

Current Affairs search results for tag: economyfinance

1. India bans export of broken rice and impose 20% duty on non-basmati rice (Sept. 9, 2022)

The Directorate General of Foreign Trade (DGFT) under the Union Ministry of Commerce and Industries has issued a government notification banning the export of broken rice on 8 September 2022. Earlier in the day the Finance Ministry imposed a 20% duty on the export of non-basmati rice except for parboiled rice.

Both the decisions are effective from 9 September 2022.

IMPORTANT FACTS -

Why this has been done by the government ?

- Government hopes that these steps will increase the availability of rice in India and curb the rise in the price of rice which is a staple diet for many Indians.
- According to the Agriculture Ministry, the area under the paddy crop has been down by **5.62 per cent to 383.99 lakh hectare** in the ongoing Kharif season (2022-23) so far due to deficiency in monsoon rainfall in key growing states of West Bengal, Bihar, Jharkhand and Uttar Pradesh.
- **West Bengal is the largest** rice producing state in India followed by Uttar Pradesh and Punjab.
- According to the 4th Agricultural advance estimates of the Agricultural ministry, in the 2021-22 agricultural season (July-June) the estimated rice production in India is **130.29 million tonnes**.
- However the rice production in the next crop year (2022-23) could decline by around 10 million tonnes.

India a major rice exporter :

- India is the **second largest producer of rice** in the world after China.
- However it is the **largest exporter of rice** in the world with a **40% share** in the world rice market. Thailand, Vietnam and Pakistan are the other major exporters of rice in the world.
- **In terms of volume, Bangladesh, China, Benin and Nepal are five major export destinations of Indian rice.**
- The country exported **21.2 million tonnes of rice in 2021-22**, of which 3.94 million tonnes were basmati rice. It exported non-basmati rice worth USD 6.11 billion in the same period.

ADDITIONAL INFORMATION -

Impact on the world :

- The decision of India has contributed to the immediate rise in the price of rice in the world market. It has also affected the price of wheat and maize in the international market as rice importing countries are expected to shift to maize and wheat.

- China and the Philippines will be immediately affected by the Indian decision.
- **China is the largest buyer** of the broken rice from India which is used as animal feed in the country. Both China and the Philippines will have to buy rice from other sources at higher prices or shift to other crops.
- Thailand and Myanmar will benefit from the Indian decision as the buyer of India will shift to these countries.

2. India ranks 132nd out of 191 in UNDP's human development index (Sept. 9, 2022)

According to the United Nations Development Program (UNDP) report released on 8 September, India is ranked 132 out of 191 countries in the Human Development Index (HDI) 2021.

- **Switzerland** tops the rankings, followed by **Norway** at second and **Iceland** at third.
- South Sudan, Chad and Niger are at the bottom of the HDI scale.

IMPORTANT FACTS -

- In the **2020 report**, India had ranked **131st** among 189 countries.
- The report said that nearly 90 percent of countries have reported a decline in their HDI rankings in 2020 or 2021.
- Among India's neighbours, Sri Lanka (73rd), China (79th), Bangladesh (129th), and Bhutan (127th) rank above India, while Pakistan (161st), Nepal (143th) and Myanmar (149th) rank worse.
- India's latest HDI value is 0.633 which places the country in the medium human development category, lower than its value of 0.645 in the 2020 report.
- The reason for the decline in the ranking of more than 90 percent of the countries is the Covid-19 pandemic.
- The report raises concerns over growing polarization that is eroding democratic freedoms and human rights in many parts of the world.

Gender Inequality :

- The COVID-19 pandemic has also exacerbated gender inequality, which has risen by 6.7% globally.
- India has shown a slight improvement in its Gender Inequality Index value in the latest report as compared to the 2020 index (0.490 vs 0.493).
- The index measures inequality between women and men in three dimensions – reproductive health, empowerment and the labour market.

ADDITIONAL INFORMATION -

About Human Development Index :

- The United Nations Development Program (UNDP) published its first Human Development Report (HDR) in 1990.
- The report attempts to define and measure the level of development of economies.
- Three indicators of Human Development Report (HDR)

1. Health - Measured by the life expectancy at birth
2. Education - Measured by the mean of years of schooling
3. Standard of Living - Measured by GNI (Gross National Income/Product) per capita at 'Purchasing Power Parity

3. India Ideas Summit held in New Delhi (Sept. 8, 2022)

The U.S.-India Business Council India (USIBC) organised its 47th Annual General Meeting and the India Ideas Summit from 6-7 September 2022 at New Delhi.

