

1. Twin Deficit Problem

Topic: Economy

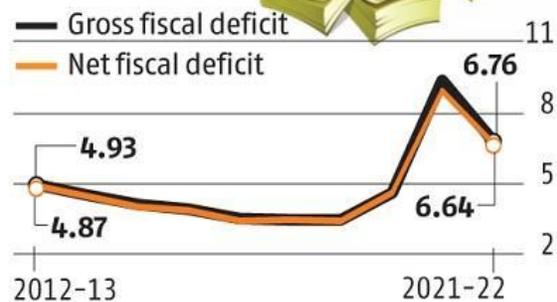
In News: In its latest 'Monthly Economic Review', the Ministry of Finance has informed that India is emerging in to Twin deficit problem.

More on the Topic:

- Twin deficit refers to a nation's **current account deficit and a simultaneous fiscal deficit.**
- **The fiscal deficit is essentially the amount of money that the government has to borrow** in any year to fill the gap between its expenditures and revenues.
- Higher levels of fiscal deficit typically imply the government eats into the pool of investible funds in the market which could have been used by the private sector for its own investment needs.
- At a time when the government is trying its best to kick-start and sustain a private sector investment cycle, **borrowing more than what it budgeted will be counter-productive.**

FISCAL INDICATORS: IT AIN'T ROSY

(As percentage to GDP)



The Current Account Deficit:

- The current account essentially refers to two specific sub-parts:
- Import and Export of goods — this is the **“trade account”**.
- Import and export of services — this is called the **“invisibles account”**.
- If a country imports more goods (everything from cars to phones to machinery to food grains etc) than it exports, it is said to have a trade account deficit.
- **A deficit implies that more money is going out of the country than coming** in via the trade of physical goods. Similarly, the same country could be earning a surplus on the invisibles account — that is, it could be exporting more services than importing.

Recommendations by the Report:

- The report underscores **the need to trim revenue expenditure** (or the money government spends just to meet its daily needs).
- **Rationalizing non-capex expenditure** has thus become critical, not only for protecting growth supportive capex but also for avoiding fiscal slippages.
- **“Capex” or capital expenditure essentially refers to money spent towards creating productive assets** such as roads, buildings, ports etc. Capex has a much bigger multiplier effect on the overall GDP growth than revenue expenditure.
- Fiscal Consolidation through tight monetary policy also a need of the hour.

- Import substitution/cuts, especially fossil fuels and non-essential goods should be done.
Source: Indian Express

2. NIPUN Scheme

Topic: Government Schemes

In News: In order to train over 1 lakh construction workers, Union Housing and Urban Affairs Minister Hardeep Puri has launched an innovative project for skill training of construction workers called 'NIPUN' (National Initiative for Promoting Upskilling of Nirman) workers to enable them for better job opportunities.

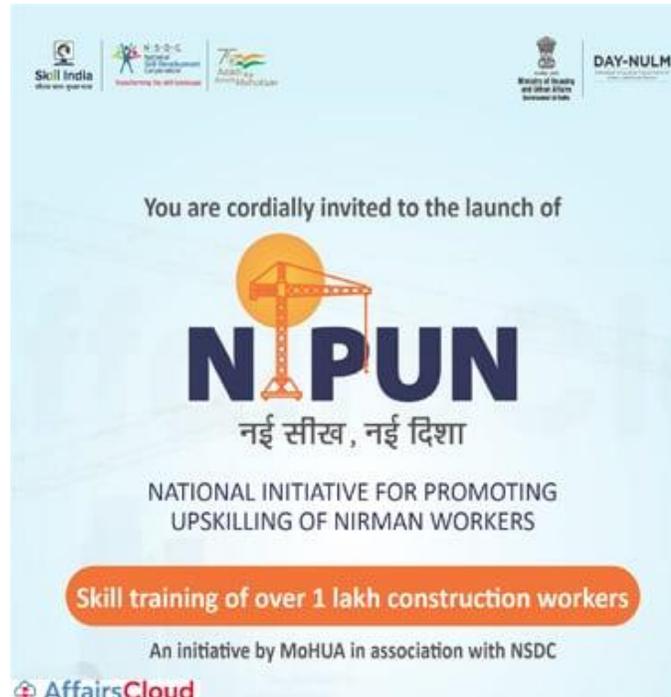
More on the Topic:

