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DAILY CURRENT AFFAIRS

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SOURCES



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GS II

1. Ireland, Norway, and Spain set to formally recognise the statehood of Palestine

Source: The Hindu, Page 1

Prelims: Map Based Knowledge, Countries recognising Palestine State.

Mains: Effect of Policies and Politics of Developed and Developing Countries on India's interests

News: Ireland, Norway, and Spain announced that they will formally recognise the state of Palestine.

In Detail

- Ireland believed that recognising a Palestinian state would lead to peace and reconciliation in West Asia.
- The announcements by the European countries come weeks after 143 of 193 countries in the United Nations (UN) General Assembly voted for full membership to the UN for the state of Palestine.
- Norway has been involved in peace talks between Israel and Palestine for decades, including by hosting the beginning of the Oslo process, which culminated in the Oslo Peace Accords in the early- to mid-1990s, agreements that were meant to usher in a resolution to the conflict and a two-state solution.
- The Palestine Liberation Organisation, seen internationally as the sole legitimate representative of the Palestinian people, hailed the European moves as “historical”.



GS III

2. Cambodia, Myanmar, and Laos emerge as hubs of organised financial crimes

Source: The Hindu, Page 4

Prelims: Indian Cyber Crime Coordination Centre (I4C)

Mains: Money-Laundering and its prevention

News: Nearly half of financial frauds targeting Indians originate from the three Southeast Asian countries of Myanmar, Cambodia, and Laos, according to the Indian Cyber Crime Coordination Centre (I4C).

In Detail

- Many web applications used to commit the frauds are written in the Chinese language, thereby not ruling out the Chinese connection.
- Indians had lost over ₹1,776 crores in 89,054 cases of financial crimes such as digital arrest, stock market scams, investment scams, and romance or dating scams and there had been a “spurt in organized crime from south-east Asia.
- A total of 3.25 lakh mule bank accounts, 595 apps and more than 3,000 URLs had been blocked in the past four months.
- Additionally, 5.3 lakh SIM cards and 80,848 IMEI numbers had been suspended since July 2023 and 3,401 WhatsApp groups had been taken down in the last two months.



3. RBI to transfer ₹2,10,874 cr. surplus to Centre for FY24

Source: The Hindu, Page 12

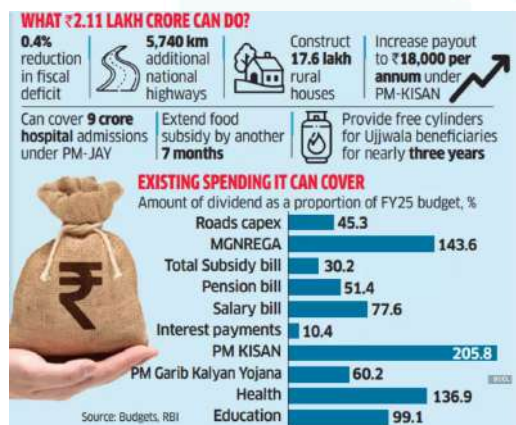
Prelims: Economic Capital Framework, Contingent Risk Buffer

Mains: Indian Economy and issues relating to Planning, Mobilization of Resources

News: The Reserve Bank of India's board approved the transfer of a record ₹2,10,874 crore as surplus to the Union government for the accounting year 2023-24.

In Detail

- The Board also decided to increase the Contingent Risk Buffer (CRB) to 6.50% for 2023-24, from 6% in the previous year.
- The transferable surplus for the year (2023-24) has been arrived at on the basis of the Economic Capital Framework (ECF) adopted by the Reserve Bank on August 26, 2019.
- The economic capital framework provides a methodology for determining the appropriate level of risk provisions and profit distribution to be made under Section 47 of the RBI Act, 1934.
- As per this provision, the central bank is required to pay the balance of its profits to the central government after making provisions for bad and doubtful debts, depreciation in assets, and contributions to staff.



Editorials, Opinions, and Ideas

4. A vegetable triumvirate, inflation and the takeaway

Source: The Hindu, Page 8

The article discusses the impact of inflation on the economy, specifically through the lens of vegetable prices in India, particularly tomatoes, onions, and potatoes (TOP). It becomes important for your “Food Processing” part under General Studies Paper III.