IMPORTANT FACTS -

- The focus of the summit was on “**Maximizing the Next 75 years of US-India Prosperity.**”
- The USIBC India Ideas Summit and Annual General Meeting has been an important platform for U.S.-India dialogue on commercial and strategic cooperation for over 47 years.
- This year's summit saw the participation of top government speakers such as Minister of External Affairs Subramanyam Jaishankar, Minister of Finance Nirmala Sitharaman, Minister for Education Dharmendra Pradhan and from the American government , Jennifer Granholm, Secretary of Energy, Donald Lu, Assistant Secretary of State for Central and South Asia Affairs.

What does USIBC does ?

- U.S.-India Business Council India (USIBC) is a business lobby group representing American and Indian business to make business between the United States and India easier, more efficient, and more profitable.
- USIBC facilitates meetings between members and key policymakers in the U.S. and Indian governments,
- USIBC President: **Atul Keshap**(He is an American)

4. HDFC BANK to give Personal loan within 10 seconds (Sept. 8, 2022)

The largest private sector bank in India, HDFC Bank will provide unsecured personal loans to customers within 10 seconds.

These loans will be provided to even those customers who don't have a bank account with the banks.

HDFC bank is the first bank in India to offer such facilities. However it is sanctioned to customers who have been pre-approved for loans by the bank.

The 10 second loans will target the self-employed persons.

IMPORTANT FACTS -***Personal loans :***

- It is a type of unsecured loan offered by the financial institutions like banks, NBFC etc.
- **Unsecured loans means** that there is no collateral or security against the loan. It means the customer has no need to keep property or any asset as a guarantee to the bank.
- The unique feature of the loan is that it can be used for any purpose. Normally a loan provided by the bank is for a particular purpose like home loan can be used only for buying a house, car loan for buying a car etc.,
- In the personal loan bank do not ask for what purpose the loan amount is to be used by the customer.

ADDITIONAL INFORMATION -***HDFC Bank :***

- It is India's largest private sector bank in India. It has been promoted by Housing Development Finance Corporation (HDFC) '
- It commenced its operation in January 1995.
- CEO: **Sashidhar Jagdishan**
- Headquarters: **Mumbai**
- Tagline: **We Understand Your World**

5. SEBI fines Rana Kapoor Rs 2 Crore in the Yes Bank AT-1 Bond case (Sept. 8, 2022)

The Securities and Exchange Board of India (SEBI) has imposed a penalty of Rs 2 crore on the former Yes Bank managing director and chief executive officer, Rana Kapoor, in the tier-I bond mis-selling or AT-1 case involving the private lender on 7 September 2022.

IMPORTANT FACTS -***Why was it fined ?***

- Yes Bank was found guilty by SEBI of selling the AT-1 bonds as Super FD (Fixed Deposit) to the customer promising higher return and safety .

Penalty amount for others :

- SEBI imposed a monetary penalty of **Rs 25 crore on Yes Bank**, Rs 1 crore on Vivek Kanwar and Rs 50 lakh each on Ashish Nasa and Jasjit Singh Banga. Kanwar was the head of Yes Bank's private wealth management team. The other two were his team members.

What is Additional Tier-1(AT-1) Bonds ?

- Under the Basel 3 norms the bank's regulatory capital has been divided into Tier-1 and Tier 11 capital.

Tier 1 Capital :

- Tier 1 Capital has been subdivided into Common equity capital 1 and Additional Tier 1
- **Common equity capital** consists of ordinary equity shares issued by the banks and on which banks can pay dividends.
- **Additional Tier 1 capital** consists of perpetual bonds which have no maturity date and carry interest rates.
- **It is risky in the sense** that if the bank's capital ratio falls below a minimum prescribed level then the banks can stop paying interest or cancel the bonds causing loss to the depositors.
- This what **ultimately happened to the yes bank investor** who bought these AT-1 bonds sold as Super FD by the bank .The Yes Bank stopped paying interest on these bonds and ultimately it was written off when the bank faced financial crisis.
- **Tier 11 capital** consists of unsecured subordinated debts with a maturity of at least five years.

ADDITIONAL INFORMATION -***SEBI :***

- Securities Exchange Board of India (SEBI) was set up on 12 April 1988 and it was given statutory status by the SEBI Act 1992 on 30 January 1992.It comes under the Ministry of Finance, Government of India.
- It is the regulator of the Capital market and Commodities market in India.
- **The first SEBI chairman was Dr S A Dave (1988-90)**
- **Madhabi Puri Buch** is the current and 10th Chairperson of the SEBI.
- Headquarters: **Mumbai**

6. Piyush Goyal launches India US Startup SETU - Supporting Entrepreneurs in Transformation and Upskilling programme in San Francisco (Sept. 7, 2022)

The Union Minister of Commerce and Industry, Piyush Goel launched the India US Startup SETU - Supporting Entrepreneurs in Transformation and Upskilling programme in San Francisco, United States on 6 September 2022.

