

FOREIGN EXCHANGE RESERVES

SYLLABUS: GS PAPER-III (MOBILIZATION OF RESERVES, GROWTH & DEVELOPMENT)

CONTEXT: Foreign exchange reserves fell by \$7.5 billion to \$572 billion according to data released by the RBI.

ABOUT FOREIGN EXCHANGE RESERVES (FOREX RESERVES)

- Foreign exchange reserves are **assets held on reserve by a central bank in foreign currencies**, which can include bonds, treasury bills and other government securities.
- It needs to be noted that most foreign exchange reserves are held in US dollars.
- India's Forex Reserve include:
 1. **Foreign Currency Assets**
 2. **Gold reserves**
 3. **Special Drawing Rights:** The SDR is neither a currency nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. SDRs can be exchanged for these currencies. The **value of the SDR is calculated from a weighted basket of major currencies, including the US dollar, the euro, Japanese yen, Chinese yuan, and British pound.**
 4. **Reserve position with the International Monetary Fund (IMF):** It is the difference between the IMF's holdings of that country's currency and the country's IMF-designated quota.

ROLE OF FOREX RESERVE

- To ensure that RBI has backup funds if their national currency rapidly devalues or becomes altogether insolvent.
- If the value of the rupee decreases due to an increase in demand for the foreign currency, then the RBI sells the dollar in the Indian money market so that depreciation of the Indian currency can be checked.
- A country with a good stock of forex has a good image at the international level because the trading countries can be sure about their payments.
- A good forex reserve helps in attracting foreign trade and earns a good reputation in trading partners.

FACTORS AFFECTING FOREX RESERVE

- **FDI INFLOWS:** Greater FPI inflows increase the forex reserve.
- **DIP IN CRUDE OIL PRICES:** Since India is an oil importing currency, dip in crude oil prices increases the forex reserve.
- **IMPORT SAVINGS:** Reduction in imports increases the foreign exchange reserves.
- **FDI INFLOWS:** Greater the FDI inflows, greater will be the forex reserve.

- **DIP IN GOLD IMPORTS:** Gold is a big import component for India. Dip in gold imports increases the forex reserve.

INDIAN ANTARCTIC BILL 2022

SYLLABUS: GS PAPER-III (CONSERVATION)

CONTEXT: The Lok Sabha passed the Indian Antarctica Bill, 2022 under its obligations as a signatory to the Antarctic Treaty.

OBJECTIVES

To demilitarize Antarctica, establish it as a zone free of nuclear tests and the disposal of radioactive waste, and ensure that it is used for peaceful purposes only; to promote international scientific cooperation in Antarctica and to set aside disputes over territorial sovereignty.

NEED FOR LEGISLATION

- **The Antarctic treaty (signed in 1959 and implemented in 1961)** made it mandatory for the 54 signatory countries to pass specific laws governing territories on which their stations are located.
- **India signed the treaty in 1983** and therefore a law was needed to preserve the pristine Antarctic environment and ocean around it.
- India is also a member of **Commission for Conservation of Antarctic Marine Living Resources Council of Managers of National Antarctic Programme (COMNAP) Scientific Committee of Antarctica Research (SCAR).**

KEY FEATURES OF THE BILL

Applicability:

- It will apply to any person, foreigners, corporations, firms, vessels or aircraft that is a part of an Indian expedition to Antarctica.

Central Committee: 10 members (to be nominated from various ministries) + two experts (on the Antarctic) + chairman (Secretary of the Ministry of Earth Science).

- It will give **permits, ensure compliance and review information provided by parties to the treaty.**
- **Private tours and expeditions to Antarctica** would be prohibited without a permit or written authorization by a member country.
- Permit can be granted only after the environmental impact assessment and waste management plan have been prepared.

Prohibited activities:

- The Bill prohibits certain activities in Antarctica including **nuclear explosion or disposal of radioactive wastes introduction of non-sterile soil discharge of garbage, plastic or other substance into the sea** which is harmful to the marine environment.

Offences and penalties (extend the jurisdiction of Indian courts to Antarctica):

- Conducting a nuclear explosion in Antarctica will be punishable with an imprisonment of 20 years which may extend to life imprisonment and a fine of at least Rs 50 crore.

