ◆ The decision to prepare a living will must be taken without any external compulsion.
 - ◆ The signing of the will must be witnessed by two people and should further be attested by a gazetted officer or a notary. A copy must be handed over to the doctor and an assigned person (a close relative or friend). Copies of the living will should also be sent to the secretary of the local self-government and the district magistrate.

Source: **IE**

AFRICAN NATIONAL CONGRESS

In News

- The African National Congress (ANC) has lost its 30-year-old parliamentary majority in South Africa, winning just over 40% of the national vote share in polls.

About African National Congress (ANC)

- It is a national liberation movement.
- It was formed in 1912 to unite the African people and spearhead the struggle for fundamental political, social and economic change.
- **Membership** : It is open to all South Africans above the age of 18 years, irrespective of race, colour and creed, who accept its principles, policies and programmes.
- **Achievements** :It has won national elections held every five years since the landmark 1994 election, which marked the end of apartheid and the ascent of **Nelson Mandela as president**.
 - ♦ It has led the struggle against racism and oppression, organising mass resistance, mobilising the international community and taking up the armed struggle against apartheid.

Source: IE

VARIABLE RATE REPO (VRR)

In Context

- The Reserve Bank of India (RBI) uses tools like VRR (Variable Rate Repo) and VRRR (Variable Rate Reverse Repo) to manage liquidity in the banking system.

VRR (Variable Rate Repo) and VRRR (Variable Rate Reverse Repo)

- The RBI conducts auctions where banks can bid for funds. The interest rate is determined by the market, i.e., the rate at which banks are willing to borrow. This is different from the fixed repo rate, which is the rate at which banks can borrow directly from the RBI.
- Typically lasting up to 14 days, VRR serves as a means to **inject short-term liquidity** into the banking system.
- Similar to VRR, the RBI conducts auctions where banks can invest their surplus funds. The interest rate is also determined by the market called VRRR (Variable Rate Reverse Repo).

Source: BL

INDIA'S FDI INFLOW DECREASES

In Context

- FDI equity inflows into India declined to a five-year low of \$44.42 billion in FY24, a 3.5% decrease compared to the previous year.

Key Points

- **Top Sources of FDI:** Singapore remained the top investor with \$11.77 billion, followed by Mauritius (\$7.97 billion), the United States (\$4.99 billion), and the Netherlands (\$4.92 billion).
- **Leading Sectors:** The computer software and hardware sector was the highest recipient of FDI.
- **Geographical Distribution:** Maharashtra continued to attract the most FDI, with \$15.11 billion.
- **Reason for Decline in FDI Inflows:** High interest rates in advanced economies made investments in India less attractive.
 - ♦ Some sectors in India, like IT and startups, have reached a saturation point in terms of investment.

Impacts

- Reduced FDI can impact economic growth as it is a crucial source of capital and technology transfer.
- The decline may signal a decrease in investor confidence in the Indian market.

Foreign Direct Investment (FDI)

- It refers to the conditions when a **company or investor takes ownership and controls operation** in a **business entity in another country**.
- With FDI, **foreign companies** are **directly involved** with day-to-day operations in the other country which implies that along with bringing **money**, they **also bring knowledge, skills and technology**.
- It is an important **non-debt monetary source** for India's economic development.
 - ♦ **Economic liberalisation** started in India in the wake of the **1991 crisis** and since then, **FDI has steadily increased** in the country.
- **FDI Routes**
 - ♦ **Government Route:** For investment in business sectors requiring prior approval from the Foreign Investment Promotion Board (FIPB).
 - ♦ **Automatic Route:** For investment in business sectors that do not require prior approval from the government.

- **Categories**

- ♦ **Horizontal:** It refers to the investor establishing the same type of business operation in a foreign country as it operates in its home country.
- ♦ **Vertical:** It is the one in which different but related business activities from the investor's main business are established or acquired in a foreign country, such as when a manufacturing company acquires an interest in a foreign company that supplies parts or raw materials required for the manufacturing company.
- ♦ **Conglomerate:** It is one where a company or individual makes foreign investment in a business that is unrelated to its existing business in its home country.