IMPORTANT FACTS -***Aim of the Startup:***

- Piyush Goyal said it will act as a bridge between Indian and American companies and will support entrepreneurs in transforming, upskilling and leveraging on the success stories of the Indian Diaspora in the US.
- The minister observed that some good ideas of startups don't take off for lack of mentorship, guidance, funds.
- The initiative would connect start-ups in India to US-based investors and start-up ecosystem leaders with mentorship and assistance in various areas including funding, market access and commercialization.
- The interaction will be supported through the mentorship portal under the Startup India initiative **MAARG, or the Mentorship, Advisory, Assistance, Resilience, and Growth** program, which is a single-stop solution finder for startups in India.

What is MAARG ?

- It is a portal which has been launched by the Department for Promotion of Industry and Internal Trade (DPIIT) under the startups India initiative.
- The portal has been developed with the idea that a mentor shall be accessible to the startups, anywhere in the country.

ADDITIONAL INFORMATION -***Points to remember :***

- **January 16** is observed as Startup day as on this day in 2016 the government of India launched its flagship Startup India initiative. The first Startup day was observed in 2022.
- India has become the **third-largest Startup ecosystem** in the world after the US and China.
- Bengaluru based **Neobank Open** is the 100th Unicorn Startup in India.

7. Number of demat accounts in India crosses 10 crore mark (Sept. 7, 2022)

According to data released by depository firms National Securities Depository Limited (NDSL) and Central Depository Services (CDSL), over 22 Lakh new accounts were opened in August, taking the figure to 10 crore and five lakh. In March 2020, the total number of demat account holders in India was four crore and nine lakh.

IMPORTANT FACTS -

- CDSL is currently the largest depository in the country in terms of active demat accounts.

What is the need for a Demat account ?

- If a person wants to buy and sell securities (shares, bonds etc.) on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) or other exchanges, he or she needs a trading account, demat account. Both the account has to be linked with the person's bank accounts.
- **Trading accounts** are needed for the purpose of buying and selling securities.

Then what is a Demat account ?

- Demat is an abbreviation of dematerialised. Dematerialised means which is not in physical form but in an electronic form.
- Market regulator securities and Exchange Board of India (SEBI) has made it compulsory for the companies to issue securities in electronic forms only. Earlier they were issued in physical or paper forms.
- So a person who buys the securities needs a place where to deposit the securities.
- Here the facility is offered by Depository Participants (DP).
- The investor opens Demat accounts with a SEBI registered Depository Participants (DP) to keep their shares, bonds, debentures etc. in electronic form.
- The Demat account is linked with the trading account so that the investor can smoothly buy and sell the securities.

ADDITIONAL INFORMATION -***Depositories Participants :***

- They are financial institutions which are a member of Depositories and they offer the Demat account facilities to the investor. They could be banks, share broking companies etc.

Depositories :

- They are set up in India after the enactment of the Depositories Act 1996. They are licensed and regulated by SEBI.
- There are two Depositories in India and both are based in **Mumbai, Maharashtra.**
- They are **National Securities and Depositories Limited (NSDL)** and **Central Depositories Services India Ltd (CDSL).**
- NSDL was the first depository to be set up in India in August 1996.
- CDSL was set up in 1999.

What do they do ?

- They convert the securities (shares, bonds, etc) issued by companies into electronic form, enabling their buying and selling in the capital market (popularly known as share market). SEBI has made the dematerialisation of securities compulsory in India.

8. All Approvals to Industry to be given by though NSWS by March 2023: DPIIT (Sept. 7, 2022)

The Government of India intends to bring all the states and the Union Territories on board all states that are not a part of the National Single Window System (NSWS) by March 2023.

This was stated by the Department for Promotion of Industry and Internal Trade (DPIIT), Government of India on 6 September 2022.

IMPORTANT FACTS -

What is NSWS ?

- NSWS was launched in September 2021 by **the Department for Promotion of Industry and Internal Trade** (DPIIT) along with **Invest India**.
- It is a digital platform that serves as a guide for **investors** to identify and to apply for approvals as per their **business requirements**.
- **At present 15 States/UTs are integrated with the NSWS. They are Andhra Pradesh, Goa, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu, Telangana, Uttar Pradesh, and Uttarakhand and Nagaland.**

Objective of the National Single Window System ?