Inflation and CPI

- Inflation: Indicator of economic health, reflecting changes in the general price level and cost of living.
- CPI: Used to measure price inflation in India, based on the Laspeyre’s price index.
- CPI Basket: Comprises 299 items; vegetables account for 6.04% weight, with TOP (tomato, onion, potato) holding 2.2%.

Significance of TOP in CPI

- TOP’s Impact: Despite a small weight, TOP significantly influences food and beverages inflation and headline CPI figures.
- Consumption Basket: TOP constitutes 3.6% of the urban consumption basket and 5% of the rural consumption basket for the bottom 5% of consumption classes.

Price Volatility

- FY2023-24: Vegetable prices increased by 15% year-on-year.
- June to July 2023: Vegetable prices fluctuated from a 0.7% decrease to a 37.4% increase.
- Contribution to Inflation: Vegetables contributed about 30% to inflation in early 2024; tomatoes alone contributed 18.1% to headline inflation in July 2023.

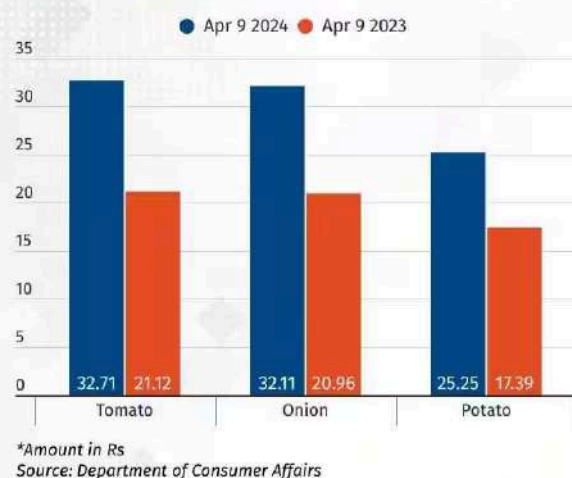
Coefficient of Variation (CoV)

- CoV as a Measure: TOP’s CoV (5.2) indicates higher volatility compared to vegetables (3.0), food group (0.6), and headline inflation (0.3).
- Impact of Volatility: Reflects sensitivity to market forces, weather, and supply chain issues.

Policy Implications

- Need for Interventions: Effective policy measures required to address price volatility and support farmers.
- Suggested Solutions: Improve agricultural value chains, enhance cold storage facilities, ensure better prices for farmers, and reduce high input costs.
- Export Bans: Short-term measures, such as export bans, are less effective than long-term strategies demanded by farmers.

TOP (TOMATO, ONION, POTATO) AVERAGE RETAIL PRICES IN 2024 vs 2023



InBrief

5. 6 missing after boat capsizes in Maharashtra's Ujani Dam

Source: The Hindu, Page 6

About Ujani Dam

- Ujjani Dam, also known as Bhima Dam or Bhima Irrigation Project, on the Bhima River, a tributary of the Krishna River.
- It is an earthfill cum Masonry gravity dam located in Solapur district of the state of Maharashtra in India.
- The Bhima River on which the Ujjani Dam has been built rises from Bhimashankar hills in the Western Ghats.
- Bhima River Basin has many tributaries of which the major ones are the Kundali River, Kumandala River, Ghod river, Bhama River, Indrayani River, Mula River, Mutha River, Pavna River etc.
- The Ujjani Dam and its large reservoir provide multi-purpose benefits of irrigation, hydroelectric power generation, drinking and industrial water supply, and fisheries.

6. UN rice tenders: Indian 'curbs' under WTO lens

Source: The Hindu, Page 13

Canada, Brazil, Australia, and the U.K. have asked India to clarify at the World Trade Organization (WTO) if it had stopped its rice exporters from participating in the UN World Food Program (WFP).

About UN World Food Program (UNWFP)

- The World Food Programme (WFP) is a United Nations agency dedicated to eradicating hunger and promoting global food security.
- Founded in 1961, WFP is the largest humanitarian organization of its kind. It operates under the guidance of Sustainable Development Goal 2, which targets the eradication of hunger, the achievement of food security, improved nutrition, and the promotion of sustainable agriculture by 2030.
- WFP is active in over 120 countries, providing crucial food aid during emergencies and working with communities to improve nutrition and build resilience.
- The organization is funded through voluntary contributions from governments, corporations, and private donors.
- A member of the United Nations Development Programme (UNDP), WFP's headquarters is located in Rome, Italy.
- WFP has been operational in India since 1963 and was honored with the Nobel Peace Prize in 2020.



