VOLUME 1 ISSUE 1
JANUARY-MARCH
2021

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THE QUARTERLY NEWSLETTER

DEPARTMENT OF ECONOMICS

MAHARAJA AGRASEN INSTITUTE
OF MANAGEMENT STUDIES
A UNIT OF MAHARAJA AGRASEN TECHNICAL EDUCATION SOCIETY
(AFFILIATED TO GURU GOBIND SINGH INDRAPRASTHA UNIVERSITY, DELHI INDIA)
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Founder & Chief Advisor, MATES
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EDITORIAL BOARD

MESSAGES

Prof. (Dr.) S. K. Garg, Director General, MAIMS

It is my great pleasure to extend heartfelt greetings to the readers of the first issue of Economics newsletter named 'ARTHNITI'.

The Department of Economics was started in 2017 in Maharaja Agrasen Institute of Management Studies. Since then, the primary task of the department has been to keep growing both in academics and research areas. This newsletter will be a step towards providing a holistic education and lay emphasis on all round development of students with systematic training of students in mind, body, head and heart.

Today's children live in a sheer competitive world which necessitates the understanding and knowledge of things happening around them. The newsletter will provide them information about the developments in the entire world.

Although the newsletter format is limited in the amount of in-depth information it can provide, the editorial team will make every effort to describe briefly the latest achievements of the department and students in concrete materials as well as various activities conducted by the department.

I want to congratulate the entire team of faculty and students who are involved in launching this newsletter. Best wishes for the success and bright future of 'ARTHNITI'

Prof. (Dr. Ravi Kumar Gupta, Director, MAIMS

"Education is a shared commitment between dedicated faculty, motivated students and enthusiastic parents with high expectations."

With these words, I am delighted and excited to announce that an initiative is taken by Department of Economics of MAIMS to start their quarterly newsletter 'ARTHNITI' in 2021. The mission of this initiative is to provide a learning environment to our students as learners. This will encourage students to develop critical thinking and to develop key personal and social values. We aim to empower our students to grow as individuals with strong open discerning minds with an international perspective, preparing them to make a mark in the world.

The newsletter will be uniquely placed to debate highlighting the key themes, trends and current practices in economics and policy making for better world. I wish that all will be able to learn the priorities and development issues from several national and international authors and confident that our newsletter will influence the policy makers, educationists, businessman, faculty and students in new paradigm about sustainable and inclusive economic thinking.

Dr. Sanjay Kumar Mangla, Editor – in – Chief

Dear readers, I welcome you all to the first issue of 'ARTHNITI', a quarterly newsletter launched by Department of Economics for January – March 2021. The said newsletter provides a unique forum within which those of us who are interested in economic research can know the latest economic developments worldwide. I am pleased to assume the founding editorship of ARTHNITI, and I would like to take this opportunity to briefly discuss the goals and purposes of the newsletter as I see them.

The aim of the newsletter is to promote research and discussions on the current issues prevailing in the world economy. I hope that this newsletter can become a forum within which the diverse approaches to rigorous study on economic growth and development can be discussed, debated and integrated. It intended to be a collaborative effort. I ensure that our newsletter will contain interesting, provocative articles, that are of interest to a wide range of students, academicians, economists, researchers, and policymakers.

In closing, I would like to thank the entire editorial board of faculty and students. It is the continuous hard work of students team which gave this newsletter the present look. The constant support of editorial team of faculty would not have made this possible. I would also like to extend my regards to Director General and Director of MAIMS to give an opportunity to Department of Economics to launch this newsletter.

I hope that you will enjoy reading this and upcoming issues.

