

Oil Price Rise and Stagflation

❖ Context

- In response to the US ban on purchase of Russian oil, the international crude oil prices jumped from \$70 per barrel in Dec-21 to \$140 per barrel in the first week of March-22. **Russia is the world's second largest oil producer after the USA.**

❖ Key Highlights:

❖ Impact on India

- India imports more than **84% of its total oil demand.**
- A **10% increase** in crude oil price raise **wholesale inflation** by **0.9%** and retail inflation by **0.5%**.
- High prices > Low purchasing power > Reduction in consumer demand > Disincentivization of investments > Unemployment crisis > Lower incomes > Lower economic growth.
- High prices > increase the subsidy burden on government finances > Fall in credit worthiness of government bonds > Fall in market prices of government bonds .

❖ Stagflation

- Normally, when economy booms, prices rises and when economy falls, prices falls.
- But when there is the **combination of stagnant growth and high inflation**, it is known as stagflation.
- It happened in the western world in the **mid-1970s** when the OPEC cartel cut the global oil supply. The oil price rose by 70%.

❖ Is India also Facing it?

- As per revised estimate released in Jan, India's GDP growth decelerated from 8% in 2016-17 to **3.7% in 2019-20.**
- India's **unemployment rate** crept up to nearly **8%** in December, according to the Centre for Monitoring Indian Economy (**CMIE**), an independent think tank. It was more than 7% in 2020 and for most of 2021. This was higher than over the last three decades including 1991 economic crisis.
- Most countries saw joblessness rise in 2020. But India's rate exceeded most emerging economies like Bangladesh (5.3%), Mexico (4.7%) and Vietnam (2.3%).
- While it is still debatable that India is in stagflation or not but if oil prices stay high for long, the inflation situation will worsen considerably.

National Land Monetization Corporation

❖ Context

- Recently, the Union Cabinet approved the **setting up of a new government-owned firm National Land Monetization Corporation (NLMC)** for pooling and monetising sovereign and public sector land assets.

❖ About NLMC

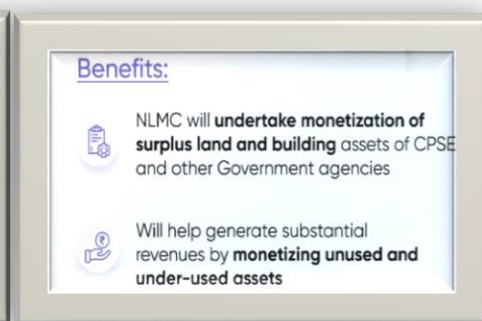
- The National Land Monetisation Corporation (NLMC) is being **formed with an initial authorized share capital of ₹5,000 crore** and **paid up capital of ₹150 crore.**
- It is a **Special Purpose Vehicle (SPV)** and will be **fully owned by the Center**, under the administrative jurisdiction of the **Finance Ministry.**
- The chairman, Non-government directors of the NLMC will be **appointed through a merit-based selection process.**
- **Objective:**
 - To **monetise surplus land and building assets of Central Public Sector Enterprises (CPSEs)** and Other agencies linked to the Government.
 - Monetisation of asset belonging to **public sector firms that have closed** or are lined up for a strategic sale.
- **Significance:**
 - With monetisation of non-core assets, the government would be able to **generate substantial revenues** by monetising unused and under-used assets.

❖ Functions of NLMC

- It will **own, hold, manage and monetise** surplus land and building assets of CPSEs under closure and surplus non-core land assets of Government-owned CPSEs under strategic disinvestment.
- This will **speed up the closure process** of CPSEs and **smoothen the strategic disinvestment process** of Government-owned CPSEs.
- NLMC will **undertake surplus land asset monetisation** as an agency function, and assist and provide technical advice to the Center in this regard.

❖ About Asset Monetisation

- Monetisation refers to the **process of turning a non-revenue-generating item into cash.**
- In the context of monetisation of public assets, it means the process of **creating new sources of revenue** for the Government and its entities by unlocking the economic value of un-utilised or underutilized public assets.



