

EVERYDAY CURRENT AFFAIRS-MARCH 11, 2023

NATIONAL

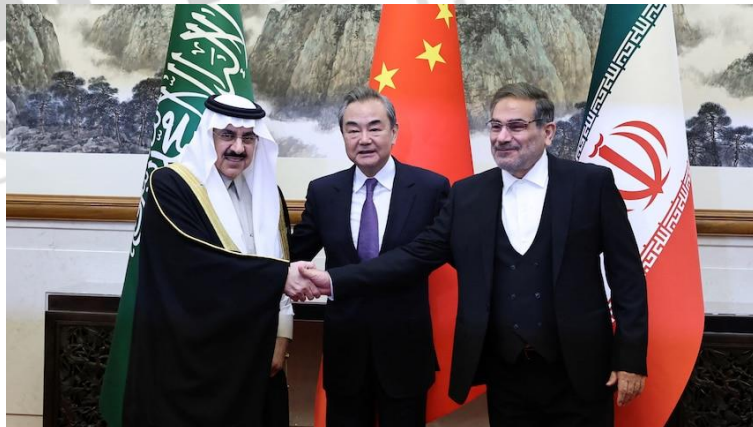
- **The Union Home Ministry - has announced a 10% reservation for former Agniveers in recruitments to the post of constable (general duty)/rifleman in the Border Security Force (BSF).**
- ✓ A provision has also been made for relaxation in the upper age limit and exemption from the Physical Efficiency Test during their absorption in the BSF.
- ✓ The upper age limit has been relaxed by up to five years for candidates belonging to the first batch whereas the upper age bracket for those belonging to the subsequent batches has been relaxed by three years for these vacancies.
- ✓ On June 14, 2022, the Centre had announced the Agnipath scheme replacing the military's decade old system of recruitment
- ✓ The Agnipath scheme seeks to recruit soldiers for only four years, with a provision to retain 25% of them in the regular cadre for 15 years after another round of screening.
- ✓ On June 18, 2022, the government had announced that there will be 10% reservation in all central armed paramilitary forces (CAPFs) and Assam Rifles for ex-Agniveers who have completed four years of service and not absorbed in the defence forces.
- ✓ BSF, with nearly 2,50,000 personnel, is the second largest paramilitary force in the country after the central reserve police force (CRPF).

INTERNATIONAL

- **China's Xi Jinping - secured an unprecedented third five-year term as the country's president on March 10.**
- ✓ All 2,952 members of China's parliament, the National People's Congress (NPC), voted unanimously for Xi Jinping to be president.
- ✓ There was no other candidate in the election
- ✓ Xi was also elected for a third term as chairman of China's Central Military Commission.



- ✓ China's parliament also elected Zhao Leji as the new parliament chair and Han Zheng as the new vice president.
 - ✓ Both of them were in Xi's previous team of party leaders at the Politburo Standing Committee
- ✓ In October last year, Xi Jinping was re-elected as the General Secretary of the Communist Party for a record third five-year term
- ✓ Xi will keep holding the three main crowns of power in China — party, military and state —with no rivals or potential successors
- ✓ It is important to mention that Xi Jinping removed the two-term limit on the presidency in 2018, leading to speculation that Xi might rule indefinitely.
- **On March 10, Iran and Saudi Arabia - agreed to re-establish diplomatic relations after years of hostility and reopen embassies within two months**



- ✓ The deal was announced after four days of previously undisclosed talks in Beijing between top security officials from the two rival West Asian powers
- ✓ The agreement includes the affirmation of the respect for the sovereignty of both states and the non-interference in internal affairs
- ✓ The hostility between the two countries had threatened stability and security in the Gulf and helped fuel conflicts in West Asia from Yemen to Syria.
- ✓ Saudi Arabia cut ties with Iran in 2016 after its embassy in Tehran was stormed during a dispute between the two countries over Riyadh's execution of a Shia cleric.

INDIA AND OTHER COUNTRIES

- On March 10, India and the United States of America - signed a memorandum of understanding (MoU) on semiconductor supply chain and 'Innovation Partnership' under the framework of India–US Commercial Dialogue



- ✓ US Secretary of Commerce Gina Raimondo signed the memorandum of understanding with Commerce and Industry Minister Piyush Goyal.
- ✓ India's pact with the US aims to strengthen cooperation in the semiconductor sector to facilitate commercial opportunities and development of innovation ecosystems
- ✓ According to a joint statement, both sides have agreed to set up a semiconductor sub-committee, led by the Department of Commerce for the US side and the Ministry of Electronics and Information Technology (MeitY) and Ministry of Commerce and Industry for the Indian side.
- ✓ The MoU seeks to establish a collaborative mechanism between the two governments on semiconductor supply chain resiliency and diversification in view of US's CHIPS and Science Act and India's Semiconductor Mission.
 - ✓ The CHIPS and Science Act was signed by President Joe Biden in 2022 to boost funding for the American semiconductor industry.
- ✓ During this visit of Gina Raimondo, the India-US Commercial Dialogue was re-launched to discuss cooperation for unlocking new trade and investment opportunities between the two countries
- ✓ Further, both sides pledged to work together in the Global Biofuels Alliance and in the development and deployment of hydrogen technologies.
- ✓ Besides, the two leaders re-launched the travel and tourism working group to continue the progress from before the pandemic and to also address the many new challenges and opportunities to create a stronger travel and tourism sector.
- ✓ At present, most of the semiconductor chips are produced in Taiwan by American and Chinese companies.

