

Crux of Indian Economy for IAS Prelims 2019 Book

Economy Current Affairs December 2018

Shri Shaktikanta Das appointed as Governor of RBI (12-12-2018)

Shri Shaktikanta Das, IAS Retd., former Secretary, Department of Revenue and Department of Economic Affairs, Ministry of Finance, Government of India assumed charge as the 25th Governor of the Reserve Bank of India effective December 12, 2018.

Immediately prior to his current assignment, he was acting as Member, 15th Finance Commission and G20 Sherpa of India.

RBI constitutes Expert Committee on Economic Capital Framework (26-12-2018)

Constitution	As decided by the Central Board of Reserve Bank of India (RBI) in its meeting held on November 19, 2018, the RBI, in consultation with the Government of India, has constituted an Expert Committee to review the extant Economic Capital Framework of the RBI.
Composition of the Committee	The composition of the Committee is as under: 1) Dr. Bimal Jalan (Chairman) Former Governor, Reserve Bank of India 2) Dr. Rakesh Mohan (Vice Chairman) Former Deputy Governor, Reserve Bank of India and former Secretary, Department of Economic Affairs, Ministry of Finance, Government of India 3) Shri Bharat Doshi (Member) Director, Central Board, Reserve Bank of India 4) Shri Sudhir Mankad (Member) Director, Central Board, Reserve Bank of India 5) Shri Subhash Chandra Garg (Member) Secretary, Department of Economic Affairs, Ministry of Finance, Govt of India 6) Shri N.S. Vishwanathan (Member) Deputy Governor, Reserve Bank of India
Terms of references	The terms of reference of the Committee are: 1 Keeping in consideration (i) statutory mandate under section 47 of the RBI Act that the profits of the RBI shall be transferred to the Government, after making provisions 'which are usually provided by the bankers', and (ii) public policy mandate of the RBI, including financial stability considerations, the Expert Committee would: (a) review status, need and justification of various provisions, reserves and buffers presently provided for by the RBI; and (b) review global best practices followed by the central banks in making assessment and provisions for risks which central bank balance sheets are subject to; 2 To suggest an adequate level of risk provisioning that the RBI needs to maintain; 3 To determine whether the RBI is holding provisions, reserves and buffers in surplus / deficit of the required level of such provisions, reserves and buffers; 4 To propose a suitable profits distribution policy taking into account all the likely situations of the RBI, including the situations of holding more provisions than required and the RBI holding less provisions than required; 5 Any other related matter including treatment of surplus reserves, created out of realised gains, if determined to be held.
Report	The Expert Committee will submit its report within a period of 90 days from the date of its first meeting.

Ministry of Shipping approves a Rs 156 crore Freight Village in Varanasi (07-12-2018)

The Freight Village will give a boost to logistics industry in Varanasi.

The Ministry of Shipping has approved the development of a Rs 156 crore freight village in Varanasi adjoining the Inland Waterways Terminal on River Ganga.

The Varanasi freight village will be developed by the Inland Waterways Authority of India. It will serve as a cargo hub, and a centre for aggregation and value addition. It will also provide support to stimulate development of a professional logistics industry in Varanasi.

A **freight village is a designated area** where facilities for various modes of transportation, distribution of goods and other logistics are available in a synchronized manner on a large scale. The main function of freight villages is management and utilization of various modes of transport, synergizing them and decongesting the existing mode of transportation.

Freight villages are basically cargo aggregators which offer various logistic choices to a shipper/ cargo owner; i.e. choice of rail-road; rail-waterway; road-waterway. The choice is based on the optimal/ lowest logistic cost that can be derived by the shipper/ cargo owner. Delivery and coordination of various freight related activities under one roof ensures ease of doing business and makes it possible to realize high truck capacity due to which economic efficiency and activity of the enterprises on site can be improved.

A World Bank pre-feasibility study has found Varanasi to be a suitable site for the freight village. The city is located strategically and is a focal point in the logistics chain of Eastern Transport Corridor of India where the National Waterways-1, Eastern Dedicated Freight Corridor (EDFC), National Highway-7 and National Highway-2 pass through.

The volume of traffic on inland waterway to Varanasi is expected to increase with the commissioning of the multi modal terminal being built under the Jal Marg Vikas project.

24th meeting of Conference of Parties (COP-24) to the UNFCCC

The 24th meeting of Conference of Parties (COP-24) to the United Nations Framework Convention on Climate Change (UNFCCC) held at Katowice, Poland from 2nd December 2018 to 14th December 2018.

The UNFCCC is a "Rio Convention", one of three adopted at the "Rio Earth Summit" in 1992. The UNFCCC entered into force on 21 March 1994. Today, it has near-universal membership. The countries that have ratified the Convention are called Parties to the Convention. Preventing "dangerous" human interference with the climate system is the ultimate aim of the UNFCCC.

