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# Daily News Juice

1. Russia steps up efforts to procure more arms from North Korea for Ukraine War
2. Climate crisis gets worse, three climate records got broken this year
- 3 RBI to discontinue the incremental cash reserve ratio (I-CRR)

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# Russia steps up efforts to procure more arms from North Korea for Ukraine War

Relevance: Prelims & Mains Paper II; International Relations

## Why in news?

- A senior U.S. official recently noted that arms transfer negotiations between North Korea and Russia are “actively advancing” as the Russian president, Vladimir Putin, seeks to feed his war machine.
- Under an array of western-led sanctions, Russia and its military contractor, the Wagner Group, have already allegedly turned to North Korea for artillery shells and “infantry rockets and missiles” in the past year.
- While these sales may have an important impact on the battlefields of Ukraine, North Korea is likely to seek technology from Russia in exchange.
- This would be a huge boost to the North Korea’s weapons programmes and, at the same time, greatly to the detriment of the UN sanctions regime that seeks to limit those programmes.



Kim Jong-un (left) and Vladimir Putin

## Flourishing military relationship

- Recent developments have suggested a burgeoning arms trading relationship, despite denials from North Korea and the recently deceased Wagner Group owner, Yevgeny Prigozhin.
- In 2022, the U.S. suggested that North Korea was supplying Russia with artillery shells in “significant” numbers. It also shared satellite imagery of a train at the North Korean-Russian border carrying the deadly cargo.
- In July, the U.S. sanctioned a North Korean arms dealer for facilitating unspecified arms transfers to the Wagner Group.

## ‘Brothers in arms’



- It was, however, the visit of Sergei Shoigu, Russia’s defence Minister, to Pyongyang that was the most significant sign of a flourishing relationship. While attending a military parade, he was guided around an arms exhibition by the North Korean leader, Kim Jong-un.
- North Korean arms exports have grown steadily since the 1970s. Many transfers were made to Cold War ideological allies.
- Since 2006, North Korea has been under UN sanctions, imposed to counter the former’s weapons of mass destruction (WMD) programmes. The UN arms embargos have prohibited the import of all arms from North Korea since 2009.
- Though Russia – a UN security council permanent member with veto power – actively endorsed the creation of these sanctions, its implementation of these sanctions – alongside fellow permanent security council member China – has been far from assertive.
- Indeed, both countries have increasingly dragged their feet over further sanctions resolutions.

## North Korea's pursuit for tech

- Clearly, Russia stands to benefit on the battlefield in Ukraine. But its purchases will undermine the North Korea sanctions and help to generate revenue for the Kim regime. Notably, North Korea desperately wants commodities such as food, oil, fertiliser etc.
- But more worryingly, North Korea has long relied on arms sales to fund its weapons development – including its nuclear and long-range missile programmes. This has been termed “proliferation financing”. Great efforts have been made to encourage govts and the private sector around the world to implement UN sanctions.
- Russia has a vast military, nuclear and missile industrial complex, which could provide North Korea with much-needed technological fruits. Russia has shown itself to be a bountiful market for North Korean procurement.
- If Russia does move towards becoming a regular customer for embargoed North Korean arms, it will help Putin sustain his illegal war on Ukraine. But the potential technological pay-off for North Korea could pose longer-term hazards for the world.

# Climate crisis gets worse, three climate records got broken this year



**Relevance: Prelims & Mains Paper III; Environment**

## Why in news?

- Raging wildfires across Europe and Canada. Devastating floods, cloudbursts, and storms in China, India and Brazil. Sweltering heat waves in numerous countries...these recent extreme weather events leave little to no doubt that the climate crisis is here.
- As a result, numerous climate records on temperature, ocean heat, and Antarctic sea ice cover are getting smashed week after week.



## Hottest summer ever

- This year's summer was the hottest on record, as per the C3S and the World Meteorological Organization (WMO). The three-month period from June to August broke previous records with an average temperature of 16.77 degree Celsius, which was 0.66 degree Celsius above the 1990-2020 average. (See chart on the next slide)
- Last month was the warmest August on record and the second hottest ever month after July 2023. It also showed that the average temperature in August was 16.82 degree Celsius — 0.71 degree Celsius more than the 1991-2020 average.
- In July, the global average daily temperature crossed the mark of 17 degree Celsius for the first time. While on July 3, the average temperature reached 17.01 degree Celsius, on July 6, mercury soared to 17.08 degree Celsius. The latter is currently the hottest day recorded on the planet.