- ✓ Some popular companies that manufacture semiconductor chips are Intel, Samsung, Taiwan Semiconductor Manufacturing Company (TSMC), Broadcom and Nvidia.
- ✓ Semiconductor chips are made from silicon, one of the most available substances on Earth, and are fitted into microcircuits that power electronic goods and components.
- ✓ The crunch in semiconductors supply began during the Covid-19 pandemic and went on to intensify in 2021
- ✓ Indian government has also approved the Rs 76,000 crore production-linked incentive scheme to boost semiconductor and display manufacturing in the country in a bid to position India as a global hub for hi-tech production and attract large chip makers.

DEFENCE

- **On March 10, the defence ministry - signed a contract for procurement of six Dornier-228 aircraft for the IAF from defence PSU Hindustan Aeronautics at a cost of Rs.667 crore**



- ✓ The IAF now has around 50 Dorniers and the aircraft was used by IAF for Route Transport Role and communication duties.
- ✓ Subsequently, it has also been used for training of transport pilots of the IAF.
- ✓ The present lot of six aircraft will be procured with an upgraded fuel-efficient engine coupled with a five bladed composite propeller
- ✓ According to defence ministry, the aircraft is ideally suited for short-haul operations from semi-prepared and short runways of the North East and island chains of India, such as the Andamans and Lakshadweep.

BUSINESS/ECONOMY

- **Silicon Valley Bank (SVB), a four-decade-old US lender which has mainly invested in start-ups worldwide - collapsed on March 10**
- ✓ This makes it the second biggest bank failure since the 2008 financial crisis.
- ✓ California regulators closed down the tech lender and put it under the control of the US Federal Deposit Insurance Corporation. (FDIC)

What is SVB?

Silicon Valley Bank (SVB), a little-known lender outside of California, is deeply embedded in the US startup scene. It focuses on tech startups

What's happening at SVB?

The bank announced a \$2.3bn share sale to shore up its finances prompted by high deposit outflows triggered by a downturn in the startup world

What impact did this have?

Things went rapidly downhill as the stake sale announcement spooked a number of venture capitalists, who instructed their portfolio cos to shift cash from the bank. SVB stock crashed by half on Thursday (Source: Bloomberg)

How SVB's woes spread?

Major US banks like Bank of America, Wells Fargo and JPMorgan all slid at least 5%, wiping out over \$80bn in mcap. Shares of Asian banks followed Wall Street peers lower on Friday

**So what happens next?**

SVB has been shut by regulators, who will dispose of its assets to protect insured depositors. SVB's receiver (or custodian) FDIC said the bank had **\$209bn in assets** and **\$175bn in deposits**



- ✓ The FDIC created a new bank, the National Bank of Santa Clara, to hold the deposits and other assets of the failed SVB.
 - ✓ The California-based SVB, 16th-largest lender in America, had \$209 billion in assets and \$175 billion in customer deposits at the time of failure
 - ✓ The company's downward spiral started on March 8 when it announced it needed to raise \$2.25 billion to strengthen its balance sheet
 - ✓ This led to panic among key venture capital firms, who reportedly advised companies to withdraw their money from the bank
 - ✓ Just 24 hours before the financial crisis, Greg Becker, the chief executive officer of Silicon Valley Bank, had personally called clients to assure them their money with the bank was safe
 - ✓ As the information on financial instability spread, customers withdrew a staggering \$42 billion of deposits by the end of March 9
 - ✓ SVB was founded in 1983 by Bill Biggerstaff and Robert Medearis
 - ✓ SVB, earlier this week, featured in the annual ranking of Forbes America's Best Banks for the 5th straight year and it was also named on the publication's inaugural Financial All-Stars list.
 - ✓ The now collapsed bank ironically had non-performing assets as low as 0.05%
- **Hinduja group flagship Ashok Leyland - has launched a new all women production line at its Hosur plant.**



- ✓ Ashok Leyland has set up this line with 80 women employees, mainly to attract more women to the automobile assembly line
- ✓ The exclusive ladies-only line has been set up after extensive training and upskilling of the women employees
- ✓ The new P15 Engine Module (assembly and testing) is established in H1 Unit to address the growing demand of the company's light commercial vehicle products.
- ✓ This new line has a capacity of 62,000 engines per annum and will be operating in two shifts.

