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1. World Bank cuts India's economic growth forecast to 7.5% for FY23 (June 8, 2022)

The World Bank on June 7 slashed India's economic growth forecast for the current fiscal to 7.5 per cent, keeping in mind rising inflation, supply chain stagnation and geopolitical tensions.

- This is the second time that the World Bank has revised its GDP growth forecast for India in the current fiscal year 2022-23 (April 2022 to March 2023).
- In April 2022, the World Bank had lowered the forecast from 8.7 percent to 8 percent, after which it is now estimated to be 7.5 percent.
- **Economic growth forecast expected to be 7.1 percent in 2023-24**
- The World Bank report also said that India's growth is expected to slow further to 7.1 per cent in 2023-24.
- However, this is 30 basis points higher than the previous estimate of 6.8 percent.
- **India's GDP growth 6.5 percent in 2025**
- India's GDP growth for the financial year 2024-25 has been pegged at 6.5 percent by the World Bank.
- However, this figure of decline in the growth forecast for the financial year 2022-23 is higher than the local estimation.
- The Reserve Bank of India (RBI) has pegged GDP growth at 7.2 per cent for the financial year 2022-23.
- **India's other growth projections**
- **Global rating agencies** also downgraded India's economic growth forecast.
- **Moody's Investors Service** cut its GDP forecast for 2022 to 8.8 percent from 9.1 percent, citing high inflation.
- **S&P Global Ratings** too had cut India's growth projection for 2022-23 to 7.3 per cent, from 7.8 percent.
- In March, **Fitch** had cut India's growth forecast to 8.5 per cent, from 10.3 percent.
- **The IMF** has also lowered the projection to 8.2 percent from 9 per cent.
- **Asian Development Bank (ADB)** has pegged India's growth at 7.5 per cent.
- In April, the **RBI** lowered the forecast to 7.2 per cent from 7.8 per cent amid volatile crude oil prices and supply chain disruptions due to the Russia-Ukraine war.

2. 51st Session of Standing Committee for Promotion of Exports (Shipping) (June 4, 2022)

The Standing Committee for Export Promotion (Shipping) held its 51st session on June 3, 2022 at Udyog Bhawan, New Delhi.

- It was presided over by the Special Secretary, Logistics Division, DPIIT Amrit Lal Meena.
- The Chairman advised shipping associations to implement uniform best practices across the country to make Indian exports more competitive in global markets.
- There was active participation of industry associations and organisations like INSA, FFFAI, CFSAI AMTOI, IPA, FICCI, CBIC and FIEO in this session.
- Since the launch of PM Gatishakti on 13 October 2021, focusing on resolving user issues has been an essential commitment of the Government.
- The Forum's first meeting took place after India successfully crossed the US\$ 400 billion target for exports in FY 2021-22.
- During the meeting all the issues were classified into three major groups -

1. Procedural issues

2. Issues impacting logistics costs

3. Technology related issues to enhance EXIM efficiency

- **About Department for Promotion of Industry and Internal Trade (DPIIT)**

- In the year 2019, the Department of Industrial Policy and Promotion (DIPP) was renamed as Department for Promotion of Industry and Internal Trade (DPIIT).
- It is administered by the Ministry of Commerce and Industry.
- It is a nodal government agency to formulate and implement development strategies for the industrial sector, along with other socio-economic objectives and national priorities.

3. U.S. becomes India's biggest trading partner at \$119 billion (May 30, 2022)

In the year 2021-22, the US overtook China to become India's top trading partner, reflecting strong economic ties between the two countries.

- As per commerce ministry data, bilateral trade between the US and India stood at \$119.42 billion in 2021-22, as against \$80.51 billion in 2020-21.
- India's exports to the US increased to \$76.11 billion in 2021-22 from \$51.62 billion in the previous fiscal While imports increased to \$43.31 billion in 2020-21 as compared to about \$29 billion.
- During 2021-22, India's two-way trade with China stood at \$115.42 billion as compared to \$86.4 billion in 2020-21.
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- Exports to China marginally increased to \$21.25 billion last fiscal year from \$21.18 billion in 2020-21, while imports jumped to \$94.16 billion from about \$65.21 billion in 2020-21.
- The trade gap widened to \$72.91 billion in 2021-22 from \$44 billion in the previous fiscal.
- **Reason of increasing bilateral trade with the US**
- Strengthening of economic ties between the two countries.
- Global firms are reducing their dependence only on China for their supplies and diversifying business to other countries such as India.
- India has joined the US-led initiative to establish the Indo-Pacific Economic Framework (IPEF) and the move will further boost economic ties.
- **Major export items from India to the US**
- Petroleum polished diamonds, pharmaceutical products, jewellery, light oils and petroleum, frozen shrimp, made ups etc.
- **Major import items from US to India**
- Petroleum, rough diamonds, liquified natural gas, gold, coal, waste and scrap, almonds etc
- **Important facts**
- China was India's top trading partner from 2013-14 till 2017-18 and also in 2020-21.
- Before China, UAE was India's largest trading partner.