The Conference of the Parties (COP) is the supreme body of the UNFCCC Convention. It consists of the representatives of the Parties to the Convention. It holds its sessions every year. The COP takes decisions which are necessary to ensure the effective implementation of the provisions of the Convention and regularly reviews the implementation of these provisions.

The key focus of meeting was to finalize guidelines for implementation of Paris Agreement 2015 in post 2020 period. The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

This year the **theme of India Pavilion** is 'One World One Sun One Grid' as highlighted by Prime Minister Shri Narendra Modi during first assembly of the International Solar Alliance on October 2018.

The Prime Minister has set an ambitious target that 40 per cent of its installed power capacity will be from non-fossil fuels by 2030.

India is working hard for achieving 175 GW target for installed Renewable Energy capacity by 2022.

India stands 4th in wind power 5th in renewable power and 6th in solar power installed.

India have also pledged to get rid of single-use plastic by 2022 across the country.

Cabinet approves Agriculture Export Policy, 2018 (06-12-2018)

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the Agriculture Export Policy, 2018. The Cabinet has also approved the proposal for establishment of Monitoring Framework at Centre with Commerce as the nodal Department with representation from various line Ministries/Departments and Agencies and representatives of concerned State Governments, to oversee the implementation of Agriculture Export Policy.

The Government has come out with a policy to double farmers' income by 2022. Exports of agricultural products would play a pivotal role in achieving this goal. In order to provide an impetus to agricultural exports, the Government has come out with a comprehensive "Agriculture Export Policy" aimed at doubling the agricultural exports and integrating Indian farmers and agricultural products with the global value chains.

The Agriculture Export Policy has the following **vision**:

"Harness export potential of Indian agriculture, through suitable policy instruments, to make India global power in agriculture and raise farmers' income."

Objectives of the Agriculture Export Policy are as under:

- To double agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022 and reach US\$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
- To diversify our export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
- To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phyto-sanitary issues.
- To strive to double India's share in world agri exports by integrating with global value chain at the earliest.
- Enable farmers to get benefit of export opportunities in overseas market.

Elements of Agriculture Export Policy: The recommendations in the Agriculture Export Policy have been organised in two categories – Strategic and Operational

Strategic - Policy measures, Infrastructure and logistics support, Holistic approach to boost exports, Greater involvement of State Governments in agri exports, Focus on Clusters, Promoting value-added exports, Marketing and promotion of "Brand India.

Operational - Attract private investments into production and processing, Establishment of strong quality regimen, Research & Development, Miscellaneous.

Cabinet Committee on Economic Affairs, chaired by the Prime Minister has given 'In Principle' approval for strategic sale of the Government of India's existing 52.63% of total paid up equity shareholding in Rural Electrification Corporation to Power Finance Corporation along with transfer of management control (06-12-2018)

The acquisition intends to achieve integration across the Power Chain, obtain better synergies, create economies of scale and have enhanced capability to support energy access and energy efficiency by improved capability to finance power sector. It may also allow for cheaper fund raising with increase in bargaining power for the combined entity.

Both REC and PFC are Central Public Sector Enterprises under the Ministry of Power.

Food and Agriculture organisation (FAO) Council approves India's proposal to observe an International Year of Millets in 2023. FAO Council also approves India's membership to the Executive Board of the United Nations World Food Program (WFP) for 2020 and 2021 (07-12-2018)

Union Minister of Agriculture and Farmers' Welfare Shri Radha Mohan Singh said that the 160th session of the Food and Agriculture Organisation (FAO) Council, in Rome, approved India's proposal to observe an International Year of Millets in 2023.

This international endorsement comes in the backdrop of India celebrating 2018 as the National Year of Millets for promoting cultivation and consumption of these nutri-cereals. This is further supported by increase in Minimum Support Prices (MSP) of millets.

Millets consists of Jowar, Bajra, Ragi and minor millets together termed as nutri-cereals.

The MSP of Jowar has been increased to Rs 2450 per quintal from Rs 1725, Bajra to Rs 1950 from Rs 1425 and Ragi to Rs 2897 from Rs 1900 per quintal from 2018-19.

Through the Department of Food and Public Distribution, State Governments are allowed to procure jowar, bajra, maize and ragi from farmers at MSP.

In addition, the FAO Council also approved India's membership to the Executive Board of the United Nations World Food Program (WFP) for 2020 and 2021.

Central Board of Indirect Taxes and Customs (CBIC) to notify the Korean Won (WON) and Turkish Lira (TRY) in the List of Currencies for Exchange Rate (12-12-2018)

Under Section 14 of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs (CBIC) notifies the Rate of Exchange for the purpose of conversion of foreign exchange to Indian Rupees (INR) and vice versa for assessment of imports & exports.