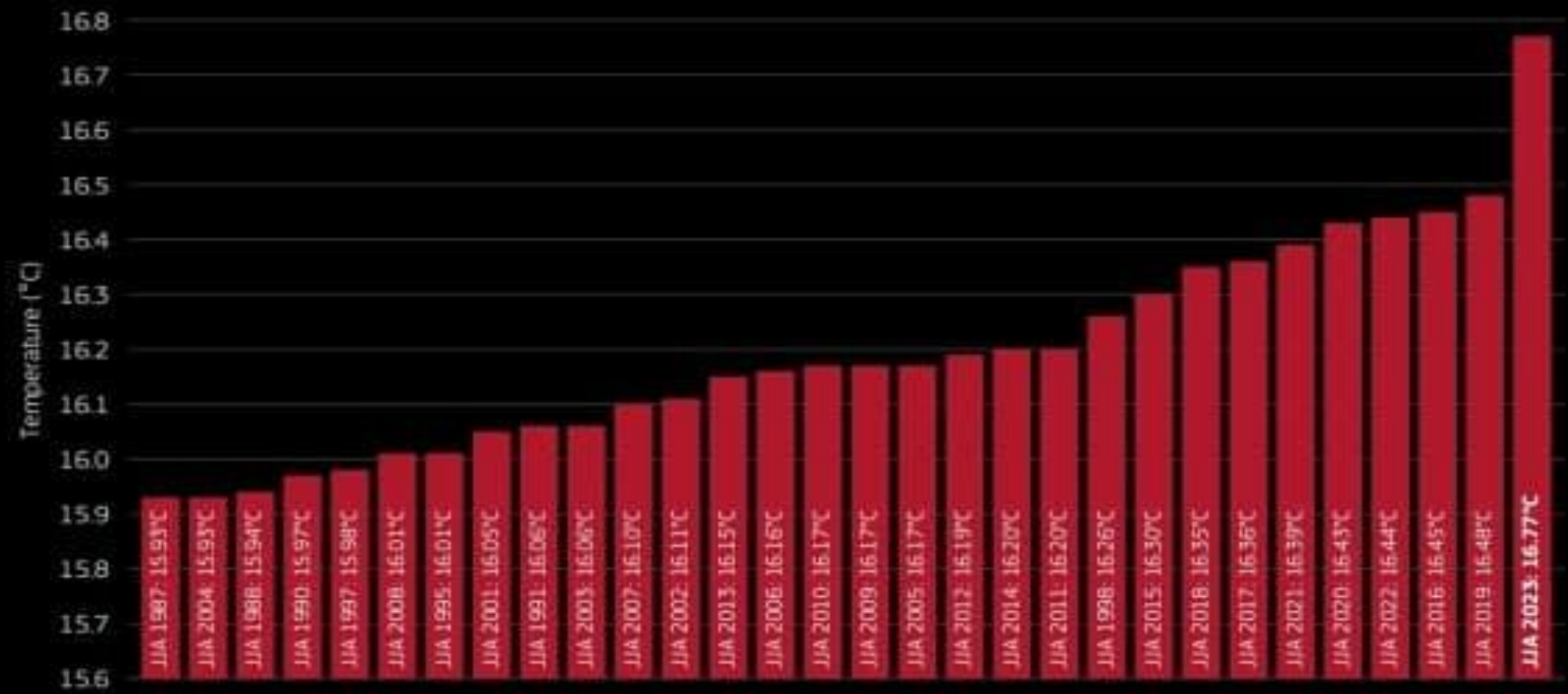
## Why it matters?

- With such soaring temperatures and El Nino conditions setting in, the year 2023 may become the warmest ever in history. It is so far the second-hottest on record — only 0.01 degree Celsius below the all-time high of 2016.
- The development highlights the possibility that the planet may soon become 1.5 degree Celsius warmer than it was during the pre-industrial times. Once the limit is breached, there could be irrevocable damage to the Earth's ecosystem, severely impacting humans and other living beings.



# THE 30 WARMEST BOREAL SUMMERS (JJA) GLOBALLY

Data: Global-mean surface air temperatures from ERA5 • Credit: C3S/ECMWF



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## Highest sea surface temperature

- Global average sea surface temperature is also off the charts. Each day from July 31 to August 31, 2023, has witnessed warmer global average sea surface temperature than the previous record from March 2016. Therefore, August as a whole saw the highest global monthly average sea surface temperature on record across all months, at 20.98 degree Celsius — it is well above average for August — with an anomaly of 0.55 degree Celsius. (See chart on the next slide)
- Notably, the North Atlantic Ocean's average sea surface temperature reached a new high on August 31, when it touched 25.19 degree Celsius.