"Economics is everywhere and understanding economics can help you make better decisions."
DEPARTMENT OF ECONOMICS

Ms Diksha Goel; Ms Sakshi Gupta; Dr Ravi Kumar Gupta (Director); Mr Rajnish Gupta (Secretary MATES); Dr Nand Kishore Garg (Founder , Chief Advisor; Mr Vineet Kumar Gupta (Chairman); Mr T.R Garg (General Secretary) ; Dr S.K GARG (Director General); Dr Sanjay Kumar Mangla; Dr G.P. Govil (Advisor); Dr Gaurav Aggarwal; Ms Nikita Jain

Ms Sakshi Gupta (Assistant Professor); Ms Diksha Goel (Assistant Professor); Dr Sanjay Kumar Mangla (Head, Department Of Economics); Ms Nikita Jain (Assistant Professor); Dr Gaurav Aggarwal (Associate Professor);

DEPARTMENT OF ECONOMICS

Select Department Accomplishments

- MAIMS Economic Journal launched in January 2020 – it's Bi-annual Peer Reviewed Journal
- Skill Enhancement Certificate Course on 'Basics of Industrial Research and Analysis' from March - June 2021
- One Week Certificate course on Essential Methods for Economic Analysis from April 5, 2021 to April 9, 2021
- MoU Exchange Ceremony between Maharaja Agrasen Institute of Management Studies, Delhi, India; Waljat College of Applied Sciences, Rousayl, Oman and Thammasat University, BKK, Thailand for being academic partners in 6th International Conference on 'Drivers of Global Economic Recovery' organised by Department of Economics, MAIMS

STUDENT ACCOMPLISHMENTS

1.Top 20 University Ranks (9 Ranks Scored by MAIMS Students)

S. No.	Enrollment No.	Name	API	University Rank
1	02314721617	SAKSHI GUPTA	92.80	1st
2	03814721617	UTKARSH	92	4th
3	04214721617	SHAIFALI BAGGA	89.80	5th
4	07214721617	HARSHIT GARG	89	7th
5	35314721617	MANVI GARG	86.80	9th
6	03214721617	SALONI ARORA	86.50	10th
7	07114721617	VASUNDHARA GAUTAM	86.30	11th
8	04414721617	SANCHIT KHOSLA	86.50	16th
9	50514721617	SHIVAM GOEL	84.50	20th

2. Top 20 University Ranks (6 Ranks Scored by MAIMS Students)

S. No.	Enrollment No	Name	API	University Rank
1	03714721619	ROMA MADAN	91.57	3rd
2	02314721619	TANUSHREE SHARMA	91	4th
3	00114721619	RITU SANGWAN	90.15	8th
4	02214721619	MITALI SHARMA	86.63	9th
5	00614721619	PRASHITA TOMER	89.21	14th
6	03014721619	ALLAN CHARLES SWAMY	89.05	15th

DR. SANJAY KUMAR MANGLA

HEAD, DEPARTMENT OF ECONOMICS

M.A. (Gold Medalist), M.Phil., Ph.D., UGC-NET in Economics
Maharaja Agrasen Institute of Management Studies, Delhi, India

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Dr. Mangla is a research professional with 11+ years of experience in academia and policy research on issues related to cross-functional areas of economics, international trade, and public policy.
Currently, he is working as Associate Professor and Head, Department of Economics, Maharaja Agrasen Institute of Management Studies, Delhi, India. Prior to this, he served the Confederation of Indian Textile Industry, Delhi (India) as an Economist and the Centre for International Trade, Economics, and Environment, CUTS International Jaipur (India) as a Fellow. He also worked in academia for eight years (2009-17) where he taught courses in economics, international trade, and quantitative methods to management and economics students.

Dr. Mangla completed M.A. (Gold Medalist), and M.Phil degrees in economics from MD University, Rohtak and Kurukshetra University, Kurukshetra respectively. He holds a Ph.D. degree in economics with the specialization in trade, productivity and public policy from Jamila Millia Islamia University, New Delhi. He has also qualified UGC-NET examination in economics.
Dr. Mangla has completed several funded projects. He worked on company and industry/market/country-level data for issues related to economics, trade, public policy, and market research. Additionally, he has a good working knowledge of statistical and econometric software packages such as SPSS, Eviews, and STATA and national/international database on economic and trade indicators such as CMIE, CEIC, WITS, ASI, ITC, IMF, UNCTAD Stat etc. Dr. Mangla has written more than 25 research papers published and presented in various journals/conferences of repute. He has also organized many International Conferences and Workshops. He also writes for newspapers and magazines on trade and economic issues worldwide and particularly for India. In September 2017, He was awarded 'Trade Facilitation Innovation Award' by UN-ESCAP and Asian Development Bank for his case study on India's Customs Clearance Facilitation Committee during its Trade Facilitation Forum held in Yogyakarta (Indonesia