7. BIMSTEC gets 'legal personality' after charter comes into force

Source: The Hindu, Page 14

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) will now be open to new members and observers after a historic first charter of the grouping came into force on May 20.

About BIMSTEC

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is an economic bloc that was established in June 1997 through the Bangkok Declaration.
- Initially, it consisted of Bangladesh, India, Sri Lanka, and Thailand. Myanmar joined shortly after in 1997, prompting a name change to 'BIMST-EC.'
- Nepal became an observer in 1998 and, along with Bhutan, became a full member in February 2004.
- The current members are Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal, and Bhutan. BIMSTEC's permanent secretariat is located in Dhaka, Bangladesh.
- **Objectives of BIMSTEC**
 - Foster technical and economic cooperation among member states.
 - Encourage the principles of equality and partnership.
 - Promote active collaboration and mutual assistance in areas of shared interest.
 - Enhance support for each other in education, science, and technology.
 - Serve as a bridge between South Asia and Southeast Asia, strengthening regional ties.



8. What is space tourism?

Source: IE, Page 14

Recently, Gopi Thotakura became the first Indian space tourist.

About Space Travel

- Space travel begins at about 100 km altitude from Earth, after crossing the Karman line, which is widely accepted as the boundary separating the Earth's atmosphere from outer space. Anything flying below this altitude is called an aircraft while those crossing this line get classified as a spacecraft.
- The first space tourist, Dennis Tito, an American paid to travel on a Russian Soyuz spacecraft in 2001, and spent over seven days on the ISS.

The three visionaries of space tourism

Although space tourism is a luxury within the reach of very few, it is starting to take off thanks to the efforts of three entrepreneurs with a proven track record in business.

ORBITAL FLIGHT
The spacecraft is placed on a trajectory to go around the Earth in a stable orbit.

THE KÄRMÄN LINE
According to the International Astronautical Federation (IAF), this is the boundary between Earth's atmosphere and outer space.

SUBORBITAL FLIGHTS
The craft briefly touches the Kärman line before returning to Earth.

100 KM
Kärman line

Richard Branson	Jeff Bezos	Elon Musk
Company: Virgin Galactic	Company: Blue Origin	Company: SpaceX
Mission: Unity 22 (11 July 2021)	Mission: NS-19 (20 July 2021)	Mission: Inspiration1 (16 September 2021)
Flight type: suborbital with pilot	Flight type: autonomous suborbital	Flight type: orbital
Flight time: 90 minutes	Flight time: 10 minutes	Flight time: 3 days
Altitude: 85 km	Altitude: 106 km	Altitude: 540 km
Speed: 3,675 km/h	Speed: 3,595 km/h	Speed: 27,560 km/h
Crew: Six people (Richard Branson, Shrista Branson, Colin Bennett, Beth Moses, Dave Mackay and Michael Masucci)	Crew: 4 people (Jeff Bezos, Mark Bezos, Wally Funk and Oliver Daemen)	Crew: 4 people (Jared Isaacman, Hayley Arceneaux, Chris Sembroski and Sian Proctor)
Price per flight: \$250,000	Price per flight: \$28 M by auction	Price per flight: \$50 M per seat



9. CDS Gen Anil Chauhan attends Exercise Cyber Suraksha – 2024

Source: PIB

Chief of Defence Staff (CDS) Gen Anil Chauhan attended 'Exercise Cyber Suraksha – 2024', on May 22, 2024, and underscored the importance of strengthening India's cyber defence capabilities.

About Cyber Suraksha

- It is being conducted by the Defence Cyber Agency.
- It aims to further develop Cyber Defence Capability of all Cyber security organisations and promote synergy amongst all stakeholders.
- It focusses on enhancing collaboration and integration among participants from various military and prominent national organisations.
- It aims to empower participants by enhancing their cyber defence skills, techniques and capabilities; share best practices, and work towards a unified and robust cyber defence posture. It will promote jointmanship and synergy in planning and preparation of a Cyber Defence Framework.

10. Russia deletes draft of plan to redraw border in Baltic Sea which alarmed NATO countries

Source: IE, Page 12

A Russian defence ministry proposal to revise Russia's maritime border in the eastern Baltic Sea was deleted from an official portal after creating confusion and concern among NATO members.