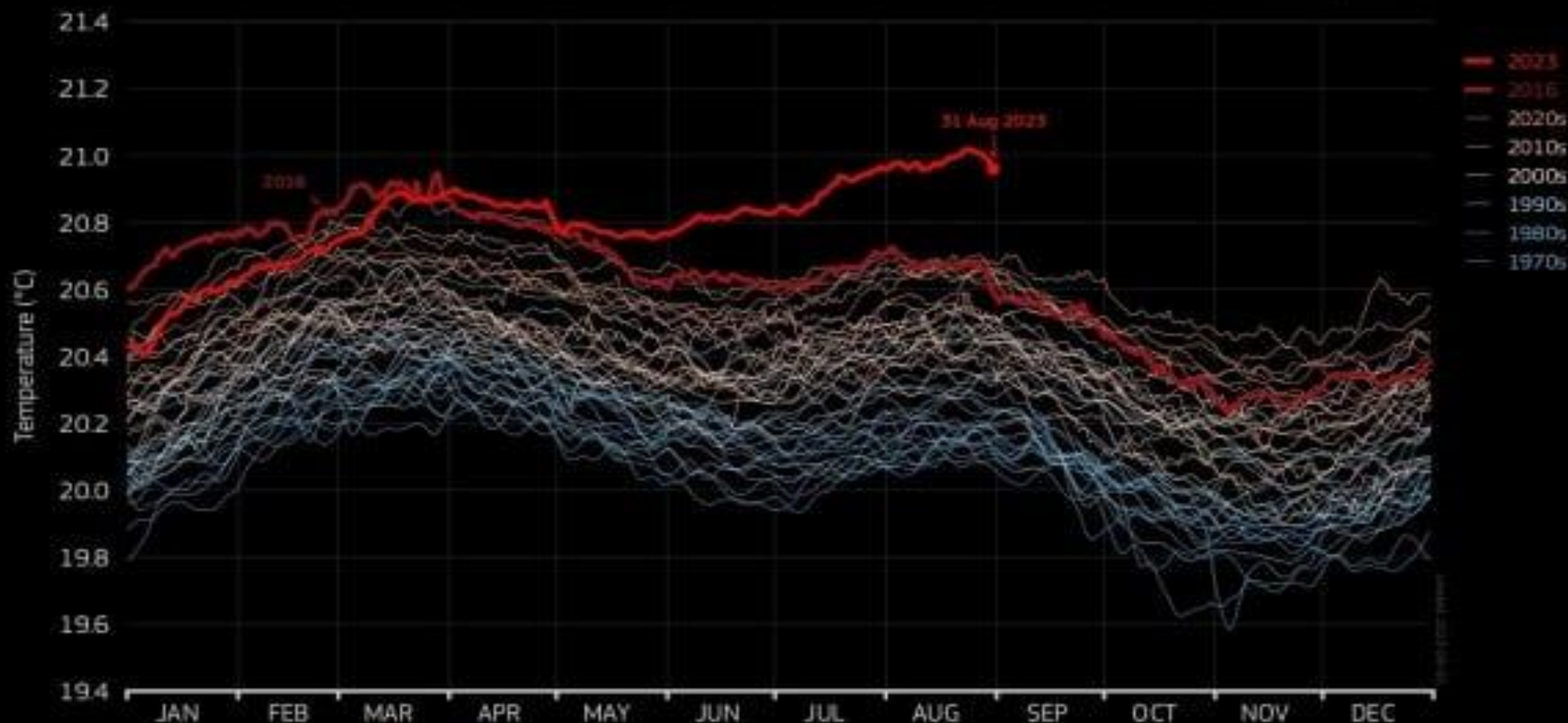
## Why it matters?

- The oceans have absorbed 90% of the additional heat caused by human activity since the second half of the 19th Century. Higher ocean temperatures often cause marine heat waves (MHWs), which are extreme weather events.
- MHWs lead to the deaths of several marine species, alter their migration patterns, cause coral bleaching and even impact weather patterns. They also can make storms like Hurricanes and Typhoons stronger.



