

Current Affairs search results for tag: economyfinance

1. 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.

2. 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).

3. 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.

4. 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.

5. 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.

6. Net direct tax collection reaches highest-ever in FY 22 (April 27, 2022)

The net direct tax collections (income tax and corporate tax) reached an all time high of Rs 14.09 lakh crore in the financial year 2021-22. it was Rs 9.45 lakh crore in FY 2020-21.

- The net direct tax collection has increased by 49.02 per cent during the financial year 2021-22.
- an increase in direct tax collection signals that the Indian economy has bounced back after two years of the pandemic.
- As far as Income Tax and Corporation Tax are concerned, the collection is the best ever.
- **What are Direct Taxes?**
- Direct tax can be defined as a tax that is paid directly by an individual or organisation to an imposing entity (usually the government).
- The Central Board of Direct Taxes deals with matters relating to levy and collection of direct taxes and formulation of various policies relating to direct taxes.
- A taxpayer pays direct taxes to the government for various purposes, including real wealth tax, personal wealth tax, income tax on property, gift tax, capital gains tax, etc.
- **Direct tax-to-GDP ratio**
- It is around 12%.

- The Central Board of Direct Taxes (CBDT) is working to increase this ratio to 15-20% in 5-10 years.

7. India extends duration of \$400 mn currency swap facility to Sri Lanka (April 23, 2022)

India has expanded a currency swap facility worth \$400 million to Sri Lanka, which is facing an economic crisis.

- The government led by Sri Lankan President Gotabaya Rajapaksa on April 12 temporarily suspended repayment of various debts.
- After that this is the first time that the loan facility has been extended to Sri Lanka.
- Earlier, Sri Lanka had said that it would not be able to repay any international debt until an agreement is reached with the International Monetary Fund (IMF).
- The Reserve Bank of India (RBI) had signed a currency swap agreement with the Central Bank of Sri Lanka under the SAARC Currency Swap Framework 2019-22.
- Under the agreement, the Central Bank of Sri Lanka can withdraw a maximum of \$ 400 million or its equivalent in US dollars, euros or Indian rupees.
- **What is a Currency Swap?**
 - A currency swap is a transaction in which two parties exchange equal amounts with each other but in different currencies.
 - Under this, the parties essentially lend money to each other and pay the amount on a specified date and exchange rate.
 - Its purpose is to reduce the cost of borrowing in a foreign currency.
 - The parties involved in currency swaps are usually financial institutions.
- **SAARC currency swap facility**
 - The SAARC currency swap facility came into operation on November 15, 2012.
 - It provides funding for short term foreign exchange liquidity requirements or short-term balance of payments stress.
 - This facility is available to all SAARC member countries, provided they sign bilateral swap agreements.
 - Apart from India, the other South Asian Association for Regional Cooperation (SAARC) member countries are Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka.

8. India Post Payments Bank launches 'Fincluvation' (April 21, 2022)

On the occasion of the 75th anniversary of Indian Independence & ongoing Azadi ka Amrit Mahotasav, India Post Payments Bank (IPPB), a 100% government owned entity under Department of Posts (DoP) announced the launch of Fincluvation.

- Fincluvation is a joint initiative to collaborate with the Fintech Startup community to co-create and innovate solutions for financial inclusion.
- The country made rapid strides in the FINTECH space in Global Tech world leading innovations like UPI, Aadhaar.
- Fincluvation is Industry's first initiative to create a powerful platform to mobilise the start-up community towards building meaningful financial products which aim is financial inclusion.
- Fincluvation will be a permanent platform of IPPB to co-create inclusive financial solutions with participating start-ups.
- Startups are encouraged to develop solutions aligned with any of the following tracks-
- **Creditization** - Develop Innovative & Inclusive credit products aligned with the use cases of target customers and take them to their doorsteps through Postal network.
- **Digitization** - Bring convenience through convergence of traditional services with Digital Payment Technologies such as making the traditional Money Order service as Interoperable Banking service.
- **About India Post Payments Bank**

—It has been established under the Department of Posts, Ministry of Communication with 100% equity owned by the Government of India.

—IPPB was launched by the Prime Minister Narendra Modi on September 1, 2018.

—The bank has been set up with the vision to build the most accessible, affordable and trusted bank for the common man in India.

—IPPB is committed to provide a fillip to a less cash economy and contribute to the vision of Digital India.

9. Extreme poverty in India declined by 12.3 percentage points during 2011-2019 (April 18, 2022)

According to the World Bank Report Poverty in India is 12.3 percentage points lower in 2019 as compared to 2011.

- The poverty headcount rate has declined from 22.5 percent in 2011 to 10.2 percent in 2019.
- As per a policy research working paper of World Bank, Poverty reduction was higher in rural areas as compared to urban India.
- Rural poverty dropped by 14.7 percent while urban poverty declined by 7.9 percentage points during 2011 to 2019.
- Study says that farmers with small landholding sizes have experienced higher income growth.

- Real incomes for farmers with the smallest landholdings have grown by 10 percent in annualised terms between the two survey rounds in 2013 and 2019 compared to a 2 percent growth for farmers with the largest landholding.
- Extreme poverty has been measured in terms of the number of people living on less than \$1.90 a day (roughly Rs 145).
- About World Bank

- The World Bank is a provider of financial and technical assistance to individual countries around the globe.

-it comprises 189 countries and five constituent institutions that work towards eradicating poverty and creating prosperity.

-Currently, the World Bank has two stated goals that it aims to achieve by 2030.

-The first is to end extreme poverty by decreasing the number of people living on less than \$1.90 a day to below 3% of the world population.

-The second is to increase overall prosperity by increasing income growth in the bottom 40% of every country in the world.

-HQ : Washington DC (USA)

10. World Bank cuts India's growth forecast to 8% (April 14, 2022)

The World Bank in its report released on 13 April 2022 has reduced its growth forecast for India, the largest economy in the South Asian region, from 8.7% to 8% for the current fiscal year 2022-23.

- The World Bank has cut the growth forecast for South Asia by a full 1% excluding Afghanistan. It has now gone up to 6.6%.
- In its report focused on the economy of South Asia, it has said that India's projected growth rate will be 8.3% in 2021-22, which will come down to 8% in 2022-23 and to 7.1% in 2023-24.