



## **DAILY CURRENT AFFAIRS 12-06-2026**

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## Philippines

### Syllabus: Prelims Bits – Mapping.

#### Context:

- Recently, a magnitude-6.0 earthquake struck the central Philippine island of Samar.

#### About Philippines

- **Location:** Island country in Southeast Asia located in the western Pacific Ocean.
- **Capital City:** Manila.
- **Water Bodies Surrounding the Philippines:**
  - **North & West:** South China Sea
  - **East:** Philippine Sea
  - **South:** Celebes Sea
  - **Southwest:** Sulu Sea



## Geographical Features

### Climate

- Predominantly tropical and monsoonal climate.

### Highest Peak

- **Mount Apo** – Highest point in the Philippines.

### Major Rivers

- **Cagayan River** – Longest river in the Philippines.
- Other major rivers: **Mindanao River, Agusan River.**

### Major Lake

- **Laguna de Bay.**

### Volcanoes

- **Mayon Volcano** – One of the most active volcanoes in the country.
- Other important volcanoes: **Bulusan Volcano, Kanlaon Volcano.**

### Natural Resources

- Timber, petroleum, nickel, cobalt, silver, gold, salt, copper.

### Energy Resource

- The Philippines is the **third-largest producer of geothermal energy globally**, after the **United States** and **Indonesia**.

### UPSC Prelims Pointers

- Island nation of Southeast Asia in the western Pacific Ocean.
- Surrounded by the South China Sea, Philippine Sea, Celebes Sea and Sulu Sea.
- Mount Apo (highest peak), Cagayan River (longest river), Laguna de Bay (largest lake).
- Mayon, Bulusan and Kanlaon are important volcanoes.
- Major global producer of geothermal energy.

## **Caustic Soda (Sodium Hydroxide)**

**Syllabus: GS-3; Industrial Chemicals & Environmental Regulation**

### **Context**

The Environment (Protection) Second Amendment Rules, 2025 mandate caustic soda plants using membrane-cell technology to undergo fish-survival tests to assess wastewater toxicity.



### **About Caustic Soda**

- Chemical Name: **Sodium Hydroxide (NaOH)**
- Other Names: Lye, Soda Lye, Sodium Hydrate
- One of the most widely used industrial chemicals in India.
- Manufactured mainly through:
  - **Electrolysis of brine** (sodium chloride solution)
  - Reaction of **sodium carbonate with calcium hydroxide**

### **Key Properties**

- Strong alkali (base) soluble in water.
- White crystalline, odourless solid.
- **Hygroscopic** (absorbs moisture from air).
- Releases large amounts of heat when dissolved in water.
- Highly corrosive to skin, tissues and metals.
- **Neutralizes acids.**

## Uses

- Soap and detergent industry
- Paper and pulp manufacturing
- Textile processing
- Aluminium extraction
- Petrochemical industry
- Water treatment and purification
- Electroplating and metal cleaning

## Gharial

### Syllabus: GS-3; Biodiversity & Conservation

#### Context

31 gharial hatchlings were recently released into the Gandak River in Bihar.



#### About Gharial

- Scientific Name: *Gavialis gangeticus*
- Freshwater crocodilian species.
- Name derived from Hindi word "**Ghara**" due to the bulbous snout of adult males.

#### Habitat

- Deep, clear freshwater rivers with sandy banks.
- Primarily associated with Himalayan river systems.

### Distribution

Countries:

- India
- Nepal
- Bangladesh
- Bhutan
- Myanmar
- Pakistan

Major Indian Rivers:

- Chambal
- Girwa
- Gandak
- Son

### Key Features

- Longest and narrowest snout among crocodilians.
- Primarily fish-eating (Piscivorous).
- Most aquatic crocodilian species.
- Adult males possess a bulb-like "ghara".

### Conservation Status

Convention/Act	Status
IUCN	Critically Endangered
CITES	Appendix I
Wildlife Protection Act, 1972	Schedule I

### Know more

- Gharials belong to the family **Gavialidae**, not Crocodylidae.

## **The India-Nepal Boundary Issue**

**Syllabus: GS-2: International Relations –Border disputes.**

### **Context:**

- Nepal's newly elected Prime Minister, **Balendra Shah (Balen)**, has called for a rational and objective approach to resolving the long-standing **Kalapani, Lipulekh, and Limpiyadhura** boundary disputes with India.

### **About the India-Nepal Boundary Issue**

#### **What is the Dispute?**

- The border dispute primarily centers on a **372 sq. km strategic tri-junction area** comprising **Kalapani, Lipulekh, and Limpiyadhura**, located at the northwestern tip of Nepal and along the northern border of Uttarakhand, India.
- The region has immense strategic and military significance as it overlooks the **Lipulekh Pass**, a vital trade route and a primary corridor for the **Kailash Mansarovar Yatra** to Tibet.

