

Current Affairs search results for tag: economyfinance

1. Binesh Kumar Tyagi takes over as CMD of the Shipping Corporation of India (Sept. 6, 2022)

The government of India owned Shipping Corporation of India has said that Binesh Kumar Tyagi has taken over as its Chairman and Managing Director (CMD).

Binesh Kumar Tyagi was heading the Liner and Passenger Services Division as Director (L&PS) since January 7, 2021 in the company

IMPORTANT FACTS -

Shipping Corporation of India :

- It is the largest shipping company in India.
- The Shipping Corporation of India was set up on 2 October 1961.
- It comes under the Union Ministry of Ports, Shipping and Waterways.

ADDITIONAL INFORMATION -

Headquarters: **Mumbai, Maharashtra**

2. Tea export in the first 6 months of the year increases to 96.89 million Kg (Sept. 6, 2022)

According to the Tea Board of India, Kolkata, the total export of tea during the first six months January to June 2022 has increased to 96.89 million kg as compared to 86.46 million kg in the similar previous period.

Total value of exports in rupee terms increased to Rs 2,532.67 crore in the current first half as compared to Rs 2306.77 crore in the previous similar period.

IMPORTANT FACTS -

Major Tea Export Market for India :

The largest export market for India is still the **Commonwealth of Independent countries (CIS)**. CIS is a group of 9 countries who were once part of the Soviet Union. It includes Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, and Uzbekistan.

The export of tea has decline to the CIS countries in the first six month of the current year due to Russia-Ukraine war. It has declined to 20.58 million kg during the current six months against 21.04 million kg in the previous period of 2021.

Country wise :

The largest export market for Indian tea was the **United Arab Emirates (UEA)**. It imported 15.86 million kg during the current first six months as against 6.76 million kg in the previous similar period.

In **second place was Russia with** an import of 14.76 million kg.

At the **third place was Iran** with an import of 11.43 million kg in the current first half as against 10.04 million kg in the previous period.

ADDITIONAL INFORMATION -

Largest Exporter of Tea in the world (2021 data) :

India is the 2nd largest producer of tea in the world after China. It is the fourth largest exporter of tea in the world.

The largest exporter of tea in the world is Kenya (28% of global export) followed by China (19%), Sri Lanka (14%) and India (11%).

3. CCI approves the acquisition of BillDesk by PayU Payment (Sept. 6, 2022)

The Competition Commission of India (CCI) on 5 September 2022, through a tweet said it has approved payments major PayU's \$4.7 billion (about Rs 34,400 crore) acquisition of online payments firm Bill Desk.

IMPORTANT FACTS -

- It has approved the acquisition of 100% of the equity share capital of Indialdeas.com Limited (IIL) owner of BillDesk by PayU Payments Private Limited (PayU India) under Section 31(1) of the Competition Act, 2002.
- Last year in August, **Netherland based** global consumer internet group and technology investor Prosus NV had announced that an agreement had been reached between PayU and the shareholders of BillDesk to acquire BillDesk for \$4.7 billion.
- The PayU-BillDesk deal is the **second-largest buyout** in the Indian internet sector after Walmart's \$ 16 billion acquisition of e-commerce major Flipkart in 2018. This will involve the merger of the payments gateway business of two of India's largest players
- PayU India and BillDesk primarily provide payment aggregation services that enable merchants (and other entities) to receive payments from their customers across various digital payment methods.

ADDITIONAL INFORMATION -

Competition Commission of India (CCI) :

- The Competition Commission of India (CCI) is the chief national competition regulator in India.
- It was set up under the Competition Act, 2002
- It comes under the Ministry of Corporate Affairs.
- It promotes healthy market competition and prevents activities that have an adverse effect on competition in India.
- CCI also approves combinations under the act so that two merging entities do not overtake the market.

Headquarter - **New Delhi**

Current Chairman - **Ashok Kumar Gupta**

4. India's External debt grew by 8.2% year on year ending March 2022 (Sept. 5, 2022)

Releasing the 28th edition of the Status Report on India's External Debt 2021-22 the Department of Economic Affairs (DEA), Ministry of Finance, said that India's external debt is being managed prudently and is sustainable. There is no fear of any Sri Lanka type situation.

According to the report, from a cross-country perspective, India's external debt is modest, occupying 23th position globally.

Total External Debt of the country

The total external debt of the country at the end of March 2022 was **USD 620.7 billion** as compared to USD 573.7 billion in the same time period.

It grew by **8.2%** as compared to the same time period last year.

Long and short term debt share in total external debt

The **long-term debt** was estimated at **USD 499.1 billion**. Long term debt means loans which have a duration of one years or more.

The share of the long term debt in the total external debt was **80.4 per cent**. Higher the ratio of the long term debt in the total debt is a good sign for a country.

The **short-term debt** was at **USD 121.7 billion**. The share of the short term debt in the total external debt was **19.6 percent** of the total debt. The short-term trade credit was predominantly in the form of trade credit (96 per cent) financing imports.

Short term debt means it has a maturity period of less than one year.

Favourable debt indicators

External Debt as a ratio to GDP fell to 19.9 per cent as at end-March 2022 from 21.2 percent a year ago.

