

Economy This Week (19th to 25th Nov 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 19th to 25th Nov 2022 is given below. Business news is essential for IAS exam preparation.

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1. Centre sets standard for e-commerce reviews (TH 22/11/22)

- Centre is rolling out a standard for publishing the product review on e-commerce websites
 - To start with, this will be voluntary and ,after will be made mandatory
 - Once made mandatory, customer may submit grievance to the National Consumer Helpline, Consumer Commission or the CCPA against misleading reviews
 - These are applicable to every platform that publishes consumer reviews
- The framework - “Indian Standard (IS) 19000:2022 Online Consumer Reviews - Principles and Requirements for their Collection and Moderation and Publication” - has been prepared by BIS (Bureau of Indian Standards - BIS)

- Any violation may attract punishment
 - Will protect the customers from fake reviews
 - The standards prescribes specific responsibilities for the review author and review administrator
 - Review author must accept terms and conditions, provide contact info
 - Review admin must safeguard personal info and train staff
 - It also provides for verification of the review author to check the traceability and genuineness of review author
 - BIS will also come out with a certification process to find out whether the companies are complying with these standards
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2. Skill training of MGNREGS workers lags (TH 23/11/22)

- Government has launched Project Unnati in 2020 to impart skill training to its beneficiaries and reduce dependence on the MGNREGS
 - The objective was that people would be shifted from partial employment to full employment
 - Objective is to train one adult member in the age group of 18 to 45 years of a household that has completed 100 days of work under MGNREGS (if a household works for 100 days under MGNREGS than it is completely dependent on it)
 - During the training period the candidate will be paid same wages
 - At least 20% of the households under the MGNREGS should be targeted by the states
 - For FY21, 71 lakh households have worked for 100 days and of these only 8658 persons have received training
 - In FY22, out of 59 lakh households, only 12577 persons have received training
 - The selected candidates are trained under three established training programmes
 - Deen Dayal Upadhyay Grameen Kaushal Yojana (DDU-GKY) (this is a placement linked program in which 70% of trained candidates have to be compulsorily employed with minimum salary of ₹ 6000 a month)
 - Rural Self Training Institute (RSETI)
 - Kristi Vigyan Kendra
 - There has been a lukewarm response to the scheme since its launch
 - So far just over 25000 people have been trained and its target is 2 lakh persons
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3. RBI brings GSTN under account aggregator framework (FE 24/11/22)

- RBI has brought the GSTN (GST Network) as a financial information provider under the account aggregator framework
 - Account aggregators (AAs) framework has been released by RBI in 2016
 - AAs will facilitate sharing of data between individuals and financial institutions
 - The lender now can review this data before giving loans to the applicants
 - So far around 1 bn accounts, 17 banks, 48 non-bank lenders have been enabled on AA framework
 - It is aimed at facilitating cash flow based lending to MSMEs
 - The Department of Revenue will be the regulator for the GSTN for furnishing returns on GST and the returns filed in GSTR-1 and GSTR-3B will be the financial information
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4. Centre likely to raise EPFO Wage threshold (ET 24/11/22)

- Centre is likely to revise the wage ceiling upwards for the Employees' Provident Fund Organisation (EPFO)
 - With the rise in the limit
 - The employees now will be saving money after their retirement
 - Will bring more workers under the coverage of EPFO
 - The current wage ceiling is ₹ 15000 per month (was ₹ 6500 till 2014)
 - This is applicable for the enterprises which have more than 20 employees
 - Govt will be setting up a committee to determine the higher wage ceiling which will be indexed to inflation and will be reviewed periodically
 - It could be aligned with ₹ 21000 per month wage ceiling under Employees' State Insurance Corporation (ESIC) to bring parity between the two social security schemes
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5. New SC bench on tax cases from next week (LM 23/11/22)

- Starting next week the Supreme Court (SC) will be having a special bench to deal with tax cases
- The decision of the CJI is in line with another decision earlier CJI H L Dattu in 2015 to constitute a bench that would hear only tax cases
 - This earlier bench was headed by Justice A K Sikri and Justice Nariman

- This bench in less than a year delivered around 200 judgements in tax law, the highest ever since 2007 and helped close over 500 connected cases
 - Such initiative will help in reducing pendency of tax cases across the country and help in calendar management of the lawyers who practice such law
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6. Govt bond trade halves after tech glitch (BS 24/11/22)

- The govt bond trading was hit after a technical glitch in the Clearing Corporation of India (CCIL)
 - The trading dipped from an average of ₹ 34908 Cr to ₹ 17290 Cr
 - The bond traders reported that the RBI platform - Negotiated Dealing System - Order Matching (NDS-OM) - suffered technical issues in the morning. The CCIL manages the NDS-OM platform
 - This would affect the parties which wanted to execute certain deals in order to address Asset Liability Management (ALMs)
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7. Bank's overnight SDF balances eligible for LCR (BS 24/11/22)

- The overnight balances which are held by the banks with RBI under the Standing Deposit Facility (SDF) will be eligible to be counted as a part of Liquidity Coverage Ratio (LCR)
 - These deposits will be considered as a part of High Quality Liquid Assets (HQLA)
 - SDF was introduced this year in April and has replaced the Reverse Repo Rate as a lower bound of the liquidity adjustment corridor
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8. 212k PDS shops to be recast as common service centres (FE 23/11/22)

- The food ministry is aiming to convert 21200 Fair Price Shops into Common Service Centres (CSC)
- With this these would have an additional source of revenue and also provide a host of services
- There are over 5.34 lakh FPS in country
 - The owners of these get a commission of ₹ 143 and ₹ 70 per quintal per quintal for food grains distributed under NFSA in hilly (including NE states) and rest of states respectively

- Currently 38000 PSD outlets have been turned into CSCs following a MoU between dept of food and public distribution and the ministry of electronics and information in September 2021
 - Most of these are in Gujarat, Uttarakhand, Himachal Pradesh, Madhya Pradesh, Rajasthan, Tamil Nadu and Jharkhand
 - The PDS outlets will
 - Provide food grains to beneficiaries under NFSA
 - Registrations for Aadhaar and PAN Cards, booking train tickets, checking bank balance and accessing information relating to eligibility for various schemes
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9. Centre scraps export tax on iron ore, steel (TH 20/22/22)

- Government has scrapped the export tax on low grade iron ore and on some intermediate steel products
 - The tax was imposed to increase the domestic supply
 - With the taxes, India exports fell to less than 50% in 7 months (ending October) compared to a year earlier
 - Though the tax has been removed now, it is doubtful whether the exports will be revived
 - Chinese economy is not buoyant
 - Once the trade is disrupted, it is difficult to revive it soon
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10. CCI to take over functions of anti-profiteering watchdog (BL 25/11/22)

- The National Anti-Profiteering Authority(NAA) will cease to exist from 1st December and all the cases will be handled by Competition Commission of India (CCI)
- The central govt on recommendation given by the GST council has empowered CCI to examine whether reduction in tax rates have led to commensurate reduction in prices of goods and services
- The Directorate General of Anti-Avoidance which has been set up to investigate such cases will retain its powers and submit the reports to the CCI for verdict