#### **Historical Background: Root of the Dispute**

##### **Treaty of Sugauli (1816)**

- Signed between the **Kingdom of Nepal** and the **British East India Company** after the Anglo-Nepalese War.
- Established the **River Kali** as the definitive western boundary of Nepal.

##### **Source Cartography Conflict**

- The treaty did not provide scientifically surveyed coordinate maps or clearly define the exact geographic source of the River Kali.

##### **Competing Interpretations**

###### **Nepal's Position**

- Nepal argues that the River Kali originates from the **westernmost stream at Limpiyadhura**.
- Accordingly, **Kalapani and Lipulekh** fall within Nepalese territory.
- Nepal previously reinforced this claim by printing the extended map on its currency notes.



### India's Position

- India maintains that the river originates at a **ridge line near Kalapani**, consistent with maps prepared by British India after 1847.
- India has exercised administrative control over the area since Independence (1947), citing vital security interests.

### Recent Flare-Up

- Tensions increased when Nepal objected to:
  - Resumption of India–China trade through the **Lipulekh Pass**.
  - Construction of the road link for the **Kailash Mansarovar Yatra**.
- India rejected Nepal's objections, describing them as an unjustified artificial enlargement of territory.

### Shifting Political Tone in Kathmandu

#### Rise of Gen-Z and Youth-Led Governance

- Rise of the **RSP** and leaders such as **Balendra Shah** reflects growing youth demand for:
  - Transparent governance
  - Employment generation
  - Development-oriented policies
  - Anti-corruption reforms

### Bypassing the “Special Relationship” Protocol

- Nepal’s new leadership prefers a **rules-based diplomatic approach**, treating India as an equal sovereign partner rather than relying on traditional political and cultural privileges.

### Pragmatic Approach to Border Issues

- Prime Minister Shah has emphasized:
  - Objective assessment of border disputes
  - Resolution through facts, dialogue, and mutual trust
  - Avoidance of nationalist rhetoric

### Active Third-Party Inquiries

- Nepal has proposed examining historical records from **China** and the **UK** for greater clarity.
- China continues to support a **bilateral India–Nepal resolution process**.

### Key Challenges in India–Nepal Relations

#### Contradictory Historical Archives

- Reliance on British-era maps often creates confusion as cartographic surveys were revised over time using different technologies.

#### Deep Security Stakes in the Status Quo

- India has significant strategic interests in maintaining its positions in the tri-junction area.
- Any alteration of defensive positions along the China border is highly unlikely.

#### Domestic Political Exploitation of Nationalism

- Traditional political parties in Nepal frequently use anti-India border sentiment during domestic crises for political gains.

#### Risk of Endless Expert-Level Delays

- Prolonged deliberations through technical committees can transform minor disputes into persistent diplomatic irritants.

### Way Forward

#### Utilize the Unique Open-Border Tradition

- Draw inspiration from the **1,700+ km open-border system**, which functioned smoothly before the 1962 conflict.

### **Leverage Strong Army-to-Army Ties**

- Utilize the deep institutional trust between the **Indian and Nepalese Armies** to facilitate practical border solutions.

### **Prioritize Economic and Energy Cooperation**

- Keep:
  - Cross-border power grids
  - Digital commerce networks
  - Transport connectivity
- At the center of bilateral engagement so that boundary disputes do not hinder regional growth.

### **Move Toward Creative Joint Border Management**

- Explore:
  - Shared environmental preservation zones
  - Joint border administration corridors
- To manage disputed areas without altering sovereign claims.

### **Direct High-Level Political Engagement**

- Political leadership in both countries should move beyond rigid bureaucratic processes and use direct communication channels for transparent resolution of difficult issues.

### **Conclusion**

- The emergence of a new youth-led administration in Kathmandu presents an opportunity to build a modern and constructive India–Nepal partnership.
- An objective and pragmatic approach to border management can help both countries safeguard core security interests while preserving their deep cultural, economic, and people-to-people ties.

## **Remittances**

**Syllabus: GS-3: Indian Economy – Balance of Payment - Current Account.**

**Context:**

- Indian workers abroad sent home a record **\$110.47 billion in 2025-26**, helping cushion India's external finances amid weak capital inflows and pressures from the West Asia crisis.

### **Understanding Remittances**

- Remittances are money transfers made by migrant workers and overseas nationals to their families and home countries.
- They represent one of the largest sources of foreign exchange for developing economies and play a vital role in supporting household consumption, savings, and investment.

