

## Economy This Week (25th Sep to 1st Oct 2021)

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### 1. Quarterly Employment Survey (QES) (IE 28/9/21)

- Organised employment in nine sectors has increased to 3.08 Cr from 2.37 Cr in 2013-14 (base year based on the 6th economic census).
  - Employment has grown by 29% overall and annually by 4%.
- The nine sectors chosen are -
  - Construction
  - Manufacturing
  - IT/BPO
  - Trade
  - Transport
  - Education
  - Health
  - Accommodation and restaurant
  - Financial services
- The QES (April to June 2021) of All India Quarterly Establishment based Employment Survey (AQEES), will help in:
  - Data based policymaking
  - Execution based on statistics
- Due to the pandemic, employment has decreased by 27% in establishments.
- Overall participation of female workers has reduced from 31% to 29%.

### 2. RBI allows banks to sell 'fraud loans' to ARCs (BL 25/9/21)

- RBI has allowed the banks to transfer the loans classified as fraud to the [Asset Reconstruction Companies \(ARCs\)](#).
- Banks have reported fraud accounts of ₹ 3.95 lakh Cr between FY19 and FY21.
- Stressed assets which are in default for over 60 days or classified as NPAs can be transferred to ARCs.
- Transfer of such accounts however will not absolve the transferor/banks from fixing the accountability for issuing such a loan.
  - Until now if an account is declared as fraud then the banks were to make provision for 100%, now the banks can recover some amount by selling these assets to ARCs.

### 3. Govt withdraws the spending curbs (BL 25/9/21)

- Tax collections have shown a rising trend and with this, the govt has withdrawn the spending curbs it had imposed on various ministries and departments.
- On June 30th, the govt had imposed restrictions on expenditure under 82 of the 101 demands for grants for a three month period starting from July 1.
  - The ministries having these 82 demands for grants were asked to restrict their expenditure to 20% of the BE 2021-22 in the 2<sup>nd</sup> quarter.
  - The remaining 19 demands for grants had no curbs on the expenditures (health, fertiliser, railways, MSMEs, etc).
- Accordingly, now the ministries or departments can spend as per their monthly or quarterly expenditure plan for the remaining period.
- With this, the expenditures of the various ministries/departments are expected to increase in the remaining part of the fiscal.

### 4. Govt notifies mechanism to issue duty credit for goods exported under RoDTEP scheme (BL 25/9/21)

- The exporters are to realise and repatriate the sale proceeds within a time period prescribed under FEMA (as on date it is within six months). If they fail to do so then based on the direction given by an authority/officer or by themselves they will have to repay the amount of duty credit along with interest.
- Under [RODTEP](#), the exporters are given duty credit (amount of credit of duty allowed against the claims under the scheme).
- The rebate under this would be provided in the form of transferable duty credit/electronic scrips (e-scrip) which will be maintained in an electronic ledger by [CBIC](#).
- These scrips can be used to pay only the customs duty.

- The export sectors ineligible such as SEZ, FTWZ, EOUs have also been notified.

### 5. Cost effective micro ATMs gain traction (BL 25/9/21)

- The traditional ATMs face issues related to cost and infrastructure. The **Micro ATMs** are gaining favourability.
- The micro ATMs -
  - Are portable devices that are used by merchants or business correspondents.
  - These can be used to connect to the bank, authenticate users and perform transactions.
  - These do not hold/store any cash but can be used by the merchant to authenticate the customer and then physically hand over the cash to the customer or collect deposits.
  - Many fin tech companies and banks are partnering to provide banking services and cash withdrawals through these.
- As per RBI data micro ATMs have increased by over 60% to reach 4.94 lakh by August end (from 3.07 lakh a year ago).
- In contrast to this there were 2.41 lakh ATMs by August end and have increased by just 3.4% from 2.33 lakh during the corresponding period.
- Micro ATMs are cost effective.

### 6. Natural gas prices hiked by 62% (IE 1/10/21)

- Govt has hiked the price of domestically produced natural gas by 62% to \$2.9 mn British thermal units (mmbtu).
- This is on account of the North American and European gas prices climbing up because of lower production and higher demand.
- The new prices will be effective for six months starting October 1.
- This could have adverse impacts -
  - For power and fertiliser industries
  - Spike inflation
  - Strain current account
  - It may also lead to higher fertiliser prices if the govt does not hike the subsidy.
- The domestic gas prices are linked to weighted average price of four global benchmarks.

### 7. Panel to fix minimum wage reconstituted (ET 29/9/21)

- The Labour Ministry has reconstituted the expert group set up for fixing national floor level wage.
  - This has been constituted under the [Code on Wages](#).
  - The panel was headed by Ajit Mishra and now will be headed by S P Mukherjee.
  - Three more members have been added to the committee.
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