Source: BS

STROMATOLITES

Context

- In a study, an international team reported the discovery of living shallow-marine stromatolites on **Sheybarah Island in the Red Sea, Saudi Arabia**.

About

- **Stromatolites are layered sedimentary formations** (microbialite) that are created mainly by photosynthetic microorganisms such as cyanobacteria, sulfate-reducing bacteria, and Pseudomonadota (formerly proteobacteria).
- **Characteristics:** The microbes are active on the surface layer of the Stromatolites, while the underlying build-up is a lithified remnant of former microbial surface communities that could be interpreted as a trace-fossil.
- **Significance:** Stromatolites are partially responsible for the **Great Oxygenation Event**, which drastically changed the composition of our atmosphere by introducing oxygen.
- **Hamelin Pool** is home to the most extensive living Stromatolite system in the world.

Source: Phys.Org

TELANGANA STATEHOOD DAY

Context

- Telangana Formation and Statehood Day was observed **every year on 2nd June** as **Telangana was carved out of Andhra Pradesh**.

Historical Background

- **Princely State of Hyderabad:** Before India gained independence, Telangana was part of the princely state of Hyderabad.
 - ♦ It comprised the **south and southeast Telugu-speaking areas**, with **Hyderabad** as its heart that was **dominated by the Urdu-speaking Muslim**.

About the Telangana Statehood Day

- Telangana was carved out of erstwhile unified Andhra Pradesh on June 2, 2014, and it was created as the **29th state** with Hyderabad as its capital.
- The **Andhra Pradesh Reorganisation Act (2014)** bifurcated Andhra Pradesh into two separate states.
- The **Andhra State Act (1953)** formed the **first linguistic state of India**, known as the **State of Andhra**, by taking out the Telugu speaking areas from the State of Madras (now Tamil Nadu).

Formation of States in India

- **Article 3 of the Indian Constitution:** It provides for the **creation of a new state** through a bill tabled in Parliament on the President's recommendation after consultations with the legislatures of the affected states.
- Article 3 assigns to **Parliament the power to enact legislation for the formation of new States**.
- Parliament may create new States in a **number of ways**, namely by:
 - ♦ separating territory from any State;
 - ♦ uniting two or more States;
 - ♦ uniting parts of States; and
 - ♦ uniting any territory to a part of any State.
- Parliament's power under **Article 3** extends to increasing or diminishing the area of any State and altering the boundaries or name of any State.

Source: IE

EX RIMPAC (RIM OF THE PACIFIC)

Context

- Recently, the Indian Navy deployed the **indigenous stealth frigate INS Shivalik** for **Ex RIMPAC (Rim of the Pacific)** scheduled to be held in Hawaii.

About the Ex RIMPAC

- It is a **biennial event**, hosted by the **United States**, that brings together **naval forces** from various countries to foster cooperative relationships and enhance maritime security in the Indo-Pacific region.
 - ♦ It is the **29th exercise** in the series that began in 1971.
- **Theme of RIMPAC 2024: ‘Partners: Integrated and Prepared’**
- Approximately 29 nations, including the United States, Japan, Australia, Canada, and India, 40 surface ships, 3 submarines, 14 national land forces, over 150 aircraft and more than 25,000 personnel aim to participate in the Ex RIMPAC.
- It is critical to ensuring the **safety of sea lanes and security** in support of a **free and open Indo-Pacific region**.
- It provides a unique platform for **joint training, interoperability, strategic maritime partnerships, and trust-building among friendly foreign navies**.

Source: TH

OPEC+ EXTENDS OIL OUTPUT CUTS INTO 2025

Context

- Recently, OPEC+ extended voluntary oil production cuts until the end of 2025.