Currently, CBIC notifies exchange rates for 20 currencies for the purpose of valuation of imported and exported goods and it has been now decided to include **2 more currencies** namely Korean Won (WON) & Turkish Lira (TRY) in the list of such currencies.

Bilateral Trade between India-South Korea grew to \$16.36 Billion during 2017-18 from \$12.59 Billion in 2016-17 and South Korea is ranked 8th amongst India's trade partners in terms of imports during 2017-18. Also, as India has Comprehensive Economic Partnership Agreement (CEPA) with South Korea, the trade flow between the two countries is expected to grow further.

Bilateral trade between India & Turkey also stood at US \$ 7.2 Billion during 2017-18. More than 150 companies with Indian capital have registered businesses in Turkey in the form of joint-ventures, trade and representative offices.

Notifying Korean Won and Turkish Lira by CBIC will facilitate trade & business by easing the process of conversion of these currencies into INR and vice versa. The initiative is also anticipated to help the exporters claim the benefits of Merchandise Export Incentive Scheme (MEIS) easily, as the rates of TKY and WON will be readily available on the realization date of remittances. Overall, it is expected to decrease the transaction cost and enhance the ease of doing business, thereby, benefitting the Indian, Korean and Turkish businesses.

Retail Selling Prices of Petrol and Diesel linked to international prices of Petrol and Diesel (12-12-2018)

Prices of petrol and diesel have been made market-determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) are competent to take appropriate decision on pricing of petrol and diesel in line with international product prices and other market conditions. Other cost elements in the Retail Selling Prices (RSP) of petrol & diesel are Excise Duty, VAT, BS IV premium, marketing cost and margins, dealers Commission etc.

The OMCs have not only increased but also decreased the prices accordingly. RSP of petrol and diesel in the country **are not linked to the international crude oil prices but are linked to the international prices of petrol and diesel.**

e-Commerce Portal of the Department of Posts (DoP) (14-12-2018)

Minister of State for Communications (Independent Charge), Shri Manoj Sinha launched the e-Commerce Portal of the Department of Posts (DoP).

The Portal will provide an e-Market place to sellers especially to rural artisans / self-help groups / women entrepreneurs / State and Central PSUs / Autonomous Bodies etc. to sell their products to buyers across the Country.

The small and local sellers, who have been left behind in e-Commerce space will now, by leveraging the vast physical and IT network of DoP, be able to maximize their reach and retailing power.

The buyers can access the products of their choice displayed by sellers on the portal and place online orders by making digital payments. The products will be shipped through Speed Post.

Task Force to Review Direct Tax Legislation (18-12-2018)

The Government had constituted a Task Force to draft a New Direct Tax Law dated 22.11.2017 under the Convenorship of Shri Arbind Modi, the then Member (Legislation), CBDT.

However, on superannuation of Shri Arbind Modi, the Task Force has been reconstituted dated 26.11.2018 with the following Members:

Shri Akhilesh Ranjan, Member (Legislation), CBDT-Convenor;

Shri Girish Ahuja, practicing Chartered Accountant and non-official Director State Bank of India;

Shri Rajiv Memani, Chairman & Regional Managing Partner of E&Y;

Shri Mukesh Patel, Practicing Tax Advocate, Ahmedabad;

Ms Mansi Kedia, Consultant, ICRIER, New Delhi

Shri G. C. Srivastava, Retd. IRS (1971 Batch) and Advocate.

The terms of reference of the Task Force remains unchanged and is to draft an appropriate direct tax legislation keeping in view:

- the direct tax system prevalent in various countries;
- the international best practices;
- the economic needs for the country and;
- any other matter connected thereto.

The task force is required to submit its report to the Government by February 28, 2019.

Review of policy on Foreign Direct Investment (FDI) in e-commerce (26-12-2018)

As per Foreign Direct Investment (FDI) policy, FDI up to 100% is permitted under automatic route in companies engaged in e-commerce provided that such company engaged only in Business to Business (B2B) e-commerce not in Business to Consumer (B2C) e-commerce.

Further, 100% FDI under automatic route is permitted in marketplace model of e-commerce but FDI is not permitted in inventory based model of e-commerce.

Definitions:

i) **E-commerce-** E-commerce means buying and selling of goods and services including digital products over digital & electronic network.

ii) **E-commerce entity-** E-commerce entity means a company incorporated under the Companies Act 1956 or the Companies Act 2013 or a foreign company covered under section 2 (42) of the Companies Act, 2013 or an office, branch or agency in India as provided in section 2 (v) (iii) of FEMA 1999, owned or controlled by a person resident outside India and conducting the e-commerce business.

iii) **Inventory based model of e-commerce-** Inventory based model of e-commerce means an e-commerce activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

iv) **Marketplace based model of e-commerce-** Marketplace based model of e-commerce means providing of an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between buyer and seller.