ACHIEVMENTS

- Funded Project

Project Title: Facilitating Digital Trade in ASEAN and East Asia   Funding Agency: ERIA, Jakarta
Period: March 2020 to March 2021   Role: Project Consultant   Project Value: US$ 6000

- International Meeting of the above project committee - November 2020
- Founder Editor, MAIMS Economic Journal, Maharaja Agrasen Institute of Management Studies, Delhi, India
- Reviewer, Thailand and the World Economy (Indexed in Scopus), Faculty of Economics, Thammasat University, Bangkok, Thailand
- Edited Books:

Gupta, R. K., Mangla, S. K., Pathak, U. C., and Gupta, S. ed. (2020). Education, Media & Law Practices during the COVID Pandemic. 1st ed. New Delhi: Maharaja Agrasen University Publication. ISBN: 978-81-942547-4-4
Gupta, R. K., Mangla, S. K. and Jindal, N. ed. (2020). Global economic order in the post-COVID-19 era: Challenges, opportunities and strategies. 1st ed. New Delhi: Maharaja Agrasen University Publication. ISBN: 978-81-942547-3-7

- Chapters in Books:

Mangla, S. K., S. K. Lenka, and R. Singh (2020), 'Enabling India's E-Commerce Connectivity with ASEAN: E-payment in India -Problems and Prospects', in Chen, L. and F. Kimura (eds.), E-commerce Connectivity in ASEAN. Jakarta, Indonesia: Economic Research Institute for ASEAN and East Asia, pp.146-172. ISBN: 978-602-5460-24-1
https://www.eria.org/uploads/media/Books/2020-E-commerce-Connectivity-in-ASEAN/E-commerce-Connectivity-in-ASEAN_Full-Report.pdf

- Research papers presented and published in conferences:

Ponnamperuma, S., Katyal, S., & Mangla, S. K. (November 2020), "Economic and Social Evolution of Sri Lanka from the Colonial Rule to a Liberalized Economy", Presented and Published in Conference Proceedings, 2nd Virtual International Conference on Path to a Knowledge Society – Managing Risks and Innovation, November 16-17, 2020 organized by Research and Development Center ALFATEC. Serbia in cooperation with Mathematical Institute of the Serbian Academy of Sciences & Arts, and Complex Systems Research Centre.
Proceedings edited by Stankovic, M. and Nikolic, V. and published by Research and Development Center ALFATEC. Serbia and Complex System Research Center, Nis, Serbia. pp. 159-168, ISBN 978-86-80616-06-3
Mangla, S.K., "Impact of COVID-19 on Indian Hospitality Sector" Presented in International Conference on Global Economic Order in the Post-COVID-19 Era: Challenges, Opportunities and Strategies, July 25, 2020 organized by Maharaja Agrasen Institute of Management Studies, Delhi.

- Invited lecture delivered on "International Trade Theories and their Relevance in WTO Era (International Trade and Business) at Waljat College of Applied Sciences, Oman on 11 October 2020
- Convener in International Conference on "Drivers of Global Economic Recovery" to be organized by Maharaja Agrasen Institute of Management Studies, Delhi on 23 April 2021 with its International Academic Partners Waljat College of Applied Sciences, Oman; and Faculty of Economics, Thammasat University, BKK, Thailand; and International Publication Partner 'Thailand and the World Economy', an International Peer Reviewed Journal indexed in Scopus.
- International Program Committee Member in 2nd Virtual International Conference on Path to a Knowledge Society – Managing Risks and Innovation, November 16-17, 2020 organized by Research and Development Center ALFATEC, Serbia in cooperation with Mathematical Institute of the Serbian Academy of Sciences & Arts, and Complex Systems Research Centre, Serbia.
- Convener in International Conference on "Global Economic Order in the Post-COVID-19 Era: Challenges, Opportunities and Strategies" organized by Maharaja Agrasen Institute of Management Studies, Delhi on 25 July 2020.
- Convener in One Week (Full Day) e-Faculty Development Programme on "Making Higher Education Value Based, Innovative & Research Oriented for Resurgence" organized by Maharaja Agrasen Institute of Management Studies, Delhi during 24-30 June 2020.
- Completed One Week Workshop on "Google Tools for Online Teaching" conducted by Maharaja Agrasen Institute of Management Studies, Delhi during 8, 12-15 August, 2020.
- Competed National One Week e-Faculty Training Programme on "Pedagogical Training for Effective Online Teaching & Learning" conducted by Deen Dayal Upadhyaya College, University of Delhi in association with KTHM College, Nasik during 3-10 August 2020.