Face to Face Centres

Chandrayaan-2

Makes First Observations of Distribution of Argon-40

❖ Context

- Recently, ISRO told that the mass spectrometer onboard the Chandrayaan-2 orbiter, **Chandra's Atmospheric Composition Explorer-2 (CHACE-2)**, has made the first-of-its-kind observations of the global distribution of **Argon-40** (a noble gas) in the lunar exosphere.

❖ Key Highlights

- CHACE-2 was a **sequel to the CHASE experiment** on the **Moon Impact Probe (MIP)** of Chandrayaan-1 mission.
- It also draws **heritage from the Mars Exospheric Neutral Composition Analyser (MENCA)** experiment aboard the Indian Mars Orbiter Mission.
- Argon-40 (Ar-40) is **known to exist in the lunar exosphere**. But the knowledge on its distribution at higher latitudes is lacking.
- Now, the CHACE-2 payload has shown that the distribution of Argon-40 gas in the lunar 'exosphere' exists beyond the areas that were known.
- It has **detected the presence of Argon in the equatorial and mid-latitude regions of the Moon**.
- The payload has also revealed that the distribution of Ar-40 has **significant spatial heterogeneity**.

❖ About Chandrayaan-2

- It was launched by a GSLV Mk III on 22 July 2019, months after China's successful soft-landing attempt.
- The mission had three components; an orbiter, a **lander (Vikram)** and a **rover (Pragyan)**.
- It was designed to expand lunar scientific knowledge through the detailed study of the Moon's surface and atmosphere.
- The orbiter was successfully injected into the moon's orbit.
- However, the lander, which was initially descending as planned, lost communication nearly two kilometers from the surface on 6 September 2019.
- It was later revealed that the Vikram lander had hard-landed on the moon because of a problem with the lander's braking thrusters.

❖ Significance of the Observation

- The finding is significant **considering manned lunar missions** are being planned by countries like the USA because there is an **increased interest in studying the lunar surface**.
- These observations **provide insight on the dynamics of the lunar exosphere**, and on activities of gasses emerging through radioactive decay in the first few tens of meters below the lunar surface.
- The CHACE-2 observations provide **the diurnal and spatial variation of Ar-40** covering the equatorial and mid latitude regions of the Moon.
- Noble gasses serve as important tracers to understand the processes of surface-exosphere interaction.
- Argon-40 (Ar-40) is an **important tracer atom** to study the dynamics of the lunar exosphere species.
- Ar-40 **originates from the radioactive disintegration of Potassium-40 (K-40)** present below the lunar surface.
- Once formed, it diffuses through the inter-granular space and makes its way up to the lunar exosphere through seepages and faults.
- The uniqueness of this result from the Chandrayaan-2 mission lies in the fact that although Apollo-17 and LADEE missions have detected the presence of Ar-40 in the lunar exosphere, the measurements were confined to the near-equatorial region of the Moon.

News in Between the Lines

RBI's \$5 Billion Dollar-Rupee Swap



❖ Context

- Recently, The Reserve Bank of India (RBI) conducted a **\$5 billion dollar-rupee swap auction** as part of its liquidity management initiative.

❖ Key Highlights

- It leads to **infusion of dollars and sucking out of the rupee** from the financial system.
- The RBI sold \$5.135 billion to banks on March 8 and simultaneously **agreed to buy back the dollars** at the end of the swap settlement period.
- When the central bank sells dollars, it sucks out an equivalent amount in rupees, thus **reducing the rupee liquidity** in the system.
 - Dollar inflow into the **market will strengthen the rupee** which has already hit the 77 level against the US dollar.
- The swap auction can be done in the reverse way also when there is shortage of liquidity in the system.

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UPI123Pay



- The RBI then **buys dollars from the market** and releases an equivalent amount in the rupees.