4. Govt launches Indian Business Portal - e-commerce marketplace (May 28, 2022)

launched the Indian Business Portal – an international trade hub for Indian exporters and overseas buyers.

- **About the Portal**
- The Portal is designed and developed by Federation of Indian Export Organisations (FIEO) in partnership with GlobalLinker.
- It is a B2B digital marketplace to empower Small and Medium Enterprises (SME) exporters, artisans and farmers to identify new markets for their products and increase their sales globally.
- It will support MSME and encourage greater exports of products Made in India.
- The portal will act as an e-commerce marketplace to help Indian exporters gain global visibility.
- **Objectives of the Portal**
- Digitising Indian exporters and helping them enable online search

- Promoting exports from all Indian states
- Demonstrate India's strength in wide range of products and services
- Encouraging virtual meetings between buyers and sellers
- To provide a trusted network from Indian Exporters to Foreign Buyers

5. Govt allows duty-free import of 20 lakh tn per year of crude soyabean, sunflower oil (May 25, 2022)

The government on May 24 waived off customs duty and Agriculture Infrastructure Development Cess on 20 lakh metric tonnes of annual import of crude soybean and sunflower oil to reduce domestic prices.

- Duty free import of 20 lakh metric tonnes per annum for crude soybean oil and crude sunflower oil will be applicable for two financial years i.e, 2022-23, 2023-24.
- It will help in reducing domestic prices and control inflation.
- Last week, to control inflation, the government cut excise duty on petrol and diesel and exempted import duty on some raw materials which are used in the steel and plastics industry.
- A rise in prices of all commodities from fuel to vegetables and cooking oil led wholesale price inflation to a record high of 15.08% in April, 2022 and retail inflation to an eight-year high of 7.79%.
- India mainly imports palm oil from two countries Malaysia and Indonesia.
- Whereas other oils such as soya and sunflower come from Argentina, Brazil, Ukraine and Russia.

6. Ruchi Soya to buy Patanjali Food Business for 690 crores (May 19, 2022)

Edible oil company Ruchi Soya has announced that it will buy the food division of Patanjali Ayurved for Rs 690 crore.

- Ruchi Soya Industries Limited will be renamed as Patanjali Foods Limited after regulatory approval.
- The 21 products from the food industry acquired include ghee, honey, spices, juices and wheat.
- **Key points**
 - According to a company source, Ruchi Soya will pay an annual royalty of 1% of the gross turnover of the items to Patanjali Ayurved under the transfer agreement.
 - The Board of Patanjali Ayurved has approved the transfer of the food business to Ruchi Soya Industries.

- Ruchi Soya will receive production units in Padarth (Haridwar, Uttarakhand) and Nevasa (Maharashtra) as part of the agreement.
- Employees, assets, contracts, licences and permits, distribution network and consumers associated with Patanjali Ayurved's food retail business will all be transferred.
- Patanjali Group had acquired Ruchi Soya in 2019 for Rs 4,350 crore through insolvency proceedings.

7. India bans wheat exports with immediate effect (May 14, 2022)

The central government has banned the export of wheat with immediate effect. The Directorate General of Foreign Trade issued a notification in this regard.

- **Why has the central government banned the export of wheat?**
- The export policy of wheat has been amended to manage the overall food security of the country.
- The ban has been imposed to support the needs of neighbouring countries and other vulnerable countries.
- The decision to ban the export of all types of wheat with immediate effect will bring down the market prices of wheat immediately and bring it closer to the MSP of Rs 2,015 per quintal.
- **India's wheat exports**
- India's wheat exports rose to 7 million tonnes worth USD 2.05 billion in 2021-22 due to strong global demand.
- In the last fiscal, about 50 per cent of the total wheat exports were exported to Bangladesh.
- The country exported around 963,000 tonnes of wheat this year against 130,000 tonnes in the same period last year.
- India was looking to export 10 million tonnes of wheat in 2022-23.
- India would send trade delegations to nine countries – Thailand, Morocco, Turkey, Indonesia, Tunisia, the Philippines, Vietnam, Algeria and Lebanon to explore possibilities of boosting wheat shipments.
- India's wheat purchases have also declined sharply by 44 per cent to 16.2 million tonnes as of May 1 in the current Rabi marketing season.
- The rabi marketing season runs from April to March.

