

INDIA'S GROWTH SURPRISE

Context

- India's economic trajectory has consistently defied expectations, with the National Statistical Office's second advance estimate revealing a robust 7.6 per cent GDP growth, surpassing earlier projections.
- To understand the India's growth surprise, it is crucial to assess the various facets of India's economic landscape.
- Moreover, it is equally important to have an assessment of the factors contributing to the surprising growth, consumption patterns, savings dynamics, and investment trends.

Components Contributing to India's Growth Surprise

- **Strengthening Economic Momentum**
 - The initial estimate, released on January 5, pegged GDP growth at 7.3 per cent, setting a positive tone for the fiscal year.
 - However, the subsequent second advance estimate, incorporating additional data for the third quarter, surpassed these expectations.
 - This implies a strengthening economic momentum in the third quarter, further propelled by the gains from rising net taxes, which emerged as a notable contributor to the overall growth trajectory.
- **Rising Net Taxes and Subsidies**
 - A crucial aspect of this growth narrative lies in the comparison between gross value added (GVA) and GDP growth.
 - While GDP growth stands at an impressive 7.6 per cent, GVA without the net tax impact registers a lower 6.9 per cent.
 - This nuanced distinction highlights the role of net taxes and subsidies in influencing the overall economic performance.
 - Moreover, considering the growth pattern throughout the fiscal year, the average growth rate for the first three quarters stands at an impressive 8.2 per cent.

- Extrapolating from this, the implicit fourth-quarter growth projection is approximately 5.9 per cent.
- **Effective Policy Measures: Robust Banking System and Corporate Balance Sheets**
 - Despite the resilience showcased in the GDP growth figures, it is crucial to acknowledge that real GDP is yet to reclaim its pre-pandemic trajectory fully.
 - However, the concerted efforts of domestic strengths and policy initiatives have brought the economy closer to a 7 per cent growth path.
 - **A significant contributor to this achievement lies in the strengthened state of bank and corporate balance sheets, illustrating the effectiveness of strategic policy measures.**

Conclusion

- India's surprising GDP growth, **driven by resilient domestic strengths and strategic policy focus, sets the stage for a nuanced analysis of the various economic components.**
- **As India navigates through these multifaceted aspects, attention to private corporate investments, consumption patterns, and savings dynamics will be crucial** for achieving sustained and inclusive economic growth.
- **Moreover, the government's role in providing policy certainty and reducing compliance costs emerges as a key determinant** for unlocking the full potential of India's economic prowess.

WHAT IS FOREIGN EXCHANGE RESERVE?

India's foreign exchange reserves surged by \$2.98 billion to \$619.07 billion recently.



- Foreign Exchange Reserves (also called Forex Reserves) are **reserve assets held by a central bank in foreign currencies.**
- Foreign assets comprise assets that are **not denominated in the domestic currency** of the country.

- These may **include foreign currencies, bonds, treasury bills**, and other government securities.
- Reserves are **denominated and expressed in the US dollar**, which is the international numeraire for the purpose.
- **RBI is the custodian** of the foreign exchange reserves in India.

India's foreign exchange reserves comprise of;

- **Foreign currency assets (FCAs):** These are maintained in currencies like the US dollar, euro, pound sterling, Australian dollar, and Japanese yen.
- **Gold**
- **SDR (Special Drawing Rights):** This is the reserve currency with the IMF.
- **RTP (Reserve Tranche Position):** This is the reserve capital with the IMF.
- The **biggest contributor to India's Forex reserves is foreign currency assets**, followed by gold.

Purpose:

- They are used to **back liabilities on their own issued currency, support the exchange rate**, and **set monetary policy**.
- To **ensure that RBI has backup funds** if their national currency rapidly devalues or becomes altogether insolvent.
- **If the value of the Rupee decreases** due to an increase in the demand for the foreign currency, then **RBI sells the dollar in the Indian money market** so that depreciation of the Indian currency can be checked.
- A country with a good stock of forex has a **good image at the international level** because the trading countries can be sure about their payments.
- A good forex reserve **helps in attracting foreign trade** and earns a good reputation with trading partners.

WHAT IS NATIONAL ELECTRONIC FUND TRANSFER (NEFT)?