- The main objectives of the NSWS are as follows:
- 1) To establish **a single-window mechanism** by integrating the services provided by various Central Ministries, Departments, and State Governments
- 2) To provide a **one-stop-shop** for procuring pre-establishment and pre-operation approvals and permits required to establish a business in India
- 3) To provide **efficient, convenient, transparent, and integrated electronic service to investors, industries, and businesses**
- **DPIIT**
- The Department for Promotion of Industry and Internal Trade (DPIIT) was established in the year 1995 and was reconstituted in the year 2000 with the merger of the Department of Industrial Development.
- The department was earlier called Department of Industrial Policy & Promotion; and was renamed as DPIIT in January, 2019.
- ***It comes under the Ministry of Commerce and Industry :***

ADDITIONAL INFORMATION -

Important Function of the DPIIT :

- It helps in making the Industrial policy of the Government of India
- It is the nodal body for matters related to Foreign Direct Investment (FDI).
- It undertakes promotion of investment for industrial development of the country.
- It is the nodal body for matters relating to Protection of Intellectual Property Rights (IPR) and administers law related to IPR.

Invest India :

- Invest India is a National Investment and Promotion Agency to promote India as an investment destination and encourage Foreign Direct Investment (FDI) in India.
- It was set up as a company in 2009 and started its operation in 2010.
- It is a joint venture of the government and the private sector.
- The Central and State Government holds 49% of the shares in Invest India and the rest 51% is with Industrial bodies (Federation of Indian Chambers of Commerce and Industry (FICCI), National Association of Software Services Companies of India (NASSCOM), Confederation of Indian Industries (CII).

9. Government set up Kirit Parikh committee to review the gas pricing formula to tame inflation (Sept. 7, 2022)

The Union Ministry of Petroleum and Natural Gas on 6 September 2022, has set up a committee to review the pricing formula for locally produced gas to ensure a "fair price to the end consumer".

IMPORTANT FACTS -***Chairman of the committee :***

- The committee will be headed by former planning commission member **Kirit Parikh**.
- It will include members from the fertiliser ministry, as well as gas producers and buyers.

Reason for setting up of the committee :

- The committee will suggest pricing of locally produced natural gas so as to lower inflation in the country and boost the use of cleaner fuel.
- Prime Minister Narendra Modi wants to raise the share of gas in India's energy mix to **15% by 2030** from 6.2%, helping it progress towards meeting a **2070 net zero carbon-emission goal**.

ADDITIONAL INFORMATION -***Fixing of natural gas price in India :***

- In 2014 the government linked the local gas price to a formula tied to global benchmarks, including **Henry Hub, Alberta gas, NBP and Russian gas**.
- In 2016 the government began fixing the maximum prices of gas produced from deep water and allowed marketing freedom to the producer of these gasses.
- ONGC and Reliance are the major producers of deep water natural gas in India.
- The prices of natural gases are now at a record high in India and abroad, and are expected to rise further due to the Russia-Ukraine conflict. This is expected to increase inflation further in India.

Union Minister for Petroleum and Natural Gas : Hardeep Singh Puri.

10. Union Government relaxes moong and Urad limit for Madhya Pradesh under the Price support Scheme (Sept. 6, 2022)

The Union Ministry of Agriculture and Farmers Welfare in a relief to the Madhya Pradesh farmers has relaxed the existing purchase limit of 25 quintals for purchase of Moong and Urad under the Price Support Scheme during summer season 2021-22 .

IMPORTANT FACTS -

- It has been increased to 40 quintals per farmer per day.
- This order was issued on 6 September 2022.

ADDITIONAL INFORMATION -

Price Support Scheme :

- It has been launched by the government of India .
- Under this scheme when the prices of commodities fall below the Minimum Support price (MSP) , state and central notified procurement nodal agencies like NAFED(National Agricultural Marketing Federation of India), purchase commodities directly from the farmers at MSP under specified Fair Average Quality,
- This helps and protects the farmers against the economic loss in farming.

Madhya Pradesh as a leading Agricultural state :

- Madhya Pradesh is also known as Soyabean state.
- It ranks 1st in the country in the production of Soyabean, Urad, Tur, Massor and Linseed.
- It ranks 2nd in the production of Maize, Sesame, Ramtil, Moong.
- It ranks 3rd in the production of Wheat, Sorghum and Barley.

Union Minister for Agriculture and Farmer Welfare : **Narendra Singh Tomar**