# DAILY SEA SURFACE TEMPERATURE 60°S–60°N

Data: ERA5 1979–2023 • Credit: C3S/ECMWF



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## Lowest Antarctic sea ice extent

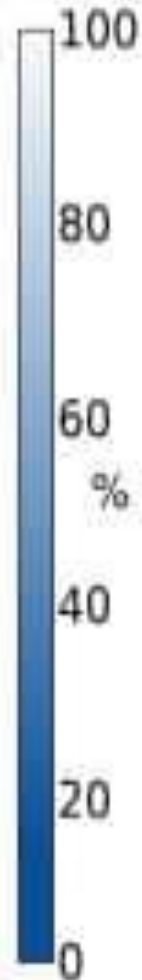
- The Antarctic sea ice extent hit a new record low in 2023. In July, the sea ice extent averaged 13.5 million sq km, the lowest levels observed for this time of year since the continuous satellite record began in late 1978. (See chart on the next slide)
- August was no better as the monthly value for sea ice cover was 12% below average — by far the largest negative anomaly for August on record. The worst affected regions were the northern Ross Sea and in the South Atlantic and Indian Ocean sectors.

## Why it matters?

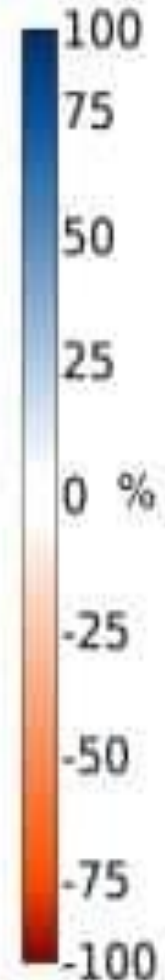
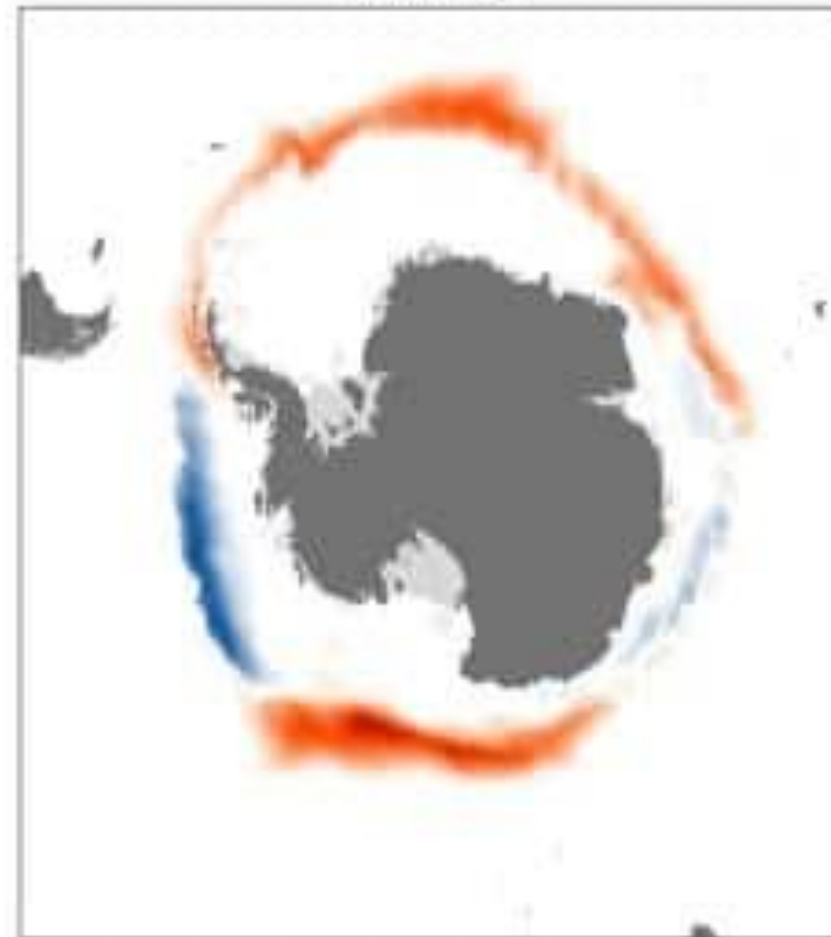
- The extreme decline in Antarctica's sea ice sheet has set alarm bells ringing for scientists. Less ice cover may have grave consequences for the world. Low sea ice extent leads to higher ocean temperatures, difficulty in the formation of ice, rising sea levels, and disruption of the ocean circulation.

# Antarctic sea ice concentration for August 2023

Average concentration



Anomaly



(Data: ERA5. Reference period: 1991-2020. Credit: C3S/ECMWF)



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# RBI to discontinue the incremental cash reserve ratio (I-CRR)



**Relevance: Prelims & Mains Paper III; Economics**

## Why in news?

- The RBI has announced that it would discontinue the incremental cash reserve ratio (I-CRR) in a phased manner. The central bank will release the amount which banks have maintained under I-CRR in stages.
- This will mean that banks will have sufficient funds to meet higher credit demand during the upcoming festival season.