Foreign currency reserves as a ratio to external debt stood slightly lower at **97.8 per cent** as at end-March 2022 than 100.6 per cent a year ago. It means that India has enough foreign exchange to pay off its entire debt.

The share of the **sovereign borrowing** (money borrowed by the Government of India) was **USD 130.7 billion**. It increased by 17.1 percent over the same period last year mainly due to additional allocation of Special Drawing Rights (SDR) by the International Monetary Fund (IMF) during 2021-22.

The **non-sovereign debt** (borrowed by companies), on the other hand, grew 6.1 per cent to **USD 490.0 billion** over the level as of end-March 2021.

Commercial borrowings, NRI deposits and **short-term trade credit** are the three biggest constituents of the non-sovereign debt, accounting for as much as 95.2 per cent.

While NRI deposits declined by 2 per cent to USD 139.0 billion, commercial borrowings at USD 209.71 billion and short-term trade credit at USD 117.4 billion rose by 5.7 per cent and 20.5 per cent, respectively,

While **53.2 percent** of the total external debt is denominated in **US dollar**, Indian rupee denominated debt, estimated at **31.2 per cent**, was the second largest.

The **debt service ratio** fell to 5.2 per cent during 2021-22 from 8.2 per cent during 2020-21 due to buoyancy in current receipts and a decline in debt service payments.

5. India's Longest Railway Tunnel of 14.57 Km to be built in Uttarakhand (Sept. 5, 2022)

The Indian Railways is going to construct the longest railway tunnel in India. It will be **14 kilometres** long between **Devprayag and Janasu** in Uttarakhand, and will be part of the ambitious 125km Rishikesh-Karnaprayag broad gauge line.

It will be the longest railway tunnel surpassing the under construction Tunnel **T-49 which is 12.758 km long** and is being built on the Udhampur Srinagar Baramulla Rail Link Project in Jammu and Kashmir.

A 125.20 km railway line connecting Rishikesh and Karnaprayag will stretch across five districts of the state: Dehradun, Tehri Garhwal, Pauri Garhwal, Rudraprayag and Chamoli.

Government of India owned Rail Vikas Nigam Ltd (RVNL) is executing this 125 km long railway line

The total cost of the project is Rs 23,000 crore and it is expected to be completed by December 2024.

Longest Railway Tunnel :

At present, the **11.2 km long Pir Panjal Tunnel** on the Banihal-Qazigund section in Jammu and Kashmir is the longest functioning railway tunnel in India.

6. India set to become third largest economy in the world by 2029: SBI (Sept. 4, 2022)

State Bank of India (SBI) in its latest research report **Ecwrap** published on 3 September 2022 has projected the Indian economy to become the third largest economy by surpassing Japan in 2029.

Quoting IMF data, a recent [Bloomberg report](#) has said that the Indian economy overtook the United Kingdom economy at the end of December 2021 to become the 5th largest economy in the world.

At present the world's largest economy is the United States followed by China, Japan and Germany and India.

Main points of the report :

The Indian economy grew by [13.5% in the first quarter](#) of the financial year 2022-23. India is still the fastest growing economy amongst the major economies in the world .

The SBI research paper assumes that the Indian economy will grow at an average growth rate of 6 per cent to 6.5 percent in the foreseeable future .

If it happens then the Indian Gross Domestic Product(GDP) share in the world GDP which is now at 3.5 per cent, is likely to cross 4 per cent in 2027, the current share of Germany in global GDP.

With this growth rate the Indian economy will become the third largest economy in the world by 2029. In 2014 India was ranked the 10th largest economy in the world .

It will surpass Germany in 2027 and Japan in 2029.

Note :

SBI has assumed Nominal GDP while making this forecast.

India's Transition since 2014 :

Rank in the world	Year
10	2014
7	2015
6	2019
5	2022
4	2027 (provisional)
3	2029 (provisional)

Source IMF, SBI research

7. India becomes the second largest market for wearable watches in the world (Sept. 3, 2022)

India has surpassed China to become the second biggest smartwatch market in the world. According to the United Kingdom based market research company, Counterpoint, at the end of June 2022 quarter, the Indian market grew by 347% as compared to the same period last year. During the June 2022 quarter the global market grew at just 13%.

Main Points of the report

North America remains the **largest** smartwatch market in the world with a shipment of 26% of the global market.

India was **the second largest** market in the world with a shipment of 22% of the global market.

China remained the **third largest** market with a shipment of 21% of the global market.

Smartwatch Brand in the world

The world's largest smartwatch company was **Apple** accounting for 29.3% of the overall shipments, followed by **Samsung** (9.2%), Huawei (6.8%), Fire-Boltt (6.3%) and Noise (5.9%).

Fire-Bolt and Noise are Indian companies and they have been included in the top five companies of the world for the first time.

8. IndusInd Bank with ADB sets up partial guarantee to finance MSME in supply chains (Sept. 3, 2022)

IndusInd Bank has signed an agreement with the Asian Development Bank (ADB) for a partial guarantee programme with an initial outlay of **\$70 million (Rs 560 crore)**, for supply chain financing.