8. PM Modi launched Madhya Pradesh Startup Policy (May 13, 2022)

Prime Minister Narendra Modi launched Madhya Pradesh Startup Policy through video conferencing.

- Modi addresses the startup community during the Madhya Pradesh Startup Conclave being held in Indore.
- The Prime Minister also launched the Madhya Pradesh Startup portal, which will facilitate and help promote the startup ecosystem.
- The Madhya Pradesh Startup Conclave was attended by various pillars of the startup ecosystem including policy makers, innovators, entrepreneurs, academicians, investors, consultants and other stakeholders from government and private sector.

- **Objective of Policy**

- Strengthen the startup culture by nurturing entrepreneurial skills
- Encourage setting up of new technological business incubation centres
- Encourage and inspire youth to develop innovative ideas
- Promote entrepreneurship activities among the youth of the state, thereby enabling sustainable and inclusive socioeconomic development across the state
- Promote and develop employment opportunities for the youth within the state

- **Highlight of the policy**

- An entity shall be deemed to be a Startup for a period of five years from the date of incorporation/registration, If it is incorporated as a Private Limited Company or is registered in India as a Partnership Firm or Limited Liability Partnership.
- Turnover of the entity for any of the financial years, since incorporation, should not exceed INR 25 crore.
- The entity must work towards innovation, development or improvement of products or processes or services.
- The state offers special incentives for women-led startups in the form of interest subsidy of 8% on loans up to three years, not exceeding INR 5 lakh.
- The state provides incentives for lease subsidy up to INR 5 lakh for women-led startups.

- **Startup Ecosystem in Madhya Pradesh**

- The state's smart cities are serving as platforms to launch incubators and coworking spaces such as Jabalpur Incubation Centre in India.
- MP Venture Finance Limited (MPVFL) has been set up to provide access to venture capital funds to startups and has received approval from the Securities and Exchange Board of India (SEBI).
- Startup Incubator Cell is managed by the state nodal officer for startups.
- There are 1,937 start-ups recognized by the central government in Madhya Pradesh and 45 percent of them are run by women.
- About 31 percent startups in the state are located in Bhopal and 44 percent in Indore.

9. India achieves merchandise export of 38.19 billion dollar in April (May 4, 2022)

In the first month of the current financial year i.e. April 2022, India's merchandise exports have increased by 24.22 percent and with this it has reached \$ 38.19 billion.

- Last month, non-petroleum exports were valued at US\$ 30.46 billion, showing a growth of 12.32 per cent in exports over the same period last year.
- On the other hand, non-petroleum and non-gems and jewellery exports were valued at US\$ 27.16 billion last month, showing a growth of 14.38 per cent over the exports recorded in the same period last year.
- Petroleum products 113.21 per cent, electronic goods 64.04 per cent and chemicals 26.71 per cent led the way for higher growth in exports during the previous month.
- India's merchandise import last month was 58.26 billion US dollar, an increase of 26.55 percent over 46.04 billion US dollar in April last year.
- Non-petroleum imports were valued at US\$ 38.75 billion last month, showing a positive growth of 9.87 per cent as compared to non-petroleum imports of US\$ 35.27 billion in April last year.
- The trade deficit last month stood at US\$ 20.07 billion.

10. India launches pilot phase of open e-commerce network (May 2, 2022)

India has launched the pilot phase of Open Network for Digital Commerce (ONDC) in five cities.

- ONDC is a UPI-type protocol and the entire exercise is aimed at expanding the reach of the fast-growing e-commerce sector to far-flung areas, helping small retailers and reducing the dominance of online giants.
- The initiative also aims to curb the dominance of the two big multinational e-commerce players, who control more than half of the country's e-commerce business.
- ONDC is a set of standards for voluntary adoption by vendors or logistics providers or payment gateways.
- The pilot phase aims to connect 150 retailers across five cities – Delhi NCR, Bengaluru, Bhopal, Shillong and Coimbatore.
- Presently 80 firms are working with ONDC and they are in various stages of integration.
- These companies are building their apps for sellers, buyers, logistics or payment gateways.