

Current Affairs search results for tag: economyfinance

1. The Centre has extended the wheat procurement season till 31st May, 2022. (May 16, 2022)

The Centre has extended the wheat procurement season till May 31, 2022.

- The Centre has asked states and union territories to continue procurement till the end of May.
- Farmers are expected to benefit from the extended period of wheat procurement.
- The decision has been taken in view of the request by the state governments to continue the procurement process.
- Procurement of wheat under central pool in Rabi marketing season 2022-23 is going on smoothly.
- The central government has also decided to ban the export of wheat to check the high prices of wheat.
- Till May 14, 180 lakh tonnes of wheat has been procured, due to which about 16.83 lakh farmers have benefited from the MSP price of Rs 36,208 crore.
- **Why did India ban the export of wheat?**
- Record retail inflation has dashed India's export hopes.
- While the prices of wheat have increased by about 20%, the prices of essential food items like flour have increased by about 15% last year.
- Apart from bread and biscuits, there has also been an increase in the prices of other food items in which wheat is used.
- In late March, the heatwave affected the production of food grains, especially in Northwest India.

2. PM reviews various aspects of wheat supply, stock and exports (May 6, 2022)

Prime Minister Narendra Modi chaired a meeting to review various aspects of wheat supply, stock and exports.

- PM Modi was briefed about the effect of high temperatures in the months of March to April on crop production.
- The position of procurement and export of wheat was also reviewed.
- The Prime Minister directed that all steps be taken to ensure quality norms and standards so that India can develop as an assured source of food grains and other agricultural products.

- Modi also asked the officials to ensure maximum help to the farmers.
- The officials informed the Prime Minister about the prevailing market rates which are beneficial for the farmers.
- **Status of procurement of wheat in India**
- The procurement of food grains at the Minimum Support Price (MSP) by the government will hit a 13-year low this year.
- In 2010-11, wheat procurement was 22.5 MT and in 2016-17, it was 22.96 MT.
- MSP purchases of wheat stood around 17 MT as on 5 May, down 42% from the year-ago level.
- India is aiming to export more than 10 metric tonnes of wheat in 2022-23.
- According to the revised guideline, during the remaining five months of phase VI of Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), FCI will allocate 3.5 million tonnes (MT) of wheat to states.
- Launched in 2020 as part of COVID19 relief measure, 5 kg of grain under PMGKAY are provided free each month besides highly subsidised foodgrain to beneficiaries under National Food Security Act.

3. The Reserve Bank of India has increased the cash reserve ratio (CRR) for banks (May 4, 2022)

The Reserve Bank of India has increased the cash reserve ratio (CRR) for banks by 0.50 percent to 4.5 percent.

- On May 4, 2022, in the meeting of the Monetary Policy Committee (MPC) of the Reserve Bank of India, Reserve Bank Governor Shaktikant Das announced an increase in the CRR.
- In the meeting of the Monetary Policy Committee (MPC), it was decided to increase the repo rate by 0.40 percent to 4.4 percent.
- The new rates will be applicable from May 21.
- **What is Cash Reserve Ratio (CRR)?**
- CRR refers to the bank deposits that banks need to keep with the central bank in cash.
- **What is the repo rate?**
- Repo rate is the rate at which the central bank of a country (RBI in India's case) lends money to commercial banks when they are short of funds. Here the central bank buys securities.
- **What will be the effect of the hike in repo rate?**
- The increase in the repo rate by the RBI will increase the EMI of other loans like home and car loans.

- An increase in the repo rate can help bring down inflation. The Reserve Bank believes that due to the costlier interest rate, the inflation rate will be controlled.
- The impact of increasing the repo rate will also affect the savings bank account and FD. Banks can increase the interest rate on your savings account and fixed deposits.

4. GeM reaches all-time high of over Rs 15,000 crore for Financial Year 2021-22 (May 2, 2022)

The purchase orders by the Defence Ministry through the Government e-Market (GeM) portal have reached an all-time high of Rs 15,047.98 crore for the financial year 2021-22.

- This is a jump of over 250 per cent as compared to the previous financial year.
- **Government e-Market (GeM) portal**
- GeM is an acronym for One Stop Government e-Market Place hosted by DGS&D where common user goods and services can be procured.
- GeM is a dynamic, self-sustaining and user-friendly portal for procurement by government officials.
- Public procurement is a very important part of government activity and reform of public procurement is one of the top priorities of the present government.
- The Government e-Marketplace originated in January 2016 based on the recommendations of two Groups of Secretaries.
- Apart from reforms in DGS&D, they recommended setting up of a dedicated e-market for various goods and services bought or sold by the Government/PSUs.
- Subsequently, the Finance Minister in his budget speech for the financial year 2016-17 announced the setting up of a technology driven platform to facilitate procurement of goods and services by various ministries and agencies of the government.
- DGS&D with technical support from the National e-Governance Division (Ministry of Electronics & Information Technology) has developed a GeM portal for procurement of both products and services.
- The portal was launched on 9 August 2016 by the Minister of Commerce and Industry.

5. GST Revenue collection for April 2022 highest ever at Rs 1.68 lakh crore (May 2, 2022)

According to the data released by the Union Finance Ministry, the highest level of collection recorded since the implementation of GST in July 2017 rose to Rs 1.68 lakh crore in April.