Other Conditions

- i) Digital & electronic network will include network of computers, television channels and any other internet application used in automated manner such as web pages, extranets, mobiles etc.
- ii) Marketplace e-commerce entity will be permitted to enter into transactions with sellers registered on its platform on B2B basis.
- iii) E-commerce marketplace may provide support services to sellers in respect of warehousing, logistics, order fulfillment, call centre, payment collection and other services.
- iv) E-commerce entity providing a marketplace will not exercise ownership or control over the inventory i.e. goods purported to be sold. Such an ownership or control over the inventory will render the business into inventory based model. **Inventory of a vendor will be deemed to be controlled by e-commerce marketplace entity if more than 25% of purchases of such vendor are from the marketplace entity or its group companies.**
- v) **An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.**
- vi) In marketplace model goods/services made available for sale electronically on website should clearly provide name, address and other contact details of the seller. Post sales, delivery of goods to the customers and customer satisfaction will be responsibility of the seller.
- vii) In marketplace model, payments for sale may be facilitated by the e-commerce entity in conformity with the guidelines of the Reserve Bank of India.
- viii) In marketplace model, any warrantee/ guarantee of goods and services sold will be responsibility of the seller.
- ix) E-commerce entities providing marketplace will not directly or indirectly influence the sale price of goods or services and shall maintain level playing field. **Services should be provided by e-commerce marketplace entity or other entities in which e-commerce marketplace entity has direct or indirect equity participation or common control, to vendors on the platform at arm's length and in a fair and non-discriminatory manner. Such services will include but not limited to fulfilment, logistics, warehousing, advertisement/ marketing, payments, financing etc. Cash back provided by group companies of marketplace entity to buyers shall be fair and non-discriminatory. For the purposes of this clause, provision of services to any vendor on such terms which are not made available to other vendors in similar circumstances will be deemed unfair and discriminatory.**
- x) Guidelines on cash and carry wholesale trading as given in para 5.2.15.1.2 of Consolidated FDI Policy Circular 2017 will apply on B2B e-commerce.
- xi) **e-commerce marketplace entity will not mandate any seller to sell any product exclusively on its platform only.**
- xii) **e-commerce marketplace entity will be required to furnish a certificate along with a report of statutory auditor to Reserve Bank of India, confirming compliance of above guidelines, by 30th of September of every year for the preceding financial year.**

Subject to the conditions of FDI policy on services sector and applicable laws/regulations, security and other conditionalities, sale of services through e-commerce will be under automatic route.

3.0 The above decision will take effect from **01 February, 2019**.

Note: Changes by Govt have been highlighted in bold letter for students understanding.

UP government's One District, One Product scheme

The UP government's One District, One Product scheme aims to encourage such indigenous and specialized products and crafts in UP that are found nowhere else.

Almost each district in the State has one or more unique products – be it in the handicrafts, handlooms or agriculture / horticulture produce or small enterprises, with distinct identity at national and international levels.

For example, the silk sarees of Varanasi, the handicraft items of brass from Moradabad, the flute of Pilibhit, the artifacts of Shajar stone from Banda and Kala Namak rice from Siddhartha Nagar need no introduction.

There is immense possibility to promote the marketing efforts to create more opportunity of employment and to add to the existing income levels of artisans / workers engaged in these sectors.

Minutes of the Monetary Policy Committee Meeting December 3-5, 2018

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent.

Consequently, the reverse repo rate under the LAF remains at 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent.

The decision of the MPC is consistent with the stance of **calibrated tightening of monetary policy** in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

“Calibrated tightening” means that in the current rate cycle, a cut in the policy repo rate is off the table, and we are not obliged to increase the rate at every policy meeting.

Establishment of NIMZs (27-12-2018)

National Investment & Manufacturing Zones (NIMZs) are one of the important instruments of National Manufacturing Policy, 2011. NIMZs are envisaged as large areas of developed land with the requisite eco-system for promoting world class manufacturing activity.

So far, three NIMZs namely Prakasam (Andhra Pradesh), Sangareddy (Telangana) and Kalinganagar (Odisha) have been accorded final approval and 13 NIMZs have been accorded in-principle approval. Besides these, eight Investment Regions along the Delhi Mumbai Industrial Corridor (DMIC) project have also been declared as NIMZs.

The main objective of Special Economic Zones is promotion of exports, while NIMZs are based on the principle of industrial growth in partnership with States and focuses on manufacturing growth and employment generation. NIMZs are different from SEZs in terms of size, level of infrastructure planning, governance structures related to regulatory procedures, and exit policies.

Qatar decision to quit OPEC (06-12-2018)

Qatar has decided to withdraw its membership from Opec effective January 2019 to focus its efforts on natural gas.