About Organization of the Petroleum Exporting Countries (OPEC) Plus

- It refers to a **group of 23 oil-producing countries** that includes:
 - ♦ **13 members of OPEC:** Saudi Arabia, the UAE, Iran, Iraq, Kuwait, Algeria, Angola, Equatorial Guinea, Gabon, Libya, Nigeria, the Republic of the Congo, and Venezuela; and
 - ♦ **10 other oil-producing countries:** Russia, Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, South Sudan and Sudan.
- **Saudi Arabia is the largest oil producer** among OPEC members.
- **Russia, which produces more oil than even Saudi Arabia**, plays a crucial role, along with OPEC, in influencing global crude oil prices.

India and OPEC Plus

- India is the **world’s third-largest oil importer and consumer**.
- India imports over 85% of its crude oil consumption, making it highly dependent on global oil markets.
- The reduction in oil production by OPEC Plus — equal to 2% of global supply — has implications for India’s energy security and economic recovery.

OPEC

- It has been a key player in global oil markets since its **formation in 1960**.
- It aims to coordinate oil production targets to stabilise prices and ensure supply for consumers.
- **In 2016**, OPEC+ emerged as **an alliance between OPEC member nations and ten other oil-producing countries** to protect their interests amid the rise of the U.S. shale industry.

Source: Reuters

VIRUS-LIKE PARTICLES (VLPs)

Context

- Scientists at the Institute of Advanced Virology (IAV), have developed a novel way of generating non-infectious Nipah virus-like particles (VLPs) in the laboratory.

About

- Scientists generated “**HiBiT-tagged**” **Nipah virus-like particles (NiV-VLPs)** using **plasmid-based expression systems**, encoding the NiV structural proteins G, F, and M.
- **Virus-like particles (VLPs)** are molecules that closely resemble viruses, but are non-infectious because they contain no viral genetic material.
- **The genome of the NiV encodes six major proteins:** glycoprotein (G), fusion protein (F), matrix (M), nucleocapsid (N), long polymerase (L) and phosphoprotein (P).

Nipah virus

- The zoonotic virus Nipah is a highly **pathogenic paramyxovirus**, with a fatality rate of up to **80%** in affected humans.
- Fruit bats of the **Pteropodidae family** are the natural host of Nipah virus.

- It can be **transmitted to humans from animals** (such as bats or pigs), or **contaminated foods** and can also be transmitted directly from human-to-human.
- Tensions escalated in 2012 when Beijing perceived Tokyo's purchase of some of the islands from a private Japanese owner as a direct threat to its sovereignty claims, prompting China to regularly dispatch its Coast Guard and other government vessels to the surrounding waters to bolster its territorial assertions.

Source: TH

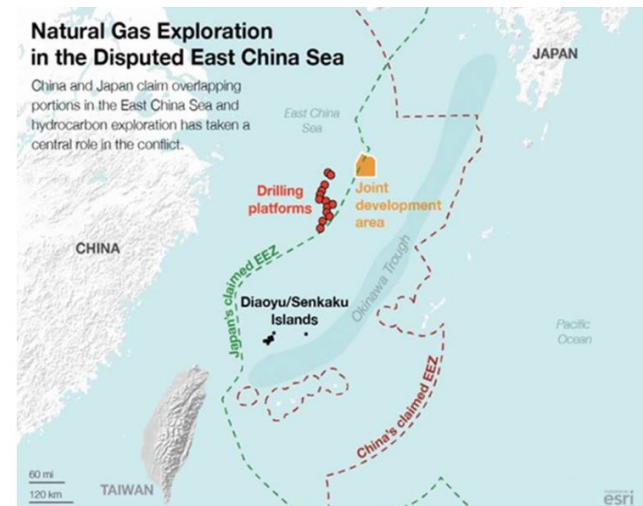
SENKAKU ISLANDS

Context

- Chinese Coast Guard vessels have maintained an unprecedented presence in the **waters surrounding the Japanese-controlled Senkaku Islands** in the East China Sea for a record 158 consecutive days.

About

- The Senkaku Islands have long been a **contentious issue in Japan-China relations**, with both nations asserting historical claims over the uninhabited rocky chain.
- It is located just 205 miles from China's east coast and 1,200 miles southwest of Tokyo.



Source: ET

