

ECONOMIC SURVEY 2022-23: AGRICULTURE SECTOR NEEDS 'RE-ORIENTATION'

Why in news?

- The Economic Survey 2022-23 said that the agriculture sector needs re-orientation given challenges like adverse impacts of climate change, fragmented landholdings and rising input costs.

News Summary: Key highlights of the Survey with respect to Agriculture Sector

- **Agriculture sector is growing at a robust annual growth rate**
 - The Survey noted that the Indian agriculture sector has been growing at an average annual growth rate of 4.6 per cent during the last six years.
 - It grew by 3.0 per cent in 2021-22 compared to 3.3 per cent in 2020-21.
- **India emerged as the net exporter of agricultural products**
 - In recent years, India has rapidly emerged as the net exporter of agricultural products.
 - In 2020-21, exports of agriculture and allied products from India grew by 18 per cent over the previous year.
 - During 2021-22, agricultural exports reached an all-time high of \$50.2 billion.
- **Strong agri growth led to a YoY dip in monthly demand for MGNREGS**
 - There has been an Year-on-Year (YoY) decline in monthly demand for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) work.
 - The number of persons demanding work under MGNREGS was seen to be trending around pre-pandemic levels from July to November 2022.
 - In FY23, as on 24 January 2023, 6.49 crore households demanded employment under MGNREGS, and 6.48 crore households were offered employment out of which **7 crore availed employment**.
 - This is resulting from normalisation of the rural economy due to strong agricultural growth and a swift bounce-back from Covid-19.
 - The significant growth in rural India, led by agriculture sector, was the major shock absorber during the COVID-19 pandemic.

- When majority of the workforce reverse-migrated to rural areas, agriculture as well as MGNREGA supported the domestic economy.
 - The survey also credited the MGNREGS with having a positive impact on income per household, agricultural productivity, and production-related expenditure.
 - It added that this helped with income diversification and infusing resilience into rural livelihoods.
 - **Indian agriculture needs re-orientation**
 - The Survey highlighted that Indian agriculture needs re-orientation in the backdrop of certain challenges like adverse impacts of climate change, fragmented landholdings, sub-optimal farm mechanisation, low productivity, disguised unemployment, rising input costs, etc.
 - The performance of the agriculture sector remains critical to growth and employment in the country.
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AMRITA SHER-GIL

Recently, The National Gallery of Modern art in association with Liszt Institute, Hungarian Cultural Centre, New Delhi celebrated the 110th birth anniversary of Amrita Sher-Gil.



About Amrita Sher-Gil:

- Amrita was an **Indian-Hungarian painter** and one of the avant-garde women artists.
 - Though her art education was from Paris, she has discovered the artistic traditions of India.
 - She travelled widely in India during 1939 which brought a robust impact on the style of expression, figuration and composition in her artwork.
 - **Her famous works are**
 - A group of three girls.
 - Brahmacharis, Bride's toilet.
 - Lady Daljit Singh of Kapurthala, Musicians, women on Charpoy, Camels and Village girls.
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YAYA TSO LAKE

Recently, Yaya Tso Lake was declared Ladakh's first biodiversity heritage site under the Biological Diversity Act.



Why in news?

- The Biodiversity Management Committee, the panchayat of Chumathang village, along with the SECURE Himalaya Project recently resolved the issue and declared Yaya Tso Lake a biodiversity heritage site.

Key facts about the Yaya Tso Lake

- Lake Yaya Tso is known as a **bird's paradise** for its beautiful lake located at an altitude of 4,820 metres in Ladakh.
- It is a nesting habitat for a large number of birds and animals, such as the bar-headed goose, black-necked crane and brahminy duck
- It is also one of the highest breeding sites of the **black-necked crane** in India.

What is the Secure Himalaya project?

- It is funded by the **Global Environment Facility**.
- It supports the government's efforts for the **conservation of snow leopard** and its habitat by developing and implementing a landscape-based approach for Himalayan ecosystems, and addresses key issues of habitat degradation, threatened livelihoods and illegal trade in wildlife.
- It was launched in 2017.