Qatar said the decision was not linked to a political and economic boycott of Qatar imposed in June 2017 by Saudi Arabia, Opec's largest member and its de facto leader, and three other Arab states – the United Arab Emirates, Bahrain and Egypt. They imposed a trade and travel embargo on Qatar over allegations that it supports terrorism. Doha denies the charges.

Qatar is one of the cartel's smallest oil producers, but is the world's largest exporter of liquefied natural gas.

NITI Aayog releases Strategy for New India @ 75 (19-12-2018)

The NITI Aayog unveiled its comprehensive national Strategy for New India, which defines clear objectives for 2022-23. It is a detailed exposition across forty-one crucial areas, that recognizes the progress already made, identifies binding constraints, and suggests the way forward for achieving the clearly stated objectives.

Drawing inspiration and direction from the Prime Minister's clarion call for establishing a New India by 2022, NITI Aayog embarked on a journey of formulating the Strategy document over the last year.

In his foreword the Prime Minister says, “The Strategy for New India @75 put together by NITI Aayog is an attempt to bring innovation, technology, enterprise and efficient management together, at the core of policy formulation and implementation. It will encourage discussion and debate, and invite feedback for further refining our policy approach. We believe that economic transformation cannot happen without public participation. **Development must become a Jan Andolan.**”

The overarching focus of the Strategy document is to further improve the policy environment in which private investors and other stakeholders can contribute their fullest towards achieving the goals set out for New India 2022 and propel India towards a **USD 5 trillion economy by 2030**.

The forty-one chapters in the document have been disaggregated under four sections: Drivers, Infrastructure, Inclusion and Governance.

The **first section on Drivers** focuses on the engines of economic performance with chapters on growth and employment, doubling of farmers' incomes; upgrading the science, technology and innovation eco-system; and promoting sunrise sectors like fintech and tourism.

Some of the key recommendations in the section on drivers include:

- Steadily accelerate the economy to achieve a GDP growth rate of about 8% on average during 2018-23. This will raise the economy's size in real terms from USD 2.7 trillion in 2017-18 to nearly USD 4 trillion by 2022-23. Increase the investment rate as measured by gross fixed capital formation (GFCF) from the present 29% to 36% of GDP by 2022.
- In agriculture, shift the emphasis to converting farmers to 'agripreneurs' by further expanding e-National Agriculture Markets and replacing the Agricultural Produce Marketing Committee Act with the Agricultural Produce and Livestock Marketing Act.
- Give a strong push to 'Zero Budget Natural Farming' techniques that reduce costs, improve land quality and increase farmers' incomes. This has emerged as a tested method for putting environment carbon back into the land.
- To ensure maximum employment creation, complete codification of labor laws and a massive effort must be made to upscale and expand apprenticeships.
- Launch a mission "Explore in India" by revamping minerals exploration and licensing policy.

The **second section on Infrastructure** deals with the physical foundations of growth which are crucial to enhancing the competitiveness of Indian business as also ensuring the citizens' ease of living.

Some of the key recommendations in the section on infrastructure include:

- Expedite the establishment of the Rail Development Authority (RDA), which is already approved. RDA will advise or make informed decisions on an integrated, transparent and dynamic pricing mechanism for the railways.
- Double the share of freight transported by coastal shipping and inland waterways. Initially, viability gap funding will be provided until the infrastructure is fully developed. Develop an IT-enabled platform for integrating different modes of transport and promoting multi-modal and digitized mobility.
- With the completion of the Bharat Net programme in 2019, all 2.5 lakh gram panchayats will be digitally connected. Aim to deliver all government services at the state, district, and gram panchayat level digitally by 2022-23.

The **section on Inclusion** deals with the urgent task of investing in the capabilities of all of India's citizens. The three themes in this section revolve around the dimensions of health, education and mainstreaming of traditionally marginalized sections of the population.

Some of the key recommendations in the section on inclusion include:

- Successfully implementing the Ayushman Bharat programme including the establishment of 150,000 health and wellness centres across the country, and rolling out the Pradhan Mantri Jan Arogya Abhiyaan (PM-JAY).
- Create a focal point for public health at the central level with state counterparts. Promote integrative medicine curriculum.
- Upgrade the quality of the school education system and skills, including the creation of a new innovation ecosystem at the ground level by establishing at least 10,000 Atal Tinkering Labs by 2020.
- Conceptualize an electronic national educational registry for tracking each child's learning outcomes.
- As already done in rural areas, give a huge push to affordable housing in urban areas to improve workers' living conditions and ensure equity while providing a strong impetus to economic growth.

The **final section on Governance** delves deep into how the governance structures can be streamlined and processes optimized to achieve better developmental outcomes.

