

### GOTABAYA AGREES TO QUIT AFTER PROTESTERS STORM PREZ PALACE

#### In News:

- Sri Lanka's embattled President Gotabaya Rajapaksa said he would resign, hours after thousands of protesters stormed his official residence.
- Protestors blamed him for an unprecedented economic crisis that has brought the country to its knees.

#### Economic Crisis in Sri Lanka

##### Background:

- Sri Lanka is facing the double whammy of rising prices and high debt, and its people are bearing the brunt of it as the domestic situation turns increasingly grim.
- In September 2021, Sri Lanka declared a state of Economic Emergency for the Supply of Essential Foods.
  - It allowed the government to take control of the supply of basic food items, and set prices to control rising inflation, which spiked to 14.2% in January.
- The country is struggling under a severe foreign exchange shortage that has limited essential imports of fuel, food and medicine.
  - As a result, Sri Lanka has plunged into the worst economic crisis since independence in 1948.
  - Soaring inflation, which reached a record 54.6% in June and is expected to hit 70% in the coming months, has heaped hardship on the population.

#### Factors Responsible for the Economic Crisis of Sri Lanka

|  |  |
|--|--|
| <b>Covid 19 Pandemic</b>                 | <ul style="list-style-type: none"><li>• Tourism industry which represents over <b>10% of the country's GDP</b> and <b>brings foreign exchange</b> reserve was severely hit</li><li>• It also led to production shortages and logistical bottlenecks.</li></ul>   |
| <b>Increase in foreign exchange rate</b> | <ul style="list-style-type: none"><li>• With the supply of <b>foreign exchange drying up</b>, the value of the Sri Lankan rupee started <b>depreciating</b> which made the imports costlier</li><li>• The island nation imports a large part of its food supplies. So, the <b>price of food items has risen</b> in tandem with the depreciating rupee.</li></ul> |
| <b>Push for Organic Agri-Products</b>    | <ul style="list-style-type: none"><li>• Sri Lanka wants to become the <b>first country in the world with an agriculture sector that is 100% organic</b>. Govt has banned the use of chemical fertilisers in farming.</li><li>• This has further aggravated the crisis by <b>dampening agricultural production</b>.</li></ul>                                     |
| <b>Role of Speculators</b>               | <ul style="list-style-type: none"><li>• Speculators are causing the rise in food prices by hoarding essential supplies.</li></ul>  |

## Support extended by India

- As Sri Lanka's neighbour and first responder, India's recent economic aid stands at USD 3.5 billion.
- India sent a shipment of 11000 MT of rice ahead of the New Year celebration by the people of Sri Lanka.
- India had already extended a \$1 billion credit facility to Sri Lanka, which will ensure that the government can procure food, medicines, and other essential commodities.
- This was following a previous \$500 million line of credit in February 2022 to help it purchase petroleum products.
- In addition to this, India has already supplied 270000 MT fuel to Sri Lanka.
- In November 2021, India had given 100 tonnes of nano nitrogen liquid fertilizers to Sri Lanka.
- RBI has extended a currency swap of \$400 million and deferred payments owed by the central bank of Sri Lanka worth several hundred million dollars.

## News Summary

- Sri Lanka's Parliamentary Speaker announced that the Lankan President Gotabaya Rajapaksa will resign on July 13.
- This announcement came hours after protesters stormed the Presidential Secretariat, official and private homes of Mr. Gotabaya and PM Ranil Wickremesinghe.

## Widespread protests in Sri Lanka

- The current developments came on the 92nd day of unceasing citizens' protests in Colombo, where dozens have been residing in a tent city of resistance.
- Mass protests began in April as Sri Lanka's economic crisis deepened, following a Balance of Payments (BoP) problem.
- BoP led to a severe dollar crunch, manifesting in shortages and spiralling living costs.

## India's response on current development

### India treading with caution

- So far, India has decided to monitor how the current Lankan political and military leadership handles the crisis.

- For India, anarchy on the streets of Colombo and a potential rudderless political leadership do not bode well.
- One of the lessons of the Arab Spring is that the power vacuum gives space to radical and extremist actors.
- And this is something India is extremely wary of, at this moment.
- **Trade transactions with Lanka to be settled outside ACU**
- RBI has announced that all eligible current account transactions including trade transactions with Sri Lanka may be settled in any permitted currency outside the Asian Clearing Union (ACU) mechanism.
  - Earlier on May 19, RBI allowed trade with Sri Lanka to be settled in rupees outside the ACU mechanism.
  - This rupee settlement was allowed for transactions falling under the \$1-billion credit facility extended by State Bank of India to Sri Lanka in March for the procurement of food, medicines, and other essential items.
- It will help Sri Lanka in saving its depleting foreign exchange reserves which stood at a mere \$1.89 billion at the end of May 2022.

### **Asian Clearing Union (ACU)**

- The Asian Clearing Union, or ACU, is a payment arrangement between the central banks of Bangladesh, Bhutan, India, Iran, Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka.
- Under the ACU, member central banks settle payments for intra-regional transactions on a net basis. This reduces the use of foreign exchange reserves and transfer costs.
- Headquartered in Tehran, Iran, the ACU was established in December, 1974.