About Baltic Sea

- Location and Geography: The Baltic Sea is part of the North Atlantic Ocean, situated in Northern Europe. It stretches northward from southern Denmark almost to the Arctic Circle, separating the Scandinavian Peninsula from the rest of continental Europe.
- Connection to the Atlantic: The Baltic Sea links to the Atlantic Ocean through the Danish Straits.
- Surrounding Countries: The countries bordering the Baltic Sea are Denmark, Germany, Poland, Lithuania, Latvia, Estonia, Russia, Finland, and Sweden.
- Major Gulfs: The sea includes three significant gulfs: the Gulf of Bothnia to the north, the Gulf of Finland to the east, and the Gulf of Riga to the south.
- Rivers: More than 250 rivers and streams flow into the Baltic Sea, with the Neva River being the largest among them.
- Islands: The Baltic Sea is home to over 20 islands and archipelagos, with Gotland, off the coast of Sweden, being the largest island.



Daily Quiz

1. Which of the following countries have formally recognized the state of Palestine?

1. India
2. United States
3. Australia
4. China

Select the correct answer using the codes given below:

- A. 1 and 4 only
- B. 2 and 3 only
- C. 1, 2, and 4 only
- D. 1, 3, and 4 only

2. The Indian Cyber Crime Coordination Centre (I4C) is a government initiative to deal with cybercrime in India. What is the PRIMARY objective of the I4C?

- A. To directly investigate and prosecute cybercrime cases.
- B. To provide training and technical assistance to law enforcement agencies in cybercrime forensics.
- C. To act as a central platform for information sharing and coordination among various stakeholders involved in cybercrime prevention.
- D. To develop and implement new cyber security technologies for public use.

3. Which of the following statements about the Economic Capital Framework (ECF) are correct?

1. The ECF is a methodology used to determine the minimum capital requirements of commercial banks.
2. The ECF was established by the Reserve Bank of India (RBI) to decide the surplus distribution between the RBI and the Government of India.
3. The ECF aims to ensure that the central bank has adequate capital to manage financial and economic stability.
4. The ECF was introduced in 1991 as part of the economic liberalization reforms.

Select the correct answer using the codes given below:

- A. 1 and 2 only
- B. 2 and 3 only
- C. 1, 3, and 4 only
- D. 2, 3, and 4 only

4. Consider the following statements regarding the Coefficient of Variation (CoV) in Inflation:

1. The Coefficient of Variation (CoV) is a measure of relative variability in inflation rates.
2. A higher CoV in inflation indicates greater stability in the inflation rate.
3. The CoV is calculated by dividing the standard deviation by the mean of the inflation rates.
4. A lower CoV in inflation signifies more consistent inflation rates.

Which of the statements given above are correct?

- A. 1 and 2 only
- B. 1, 3, and 4 only
- C. 2 and 4 only
- D. 1, 2, and 3 only



5. The Ujani Dam is a vital irrigation project in Maharashtra. Which of the following statements about the Ujani Dam is correct?

- It is constructed on the Narmada River.
- It is primarily a hydroelectric power generation project.
- It is located in the Marathwada region of Maharashtra.
- The dam's reservoir is the primary source of water for Mumbai city.

6. Which of the following statements about the United Nations World Food Program (UNWFP) are correct?

- The UNWFP was established in 1961.
- The primary goal of the UNWFP is to combat global hunger and promote food security.
- The UNWFP received the Nobel Peace Prize in 2020.
- The UNWFP is headquartered in New York, USA.

Select the correct answer using the codes given below:

- 1 and 2 only
- 2 and 3 only
- 1, 2, and 3 only
- 1, 2, 3, and 4

7. Which of the following statements about the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) are correct?

- BIMSTEC was established in 1997 with the signing of the Bangkok Declaration.
- The BIMSTEC secretariat is located in Dhaka, Bangladesh.
- BIMSTEC consists of five member countries from South Asia and two from Southeast Asia.
- The BIMSTEC Free Trade Agreement (FTA) has been fully implemented since 2015.

How many of the above statements are correct?

- 1 only
- 2 only
- 3 only
- All are correct

8. What is the Karman Line?

- The boundary between the Earth's atmosphere and outer space.
- A geological fault line marking the boundary between two tectonic plates.
- A maritime boundary dividing the territorial waters of two neighboring countries.
- A mathematical concept used to measure the curvature of spacetime in general relativity.

9. Recently, which of the following exercises was conducted by the Defence Cyber Agency to further develop Cyber Defence Capability of all Cyber security organisations and promote synergy amongst all stakeholders?