Some of the key recommendations in the section on governance include:

- Implement the recommendations of the Second Administrative Reforms Commission as a prelude to appointing a successor for designing reforms in the changing context of emerging technologies and growing complexity of the economy.
- Set up a new autonomous body, viz., the Arbitration Council of India to grade arbitral institutions and accredit arbitrators to make the arbitration process cost effective and speedy, and to preempt the need for court intervention.
- Address the backlog of pending cases - shift part of workload out of regular court system.
- Expand the scope of Swachh Bharat Mission to cover initiatives for landfills, plastic waste and municipal waste and generating wealth from waste.

NITI Aayog Releases Second Delta Ranking of the Aspirational Districts (27-12-2018)

The NITI Aayog released the Second Delta ranking for the Aspirational Districts which measures the incremental progress made by them between June 1, 2018 and October 31, 2018, across six developmental areas of Health and Nutrition, Education, Agriculture and Water Resources, Financial Inclusion, Skill Development, and Basic Infrastructure.

In the overall ranking, the **most improved districts** are as follows:

Rank	District	State
1	Virudhunagar	Tamil Nadu
2	Nuapada	Odisha
3	Siddharthnagar	Uttar Pradesh
4	Aurangabad	Bihar
5	Koraput	Odisha

The Second Delta ranking also details the following districts as **Least Improved**:

Rank	District	State
107	Kiphire	Nagaland
108	Giridih	Jharkhand
109	Chatra	Jharkhand
110	Hailakandi	Assam
111	Pakur	Jharkhand

The districts which have shown great initiative and displayed a qualitative jump in their scores between June and October 2018, have been dubbed as '**Fast Movers**':

District, State	June 2018	October 2018
Kupwara, Jammu and Kashmir	108	7
Ranchi, Jharkhand	106	10
Siddharthnagar, Uttar Pradesh	103	3
Jamui, Bihar	99	9
Fatehpur, Uttar Pradesh	82	25

Fast-Tracking Clearance of FDI Proposals (20-12-2018)

The Foreign Investment Facilitation Portal (FIFP) is the online single point interface of the Government of India with investors to facilitate Foreign Direct Investment (FDI) after abolition of the erstwhile Foreign Investment Promotion Board (FIPB). This portal is administered by Department of Industrial Policy & Promotion (DIPP).

The work of granting government approval for foreign investment in eleven notified sectors and activities requiring government approval under the extant FDI Policy and Foreign Exchange Management Act (FEMA), has been entrusted to the concerned Administrative Ministries and Departments.

Standard Operating Procedure (SOP) for processing FDI proposals were issued on 29th June, 2017 by the DIPP.

As per the SOP, 8 to 10 weeks' time has been fixed for decision on the proposals, excluding the time taken by applicants in removing deficiencies in the proposals and supplying additional information as may be required by the competent authority.

Details of FDI in the country during last four years (17-12-2018)

S. No.	Financial Year	FDI Inflow (in USD Billion)
1.	2014-15	45.15
2.	2015-16	55.56
3.	2016-17	60.22
4.	2017-18	60.97

PM dedicates Bogibeel Road-cum-Rail bridge to the nation; flags off first passenger train (25-12-2018)

The 4.9 km-long bridge on the Brahmaputra river is Asia's second longest rail-cum-road bridge. It has a serviceable period of 120 years.

The bridge spans the River Brahmaputra between Dibrugarh and Dhemaji districts of Assam. Bridge will not only reduce the distance for the people of Arunachal Pradesh and Assam but also facilitate faster movement of troops and supplies to the India-China border in Arunachal Pradesh.

E>Returns Filed by the Individual Tax Payers (14-12-2018)

There has been a growth in the number of e>Returns filed by the individual tax payers during the last four years.

The number of income-tax returns filed and the annual growth rate during the last four financial years are as under:

Financial Year	Number of Income Tax Returns (including revised returns) filed by Individuals	Growth over previous year
2014-15	31,334,957	15.7%
2015-16	40,034,897	27.8%
2016-17	49,329,747	23.2%
2017-18	63,349,975	28.4%

Multitranches Financing Facility (MFF) of Asian Development Bank

ADB's Multitranches Financing Facility (MFF) is a financing modality that supports a client's medium- to long-term investment program or plan.

ADB's Board of Directors approves a maximum amount for an MFF, and the conditions under which financing will be provided.

On the basis of the Board's approval, and at the client's request, ADB Management converts portions of the facility amount into a series of tranches to finance eligible investments.

A tranche can be a loan (other than program or a sector development program loans), grant, guarantee, or ADB-administered cofinancing.

Financing terms and conditions can differ between tranches.

The overall amount of the MFF is not recorded as a legally binding financial commitment on the part of either ADB or its clients; only the amounts converted (into loans, grants, guarantees or ADB-administered cofinancing) are recorded as committed, if and when approved.

India to Chair Kimberley Process from 1st January 2019

The Kimberley Process Certification Scheme (KPCS) Plenary 2018, was held in Brussels, Belgium, from 12th-16th November 2018. EU handed over the Chairmanship of KPCS to India from 1st January, 2019.

