



Current Affairs of the Day

Bangladesh, India, Nepal to move ahead on MVA pact



1. With Bhutan continuing to sit out the **Motor Vehicles Agreement (MVA)** of the sub-regional **Bangladesh-Bhutan-India-Nepal (BBIN)** grouping, a meeting of the other three countries was held to discuss the next steps in operationalising the agreement for the free flow of goods and people between them.
2. During the meeting, an enabling MoU to be signed by India, Bangladesh and Nepal for implementation of the BBIN MVA by the three countries, pending ratification of the MVA by Bhutan, was finalised, the Ministry of External Affairs statement said.
3. Operationalising the MVA by concluding the Passenger and the Cargo Protocol will help realise the full potential of trade and people to people



connectivity between the BBIN countries by fostering greater sub-regional cooperation, it added.

4. In 2020, Bhutan Prime Minister Lotay Tshering told in an interview that given Bhutan's "current infrastructure" and top priority to remaining a "carbon-negative" country, it would not be possible to consider joining the MVA.

Progress on the seven-year-old project has been slow, despite several trial runs being held along the Bangladesh-India-Nepal road route for passenger buses and cargo trucks. There are still some agreements holding up the final protocols.

RBI sets up UPI payment for 400 mn feature phone users

- The Unified Payments Interface (UPI) has gained immense popularity in the last five years in India. Especially during the Covid-19 pandemic, it served as a go-to payment option for smartphone owners. According to the National Payments Corporation of India (NPCI), UPI transactions have consistently increased every month.
- Still, a large portion of India's population could not use UPI as one needed a smartphone for the same. To fill the gap, the Reserve Bank of India (RBI) announced a new payment system, 123PAY, that can be used by feature phone owners.
- According to RBI, 123PAY would help India to attain its goal of a cashless economy. The new platform would help UPI facilitate the section of the society that was so far excluded from the digital payments landscape.
- It will help in the financial inclusion of that section of the society in the digital payments ecosystem.

UPI for Feature Phone:

1. The Reserve Bank of India (RBI) launched a unified payments interface (UPI) for feature phones, thereby including about 400 million users of such phones under the ambit of India's homegrown payments network.
2. Feature phones are basic phones, which typically provide voice calling and text messaging functionalities.



3. India has a large mobile phone consumer base of about 1,180 million mobile users, of which about 740 million have smartphones, indicating that there is a significant number of feature phone users in the country.
4. RBI said that while India has made significant strides in digital payments, a large part of this digitization is getting limited to those who have smartphones.
5. Since UPI has contributed a lot to India's digital payments, it is important that UPI is available as an offline mode and on feature phones to take it to the next phase of development.

UPI on feature phone: USSD option

1. To be sure, even before this launch, UPI was available on feature phones, albeit through a complicated USSD or Unstructured Supplementary Service Data mode.



2. Under this, feature phones had to dial *99#, get a set of menus and initiate transactions. But the process is cumbersome, involving multiple chargeable messages.

Four new technologies: 123PAY

1. The new 123PAY system will fill this gap with the help of four technologies, as explained during the launch. The four technologies are Interactive voice response or IVR, apps in feature phones, missed call-based payments, and proximity sound-based payments.
2. The first one is through the use of Interactive Voice Response (IVR) numbers. One can dial a number and initiate a secured call from a feature phone, and after getting registered can start financial transactions without internet connectivity.



3. The second module is through apps on feature phones. The majority of UPI functions will be available on apps that are available on feature phones and one can do almost all kinds of UPI transactions except scan and pay, which is still a work in progress.



4. The third method of feature phone UPI involves proximity sound-based payments.

MAINS DAWP	<p>Q1. Given the global wave of protectionism and retreat of multilateralism, sub-regional trade and connectivity agreements are way ahead for India. Critically Discuss.</p> <p>Q2. What is Stagflation? Discuss its causes, consequences and remedies.</p>
MCQs	<p>Q1. Consider the following statements about UPI123Pay</p> <ol style="list-style-type: none"> 1. Sound-based payments will be possible 2. It will be based on Unstructured Supplementary Service Data mode 3. It will use Interactive Voice Response (IVR) numbers <p>Which of the above is/are correct?</p> <ol style="list-style-type: none"> a. 1 only b. 2 only c. 1 and 3 only d. 1, 2 and 3