- The project NIPUN is an initiative of the Ministry under its flagship scheme of the Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) to train over 1 lakh construction workers, through fresh skilling and upskilling programmes and provide them with work opportunities in foreign countries also.
- This initiative will enable Nirman **workers to be more proficient and skilled while making them adopt future trends in the construction industry** by increasing their capabilities and diversifying their skill sets.
- The National Skill Development Corporation (NSDC), the nodal agency under the Ministry of Skill Development and Entrepreneurship (MSDE), Government of India, will be the implementation partner for the project NIPUN.

Significance:

- **The construction industry is a significant contributor to the nation's GDP** and we are proud of world class construction being undertaken in the country.
- The NIPUN Project **will enable the construction workers to seek better job opportunities, increase their wages and even pursue overseas placements** - an indication of a new eco-system.
- The construction industry is poised to become the largest employer by 2022 and needs 45 million additional skilled workers over the next 10 years.

Source: Indian Express



3. Google Tax

Topic: Economy

In News: India's equalization levy, or the so-called Google tax on offshore digital economy firms, is set to stay beyond 2023, as a global tax deal which was to replace such levies by individual nations by then faces implementation challenges.



More on the Topic:

- The global tax reform agreed to by 140 nations covering both digital economy taxation and a plan for a minimum global corporate tax rate of 15% looks set to take longer as consultations continue around the finer aspects of digital economy taxation.

Equalization Levy:

- India collects around **₹3,000-4,000 crore from equalization levy every year.**
- The levy was **introduced in 2016 on online advertisements** and has subsequently been expanded to cover the sale of goods and provision of services through online platforms.
- EL is related with **online advertisements** payments received by non-resident companies without a permanent establishment (PE) here, if these exceeded ₹1 lakh a year. It was later expanded to non-resident e-commerce operators with the levy at the rate of 2%.
- India's revenue receipts from the taxation rights to be granted under the global tax reform are expected to be less than what New Delhi now collects as equalization levy.

Source: Hindu

4. Pink Boll Worm

Topic: Agriculture



In News: The Pink Bollworm has attacked Cotton Crop in Haryana and Punjab.

More on the Topic:

- The PBW infestation was discovered during the early stages of the cotton crop cycle.
- Pink Bollworm (*Pectinophora gossypiella*) is an **insect known as pest of cotton**, possibly a native of eastern Indian Ocean region.
- PBW is **resistant to first generation transgenic BT Cotton, and insecticides**.
- The adult female PBW lays eggs on cotton balls. Once hatched the larvae eat the seeds and damage the fibres of the cotton, reducing the yield and quality.
- PBW is a cryptic pest that is rarely detected early. Farmers, on the other hand, who become more aware, can detect the flower infestation early.
- Basic schedule pesticides, neem-based sprays, and botanicals are all recommended.
- Farmers are also advised to install **pheromone traps and monitor moth catches** as well as rosette flower damage.

Source: Indian Express

5. Chambal sanctuary

Topic: Environment and Ecology

In News: To end illegal mining, Madhya Pradesh plans to make it legal in parts of Chambal sanctuary.

More on the Topic:

- National Chambal Sanctuary, also called the National Chambal Gharial Wildlife Sanctuary, is a **tri-state protected area in northern India** for the protection of the **Critically Endangered gharial**, the **red-crowned roof turtle** and the **Endangered Ganges river dolphin**.
- Located on the **Chambal River near the tripoint of Rajasthan, Madhya Pradesh and Uttar Pradesh**, it was first declared in Madhya Pradesh in 1978.
- It now constitutes a long narrow **eco-reserve co-administered by the three states**. Within the sanctuary, the pristine **Chambal River cuts through mazes of ravines and hills with many sandy beaches**.

Source: Business Standard