The National Electronic Funds Transfer (NEFT) reported its highest-ever daily number of transactions at 4.10 crore recently.



National Electronic Fund Transfer (NEFT) is a nation-wide electronic centralised payment system owned and operated by the Reserve Bank of India (RBI).

- It enables **transferring funds from the account** maintained with any bank to any other bank branch, provided the transaction is attempted between the banks that participate in the NEFT payment system.
- **Organisations, companies and individuals can use it** to transfer funds from one bank account to another.
- As per Reserve Bank of India (RBI) guidelines, the payments made via NEFT are **processed and settled in half-hourly batches**.
- **Minimum Transfer Value: Rs. 1**
- **Maximum transfer value: No limit**
- NEFT offers the **following advantages for funds transfer or receipt**:
 - **Round-the-clock availability** on all days of the year.
 - **Near-real-time funds transfer** to the beneficiary account and settlement in a secure manner.
 - **Pan-India coverage** through large network of branches of all types of banks.
 - The **beneficiary need not visit a bank branch** for depositing the paper instruments. Remitter can initiate the remittances from his / her home / place of work using internet banking, if his / her bank offers such a service.
 - **Penal interest provision for delay** in credit or return of transactions.
 - **No levy of charges by RBI from banks**.
 - **No charges to savings bank account customers** for online NEFT transactions.
 - The **transaction charges** have been capped by the RBI.
 - NEFT system can be used for the **payment of credit card dues** to the card issuing banks, **payment of loan EMIs**, inward foreign exchange remittances, etc.

WHAT IS GENOME INDIA PROJECT?

The Genome India Project recently announced that it had finished sequencing 10,000 Indian genomes.



Genome India Project is a **pan-India initiative** focused on the whole genome sequencing of representative populations across India.

- **Goal:** The goal is to start with and execute whole genome sequencing and subsequent **data analysis of 10,000 individuals** representing the country's diverse population.
- This is a mission-mode, multi-institution consortium project, the first of its kind in India, supported and **funded by the Department of Biotechnology**, Government of India.
- The **specific aims** of the project are:
 - **Create an exhaustive catalogue of genetic variations** (common, low frequency, rare, single nucleotide polymorphisms, or SNPs, and structural variations) **in Indians**.
 - **Create a reference haplotype structure for Indians**. This reference panel can be used for imputing missing genetic variation in future studies.
 - **Design genome-wide arrays for research** and diagnostics at an affordable cost.
 - **Establish a biobank for DNA and plasma** collected for future use in research.

What is Genome?

- A genome is the **complete set of genetic information** in an organism.
- In living organisms, the genome is stored in long molecules of DNA called **chromosomes**.
- In humans, the genome consists of **23 pairs of chromosomes** located in the cell's nucleus, as well as a small chromosome in the cell's mitochondria.
- A genome **contains all the information** needed for an individual to develop and function.

WHAT IS NANO UREA?



India plans to replace the consumption of 2.5 million tonnes (mt) of conventional urea with nano urea in FY24, Union Chemicals and Fertilizers Minister said at a press conference recently.

Nano Urea is a nanotechnology-based revolutionary Agri-input that provides nitrogen to plants.

- It is developed and patented by the Indian Farmers Fertiliser Cooperative Limited (IFFCO).
- IFFCO Nano Urea is the only nano fertilizer approved by the Government of India and included in the Fertilizer Control Order (FCO).
- Features:
 - Compared to conventional urea prill, Nano Urea has a desirable particle size of about 20-50 nm, and more surface area (10,000 times over 1 mm urea prill), and number of particles (55,000 nitrogen particles over 1 mm urea prill).
 - It contains 4.0 % total nitrogen (w/v).

Benefits:

- It is produced by an energy-efficient, environment-friendly production process with less carbon footprints.
- Increased availability to crops by more than 80%, resulting in higher nutrient use efficiency.
- It is expected to improve crop productivity, soil health, and nutritional quality of produce and address the "imbalanced and excessive use" of conventional fertilizer.



BUREAU OF ENERGY EFFICIENCY

Recently, 22nd Foundation Day of the Bureau of Energy Efficiency was celebrated and the State Energy Efficiency Index 2023 was released.