- Mission Cyber Vigilance
- Exercise Cyber Shield
- Drill Cyber Fortress
- Exercise Cyber Suraksha



10. Which of the following countries does not border the Baltic Sea?

1. Lithuania
2. Finland
3. Belarus
4. Poland

Select the correct answer using the codes given below:

- A. 1 and 2 only
- B. 2 and 3 only
- C. 3 and 4 only
- D. 1 and 3 only

Solutions

Answer 1: A

Solution:

- India and China are among the countries that formally recognize the state of Palestine. The United States and Australia, however, do not officially recognize Palestine as a sovereign state. India's recognition dates back to 1988, and China also recognizes Palestine and supports its right to statehood.

Hence, Option A is correct.

Answer 2: C

Solution:

- I4C acts as a central hub for information exchange, facilitating collaboration between law enforcement agencies, stakeholders, and the public to prevent and combat cybercrime.

Hence, Option C is correct.

Answer 3: B

Solution:

- The Economic Capital Framework (ECF) is a mechanism established by the Reserve Bank of India (RBI) to determine the appropriate level of risk provisioning and surplus distribution between the RBI and the Government of India. This ensures

that the central bank has adequate capital to manage financial and economic stability. The ECF was not introduced in 1991; it was recommended by the Bimal Jalan Committee and implemented in 2019. The ECF does not pertain to the minimum capital requirements of commercial banks, which are governed by different regulations.

Hence, Option B is correct.

Answer 4: B

Solution:

- The Coefficient of Variation (CoV) is a measure of relative variability and is calculated by dividing the standard deviation by the mean of the inflation rates, making it a dimensionless number. This helps in comparing the degree of variation from one data series to another, even if the means are drastically different. A higher CoV in inflation indicates greater volatility and less stability in the inflation rate over time, while a lower CoV signifies more consistent inflation rates. Therefore, statements 1, 3, and 4 are correct, while statement 2 is incorrect.

Hence, Option B is correct.



Answer 5: C

Solution: The Ujani Dam is located on the Bhima River in the Marathwada region of Maharashtra. Hence, Option C is correct.

Answer 6: C

Solution:

- The United Nations World Food Program (UNWFP) was established in 1961, making statement 1 correct. Its primary goal is to combat global hunger and promote food security, which aligns with statement 2. The UNWFP received the Nobel Peace Prize in 2020 for its efforts to combat hunger, contribute to bettering conditions for peace in conflict-affected areas, and act as a driving force in efforts to prevent the use of hunger as a weapon of war and conflict, making statement 3 correct. However, the UNWFP is headquartered in Rome, Italy, not in New York, USA, making statement 4 incorrect.

Hence, Option C is correct.

Answer 7: C

Solution:

- BIMSTEC was established in 1997 with the signing of the Bangkok Declaration, making statement 1 correct.
- The BIMSTEC secretariat is indeed located in Dhaka, Bangladesh, confirming statement 2.
- BIMSTEC consists of seven member countries: five from South Asia (Bangladesh, Bhutan, India, Nepal, and Sri Lanka) and two from Southeast Asia (Myanmar and Thailand), making statement 3 correct.
- BIMSTEC Free Trade Agreement (FTA) has not been fully implemented since

2015; it is still under negotiation, making statement 4 incorrect.

Hence, Option C is correct.

Answer 8: A

Solution:

- The Karman Line refers to the boundary between the Earth's atmosphere and outer space, located approximately 100 kilometers above sea level. This altitude is recognized internationally as the boundary where space begins and atmospheric effects become negligible.

Hence, Option A is correct.

Answer 9: D

Solution:

- Cyber Suraksha is being conducted by the Defence Cyber Agency.
- It aims to further develop Cyber Defence Capability of all Cyber security organisations and promote synergy amongst all stakeholders.
- It focusses on enhancing collaboration and integration among participants from various military and prominent national organisations.

Hence, option D is correct.

Answer 10: C

Solution:

- The Baltic Sea is bordered by nine countries: Denmark, Germany, Poland, Lithuania, Latvia, Estonia, Russia, Finland, and Sweden. Among the options provided, Belarus (option 3) and Poland (option 4) do not border the Baltic Sea. Belarus is landlocked, and Poland is only partially bordered by the Baltic Sea.

Hence, Option C is correct.





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