## When was I-CRR introduced?

- On August 10, after announcing the monetary policy, RBI said that banks will have to maintain an I-CRR of 10% on the increase in their net demand and time liabilities (NDTL) between May 19, 2023, and July 28, 2023. It came into effect from the fortnight starting August 12. RBI left the CRR unchanged at 4.5%.
- The RBI introduced I-CRR as a temporary measure to absorb excess liquidity from the banking system. The level of surplus liquidity in the system surged because of the return of Rs 2,000 banknotes to the banking system, RBI's surplus transfer to the govt, pick up in govt spending and capital inflows. The daily absorption of liquidity by the RBI in July was Rs 1.8 lakh crore.

## Impact of I-CRR on liquidity conditions

- As per RBI, the I-CRR measure will absorb above Rs 1 lakh crore of excess liquidity from the banking system.
- The banking system's liquidity turned deficit for the first time in the current fiscal on August 21 after the RBI's I-CRR mandate. The tight liquidity condition was also contributed by outflows on account of goods and services tax (GST) and the selling of dollars by the RBI to stem the rupee's fall. The liquidity, as reflected by the amount of money injected by the RBI into the system, stood at Rs 23,644.43 crore on August 21.
- However, the banking system liquidity again turned to surplus from August 24. On Sept. 8, the RBI absorbed Rs. 76,047 crore of surplus liquidity from the system.

## What is CRR?

- The Cash Reserve Ratio (CRR) is the minimum amount of the total deposits which banks have to maintain as cash reserve with the Reserve Bank of India.
- It is an essential tool to maintain the health of the banking system. Banks cannot use this amount for lending or for any investment purposes. Currently, CRR stands at 4.5%.

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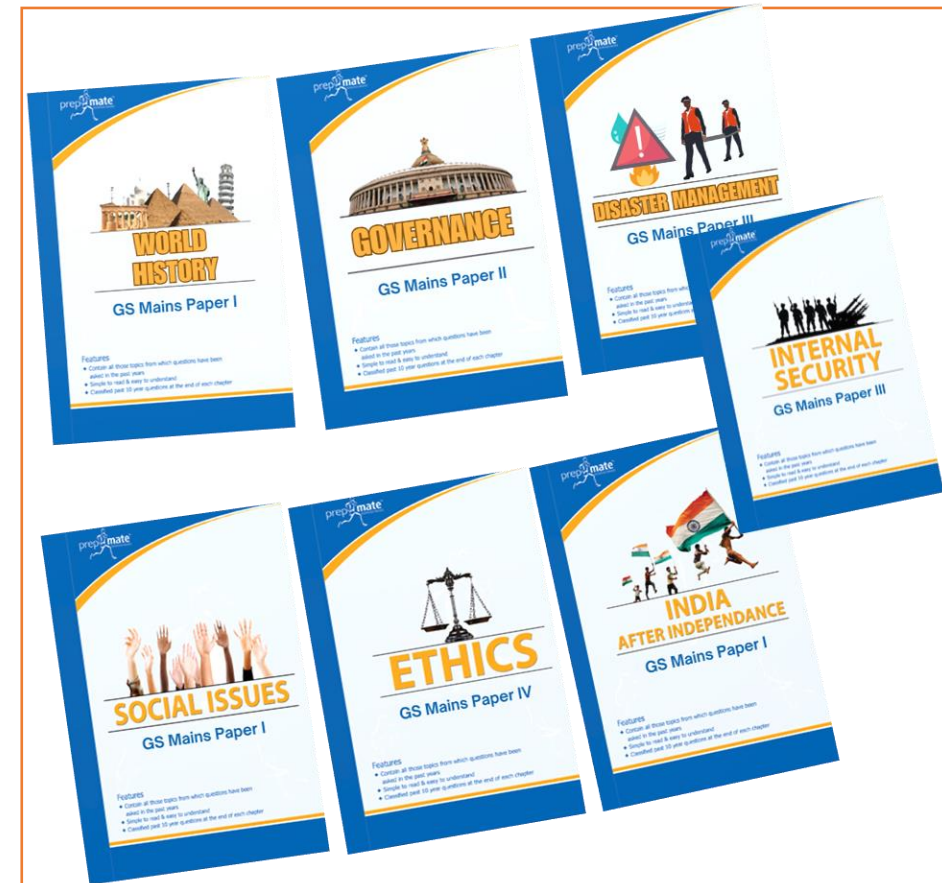
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