FACULTY PROFILE AND ACHIEVEMENTS

MS. NIKITA JAIN

M.A. in Economics, M.Phil in Economics, Ph.D. (Pursuing), UGC NET in Economics
Assistant Professor, Department of Economics, Maharaja Agrasen Institute of Management Studies, Delhi, India
Email: jain.nikita2091@gmail.com
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She is a researcher of Economics with 5 years of experience of teaching and 7 years in research in areas of Micro Economics, Game Theory and Economic Growth. She is currently pursuing Ph.D. in Economics from School of International Studies, JNU, Delhi. Her topic of thesis is “Motivating Innovation: A Game Theoretic Analysis".

She has done her graduation in Economics from Delhi University. Further, she completed her Masters from Ambedkar University, Delhi and did M.Phil in Economics from School of International Studies, JNU, Delhi. She has also qualified UGC-NET examination in Economics. Before joining MAIMS, she had taught in various Delhi University Colleges as guest lecturer. She was a visiting faculty in Indian School of Business and Finance , Delhi, India affiliated to University of London. She has been the part of organising team for grand events. She organised an inter college competition for differently abled students at graduation level. She also organized DAAD workshop at JNU, an international workshop for 7 days.

ACHIEVEMENT

- **Research Papers in Journal peer reviewed**
- **Jain, N. (2020). Covid-19: Remittances on hold, MAIMS Economic Journal, Vol. 1 No. 1, 36-49.**
- **Jain, N. (2021). Augmenting Employees’ Efforts in Innovation, Arthaniti: Journal of Economic Theory and Practice, 0976747921989171.**
- **Workshops / Seminars attended: Self – Financed**
- **Nikita Jain; Completed One Week Workshop on “Google Tools for Online Teaching” conducted by Maharaja Agrasen Institute of Management Studies, Delhi during 8, 12- 15 August, 2020.**
- **Faculty Development Programmes Attended**
- **Nikita Jain: Competed National One Week e-Faculty Training Programme on**
- **“Pedagogical Training for Effective Online Teaching & Learning” conducted by Deen Dayal Upadhyaya College, University of Delhi in association with KTHM College, Nasik during 3-10 August 2020.**
- **Positions**
- **Co-Convener in Skill Enhancement Certificate Course on ‘Basics of Industrial Research and Analysis’ organized by Department of Economics, MAIMS from March – June 2021**
- **Co-Convener in One Week Certificate Course on ‘Essential Methods for Economic Analysis’ organized by Department of Economics, MAIMS from April 5, 2021 to April 9, 2021**
- **Co-Convener in MAIMS 6th International Conference on ‘Drivers of Global Economic Recovery’ organized by Department of Economics, MAIMS on April 23, 2021**
- **Resource Person in One Week Certificate Course on ‘Essential Methods for Economic Analysis’ organized by Department of Economics, MAIMS from April 5, 2021 to April 9, 2021**

DR. GAURAV AGGARWAL

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Associate Professor, Department of Economics, Maharaja Agrasen Institute of Management Studies, Delhi, India
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Dr Gaurav Aggarwal is currently an Assistant Professor(Senior Grade) at the Dept. of Economics, Maharaja Agrasen Institute of Management Studies, GGSIP university. He obtained his MA economics from H.N.B Garhwal CentralUniversity and did his PhD from Rajasthan. His field of specialization is Microfinance. He has experience which includes a brief stint at the corporate world and academics. He is teaching in colleges from last 19 years. He worked earlier in reputed university IMS University, Dehradun. He contributed various research papers and articles in reputed journals. He participated in budget debates on national news channel. He received best research paper awards from VIPS, GGSIP University and JIMS University. He has interest to develop a holistic and critical understanding among students. He participated and drive various programme in his college and received appreciation.