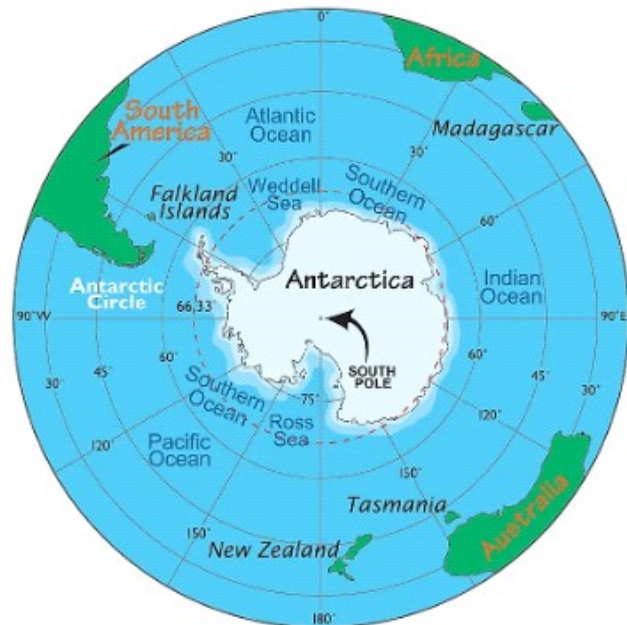
- **Drilling for mineral resources or introducing non-native animals or plants in Antarctica without a permit** will be punishable with imprisonment of up to seven years and a fine between Rs 10 lakh and Rs 50 lakh.
- The central government may notify one or more Sessions Courts to be the Designated Court under the Bill and specify its territorial jurisdiction to try offences punishable under the Bill.

Antarctic Fund:

- For the welfare of Antarctic research work and the protection of the Antarctic environment. Establishes a 'Committee on Antarctic Governance and Environmental Protection.'

ABOUT ANTARCTIC TREATY

- Antarctica is all of the land and ice shelves south of 60°S latitude.
- The Antarctic Treaty was signed between **12 countries in Washington on 1st December 1959** for making the Antarctic Continent a demilitarized zone to be preserved for scientific research only.
- The twelve original signatories are **Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, the Union of Soviet Socialist Republics, the UK and the US.**
- **It entered into force in 1961** and has since been acceded by many other nations.
- **Headquarters:** Buenos Aires, Argentina.
- **Members: 54 countries.**
- **Major Provisions:**
 1. Promoting the freedom of scientific research.
 2. Countries can use the continent only for peaceful purposes.
 3. Prohibition of military activities, nuclear tests and the disposal of radioactive waste.
 4. Neutralizing territorial sovereignty means a limit was placed on making any new claim or enlargement of an existing claim.
 5. It put a freeze on any disputes between claimants over their territories on the continent.



ABOUT INDIA'S ANTARCTIC PROGRAMME

- **Nodal Agency: National Centre for Antarctic and Ocean Research (NCPOR) (established in 1998)** under Ministry of Earth Science.
- **Dakshin** **Gangotri:**
Dakshin Gangotri was the first Indian scientific research base station established in Antarctica, as a part of the Indian Antarctic Program. It has weakened and become just a supply base.
- **Maitri:**
Maitri is India's second permanent research station in Antarctica. It was built and finished in

1989. Maitri is situated on the rocky mountainous region called Schirmacher Oasis. India also built a freshwater lake around Maitri known as Lake Priyadarshini.

- **Bharti:**

Bharti, India's latest research station operation since 2012. It has been constructed to help researchers work in safety despite the harsh weather. It is India's first committed research facility and is located about 3000 km east of Maitri.

- **Sagar Nidhi:**

In 2008, India commissioned the Sagar Nidhi, an ice-class vessel, that can cut through the thin ice of 40 cm depth and is the first Indian vessel to navigate Antarctic waters.

PRELIMS FACTS

CHOLERA

- Researchers from **India and UK studied the genome of O139 responsible for cholera.**
- Cholera is an acute diarrheal infection caused by ingestion of food or water contaminated with the **bacterium Vibrio cholerae.**
- **Symptoms:** High fever, weight loss, increased thirst, feeling nausea, vomiting sensation, bloating in the belly, develop cramps in the muscles, formation of blood or mucus or sometimes undigested materials in the stool.
- **Prevention and Control:** Combination of surveillance, safe water, sanitation and hygiene, social mobilization, and oral cholera vaccines.

SNOW LEOPARD

- According to a study by the Zoological Survey of India, snow leopard regulates the population of its **herbivores prey species-Siberian Ibex and Blue Sheep.** Thus, a long term absence of snow leopards can cause depletion of vegetation cover.
- **Scientific Name: Panthera uncia**
- **Top Predator:** Snow leopards act as an indicator of the health of the mountain ecosystem in which they live, due to their position as the top predator in the food web.
- **Habitat:** Mountainous regions of central and southern Asia.
- The snow leopard is listed as **Vulnerable on the IUCN-World Conservation Union's Red List of the Threatened Species.**
- In addition, it is also listed in **Appendix I of the Convention on International Trade of Endangered Species (CITES).**
- **It is listed in Schedule I of the Indian Wildlife (Protection) Act 1972.**
- It is also listed in the Convention on Migratory Species (CMS), affording the highest conservation status to the species, both globally and in India.

WENTIAN

- China has recently launched the **second of three modules to its permanent space station 'Tiangong' that will be completed by the end of 2022.**
- The module has been named Wentian.
- It will serve as a short-term living quarter for astronauts during crew rotation on the station.