

## Economy This Week (22nd to 28th Oct 2022)

Economy is an important part of the UPSC prelims and mains exams; this series titled 'Economy This Week' has been initiated to address the need to read and analyse economic articles in various business-related newspapers. The round-up of the Economy/Business section news for **22nd to 28th Oct 2022** is given below. Business news is essential for IAS exam preparation.

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### 1. One database for all the welfare schemes (ET 24/10/22)

- Government is considering merging its two flagship beneficiary identification schemes - Socio Economic Caste Census (SECC) will be rolled into the Social Registry (jointly developed by Ministry of Electronics and Information Technology and NITI Aayog)
  - Social Registry is maintained by most developed nations and it is updated in real time and the govt feels that there is a need for such a database as the SECC data is old
- Once merged the latter will become a one source database register (will be updated real time) for all the welfare schemes. It will also help the govt in better allocation of funds
- SECC
  - Is a decadal exercise
  - Is dependent of the census

- SECC database compiled by the rural development ministry has been utilised since 2014 for identification of beneficiaries
  - It provides for automatic exclusion based on 14 parameters and automatic inclusion based on 5 parameters and grading of deprivation based on 7 criteria
- Social registry
  - Will have household information on assets and benefits availed through various govt schemes
  - Being developed using the household data collected under ongoing population census
  - Govt is collecting real time data on houselessness, landlessness, unemployment status and benefits received by the family etc

## **2. Govt to develop 50 districts as export hubs (LM 26/10/22)**

- The govt is considering announcing 50 districts to be developed as export hubs under this
  - 50 districts will be selected based on competition/challenge
    - Districts will be assessed on parameters such as export plans, efforts to plug infrastructure, logistics gap, cluster approach to exports etc
  - ₹ 2500 Cr would be allocated and each district would be getting ₹ 50 Cr
  - It will help the domestic producers to scale up manufacturing and find potential buyers outside India
  - It will be a centrally sponsored scheme. DGFT has recommended that the centre bear 60% of cost and rest by states
- The scheme initially included 200 districts and the cost was kept at ₹ 10000 Cr. The department of expenditure recommended doing it in phases and mapping the impact first

## **3. AAP wants goddess Lakshmi - lord Ganesh on notes (BL 27/10/22)**

- Delhi CM has suggested that the centre should print the images of goddess Lakshmi and lord Ganesh on the currency notes to improve the state of the economy
- The CM pointed out that Indonesia - predominantly a muslim nation - has Ganesha on their currency notes
- This was earlier proposed by BJP MP Subramanian Swamy in 2020 to improve the condition of the economy

#### 4. After EC, now CAG works to red flag freebies, state largesse (IE 23/10/22)

- Comptroller Auditor General (CAG) is exploring to devise parameters that will be flagging the subsidy burden, off budget borrowings, discounts and write offs which may pose challenges to the economy of states
- The issue of states' financial stability came up during the meeting of CAGs Audit Advisory Board (AAB)
- The board provides “suggestions” to the body on matters relating to audit, including coverage, scope and prioritisation of audits
  - The board has 21 members and is headed by CAG Girish Chandra Murmu
- The body has observed that most states have become revenue deficit after pandemic and are unable to manage their expenditures from their revenue sources
- The body is looking at repayment liabilities of the states in the next six years. The concern is that the borrowings are very high and most of the budget will be used to make the repayments which is not sustainable

#### 5. Low performing biogas scheme may be tweaked (BS 25/10/22)

- Ministry of petroleum and natural gas is looking to tweak the Sustainable Alternative Towards Affordable Transport (SATAT) Scheme to incentivise small scale projects
- SATAT
  - Launched in 2018
  - Aims to incentivise production of compressed biogas (CBG) from various biomass sources
  - There is a need for having a fresh approach in the scheme as its target of 5000 CBG plants in 5 years will not be met
    - So far only 35 plants have been developed till July 2022 and since then only one has been developed
    - The gas produced in these plants is transported in cylinders to the fuel station of the oil marketing companies (OMCs) to be sold as fuel alternative
- There is a need for having a greater geographical spread to combat the challenge of the crop waste disposal. To do that there is a need to incentivise the smaller plants in rural areas and in urban fringes
- The suppliers will sell the gas to the OMCs at a price arrived at in agreements. These prices are low and the cost of setting up the plants are high. In addition to this the transportation of the gas remains a difficulty

## **6. BSE launches electronic gold receipts (LM 26/10/22)**

- BSE has launched electronic gold receipts (EGRs) on its platform which will help in efficient and transparent price discovery
  - It has introduced two new products 995 and 999 purity during the muhurat trading
  - Trading will be in multiples of 10 gms, 100 gms
  - EGRs will cater to all the market participants - buyers and sellers can be individual investors, commercial participants such as importers, banks, refineries, bullion traders etc
- This is expected to lead to
  - Greater assurance in quality of gold supplied
  - Efficient price discovery
  - Transparency in transacting
  - Create a vibrant gold ecosystem by enabling actual fungibility of gold
- India is 2nd largest consumer and has an annual demand of 800 to 900 tonnes

## **7. IRDAI panel to develop rural insurance (FE 26/10/22)**

- Insurance Regulatory and Development Authority of India (IRDAI) has set a 2 member committee to develop and suggest affordable and comprehensive cover for the rural population
  - The panel will be headed by Thomas M Devasia
  - The proposed cover - Bina Vistaar - will be a benefit based parametric structure. The committee has been asked to recommend regulatory framework for the cover
  - Committee has been asked to develop and suggest constitution and operation of women centric distribution channel - Bima Vahak - which will be focused on reaching untapped/rural areas and also to recommend regulatory framework for this
  - Committee will recommend about bringing synergies between Bima Vistaar, Bima Vahak and Bima Sugam (digital platform)
- The view is that there is a need to understand the requirements of the market first so that affordable, simple and comprehensive cover for rural population
- Artificial Intelligence and machine learning can be used by creating a digital platform to reach the last mile

#### 8. Centre to use tech for crop insurance from 2023 (BL 26/10/22)

- Agriculture ministry has set up two committees - nationwide implementation of technology based crop yield estimation; standardization and improvement of weather data infrastructure
  - The panels will be headed by the director of Mahalanobis National Crop Forecast Centre (MNCFC)
- This is expected to reduce the delays in crop damages / crop loss estimation. This will ensure timely settlement of claims of farmers

#### 9. Bharat Bond ETF - 4th Tranche may come in December (BL 26/10/22)

- Govt is planning to launch 4th tranche of Bharat Bond ETF in December
- The funds raised under this will be used by the public sector enterprises for capital expenditures
- The 3rd tranches of ₹ 1000 Cr was released in December 2021 and was oversubscribed by 6.2 times
- Bharat Bond ETF was launched in 2019 under which CPSEs were able to raise ₹ 12400 Cr and in three tranches so far it has raised ₹ 29600 Cr
- Currently ETF are there in 5 different maturities - 2023, 2025, 2030, 2031, 2032