ACHIEVEMENT

- **Achieved a promotion confirmation as “Associate Professor” after long and sustainable services in Maharaja Agrasen Institute of Management Studies, Delhi**
- **Aggarwal,G, Completed One-week Faculty Development Program “Making Higher Education Value Based, Innovative & Research Oriented for Resurgence” Conducted by Maharaja Agrasen Institute of Management Studies, Delhi during June24-30, 2020.**
- **Aggarwal,G, Completed One-week e Faculty Development Program “Stress and Health Issues Due to COVID-19: Management and Technical Solutions” Conducted by Maharaja Agrasen Institute of Technology, Delhi during July 6-10, 2020**
- **Aggarwal,G completed Two week Inter disciplinary National Faculty Development Programme on “SAMKALIN SANDARBH MAI SAHITY,RAJNITI, MEDIA AUR BAJAR”, July 27-August 10, 2020 organised by Ministry of Human Resources Development(MHRD) and University of Delhi**
- **Aggarwal G.; Completed one Week FDP on “Google Tools for Online Teaching” conducted by Maharaja Agrasen Institute of Management Studies, Delhi during 8, 12-15 August, 2020.**
- **Aggarwal,G.; Member in International Conference on “Global Economic Order in the Post-COVID-19 Era: Challenges, Opportunities and Strategies” organized by Maharaja Agrasen Institute of Management Studies, Delhi on 25 July 2020.**
- **Aggarwal.G,(2020), Presented a paper on “Boycott china: Balanced and long term approach for sustainable India, July 25, 2020 organized by Maharaja Agrasen Institute of Management Studies, Delhi.**
- **Aggarwal, G.(2020) Confirmed paper on .”Rise of event Management: Trends that changed the industry in India in BJMC Journal, Maharaja Agrasen Institute of Management Studies, Delhi**
- **Aggarwal,G.; Secretaryin International Conference on “ Drivers of Global Economic Recovery ” with academic collaborations with reputed University of Thailand and Oman and which will organized by Maharaja Agrasen Institute of Management Studies, Delhi on 23rdApril , 2021**
- **Convener of Student Grievances and welfare office of Maharaja Agrasen Institute of Management Studies, Delhi**
- **Member of Artonomics, Economic society of Maharaja Agrasen Institute of Management Studies, Delhi**
- **Member of Environment society of of Maharaja Agrasen Institute of Management Studies, Delhi**

MS. DIKSHA GOEL

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Diksha Goel has 5 years of experience in teaching in Economics and is currently appointed as Assistant Professor in Department of Economics, Maharaja Agrasen Institute of Management Studies, Delhi affiliated to GGSIP University, Delhi. Before MAIMS, she was associated with Gitarattan International Business School. Ms. Diksha is Masters of Economics from MD University, Rohtak and has qualified UGC-NET in Economics in year 2015. She takes keen interest in research and has papers published in reputed journals. Her latest publication is on a popular Fintech topic: “Consumer inclination towards m Wallet”.

Apart from regular teaching, Ms. Diksha actively participates and organizes students and Teachers’ events such as

1. Organizing FDP/Webinars. Latest being on Making Higher Education Value based, Innovative & Research Oriented for Resurgence, KIF.
2. Word Scholar Cup 2014: Trained students in Special Area: The science of decision Making
3. MUNS (Model united Nations)
4. Quizzes such as Derek O’Brian quiz
5. Student Summer training projects

ACHIEVEMENT

- **Co convener in Skill Enhancement Certificate Course on Basics of Industrial Research and Analysis organized by Department of Economics in association with Arthanomics Club, Maharaja Agrasen Institute of Management studies.**
- **Co convener in One Week Certificate Course on Essential Methods for Economic Analysis organized by Department of Economics in association with Arthanomics Club, Maharaja Agrasen Institute of Management studies.**
- **Part of organizing committee in MAIMS 6TH International Conference 2021.**