The Kimberley Process (KP) is a multilateral trade regime established in 2003 with the goal of preventing the flow of conflict diamonds. The core of this regime is the Kimberley Process Certification Scheme (KPCS) under which States implement safeguards on shipments of rough diamonds and certify them as "conflict free".

Kimberley Process (KP) defines conflict diamonds as: 'rough diamonds used to finance wars against governments' - around the world.

The Kimberley Process (KP) is a commitment to remove conflict diamonds from the global supply chain. KP members are responsible for stemming 99.8% of the global production of conflict diamonds.

The KP is not, strictly speaking, an international organisation: it has no permanent offices or permanent staff. It relies on the contributions – under the principle of 'burden-sharing' – of participants, supported by industry and civil society observers. Neither can the KP be considered as an international agreement from a legal perspective, as it is implemented through the national legislations of its participants.

India is the founding member of KPCS and is actively involved in KP activities to ensure that almost 99% of the diamond trade in the world is conflict free.

India and the UAE signed currency swap agreement to boost trade and economic relations (07-12-2018)

The agreement is expected to reduce the dependency on hard currencies like US dollar and give a push for the local currencies of the two nations. It will also reduce the impact of volatility in exchange rate arising from the dependency on a third currency.

The swap is for an amount of Dh2 billion or Rs35 billion, depending on the central bank which is requesting the amount.

Miscellaneous

1. Discussion Paper **3 Essential "S"s of Climate Finance** - Scope, Scale and Speed: A Reflection. prepared by Climate Change Finance Unit, Department of Economic Affairs, Ministry of Finance.
2. Maintenance of rural roads constructed under **Pradhan Mantri Gram Sadak Yojana** (PMGSY) is the responsibility of the State Government.
3. Economic Advisory Council to the Prime Minister (EAC-PM) constituted **Logistics Development Committee** under the Chairmanship of Dr. Bibek Debroy, Chairman, EAC-PM to assess key challenges, and suggest reforms in logistics development and associated commerce. (21-12-2018).
4. The Department of Industrial Policy and Promotion (DIPP) announced results of the first ever States' **Start-up Ranking 2018**. • Best Performer Gujarat • Top Performers Karnataka, Kerala, Odisha, and Rajasthan. (20-12-2018).
5. Preeti Saran, a former senior Indian diplomat, has been elected unopposed to an **Asia Pacific seat on the UN's** Committee on Economic, Social and Cultural Rights (CESCR) for a term beginning on January 1, 2019 and expiring on December 31, 2022. (06-12-2018).
6. Government's comprehensive **4R's approach to strengthen PSBs** are Recognition, Resolution, Recapitalisation and Reforms.
7. India's first rail and transportation university, **National Rail & Transport Institute** (NRTI), a vision of the Prime Minister Narendra Modi, is India's first university focussed on transport-related education, multidisciplinary research and training. A Deemed to be University under the de Novo category, NRTI is specifically established to create a resource pool of best-in-class professionals for the railway and transportation sector. (15-12-2018).