Project Landscapes:

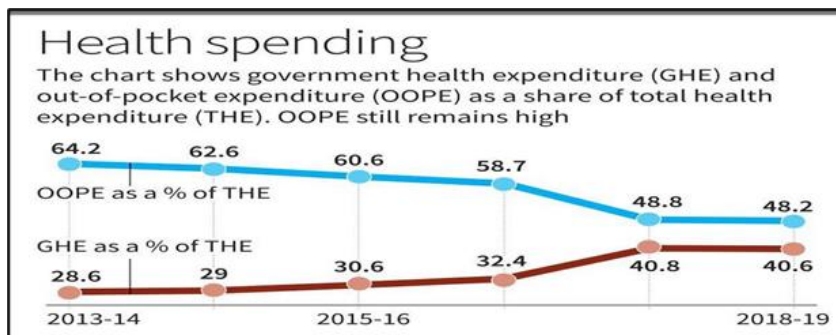
- Changthang, Ladakh Landscape, Jammu & Kashmir
- Lahaul-Pangi and Kinnaur Landscapes,
- Gangotri-Govind and Darma-Byans Landscapes,
- Khangchendzonga-upper Teesta Valley.

ECONOMIC SURVEY 2022-23: STATUS OF HEALTH AND EDUCATION IN INDIA

Why in News?

- According to the recently released Economic Survey 2022-23, almost half of all **health** spending in India is still paid by patients themselves, although this has dropped as the government's share of spending on health went up significantly after 2013-14.
- While the expenditure on social services increased from ₹9,15,500 to ₹21,32,059 crore, the budgetary allocation for **education** as a percentage of total expenditure has dropped over the past seven years, from 10.4% to 9.5%.

What is the Scenario of the Health Sector in India?



- **Increase in the share of government health expenditure:** It was just 28.6% (in comparison to the total health expenditure) in the financial year 2013-14, but rose to **6% by 2018-19**.
 - For 2018-19, India's total health expenditure was estimated to be ₹5,96,440 crore (current + capital expenditures by the govt, private sources including external funds), which is **2% of GDP and amounts to ₹4,470 per capita**.
 - **India's budgeted expenditure** on the health sector reached 2.1% of the GDP in financial year 2023 (Budget estimates) and 2.2% in FY 2022 (revised estimates).
 - This is closer to the recommendations (**2.5% by 2025**) made in the National Health Policy 2017 as well as the 15th Finance Commission.
- **Decline in out-of-pocket expenditure:** Consequently, it declined as a percentage of total health expenditure from 64.2% in 2013-14 to 48.2% in 2018-19.
 - Out-of-pocket expenditure is the money paid directly by households, at the point of receiving health care.

- **Increase in the share of health expenditure in total expenditure on social services:** It has increased from 21% in FY 2019 to 26% in FY 2023 (BE).
 - This underscores the rising importance of public healthcare and social security in ensuring **universal health coverage**.
 - One of the major factors for this increase is the **expenditure incurred in the national Covid-19 vaccination programme** (97% have received both the doses).
- **Ayushman Bharat Jan Arogya Yojana (AB-JAY) falling short of the target:**
 - Under the Union Health Ministry's largest cashless health insurance scheme, approximately 21.9 crore beneficiaries have been verified, including 3 crore beneficiaries verified using State IT systems.
 - This is **less than 50% of the originally targeted approximately 50 crore beneficiaries** under the scheme.
- **The rate of overweight children (under 5) and men-women has gone up:**
 - According to the National Family Health Survey, for children it has gone up from 2.1% in 2015-16 to 3.4% in 2019-21.
 - Similarly, the number of women who are overweight or obese has increased from 20.6% to 24%, while the number of men has gone up from 18.9% to 22.9%.

WHAT IS NASA'S PERSEVERANCE ROVER?

NASA's Perseverance rover recently completed the first "sample depot on another world" by dropping the tenth and final sample tube.



Why in News:

- The tube will be part of a depot that will be considered for the return to Earth as part of the Mars Sample Return Campaign.

About Perseverance rover:

- It is **robotic explorer to land on Mars** as part of NASA's ongoing **Mars 2020 Mission**.
- **Main Job:** Seek signs of ancient life and **collect samples of rock** and regolith (broken rock and soil) for possible return to Earth.