MS SAKSHI GOYAL

M.A. in Economics, Ph.D. (Pursuing), UGC NET in Economics
Assistant Professor, Department of Economics,
Maharaja Agrasen Institute of Management Studies, Delhi, India Mob. +91-8447378252

Sakshi Goyal has more than 8 years of teaching experience in Economics and Management subjects and is currently appointed as Assistant Professor in Department of Economics, Maharaja Agrasen Institute of Management Studies, Delhi affiliated to GGSIPU. Ms. Sakshi has done Economic Hons. from Hansraj College, University of Delhi and Masters in Economics from Hyderabad Central University. She qualified UGC NET in Economics in year 2012. Currently, she is pursuing Ph.D. in Economics from Delhi Technological University, Delhi. Her area of research is ‘Entrepreneurship Education’. She has also worked with Ministry of Commerce and FICCI as research fellow. She has successfully organized and attended several International Conferences and FDPs under various themes and subject areas. Ms. Sakshi has keen interest in undertaking research and has published several research articles and papers in UGC CARE and peer reviewed journals.

ACHIEVMENTS

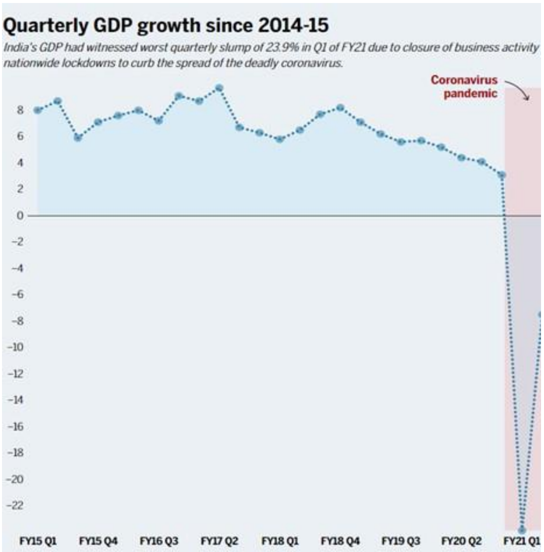
- Goyal, S., Panda P. (2021), “An Evaluation Study of Anganwadis under ICDS in India” Presented and Published in Conference Proceedings, International Conference on “Resilience For Sustainability: Revisiting Management Practices and Strategizing For The Future” (Virtual Conference) on 26th March 2021, School of Management and Liberal Studies, The Northcap University, Gurugram

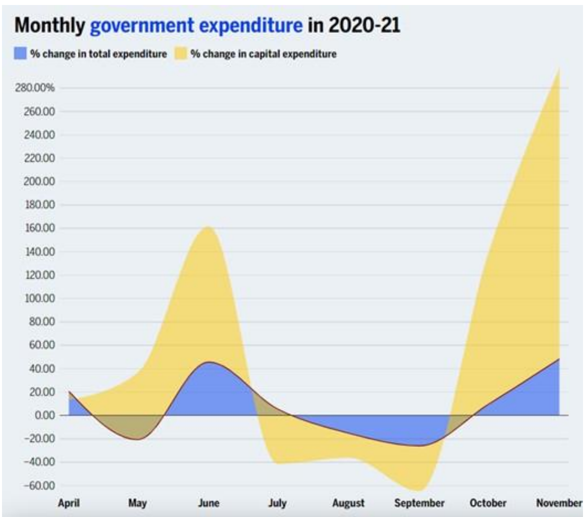
RBI sees V-shaped recovery: State of Indian economy

The disastrous Covid-19 pandemic has been a human and economic catastrophe for India and other nations and has left the entire world baffled. Country's economic activity was wiped out due to fall in domestic demand in wake of strict nationwide lockdown.
India's GDP dipped a historic 23.9 per cent in the first quarter (Q1) of 2020. The contraction narrowed down to 7.5 per cent in the second quarter (Q2).