Under this agreement ADB will provide partial credit guarantees to lenders.

It means that if the customer defaults on loan repayment which is covered under the partial guarantee then ADB will pay the guaranteed portion of the principal and interest to the bank.

The IndusInd bank hopes to increase its business in the Micro Small and Medium Enterprise (MSME) financing through this partnership.

IndusInd Bank

It is a scheduled commercial private sector bank .The bank was set up by the Hinduja group in 1994.

Headquarters: **Mumbai**

Managing Director and Chief Executive Officer: **Suman Kathpalaia**

Tagline of the Bank: **We Care Dil Se : We Make You Feel Richer**

Asian Development Bank

- It was set up in 1966.
- Its headquarters is at Mandaluyong City, Manila, Philippines
- Total member countries : 68
- President of ADB : Masatsugu Asakawa of Japan

9. RBI gives lenders time till end-November to comply with new digital loans guidelines (Sept. 3, 2022)

The Reserve Bank of India (RBI), has given lenders until the **end of November** to put in place systems and processes to ensure existing digital loans are in compliance with the regulator's rules issued on 10 August 2022. This direction was issued by the RBI on 2

September 2022. However, for new and existing customers availing fresh loans, these norms will be applicable immediately.

The Reserve Bank of India on 10 August issued detailed guidelines that will increase scrutiny and supervision over digital lending apps and lenders who engage with them on 10 August 2022. This was done by RBI after receiving many reports of malpractices by the digital lending apps and lenders who engage with them.

Digital lenders are those entities which provide loans online. The entire process takes place online and there is no physical interface between the lender and the borrower.

Working Group on Digital lending

RBI had set up a working group on 'digital lending including lending through online platforms and mobile apps' (WGDL) on January 13, 2021, with **Jayant Kumar Dash**, Executive Director, RBI as the Chairman.

The working group was set up by the RBI after there were several complaints of malpractices by the online lending apps.

Main points of the RBI Guidelines

Classification of online lenders

RBI has classified the online lenders into three categories;

- entities regulated by the RBI and permitted to carry out lending business;
- entities authorized to carry out lending as per other statutory/regulatory provisions but not regulated by RBI; and
- Entities lending outside the purview of any statutory/ regulatory provisions.

Guidelines applicable on which category of entities

RBI has said that its guidelines will be applicable on entities (Banks, NBFC) that are regulated by the central bank and the lending service providers (LSPs) engaged by them. Lending service providers are the intermediary between the regulated entities and the borrower. In simpler terms it is an online platform which brings the lender and the borrower online.

Guidelines of RBI

- All loan disbursements and repayments are required to be executed only between the bank accounts of the borrower and the regulated entities. It shall not be routed through any LSP or third party.
- Any fees, charges, etc., payable to LSPs in the credit intermediation process has to be paid directly by the regulated entity and not by the borrower.
- The all-inclusive cost of digital loans in the form of Annual Percentage Rate (APR) is required to be disclosed to the borrowers.
- There cannot be an automatic increase in the credit limit without explicit consent of the borrower.
- Any lending sourced through DLAs (Digital Lending Apps) have to be reported to Credit Information Companies (CICs) by regulated entities irrespective of its nature or time period. This is particularly important given a number of 'buy now, pay later' players were not reporting the loans they were offering to CICs.
- RBI has said the data collected by Digital lending Apps (DLAs) has to be need based, they should have clear audit trails and should be only done with prior explicit consent of the borrower.

10. GMR Group to sell its entire 40% stake in Philippines' Cebu airport (Sept. 3, 2022)

The New Delhi based Multinational GMR Group, on 2 September 2022, has said that it will divest its entire 40 per cent stake in Cebu international airport in Philippines for a payment of Rs 1,330 crore.

However the GMR will continue to provide consultancy service to the Airport till 2026 and will earn revenue for it.

According to GMR, the company will now focus on high growth opportunities. It will now use the capital to invest in the **Kualanamu International Airport** at Medan, Indonesia. The Kualanamu International Airport is being developed and operated by GMR Airports International.

Mactan Cebu International Airport

It is the second largest Airport of the Philippines after the Ninoy Aquino International Airport Manila.

In 2014, GMR Infrastructure in partnership with Megawide Construction Corporation of Philippines won the bid to operate and develop the Mactan Cebu International Airport.

Both the Megawide Construction Company and GMR are selling their stake to Aboitiz InfraCapital Inc. of Philippines.

Currency of Philippines: Philippine pesos**GMR Airports International**

GMR Airports International is a subsidiary of GMR Infrastructure Ltd

GMR Group operates the **IGI Delhi International Airport, Rajiv Gandhi Hyderabad International Airport** and **Bidar** Airport in (Karnataka).

It is building a Greenfield airport at **Mopa in North Goa** and an International Greenfield Airport at **Bhogapuram, Vizianagaram**, and Andhra Pradesh.

It is the **only Indian company** to develop and operate foreign International airport. It is developing airports in **Indonesia, Greece**.

The GMR group was founded by Grandhi Mallikarjuna Rao. It is in the business of Infrastructure, Energy, transportation etc.