8. The RBI has decided to **reduce SLR** from existing 19.5% to 18.0% in six quarterly instalments, by 0.25 per cent every quarter beginning January 2019. (05-12-2018)
9. Comptroller and Auditor General Rajiv Mehrishi has become the **Vice-Chair of the UN Panel of Auditors**. The United Nations Panel of Auditors consists of External Auditors of the United Nations and its agencies. Presently, the panel consists of 11 countries -- India, Germany, Chile, Canada, France, Italy, Philippines, Ghana, Indonesia, Switzerland and United Kingdom. Currently, the panel is chaired by the Comptroller and Auditor General of the UK. (11-12-2018)
10. The **Credit Linked Subsidy Scheme (CLSS)** for MIG Scheme has been extended by the Ministry of Housing & Urban Affairs by another 12 months i.e..till 31.03.2020. (31-12-2018)
11. The **Public Enterprises Survey 2017-18** on the performance of Central Public Sector Enterprises, brought out by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, was tabled in both the Houses of Parliament. (27-12-2018)
12. The Appointments Committee of the Cabinet appointed Dr Krishnamurthy Subramanian as the **new Chief Economic Advisor**. Dr Subramanian will have a tenure of three years. He is currently working as an Associate Professor in Indian School of Business, Hyderabad. (07-12-2018)
13. At G-20 Summit 2018 held in Buenos Aires (Argentina), Prime Minister Narendra Modi announced that **India will host the annual G-20 summit in 2022** at 75th anniversary of Independence. Modi thanked Italy for allowing India to play the host. Italy was to host the international forum in 2022. Modi said he had requested Italy if it can host the summit in 2021 and allow India to host the summit in 2022. (02-12-2018).
14. Kerala has become the first state in India to have **four international airports** with the inauguration of the Kannur airport. Civil Aviation Minister Suresh Prabhu and Kerala's Chief Minister Pinarayi Vijayan jointly flagged off the inaugural Air India Express flight, carrying 186 passengers to Abu Dhabi. Other three international airports are Thiruvananthapuram, Kochi and Kozhikode. (09-12-2018).
15. Australia officially recognized **West Jerusalem as Israel's capital** but said a contentious embassy shift from Tel Aviv will not occur until a peace settlement is achieved. The Trump administration recognized Jerusalem as Israel's capital in December 2017, and moved the United States embassy there in May 2018. Both Israel and the Palestinians claim Jerusalem as their capital. Israel captured Arab East Jerusalem in the 1967 Six Day War and later annexed it in a move never recognized by the international community. It sees the entire city as its capital. (15-12-2018)
16. After a deadlock between the US Congress and President Donald Trump over the funding of the US-Mexico border, large portions of the government lost their funding and were forced to close, beginning a partial government shutdown on December 22, 2018. This is the longest **US government shutdown** in history.
17. G20 summit 2018 Buenos Aires (Argentina): India, Japan and US hold first **'JAI' trilateral meet**. (01-12-2018).
18. Iranian President Hassan Rouhani has denounced US President Donald Trump's decision to reimpose economic sanctions against Tehran, calling it a form of **"economic terrorism"**. In May 2018, US scrapped Iran nuclear agreement 2015 called Joint Comprehensive Plan of Action (JCPOA). (09-12-2018)
19. **Huawei chief financial officer** Meng Wanzhou was arrested on 1 December in Vancouver, Canada at the request of the US. The US accuses the tech executive of using a Huawei subsidiary called Skycom to evade sanctions on Iran between 2009 and 2014. US is seeking her extradition. Huawei is a Chinese tech company based in Shenzhen that sells smartphones and telecommunications equipment around the world. Earlier US accused Huawei of spying for China. U.S., Australia, New Zealand, Japan, U.K. and France are either blocking or considering banning the use of Chinese equipment due to security concerns.
20. Agricultural Marketing is a State subject.

21. U.S. President Donald Trump signed into law the **Reciprocal Access to Tibet Act**. The legislation calls for American diplomats, journalists and ordinary citizens to have the same level of access to the Tibet Autonomous Region and other Tibetan areas as their Chinese counterparts enjoy in the US. The law requires the Secretary of State to assess Americans' level of access to Tibet within 90 days and report to Congress identifying the Chinese officials responsible for keeping Americans out of Tibet. The Secretary will then ban those officials from receiving visas to enter the US. For too long, China has covered up their human rights violations in Tibet by restricting travel. (19-12-2018).
22. India has become a **net exporter of electricity** - 7203 MU exported to Nepal, Bangladesh and Myanmar during 2017-18.
23. Asia's largest MedTech Zone (AMTZ) has been set up in Andhra Pradesh. Around 240 companies will manufacture medical equipment at the **Andhra Pradesh Medtech Zone (AMTZ)**, generating 25,000 jobs. (13-12-2018)
24. Ministry of Power, Government of India has decided to make **all meters smart prepaid** in 3 years from 1st April, 2019. This step is likely to bring revolution in power sector by way of reduction in AT&C losses, better health of DISCOMs, incentivisation of energy conservation, ease of bill payments and doing away with the paper bills. Move towards smart meters is a pro poor step as consumers need not pay the whole month's bill in one go, instead they can pay as per their requirements. Manufacturing of smart prepaid meters will also generate skilled employment for the youth. (24-12-2018).
25. As per International Energy Agency (IEA), India was the **third largest coal producer** in the world during 2016-17 (19-12-2018).
26. India signed **Ascension Agreement to the Trans Regional Maritime Network (T-RMN)**. It will give an access to the information on ships passing through the Indian Ocean Region. The multilat construct comprises 30 countries & is steered by Italy. (10-12-2018)
27. Ministry of New and Renewable Energy, Government of India has been conferred the **Skoch Award** for National Significance. The award has been conferred on the Ministry considering its purpose and critical role played in installing about 73 GW renewable energy capacity in the country. SKOCH Award, instituted in 2003, salutes people, projects and institutions that go the extra mile to make India a better nation. (07-12-2018)
28. In Budget 2018, Finance Minister projected a Fiscal Deficit of 3.3% of GDP for the year 2018-19. RBI said if there is **fiscal slippage**, it will have a bearing on the inflation outlook, besides heightening market volatility and crowding out private sector investment. Some populist announcements by the government to woo voters ahead of general elections would make the task of achieving the fiscal deficit target even more daunting.
29. World Bank has released its report — Regulatory Indicators for Sustainable Energy (**RISE**) **2018** (09-12-2018)

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