❖ Significance:

- With crude oil prices rising sharply in the wake of the Russia-Ukraine war, **inflation is set to rise in the coming days.**
- The central bank's move will **reduce the pressure on inflation and strengthen the rupee.**
- The major impact will be that liquidity which currently averages around Rs 7.6 lakh crore will shrink. Further, **foreign portfolio investors** have been pulling out funds from India which is putting severe pressure on the rupee.

❖ Context

- Recently, the Reserve Bank of India launched a new Unified Payments Interface (UPI) payments solution for **feature phone users** dubbed 'UPI123Pay'.

❖ Key Highlights

- **UPI was introduced in 2016**, and has become one of the most used digital payments platforms in the country.
- The **volume of UPI transactions has already reached ₹76 lakh crore** in the current year, compared to ₹41 lakh crore in FY21 ,

❖ About UPI123Pay

- The **USSD-based process** is considered cumbersome, with users required to send multiple messages and charged for the same, and not supported by all mobile service providers.
 - UPI123Pay will materially improve the options for such users to access UPI.
- Feature phone users can avail four options to **make payments without internet connectivity:**
 - Interactive Voice Response (IVR), App-based functionality, Missed call facility, Proximity sound-based payments.
- They **could also install an app** on their feature phone through which several UPI functions will be available on their feature phone, **except scan and pay feature.** Finally, they could **utilize the proximity sound-based payments option**, which uses sound waves to enable contactless, offline, and proximity data communication on any device.
- **Significance:**
 - **Number of feature phone mobile subscribers** in India which is estimated to be more than **40 crore.**
 - The launch of UPI123Pay makes facilities under UPI accessible to that section of society which has so far been **excluded from the digital payments landscape.** In that way, it is promoting great amount of **financial inclusion in our economy.**

The Fort of Halebidu



❖ Context

- Recently, the historic fortification which stood for centuries was demolished to lay a road.

❖ Key Highlights

- Halebidu was the **capital of Hoysalas.**
- The **Hoysala rulers had built the fort** using granite boulders in the **11th century.**
- It **served as a protective wall** for the capital township, which included temples, including Hoysaleshwara, Shantinath Basadi among other historic structures and monuments.
- For the past few years, the place has been on the **tentative list of World Heritage sites.**
- At present, the Hoysaleshwara temple is **not part of the Swachh Iconic Places (SIP).**

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Colombo Security Conclave



❖ Context

- **Two-day NSAs' meet** of the CSC being held in the Maldives.

❖ Key Highlights

- The CSC was formed in **2011** as a **trilateral maritime security** grouping of **India, Sri Lanka and the Maldives**.
- It has expanded by adding **Mauritius** as a **fourth member** at the meeting.
- Bangladesh and Seychelles attended as observers, and have been invited to join the group.
- The Delhi-driven "**minilateral**" is being seen as **India's outreach to the Indian Ocean** to underline regional cooperation and shared security objectives.
- In this way, the CSC hopes to **restrict China's influence** in an area of strategic importance, and to reduce the Chinese footprint in the member countries, including the new and proposed additions.

❖ Observations and Proposal of India

- India committed to working in close cooperation with maritime neighbours to build capacity through training, supply of equipment, upgrading coastal security installations, and exchange of information for "unitedly" countering threats.
- It was necessary to chart a "concrete roadmap" for the CSC with "a defined charter of objectives" towards "**institutionalising**" the cooperation between member countries.
- Proposed ways of institutionalisation of the CSC:
 - Heads of the Coast Guards of the four member countries meet to discuss ways to address shared maritime security challenges.
 - Formation of JWGs to tackle drug trafficking and transnational organised crimes.

❖ Observations of Maldives:

- Described the CSC as the "**region's 911**".
- **Climate change** is an additional threat to the country's national security.
- Small island states are disproportionately at a disadvantage when it comes to climate change. More than **70% of all the nation's critical infrastructure**, and 50% of the population live **within less than 100 metres of shoreline**. 90% of the islands are reporting flooding during severe winters and 90% are experiencing erosion and shoreline degradation.

