

Current Affairs search results for tag: economyfinance

1. Defence production crosses Rs 1 lakh crore mark for the first time ever (May 19, 2023)

Defence-production

The **value of defense production in the financial year (FY) 2022-23** has **crossed the Rs one lakh crore mark for the first time.**

An overview of the news

- The value is currently **Rs 1,06,800 crore** and may increase further once data is received from the remaining private defense industries.
- The present value of defense production in FY 2022-23 is over **12 per cent higher than Rs 95,000 crore in FY 2021-22.**

Government's efforts to boost defense production

- Simplified **defence industrial licensing, relaxation of export** controls and grant of No Objection Certificate.
- Specific incentives introduced under the **foreign trade policy.**
- **Defence Production & Export Promotion Policy 2020.**
- The government had issued two "**positive indigenization lists**" which included **209 items that could not be imported.**
- The government has also announced two dedicated corridors in **Tamil Nadu and Uttar Pradesh** to act as clusters of defense manufacturing.
- The number of defense licenses issued by the government to industries has increased by **almost 200 per cent in the last 7-8 years.**
- These measures have given a boost to the defense industrial manufacturing ecosystem in the country and have generated tremendous employment opportunities.

The vision of the government

- To achieve a **turnover of \$25 billion**, including **exports of \$5 billion** in **aerospace and defence goods and services by 2025.**

2. CCI approves merger of Credit Suisse Group with UBS Group (May 19, 2023)

Competition Commission of India (CCI)

The **Competition Commission of India (CCI)** on 18 May **approved the proposed merger of Credit Suisse Group AG with UBS Group AG.**

About UBS Group AG (UBS)

- **UBS Group AG** (UBS) is a **multinational investment bank and financial services company**
- It is a **Switzerland based company** and is active globally.
- UBS's businesses include **wealth management, asset management, investment banking services, and retail and corporate banking**.
- In India, UBS's business is primarily focused on **brokerage services**.

About Credit Suisse Group AG (Credit Suisse)

- Credit Suisse Group AG (Credit Suisse) is a **multinational investment bank and financial services company** established in **Switzerland**.
- Credit Suisse is active globally and its businesses include wealth management, asset management, investment banking services, and retail and corporate banking.
- In India, Credit Suisse's businesses include **wealth management and investment banking services**.

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**

3. Government sets up fast track Corporate Exit Processing Center (May 18, 2023)

The government established the **Expedited Corporate Exit Processing Center (C-PACE)** and **C-PACE** is under the **Ministry of Corporate Affairs (MCA)**.

An Overview of the News

- The C-PACE aims to streamline and speed up the process of winding up defunct companies.
- It centralises the process of winding up companies, making it easier and more efficient.

- This relieves the burden on the registry and ensures a clean and accurate database.
- Its establishment is part of the MCA's commitment to promote Ease of Doing Business and facilitate smooth exit of companies.
- It functions under the **Registrar of Companies (ROC)** as per **sub-section (1) of section 396**.
- The C-PACE office was inaugurated on May 1, 2023.
- The office is supervised by the **Director General of Corporate Affairs (DGCoA) in New Delhi**.

Director of Inspection and Investigation in MCA - **RK Dalmiya**

4. Government to set up 1,100 new farmer producer organisations in the cooperative sector (May 18, 2023)

new-farmer-producer-organisations

The government will set up **1,100 new Farmer Producer Organizations (FPOs)** in the cooperative sector and the initiative is in line with Prime Minister Narendra Modi's vision of "**prosperity through cooperation**".

An Overview of the News

- The **National Cooperative Development Corporation (NCDC)** will monitor the allotment of these additional FPOs.
- Each FPO will get **financial assistance of Rs 33 lakh**.
- Cluster based business organisations associated with **FPOs will be given Rs 25 lakh per FPO**.
- Activities like bee-keeping and mushroom cultivation will be included as income-generating options for these societies.
- The aim of setting up the FPO is to provide the necessary market linkages to the farmers.
- Its objective is to ensure remunerative prices for the produce of the farmers.

National Cooperative Development Corporation (NCDC):

- It is a statutory corporation established on **March 13, 1963**, by an Act of the Parliament of India.
- The objectives of NCDC include planning and promoting cooperative programs for the production, processing, marketing, storage, export and import of agricultural produce, food items, industrial goods, livestock and other specified goods and services.
- NCDC works on the basis of cooperative principles, emphasising cooperation and collective efforts for the development of cooperatives.

Headquarters - **New Delhi, India**

5. Cabinet approves Production Linked Incentive Scheme - 2.0 for IT Hardware (May 17, 2023)

Cabinet-approves-Production

The **Union Cabinet**, chaired by the Prime Minister Narendra Modi on 17th May **approved the Production Linked Incentive Scheme 2.0 for IT Hardware** with a **budgetary outlay Rs 17,000 crore**.

