

13– 09 – 2024

News: Unified Lending Interface (ULI)

- The Reserve Bank of India (RBI) plans to launch the Unified Lending Interface (ULI) at national level to transform India's lending sector. The ULI was launched as a pilot project by the RBI in 2023.

Unified Lending Interface (ULI)

- Unified Lending Interface (ULI) is a **digital platform developed by the Reserve Bank of India that is expected to make the lending process easy.**
- It would **enable friction-less credit while delivering banking services to farmers and MSME borrowers.**

Key Features of ULI

- **Consent-Based Digital Access:** ULI will **provide lenders with digital access to both financial and non-financial data of customers, including land records, through a consent-based system.**

- **Common and Standardised APIs:** ULI will feature standardised Application Programming Interface (APIs) that allow for a 'plug and play' approach, simplifying data access and reducing technical integration complexity.
- The 'plug and play' concept refers to ready-made facilities with essential infrastructure like power, network etc allowing industries to start operations immediately.

Potential Benefits

- **Frictionless Credit:** ULI aims to facilitate a smoother lending experience by minimising paperwork, particularly for smaller and rural borrowers.
- **Reduced Appraisal Time:** By consolidating data from various sources, ULI will minimise the time required for credit evaluation.
- **Centralised Data Access:** The platform will consolidate financial and non-financial data from multiple sources, making it easily accessible to lenders.
- **Focus on Agriculture and MSMEs:** ULI is expected to address the large unmet demand for credit in sectors such as agriculture and Micro, Small, and Medium Enterprises (MSMEs).

Relation to Other Digital Initiatives

- **JAM-UPI-ULI:** ULI will be part of the 'new trinity' of JAM (Jan Dhan, Aadhaar, and Mobile), UPI, and ULI, representing a significant advancement in India's digital infrastructure.
- **Digital Infrastructure:** The integration of these systems aims to cater to the large unmet demand for credit and enhance financial inclusion.

News: Smart Lander for Investigating Moon (SLIM)

- Recently, Japan's space agency, JAXA, has concluded operations of its Moon lander, the Smart Lander for Investigating Moon (SLIM), also known as the "Moon Sniper," after losing communication with it.

Smart Lander for Investigating Moon (SLIM) Mission / Moon Sniper

- The Japan Aerospace Exploration Agency (JAXA) recently achieved a significant milestone as its "Smart Lander for Investigating Moon" (SLIM) successfully entered lunar orbit, aiming to join the elite group of countries capable of soft-landing probes on the Moon. But soon, they lost the communication with the probe, later concluding the mission as a failure.

- This mission marks Japan's second attempt at a soft Moon landing after the Hakuto-R mission, a private commercial venture, met with failure earlier in 2023.
- It made a soft landing on the Moon in January 2024, making Japan the 5th nation to achieve this feat.
- Other countries that have successfully achieved a soft lunar landing are India, Russia, the United States, and China.
- SLIM, having a dry weight of around 190 kilograms, stands as an example of precision technology, aiming to touch down within 100 meters of its target site, the Shinoli crater in the equatorial region.
- It was an uncrewed spacecraft that also aimed to test low-gravity exploration technology essential for future solar system exploration.
- It is nicknamed the "Moon Sniper" because of its ability to land very precisely on the Moon's surface.

News: Natural Rubber (NR)

- India is experiencing a significant shortage of natural rubber (NR), with domestic production lagging behind demand by approximately 5.5 lakh tonnes.

Reasons for this expected shortage

- **Demand-Supply Gap:** Despite an increase in NR production from 8.39 lakh tonne in 2022-23 to 8.57 lakh tonne in 2023-24, consumption has surged from 13.5 lakh tonne to 14.16 lakh tonne.
- Currently, about 70% of NR is consumed by the tyre industry. The remaining 30% is utilised by non-tyre companies, predominantly small and micro enterprises, which are suffering the most.
- **Import Dependence:** India has historically depended on NR imports due to insufficient domestic production.
- India imports natural rubber to meet local demand from neighbouring countries such as Vietnam and Indonesia.
- **High Import Duty:** NR imports face a 25% customs duty or Rs 30 per kg whichever is higher. Latex rubber used for making gloves and balloons has a total 75% duty.
- There is a shortage of latex rubber but imported mattresses, balloons or surgical gloves attract a much lower duty of just 10% which encourages the import of

these products rather than local manufacturing. It represents a case of Inverted Duty Structure.

- Inverted duty structure is a situation where the rate of tax on inputs used is higher than the rate of tax on the finished goods.
- **Geopolitical Situation:** China is currently stockpiling NR, and Bangladesh, once a reliable source, is in turmoil due to political protests and change in government.
- The turmoil in Bangladesh has disrupted the smooth supply of NR to India.
- **Monsoon:** The availability of NR is uncertain due to heavy monsoons reducing tapping activities. This situation particularly impacts industries that depend on NR.

Rubber

- Rubber is made from the latex of a tree called *Hevea Brasiliensis*.
- The rubber tree is a fast-growing tall tree acquiring a height of about 20 to 30 meters.
- The British established the first rubber plantation in India in 1902 on the banks of the river Periyar in Kerala.
- Rubber grows in a hot and humid climate with a temperature range between 25 °C and 35 °C and the annual rainfall requirement is about 300 cm.

- The rainfall should be **well-distributed throughout the year**.
- **Deep, rich and well-drained loamy soil, at an elevation of about 400 meters above the sea level, provides ideal conditions for the growth of rubber trees.**
- It is **labour-intensive cropping and requires skilled labour for plantation, harvesting and processing.**
- **India is the fifth largest rubber-producing country** in the world, after Malaysia, Indonesia, Thailand and Brazil.
- India also is the **second largest consumer with 40% of the requirement is met via imports.**
- It **produces about 7 lakh tons of rubber**, which is about 4 per cent of the total world's production.
- **Kerala is the leading producer of natural rubber in India** which produces around 6 lakh tons of rubber. Kottayam, Kollam, Ernakulam and Kozhikode districts of Kerala account for the majority of the produce.
- Other producer states are **Tamil Nadu, Karnataka and Andaman and the Nicobar Islands.**
- Major consumers of Rubber are **China, India, USA, Japan, Thailand, Indonesia and Malaysia.**