

Regent Education and Research Foundation Group of Institutions

Daily Current Affairs Synopsis

Date: 9th NOV 2023

(Useful for UPSC/WBPSC/SSC Exams.)

India and Malaysia Explore Trade in Local Currency

- India and Malaysia are forming a framework for **conducting trade in Local Currency** and initiating a process to review the **12-year-old comprehensive economic cooperation agreement**.

Seek to Enhance Trade Collaboration in High-Tech Sectors

- Both sides are also keen to **expand trade engagement** in Local Currency in emerging areas such as electronics, semiconductors, fintech, renewable energy, new technology and startups.

India Encourages Use of Local Currency in Global Transactions

- India has taken substantial steps to promote the usage of its **national currency in international transactions**.
- Banks from **18 countries** have been permitted by the **Reserve Bank of India (RBI)** to open **Special Vostro Rupee Accounts (SVRAs)** for settling payments in Indian rupees.
- SVRAs could be set up by banks of partner countries by approaching **Authorized Dealer (AD)** banks in India that may get permission from the RBI after the due procedure.
- **18 Countries Includes:** Botswana, Fiji, Germany, Guyana, Israel, Kenya, Malaysia, Mauritius, Myanmar, New Zealand, Oman, Russia, Seychelles, Singapore, Sri Lanka, Tanzania, Uganda and the United Kingdom
- A **Vostro Account** is a bank account held by a **domestic bank for a foreign bank**, denominated in the domestic currency of the former.
 - **The Rupee Vostro Account** specifically holds the foreign entity's deposits in Indian rupees at the Indian bank.
 - **Nostro account** refers to an account that a bank holds in a foreign currency at another bank.
- The settlement through **Indian Rupees (INR)** is an **additional arrangement** to the existing system that uses freely convertible currencies.

Seven Years of Demonetization: Impact on Cash Usage, Digital Payments, and Economy

- The demonetisation exercise recently completed 7 years.
- Seven years after Demonetization, UPI (Unified Payments Interface) and other digital payment mechanisms have **reduced the number of cash transactions**, but cash in circulation in the Indian economy has nearly doubled, a survey has found.

About Demonetization: It is the act of **stripping a currency unit** of its status as legal tender. It occurs whenever there is a change in national currency.

The current form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins

About Demonetization in India:

- **Tackling black money:** Demonetisation, announced in November 2016, was undertaken to weed out black money and nudge people to change their method of payment from cash to digital.
- **Stripping higher order currency:** It included the scrapping of Rs 500 and Rs 1,000 notes, representing over 86 per cent of the currency in circulation by value.
- **Impact on black money:** The Reserve Bank of India (RBI) announced that **98 percent of Rs 500 and Rs 1,000 notes** were returned to the banking system, attracting mixed reactions from citizens, experts as well as politicians.
 - Nearly seven years later, in 2023, the RBI announced its decision to withdraw the Rs 2,000 notes.
 - As of October 31, 97 per cent of all Rs 2,000 notes in circulation have been returned.

Delhi Government Attempts Artificial Rain Solution to Tackle Air Pollution Crisis

- To address the air pollution, the Indian Institute of Technology (IIT) Kanpur has proposed “artificial rain” through cloud seeding to reduce pollution levels in the national capital.

Understanding Cloud Seeding: The Art of Artificial Rain for Weather Modification

- **Artificial rain:** Also known as cloud seeding, it is a **weather modification technique** used to encourage precipitation by introducing chemicals like **silver iodide, potassium iodide, and dry ice into the sky using airplanes and helicopters.**
- **Condensation nuclei:** These particles serve as **nuclei around which water droplets can form** leading to the development of raindrops.

Exploring Cloud Seeding Techniques: Method of Artificial Rain

- **Hygroscopic cloud seeding:** It aims to accelerate the coalescence of droplets in clouds, resulting in the formation of larger droplets that lead to precipitation.
 - In this method, salt particles are dispersed at the cloud’s base.

- **Glaciogenic cloud seeding:** It focuses on inducing ice production in supercooled clouds, leading to precipitation.
- It involves dispersing efficient ice nuclei, such as silver iodide particles or dry ice, into the cloud, which triggers heterogeneous ice nucleation.

Unlocking Water Resources: The Role of Cloud Seeding in Snowpack Enhancement

- Cloud seeding is used for **enhancing winter snowfall** and **increasing mountain snowpack, supplementing the natural water supply available to communities** of the surrounding area.