An overview of the news

- Electronics manufacturing in India has seen a **steady growth with a CAGR (Compound Annual Growth Rate) of 17% in the last 8 years**.
- This year it crossed a major benchmark in **production of USD 105 billion (about Rs 9 lakh crore)**.
- **India has become the second largest mobile phone manufacturer in the world**.
- Mobile phone exports have crossed a major **milestone of US \$ 11 billion (about Rs 90 thousand crore)** this year.
- The global electronics manufacturing ecosystem is coming to India, and India is emerging as a major electronics manufacturing country.

Features of PLI Scheme 2.0 for IT hardware

- It covers laptops, tablets, all-in-one PCs, servers and ultra small form factor devices.
- The tenure of this scheme is 6 years.
- Expected incremental production is Rs 3.35 Lakh crore.
- Expected incremental investment is Rs 2,430 crore.
- Expected incremental direct employment is 75,000.

What is Production Linked Incentive Scheme?

- It is an initiative that provides incentives to domestic industries **to promote production at the local level**.
- Through this scheme, the government **aims to incentivize companies to increase the sales of manufactured products in domestic units**.
- The objective of the scheme is to make domestic manufacturing **globally competitive and to become a global champion** in manufacturing.
- The government has launched this scheme with an outlay of around Rs 2 lakh crore for 14 sectors including **Automobiles and Auto Components, White Goods, Pharma, Textiles, Advanced Chemistry Cell and Specialty Steel**.

6. Bank of Baroda launches Electronic Bank Guarantee (May 16, 2023)**Bank-of-Baroda**

Bank of Baroda partnered with **National e-Governance Services Limited (NESL)** to launch the **Electronic Bank Guarantee (BG) system** on digital platforms.

An Overview of the News

- It aims to **significantly reduce the turnaround time for issuance of electronic bank guarantees** as compared to the traditional paper-based process.
- The electronic bank guarantee system is accessible through **Baroda INSTA**, the **digital platform of Bank of Baroda**.
- The digital approach enhances **convenience, security and efficiency** in the issuance of inland bank guarantees.
- The system reduces manual paperwork, streamlines processes and promotes digital transformation in the banking sector.

About Bank of Baroda (BoB)

- It is an **Indian public sector bank** headquartered in **Vadodara, Gujarat**.
- It is the **second largest public sector bank in India** after **State Bank of India** and has a global presence with over 100 overseas offices.
- The bank was **established on 20 July 1908** by **Sayajirao Gaekwad III**, the **Maharaja of Baroda**.
- On 19 July 1969, the Government of India nationalised Bank of Baroda along with 13 other major commercial banks.
- After nationalisation, the bank became a **profit making Public Sector Undertaking (PSU)**.

7. India, EFTA take significant steps towards new Trade and Partnership Agreement (May 16, 2023)**Partnership-Agreement**

India and the European Free Trade Association (EFTA) states have recently taken important steps towards a **new trade and partnership agreement**.

An overview of the news

- At the ministerial meeting held in Brussels on May 15, Commerce and Industry Minister **Piyush Goyal** held discussions with representatives of EFTA to work towards a comprehensive new **Trade and Partnership Agreement (TEPA)**.
- The Ministerial meeting marked an important milestone in taking forward the negotiations on **TEPA between India and the European Free Trade Association**.

- Both sides stressed the importance of principles of good faith and respect for each other's sensitivities in order to achieve a fair, just and balanced settlement.

About India and the European Free Trade Association (EFTA)

- EFTA has established **bilateral relations and cooperation in the field of trade and commerce.**
- The objective of this cooperation is to strengthen economic ties and promote mutually **beneficial trade between the two countries.**
- The EFTA is an intergovernmental organization consisting of four member states: **Switzerland, Norway, Iceland, and Liechtenstein.**
- These countries have a **strong tradition of trade and economic liberalization.**
- India and EFTA have engaged in negotiations to establish a comprehensive trade agreement.
- The negotiations cover various aspects, including **trade in goods, services, investment, intellectual property rights, and other trade-related issues.**

8. PM Modi meets Doug McMillan, CEO of Walmart (May 15, 2023)

PM-Modi-meets-Doug-McMillan

Prime Minister **Narendra Modi** held a meeting with **Doug McMillan, CEO of American multinational retail corporation Walmart.**

An overview of the news

- The purpose of the meeting between PM Modi and Doug McMillan was **to discuss and explore potential areas of collaboration, investment and partnership between the Government of India and Walmart.**
- The meeting reflects the importance of the economic relationship between India and Walmart. The discussions covered topics such as trade, investment opportunities and promoting a conducive business environment in India.
- The meeting discussed opportunities to leverage **digital technologies and innovation in the retail sector.**
- The discussion centered around **sustainable business practices, environmental initiatives and social responsibility.**

Significance of the meeting

- The meeting between PM Modi and Walmart CEO Doug McMillan highlights the importance of promoting economic partnership and exploring investment opportunities between India and Walmart.