UDISE+



❖ Context

- District level government data released by **Ministry of Education**.

❖ Key Highlights

- **Impact of COVID-19:** During 2020-21, **39.7 lakh students of government aided, private school students, across all levels shifted to Government schools**.
- GER increased across all levels.
- **Pupil teacher ratio** stood at 26 for primary, 19 for upper primary, 18 for secondary and 26 for higher secondary in 2020-21.
- The **RTE Act, 2009** in its Schedule lays down **Pupil Teacher Ratio (PTR)** for both **primary and upper primary schools** at **30:1** and **35:1** respectively.

	2019-20	2020-21
Total students enrolled	25.10 cr	25.38 cr
No. of teachers	96.88 lakhs	96.96 lakhs
School with functional drinking water	93.7%	95.2%
school with functional girl's toilet facility	93.2%	93.91%
Number of schools having functional computers	5.5 lakh	6 lakh (nearly 40%)
Number of schools having internet facility	3.36 lakh	3.7 lakh (nearly 25%)

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Lighthouse Centres



- The UDISE+ system of **online data collection** from the schools was developed in **2018-19** to overcome the issues related to erstwhile practice of manual data filling in paper format and subsequent feeding on computers at the block or district level in the UDISE data collection system since 2012-13. **It covers more than 15 lakh schools.**

❖ Context

- Delhi government launched the Delhi **Skill and Entrepreneurship University's 'Lighthouse Centres'**.

❖ Key Highlights

- These centres located in **slum clusters** will provide **short-term vocational skill courses** as well as employment opportunities for youth between **18-30 years of age**.
- The government has started these centres in association with experts from Lighthouse Communities Foundation and Michael and Susan Dell Foundation.

Agricultural Exports



❖ Context

- India's exports of Agricultural and Processed Food products rose by more than **23 per cent** in terms of USD in the first ten months of the current fiscal (**April-January, 2021-22**) to **\$19.7 BN** as compared to the same period of the previous year.

❖ Key Highlights

- Rice top forex earner, wheat exports surge nearly four times**, dairy and poultry products exports grew over 13 %, fruits and vegetables exports were up by 16 %. Important measures taken by APEDA:
 - Focusing on **clusters** in collaboration with state governments
 - Promoting exports of **Geographical Indication** registered products by organising virtual meets along with those unique from the north-eastern and hilly states, Organising **B2B exhibitions** in different countries, participation of exporters in the **International Trade Fairs**.
 - Exploring new potential markets through product specific and general marketing campaigns by active involvement of Indian Embassies.
 - Upgradation and strengthening of recognized laboratories** for export testing and residue monitoring plans.

India's largest Reclining Statue of Lord Buddha



❖ Context

- Buddha's largest reclining statue is being made in Bodh Gaya, Bihar.**

❖ Key Highlights

- The place where **Gautam Buddha** attained **enlightenment** will soon house his largest reclining statue, 100 feet long-30 feet high. Buddha **International welfare Mission** is making the idol. Sculptors from Bengal are being engaged in building the fiberglass statue. The idol of Lord Buddha in **Mahaparinirvana Mudra** holds great importance for the Buddhist as he reached to his disciples in this posture. Uttar Pradesh's **Kushinagar** also has an idol of Lord Buddha in this posture where he attained Mahaparinirvana. Bodh Gaya is a religious site and place of pilgrimage for Buddhists. Gautama Buddha is said to have attained Enlightenment under what became known as the **Bodhi Tree** making the place a site of pilgrimage and veneration both for Hindus and Buddhists.
- In 2002, Mahabodhi Temple, located in **Bodh Gaya, became a UNESCO World Heritage Site**. Archaeological finds show that the site was in use by Buddhists since the **Mauryan period**.
- Bodh Gaya is the most important of the main four pilgrimage sites related to the life of Gautama Buddha. The other three being **Kushinagar, Lumbini, and Sarnath**. The giant statue of lord Buddha will be opened for devotees to visit from February 2023.

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