### **Categories of Inflows**

#### **1. Workers' Remittances**

- Money sent home by Indians working abroad.
- Part of the **Current Account** of the Balance of Payments (BoP).
- Reflect the genuine flow of earned income from migrant workers.

#### **2. Private Transfers (Broader Category)**

- Includes workers' remittances (more than two-thirds of the total).
- Withdrawals from non-resident deposits and redemptions.
- Personal gifts and donations, including to religious and charitable institutions.
- Gold and silver brought through passenger baggage.

### **Significance of Remittances for India**

- **Largest recipient globally:** India has been the world's largest recipient of remittances for several years.
- **Supports Current Account:** Helps offset the trade deficit.
- **Foreign Exchange Buffer:** Cushions the economy against capital outflows.
- **Household Welfare:** Supports consumption, education, healthcare, and housing.

- **Rural Economy:** Significant contribution to states such as Kerala, Tamil Nadu, Punjab, and Uttar Pradesh.

### Record Remittances in FY26

- Indian workers abroad sent home a record **\$110.47 billion** in 2025-26.
- First time workers' remittances crossed the **\$100-billion mark** in a single year.
- Represents:
  - **26% increase** from \$87.55 billion in 2024-25.
  - **34% YoY growth** in Jan–Mar 2026 quarter alone, with **\$31.07 billion**, the highest in 13 years.

### Reasons for Record Inflows

#### West Asia Crisis Effect

- Crisis likely triggered a **precautionary rise** in remittances.
- Workers in conflict-affected regions sent larger sums fearing disruptions and uncertainty.

#### Sharp Rupee Depreciation

- Significant fall in the rupee during 2025-26 incentivised greater remittances.
- Weaker rupee means more rupees received in India for every dollar (or foreign currency) remitted.
- Arbitrage opportunity encouraged higher remittance flows.

#### Changing Geography of Remittances

- Share of Gulf countries (UAE, Saudi Arabia, Kuwait, Qatar, Oman, Bahrain) declined from **47% (2016-17)** to **38% (2023-24)**.
- Share of advanced economies (US, UK, Canada, etc.) increased due to higher-skilled migration.

### Implications for India's Economy

#### Supporting the Rupee

- Robust remittances supported the rupee when:
  - FPIs were net sellers.
  - Net FDI inflows were less than **\$9 billion** in 2024-25 and 2025-26 combined.

- Elevated crude oil prices widened the Current Account Deficit (CAD).
- Without these inflows, the rupee could have depreciated more sharply against the dollar.

### Cushioning the Current Account

- Remittances form a critical part of the **Secondary Income Account**.
- Help offset the goods trade deficit.
- Valuable because they are:
  - Stable compared to volatile capital flows.
  - Counter-cyclical, often increasing during crises.
  - Non-debt creating, unlike external borrowings.

### Long-Term Concerns

#### FDI Inflows on the Decline

- FDI as a percentage of GDP has been declining since 2010.
- Net FDI inflows were less than **\$9 billion** in 2024-25 and 2025-26 combined.
- Requires sustained efforts to attract long-term capital.

#### Weak FPI Flows

- FPIs have been net sellers for several consecutive years.
- Since 2020-21, **five out of six years** witnessed net FPI outflows.
- Highlights the need for structural reforms to improve market attractiveness.

#### Trade Deficit Management

- Current Account Deficit remains heavily oil-driven.
- Requires:
  - Boosting manufacturing and services exports.
  - Reducing dependence on imported crude oil through renewable energy.
  - Promoting import substitution in key sectors.

#### AI Threat to Remittances

- Increasing adoption of AI in advanced economies may affect employment.

- US and UK, major contributors to India's remittances, face AI-related job disruptions.
- Potential reduction in future remittance flows from skilled workers.
- Indian IT and white-collar professionals abroad may face increased competition.
- Creates uncertainty regarding long-term sustainability of remittance growth.

### Significance

#### Resilience of the Indian Diaspora

- Indian diaspora (over **32 million worldwide**) remains a reliable source of foreign exchange.
- Reflects:
  - Strong family ties with India.
  - Cultural commitment to supporting families.
  - Confidence in the Indian economy.

#### Shift Towards Skilled Migration

- Rising share of remittances from advanced economies indicates:
  - Growth in highly skilled Indian workforce abroad in IT, finance, healthcare, and academia.
  - Higher earnings per worker leading to larger remittances.
- Also highlights the challenge of **brain drain**.

#### Geographic Diversification

- Reduced dependence on the Gulf region:
  - Lowers vulnerability to oil price shocks and regional conflicts.
  - Aligns with India's diaspora policy of engaging diverse global communities.