The first advance estimates of national income for 2020-21 released by the National Statistical Office (NSO) estimated real GDP growth in 2020-21 to be at (-) 7.7 per cent as against (-) 10.3 per cent projected by the International Monetary Fund (IMF) in October 2020. In December 2020, RBI's monetary policy committee (MPC) had projected GDP to be (-) 7.5 per cent.

RISE IN GOVERNMENT EXPENDITURE:
Total expenditure of the government surged 48.3 per cent on year on year (y-o-y) basis in the month of November. While capital expenditure shrugged off a three month contraction and expanded 284.5 per cent. This was mainly due to introduction of Atmanirbhar Bharat package.





REVIVAL IN IMPORTS, EXPORTS:
After contracting for nine consecutive months, merchandise imports finally experienced a growth of 7.6 per cent (y-o-y) in December 2020.
The revival was led by gold, electronic goods and vegetable oils. Rising imports of pearls and precious stones, machinery, electronic goods and textiles reflect the revival of domestic activity as they are of the nature of intermediate goods in supply chains. This also augurs well for exports going forward.This suggests that moribund absorptive capacity of the economy is coming back to life, backed by domestic demand. India's merchandise exports have reached pre- Covid levels and exhibited a growth of 0.1 per cent in December 2020.

.Non-oil exports actually expanded by 5.6 per cent, marking the fourth consecutive month of positive growth.

FINANCIAL MARKETS SURGE:
The Covid-19 pandemic dragged the Sensex to record low in late March 2020. But, it staged a strong recovery from the lows. Both the BSE and NSE indices finally wrapped up 2020 on a bullish note, with Sensex gaining nearly 16 per cent.The BSE index jumped almost 91 per cent from its record low of 25,881 to breach the 50,000-mark in just over 10 months.

IPO MARKET:
During December 2020, the listing of two initial public offerings (IPOs), aggregating Rs 1,351 crore, took the total resource mobilisation through main board IPOs to Rs 15,971 crore during 2020-21 (up to December 2020), marking a sharp rebound from Rs 10,487 crore in the corresponding period of the previous year.
Beginning with the first IPO issued in July 2020, healthcare and finance sector companies have garnered the maximum amount of resources among all initial offerings.

INDUSTRIAL ACTIVITY:
Although industrial output remains volatile, contracting by 1.9 per cent in November 2020 after a record expansion in October by 4.2 per cent, industrial activity is finally turning around. The headline purchasing managers' index (PMI) manufacturing expanded in December 2020 to 56.4, a tick higher than November's reading of 56.3. Both new orders and output continued to grow strongly.

RECORD GST COLLECTIONS:
The gross Goods and Services Tax (GST) collections touched a record high of over Rs 1.15 lakh crore in December — the highest since the implementation of the regime. The collection indicates that the economy continues to show signs of recovery after a stringent lockdown last year. With this, the GST has also now crossed the psychological Rs 1 lakh crore-mark for the third straight month in the current fiscal.

How artificial intelligence impacts Indian economy :

Association of Advancement of Artificial Intelligence (AAAI) defines Artificial Intelligence as thee scientific understanding of the mechanisms underlying thought and intelligent behavior and their embodiment in machines.

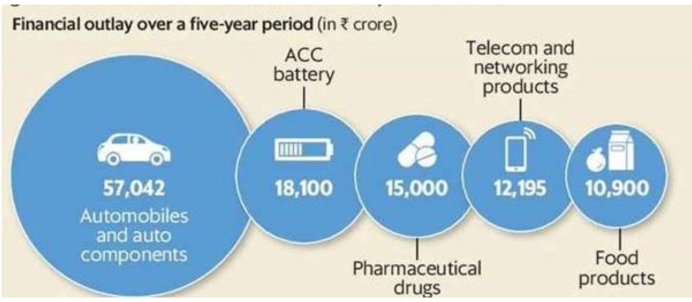
The general purpose nature of AI means that its growth consequences will be wide ranging, affecting various levels, from households and firms to the larger macro economy. The drivers of this growth are likely to emerge from productivity gains to business and increased consumer demand from customized products and services. Economists supporting the unconstrained and perpetual growth story to perpetuate growth in instances of changing labor, capital and output trends AI in turn makes the process of scientific discovery and R&D easier, which triggers further innovation and economic growth.