- The gross GST revenue collected in the month of April, 2022 is–
- CGST is Rs 33,159 crore
- SGST is Rs 41,793 crore

- IGST is Rs 81,939 crore (including Rs 36,705 crore collected on import of goods).
- Cess is Rs 10,649 crore (including Rs 857 crore collected on import of goods).
- Gross GST collection in April 2022 is the highest ever, an increase of Rs 25,000 crore over the previous month's highest collection of Rs 1,42,095 crore.
- The revenue for the month of April 2022 is 20% more than the GST revenue in the corresponding month of last year.
- During April, revenues from import of goods were 30% higher and the revenues from domestic transactions were 17% higher than the revenues from during the same month last year.

6. India's Pharma exports grow by 103% since 2013-14 (May 2, 2022)

Indian pharma exports witnessed a growth of 103% since 2013-14, from Rs 90,415 crore in 2013-14 to Rs 1,83,422 crore in 2021-22.

- The exports achieved in 2021-22 is the best ever export performance of the pharma sector.
- This is a remarkable increase with exports increasing by about US\$ 10 billion in 8 years.
- The trade balance remains in India's favour with a surplus of USD 15175.81 million.

• India's Pharma industry

- India is the world's third-largest pharmaceutical producer.
- Indian pharma companies have made India a global mark with 60% of the world's vaccines and 20% of generic drugs.
- The share of the drug in India's global exports is 5.92 percent.
- Currently, more than 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical companies.
- It contributes 1.5% to the Indian GDP.
- India's top five pharma export destinations are the US, UK, South Africa, Russia and Nigeria.
- The pharmaceutical industry in India offers 60,000 generic brands across 60 therapeutic categories.

7. Core Industries grow by 10.4% during FY 2021-22 (April 30, 2022)

The cumulative growth rate of the Index of Eight Core Industries (ICI) posted robust growth of 10.4 percent during 2021-22 fiscal as compared to the corresponding period of previous Financial Year.

- According to data from the Ministry of Commerce and Industry, the combined index of eight core industries rose 4.3% in March this year compared to the index for March 2021.
- The growth in the production of natural gas stood at 7.6%, steel index appreciated 3.7%, cement index grew 8.8% and electricity stood at 4.9% during the month of March 2022.
- Refinery Products grew 6.2% and fertiliser output grew by 15.3% in March this year.
- ICI measures combined and individual performance of production in selected eight core industries viz Coal, Natural Gas, Crude Oil, Fertilisers, Refinery Products, Steel, Cement and Electricity.
- The eight core industries comprise 40.27 per cent of the weight of the items included in the Index of Industrial Production (IIP).

8. Release of over Rs 2 lakh cr as GST compensation to States for FY 2020-21 (April 28, 2022)

The Finance Ministry has said that an amount of Rs 2 lakh 78 thousand crore has been released to the states as GST compensation for the financial year 2020-21.

- The ministry has so far released 7 lakh 35 thousand crore rupees to the States including the assistance released on back-to-back basis.
- Presently only Rs 78 thousand 704 crore compensation for the year 2021-22 is pending due to insufficient amount in the fund, which is equivalent to four months' compensation.
- Normally, compensation for ten months of April to January of any financial year is released during that year and the compensation of February and March is released only in the next financial year.
- The GST compensation for eight out of the ten months of 2021-22 has already been released to the states and the pending amount will also be released after the cess amount is deposited in the Compensation Fund.
- At the time of the introduction of the Goods and Services Tax, GST, a constitutional amendment provided that Parliament would, by law, provide compensation to the States for the loss of revenue due to the introduction of the GST, for a period of five years.

9. IFSCA Issues Framework for FinTech Entity in International Financial Services Centres (April 27, 2022)

- The International Financial Services Centres Authority (IFSCA), has issued a "Framework for FinTech Entity in the IFSCs".
- The Framework aim is giving boost to the establishment of a world class FinTech Hub at GIFT IFSC comparable with other International Financial Centres (IFCs).
- The framework proposes to cover financial technology (FinTech) solutions resulting in new business models, applications, processes or products in areas/activities linked to financial services regulated by IFSCA.

- It covers advanced/innovative technological solutions which aid and assist activities in relation to financial products, financial services and financial institutions (TechFin).
- The framework provides for a dedicated Regulatory Sandbox for FinTech products or solutions namely IFSCA FinTech Regulatory Sandbox.

10. Exports of Indian chemicals register growth of 106% in 2021-22 over 2013-14 (April 27, 2022)

The export of Indian chemicals has registered a growth of 106 percent in 2021-22 as compared to the year 2013-14.

- India's chemical exports for 2021-22 set a record at US\$ 29296 million, while India's chemical exports stood at US\$ 14210 million in 2013-14.
- The growth in exports of chemicals has been driven by a jump in shipments of organic, inorganic chemicals, agrochemicals, dyes and dye intermediates, specialty chemicals.
- Today the Indian chemical industry has become a global player and earns foreign exchange for the country with the "Make in India" approach.
- **India's position in chemical production**
 - India is the sixth largest producer of chemicals in the world and the third largest in Asia.
 - India ranks 14th position in export of chemicals.
 - Today India is a leader in the production of dyes and contributes 16%-18% of the world's dyestuff exports.
 - Indian dye is exported to more than 90 countries. India is the fourth largest producer of agrochemicals in the world and manufactures more than 50% of technical grade pesticides.
 - About 50% of the agrochemicals in the world are exported from India.
 - India is the largest producer and exporter of castor oil in the world and is responsible for almost 85-90 % of total global exports in this segment.