- The rover will collect samples of rock and soil, encase them in tubes, and leave them on the planet's surface to be returned to Earth at a future date.
- **Launch:** It was launched on **July 30, 2020** from Cape Canaveral, Florida.
- **Landing:** Successfully landed on the surface of **Mar's Jezero Crater on Feb. 18, 2021.**
- **Features:**
 - It is about **3 metres long, 2.7 metres wide**, and 2.2 metres tall.
 - It is about the **size of a car**, but weighs only about 1,025 kilograms with all instruments on board.
 - **Power source:**Multi-Mission Radioisotope Thermoelectric Generator (MMRTG). **Converts heat from the radioactive decay of plutonium into electricity.**
- **Ingenuity Helicopter:**
 - It is a **small, autonomous aircraft.**
 - **Main Job:** Technology demonstration to **test the first powered flight on Mars.**
 - The helicopter rode to Mars **attached to the belly of the Perseverance rover.**
 - It became the **first aircraft in history** to make a powered, **controlled flight on another planet.**

PM CARES FUND

The Central Government has recently informed the Delhi High Court that PM CARES Fund is set up as a public charitable trust and is not a public authority under RTI.



PM CARES

Prime Minister's Citizen Assistance and Relief
in Emergency Situations Fund

About PM CARES Fund:

- The Prime Ministers Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) was created on **28 March 2020**, following the COVID-19 pandemic in India.



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- It was created for **combating, and containment and relief efforts** against the coronavirus outbreak and similar **pandemic like situations** in the future.
- It has been **registered as a Public Charitable Trust.**
- **Objectives:**
- To **provide assistance and relief** to all the affected persons in the event of any calamity, disaster, public health emergency or any other emergency of any kind that may be either natural or man-made.
- **Creation as well as upgradation of any pharmaceutical facilities**, funding a research, creation or **upgradation of any necessary infrastructure**, healthcare support or any other kind of support.
- **Composition of the Trust:**
- **Prime Minister is the ex-officio Chairman** of the PM CARES Fund.
- **Minister of Defence, Minister of Home Affairs and Minister of Finance**, Government of India are **ex-officio Trustees** of the Fund.
- The Trust Deed of the Fund gives the Chairman of the Board of Trustees, i.e. the Prime Minister, the power to nominate three Trustees to the Board of Trustees.
- **Contributions:**
- The fund consists **entirely of voluntary contributions** from individuals/organizations and does not get any budgetary support.
- The contributions to the Fund can be from any individuals or any organizations including companies, other charitable institutions, associations, etc.
- Donations to PM CARES Fund **would qualify for 80G benefits for 100% exemption under the Income Tax Act,**
- Donations to PM CARES Fund **will also qualify to be counted as Corporate Social Responsibility (CSR)** expenditure under the Companies Act, 2013.
- It has also got **exemption under the FCRA.** This enables PM CARES Fund to **accept donations and contributions** from individuals and organizations based in **foreign countries.**

[ECONOMIC SURVEY 2023: KEY TAKEAWAYS](#)

Why in news?

- On 31 January, the government tabled the Economic Survey 2022-23. The Survey laid out the outlook for India's growth, inflation and unemployment in the coming years.


Economic Survey

- The Economic Survey of India is an annual report released by the **Finance Ministry**. It details the state of the economic performance of the country in the past year.
- The survey highlights macroeconomic figures and economic progress of the country.
- It also mentions the possible economic challenges that India might face in future and suggests measures to overcome them.
- The survey is prepared by the Economic Division of the **Department of Economic Affairs** in the Ministry of Finance under the supervision of the Chief Economic Advisor of India (CEA).
- The Economic Survey of India is presented every year a day before the Union Budget is announced.
 - This year's survey was presented by the CEA V Anantha Nageswaran, after being tabled by Finance Minister in the parliament.

Economic Survey 2023: Key Takeaways

- **GDP growth**
 - The Survey said India's growth estimate for FY23 is higher than for almost all major economies.
 - It projected the economy to grow by somewhere between 6% -6.8%, depending on global factors in 2023-24, with 6.5% a baseline expectation.
 - Despite global uncertainties and slowing world economy, India's growth is supported by solid domestic demand and a pickup in capital investment.
 - India's projected growth rate, that too without the advantage of a base effect, is a reflection of India's underlying economic resilience.
 - Indian economy in 2022-23 has nearly:
 - **recouped** what was lost,
 - **renewed** what had paused, and

- **re-energised** what had slowed during the pandemic and since the conflict in Europe.
- The survey also highlighted few downside risks which might affect the growth:
- Low demand for Indian exports due to poor global growth may widen India's trade deficit and make the rupee depreciate.
- Also, sustained monetary tightening (higher interest rates) may drag down economic activity in FY24.