About Bureau of Energy Efficiency:

- It was established in 2002 under the provisions of the **Energy Conservation Act, 2001**.
- **Objective:** The primary objective of BEE is to **reduce energy intensity** in the Indian economy.
- **Function and Duties**
 - It **co-ordinates with designated consumers**, designated agencies and other organizations; recognizes, identifies and utilizes the existing resources and infrastructure, in performing the functions assigned to it under the Energy Conservation Act.
- **Regulatory functions**
 - Develop **minimum energy performance standards** for equipment and appliances under Standards and Labelling
 - Develop minimum energy performance standards for **Commercial Buildings**
 - Develop **Energy Consumption Norms for Designated Consumers**
- **Nodal Ministry:** Ministry of Power

State Energy Efficiency Index 2023

- It is the fifth edition of The State Energy Efficiency Index (SEEI), initiated by Bureau of Energy Efficiency (BEE), in association with **Alliance for an Energy Efficient Economy**.
- It is to **evaluate the annual progress of energy efficiency implementation** in the states.
- It assesses the performance of 36 states and UTs using 65 **qualitative, quantitative, and outcome-based indicators** measures distributed across seven demand sectors: buildings, industry, municipal services, transport, agriculture, electricity distribution companies (DISCOMs), and cross-sector initiatives.
- The top-performing states in each group are **Karnataka** (Group 1), **Andhra Pradesh** (Group 2), **Assam** (Group 3), and **Chandigarh** (Group 4).

NETWORK PLANNING GROUP

The 66th meeting of Network Planning Group (NPG) was held under the chairpersonship of Additional Secretary, Department for Promotion of Industry and Internal Trade.



- It is an **Integrated Multimodal Network Planning Group (NPG)** with heads of Network Planning Division of all **connectivity infrastructure Ministries & Departments**.
- It is responsible for **unified planning and integration** of the proposals and assist the Empowered Group of Secretaries (EGoS) in respect of its mandate.
- It facilitates regular interactions between the stakeholders.
- It will **guide all the Departments/ Ministries** responsible for **creation of economic zones** and connectivity infrastructure during the planning phase itself.
- The parameters/prescribed norms of the overall National Master Plan will be the overarching objective of the NPG for examining and **sanctioning future projects** thus leading to minimising of disruptions and strive for the creation of an ideal & efficient operating system for all infrastructure projects in the country.
- Its role is to ensure:
 - integration of networks;
 - enhance optimization through modification/expansion/new network creation;
 - avoid duplication of works for holistic development of any region;
 - reduction logistics costs through micro-plan detailing.

What is PM GatiShakti?

- It is an approach for growth **accelerating trustworthy infrastructure** through synchronized, holistic, integrated and comprehensive planning based on knowledge, technology and innovation.
- PM GatiShakti National Master Plan provides comprehensive database of the ongoing & future projects of various Ministries thereby facilitating planning, designing and execution of the infrastructure projects with a common vision.

GOVT AMENDS RULES RELATED TO POSTAL BALLOTS

Postal Voting

- Postal voting, also known as absentee voting, is a method of voting in which electors cast their ballots by mail rather than in person at a polling station.
- This method is particularly useful for individuals who are unable to vote in person due to various reasons.
 - E.g., being away from their home constituency, having a disability, or being engaged in essential services on election day.

Govt amends rules related to postal ballots

- The government, in consultation with the Election Commission, amended the Conduct of Election Rules (1961) to raise the minimum age for senior citizens, eligible for voting by postal ballot, to 85 years from 80 years.
 - As per **Rule 27A of the Conduct of Election Rules**, postal ballot facility was extended to:
 - senior citizens above 80 years,
 - persons with disability,
 - poll officers, and
 - Covid-positive persons starting with the 2020 Bihar assembly poll, which coincided with the pandemic period.
 - However, a review by the Election Commission showed that no more than 2-3% of 80-plus voters had opted to vote through postal ballots; the rest insisted on turning up at the polling station to cast their vote.
 - The total number of senior citizens above 80 years is 1.75 crore, with those aged 80-85 years being 98 lakh.
 - Hence, the govt decided to amend the rule.
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