- It highlights the potential for cooperation in various sectors, **employment generation, economic growth and contribution to sustainable development in India.**

About Walmart

- It is an **American multinational retail corporation** that operates a chain of **hypermarkets, discount department stores, and grocery stores.**
- It was **founded in 1962 by Sam Walton.**
- It has grown to become one of the **world's largest retail chains.**
- It operates thousands of stores **globally, serving millions of customers.**
- It offers a wide range of **products, including groceries, apparel, electronics, household goods,** and more.

9. RBI invites firms to participate in Greenwashing TechSprint (May 14, 2023)

RBI has announced its participation in the **Global Financial Innovation Network (GFIN) greenwashing techsprint.**

An overview of the news

- The Reserve Bank of India (RBI) has **invited firms to participate in the Greenwashing TechSprint** to develop technology solutions to detect incidents of greenwashing in financial products.
- TechSprint is part of RBI's efforts to promote **sustainable finance and ensure that financial products marketed as green or sustainable** are actually aligned with environmental objectives.
- TechSprint is open to firms and individuals who can provide **innovative technology solutions** to detect greenwashing in financial products using technologies such as **natural language processing and artificial intelligence.**
- Techsprint can provide a platform for collaboration between **tech firms, financial institutions and regulators** to develop solutions that can increase transparency and trust in the market for sustainable finance.
- The RBI has identified **sustainable finance as a key priority area,** and has taken several initiatives to promote green finance and integrate environmental considerations into financial decision making.

What is Greenwashing?

- Greenwashing refers to the **practice of making false or misleading claims about the environmental benefits of a product or service.**
- It is a marketing tactic used by companies to make their products appear **more environmentally friendly or sustainable.**

- Greenwashing can take various forms, such as **using vague or exaggerated language, making unsubstantiated claims, or highlighting minor environmental benefits** while ignoring significant environmental harms.
- Greenwashing can be harmful as it can mislead consumers into making purchasing decisions based on false or incomplete information, leading to negative environmental impacts.

About Global Financial Innovation Network (GFIN)

- This is an **international network of financial regulators** that seeks to foster innovation in the financial services sector.
- It was **established in 2018 by a group of 12 financial regulators**, including the **UK Financial Conduct Authority, the Monetary Authority of Singapore, and the US Consumer Financial Protection Bureau**.
- It aims to provide a platform for regulators to collaborate and share best practices on **innovative financial products and services**, as well as regulatory approaches to innovation.

10. CBIC rolls out Automated Return Scrutiny Module for GST returns (May 12, 2023)

Central Board of Indirect Taxes and Customs

The **Central Board of Indirect Taxes and Customs (CBIC)** has recently **launched** the **Automated Return Scrutiny Module for GST returns**.

An overview of the news

- This module will enable tax officers to scrutinize GST returns of centrally administered taxpayers based on data analytics and risks identified by the system.
- The module identifies **discrepancies in the returns** and shows them to the tax officer, who can communicate with the taxpayer through the **GSTN Common Portal** to resolve any issues.
- The **Automated Return Scrutiny Module** will help in **streamlining the GST return** scrutiny process and ensure that it is more efficient, transparent and effective.
- According to the Finance Ministry, the introduction of this module is a significant step towards creating a more **technology-driven tax administration system**, which will not only improve compliance but also reduce the compliance burden for taxpayers.

About Central Board of Indirect Taxes and Customs (CBIC)

- In India, it is a part of the **Department of Revenue under the Ministry of Finance**.
- CBIC is responsible for the administration of indirect taxes such as **GST, Customs Duty and Excise Duty in India**.

- The **board was formed in 2019** as a result of the merger of the **Central Board of Excise and Customs (CBEC)** and the **Central Board of Direct Taxes (CBDT)**.
- CBIC is headed by a **Chairman** who is assisted by a number of members responsible for various areas such as **GST, Customs, Legal and Administration**.
 - The main functions of CBIC include **policy-making, implementation, and administration of indirect taxes, and prevention of smuggling and evasion of taxes**.
 - CBIC works towards creating a fair and efficient tax administration system, which is transparent and taxpayer friendly.
 - CBIC plays a vital role in ensuring **compliance of tax laws and regulations in India**.