UPSIDE	DOWNSIDE
<ul style="list-style-type: none"> > Limited impact of Covid spread in China on the rest of the world > Pause in interest rate hikes by central banks in US, Europe may help foreign fund flows into India > If China's opening up does not trigger inflation elsewhere, India could gain > Stable domestic inflation rate of below 6% > Encouraging signs of pick-up in private sector investment > Lower chances of recession in US, Europe could boost exports 	<ul style="list-style-type: none"> > Export slowdown if global growth doesn't recover > If commodity prices remain high, they could impact India's current account deficit > High current account deficit could lead to rupee depreciation making import expensive and fuelling inflation > If inflation remains sticky globally, interest rates could stay high too > High interest rates would mean a squeeze on fund flows as well as low investment
 <p>MEASURED STEPS: Finance minister Nirmala Sitharaman at Parliament on Tuesday</p>	

Inflation

The RBI has projected headline inflation at **8%** in FY23, outside its comfort zone of 2% -6%.

The Survey sounded optimistic about the inflation levels and trajectory as both wholesale and retail inflation are on the descending slope.

However, any re-emergence of Covid-19 situation in China or a reversal of slump in commodity prices poses risks to the inflation trajectory going ahead.

Unemployment

- The Survey said employment levels have risen in the current financial year.
- It pointed to the Periodic Labour Force Survey (PLFS), which showed that urban unemployment rate for people aged 15 years and above declined from 9.8% in the quarter ending September 2021 to 7.2% one year later.
- The Survey also underlined that the fall in unemployment rate is accompanied by an improvement in the labour force participation rate.

▪ **PM Gati Shakti** has additionally assisted in accelerating infrastructure development.

Foreign Direct Investment (FDI) inflows

- Due to India's rapid economic growth and enhanced business environment, FDI into the nation is anticipated to increase in the upcoming months.

- According to data from the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflows into India decreased by 14% to USD 26.9 billion over the period from April to September this fiscal.
- **Current Account Deficit (CAD)**
 - The need for careful monitoring of the current account deficit, which could continue to grow due to elevated global commodity prices, was emphasised.
 - The country's current account deficit increased to 4.4% of GDP in the quarter ending in September from 2.2% of GDP during the April-June period (RBI Data).
- **Rupee likely to remain under depreciation pressure**
 - The pressure on the Indian rupee's depreciation may continue as a result of the export market's slowing and the subsequent expansion of the current account deficit.

Sectoral pointers from survey

- **Regulating crypto ecosystem**
 - The recent collapse of the cryptocurrency exchange FTX and the ensuing sell-off in the crypto markets have placed a spotlight on the vulnerabilities in the crypto ecosystem.
 - Crypto assets are self-referential instruments and do not strictly pass the test of being a financial asset because it has no intrinsic cashflows attached to them.
- **EV Market may cross 1-crore sales**
 - India's Electric Vehicle (EV) market is expected to grow to 1-crore units annual sales by 2030 and create 5 crore direct and indirect jobs.
 - In December 2022, India became the third-largest automobile market, surpassing Japan and Germany in terms of sales.
- **5G can unleash new eco avenues**
 - The rollout of 5G services can unleash new economic opportunities and help India leapfrog the traditional barriers to development, while boosting innovations by startups and business.

Suggestions given by Survey

- The Survey has called for:



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- entirely dismantling the LIC (licensing, inspection and compliance) regime to accelerate economic growth,
 - harnessing women power (nari shakti),
 - renewed focus on energy security and energy transition, education and skilling, administrative reforms.
 - The survey sought determined efforts to make public sector asset monetisation scheme successful, besides addressing (by states) of the power sector issues.
 - The Survey has also placed sufficient emphasis on fiscal consolidation, which it notes is critical for low interest rates in the long term.
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