### **Objective**

- This mechanism was started at the initiative of the United Nations Economic and Social Commission for Asia and Pacific (ESCAP), for promoting regional cooperation.
- Its objective is to facilitate payments among member countries for eligible transactions on a multilateral basis.
- It will help in economising on the use of foreign exchange reserves and transfer costs, as well as promoting trade among the participating countries.

## Common unit of account of ACU

- Asian Monetary Unit (AMU) is the common unit of account of ACU.
  - AMU is denominated as ‘ACU dollar’, ‘ACU euro’ and ‘ACU yen’, which is equivalent in value to one US dollar, one euro and one Japanese yen respectively.
  - All instruments of payments under ACU have to be denominated in AMUs.
- 

## HERITAGE TREES

A student studying at Carmel Convent School in Chandigarh was crushed to death after a 250-year-old tree fell on her inside the school complex.



### About:

- The peepal (sacred fig) had been declared a “heritage property” by the Chandigarh administration. In Chandigarh, a tree with an estimated age of 100 years, or more, is declared a ‘heritage property’.
  - Though the age of the tree can be calculated using a carbon dating technique, the age of Chandigarh’s heritage trees are based on other proof, such as old maps and records. The process to declare trees as heritage was completed after a three-year exercise in December 2017.
  - Declaring a tree as heritage property accords it special status. Heritage trees are guarded. A board is installed near each tree with information on their age, life history and importance.
- 

## RED PANDAS

The Singalila National Park in West Bengal, will soon get new red pandas.

### About:

- A zoo in the picturesque Darjeeling Hills has started



an ambitious programme to augment the wild red panda population.

- In the first rewilding programme of red pandas (*Ailurus fulgens*) in India, the Padmaja Naidu Himalayan Zoological Park will release 20 of these furry endangered mammals in about five years to the forests.
- The number of red pandas has been declining in the wild, even in the Singalila and Neora Valley National Parks, the two protected areas where the mammal is found in the wild in West Bengal.
- Recent studies estimate that there are 38 of them in Singalila and 32 in Neora.
- The Padmaja Naidu park, at a height of about 2,000 metres above the sea level, is one of the high-altitude zoos in the country and has been quite successful in captive breeding of the furry mammals.

---

## NATIONAL INTERNET EXCHANGE OF INDIA (NIXI)

National Internet Exchange of India (NIXI) is introducing Internet Exchanges in Durgapur and Bardhaman to improve quality of Internet and Broadband services in West Bengal and nearby regions. It's an initiative under Ministry of Electronics and Information Technology (MeitY) vision 1000 days.



### About:

- NIXI is a not for profit Organization under section 8 of the Companies Act 2013 and was registered on 19th June 2003.
- NIXI was set up for peering of ISPs among themselves for the purpose of routing the domestic traffic within the country, instead of taking it all the way to US/Abroad, thereby resulting in better quality of service (reduced latency) and reduced bandwidth charges for ISPs by saving on International Bandwidth.
- NIXI is managed and operated on a Neutral basis, in line with the best practices for such initiatives globally.

---

## ENVIRONMENT (PROTECTION) ACT, 1986

On July 1, the Ministry of Environment, Forest and Climate Change, put out a note, proposing amendments in the Environment (Protection) Act, 1986.



**About:**

- The EPA establishes the “framework for studying, planning, and implementing long-term requirements of environmental safety and laying down a system of speedy and adequate response to situations threatening the environment.”
- With a set of amendments, the Environment Ministry proposes to modify provisions of the Environment Protection Act (EPA), by replacing clauses that provides for imprisonment with ones that only requires violators to pay a fine. These, however, don’t apply to violations that cause grave injury or loss of life.
- The changes proposed include the appointment of an ‘adjudication officer’ who will decide on the penalty in cases of environmental violations such as reports not being submitted or information not provided when demanded.
- Funds collected as penalties would be accrued in an “Environmental Protection Fund.” In case of contraventions of the Act, the penalties could extend to anywhere from five lakh to five crore, the proposal notes, but the clause on provision of a jail term for the first default has been sought to be removed.

---

## ARTIFICIAL DIET FOR MOSQUITOES

The ICMR-Vector Control Research Centre (VCRC), Puducherry, has filed patent applications for two of its unique products — an artificial diet and a feeding device for mosquitoes reared in laboratory — with the Indian Patent Office recently.



**About:**

- The two products allow efficient and cost-effective mass-rearing of mosquitoes in laboratory as it is important to keep these mosquitoes healthy to investigate basic facets of their biology and to study vector-borne disease and measures to control it.
  - Mosquito females require animal or human blood diet to produce eggs. For this, blood has to be obtained from blood banks or live animals. Regular supply of blood from blood banks is not easy.
  - Considering these challenges and huge potential demand, we have zeroed in on four artificial diets for feeding.”
  - These four diets prepared for female mosquitoes are like a baby formula food and have all the essential nutrients, which are present in the blood.
- 

## CLOUIBURST

Sudden, “highly-localised rains” in Amarnath, Jammu and Kashmir, on July 8 caused flooding and led to the deaths of at least 16 people and injuries to more than 20 others.



### About:

- A cloudburst refers to an extreme amount of rain that happens in a short period, sometimes accompanied by hail and thunder, and this has a precise definition.
  - The India Meteorological Department (IMD) defines it as unexpected precipitation exceeding 100mm (or 10 cm) per hour over a geographical region of approximately 20 to 30 square km.
  - Significant amounts of rainfall such as this can result in floods.
-