The disruptive effects of AI, like other forms of automation and technological evolution have also been a topic of discussion. There is increasing worry that machines will replace almost everyone. A McKinsey report argues that 73 million jobs may be destroyed by automation by 2030 because of the rise of new technologies. Contrary to the notions that AI (and AI driven automation) will lead to job losses, it is also argued that the relationship between AI driven automation and job losses depends on the level of demand in the sectors that are prone to automation in the economy. In fact, AI driven automation increases firm productivity and reduces prices for firms in that sector. The demand triggered by such price reductions can result in higher employment. There is a similar argument for automation induced productivity to create demand for labor in non-automated tasks. However, gains from automation induced productivity are larger than the increase in wages for labor, leading to higher inequality.

How PLI scheme is boosting Indian manufacturing

Push Policy

The Centre has so far approved PLI scheme for 13 sectors. Mobile phones manufacturing, specified electronic components, specialty steel and white goods are some of the industries covered by the scheme.



The production-linked incentive (PLI) scheme is a central government scheme that seeks to make India an efficient, equitable and resilient manufacturing hub, on the lines of Prime Minister Narendra Modi's call for a self-reliant India.

1 What are the key goals of the PLI scheme?

The scheme aims to make India self-reliant in manufacturing goods for local and export markets, positioning it as a global manufacturing hub. It also aims to make domestic manufacturing competitive and efficient, build capacity, and benefit from economies of scale, enhance exports, attract investment and create jobs. The success story of special economic zones (SEZs) only adds credence to the impact that this scheme can also have on the economy. The scheme is on the lines of 'Made in China 2025' which aims at enhancing competitive strength of selected sectors.

2 How will it incentivize manufacturing ops?

The production-linked incentive scheme gives eligible manufacturing companies a 4-6% incentive on incremental sales over the base year of 2019-20 for a five-year period. It is a kind of subsidy being provided by direct payment from the budget for domestically manufactured goods. The incentive amount varies across sectors and savings generated from PLI of one sector can be utilized to fund other sectors, maximizing returns. The PLI scheme will incentivize large domestic and global players to boost production, build a competitive ecosystem and lead to more inclusive growth.

3 What are the measures proposed in the budget?

The budget has allocated ₹1.97 trillion for various PLI schemes over the next five years. This is in addition to the ₹40,951 crore announced for electronics goods manufacturing. In the wake of covid-19, this move will create backward linkages with MSMEs, leading to inclusive growth and providing the required boost for economic growth.

4 Which sectors will gain from the scheme?

The scheme is applicable to registered firms under the specified target segments. The company could be a newly set up unit or an existing manufacturing firm. The scheme aims to build a level playing platform for the sectors vis-à-vis competing countries and take care of existing disabilities such as inadequate infrastructure, high cost of finance and inadequacies in skill development. Implementation is to be done through the respective administrative ministry or undertaking

5 What is the economic rationale behind PLI?

The scheme has sparked interest of global giants such as Samsung, Foxconn and Wistron to set up shop in India. For example, firms manufacturing phones costing over ₹15,000 will get an incentive of 6% on additional phones made in India. For companies owned by Indian nationals, the incentive is set at ₹200 crore for the next four-year period. Thus, it serves a two-fold purpose of attracting foreign investments and incentivizing domestic manufacturers.

At $36 billion, FPI inflows into equities at record high since FY13: RBI report

Prior to this, overseas investors had invested Rs 23,663 crore in February and Rs 14,649 crore in January, on a net basis. Foreign portfolio investors have pumped in a record USD 36 billion into equities so far this fiscal up to March 10, which is the highest since FY13, shows the latest data from the Reserve Bank. On the other hand, net foreign direct investment inflows jumped to USD 44 billion, till end January, up from USD 36.3 billion a year ago, driven by the massive inflows in November and December, with the last month of the year getting a record USD 6.3 billion But the inflows moderated in January due to lower inflows into equities, shows the latest data from the March issue of RBI Bulletin released over the weekend. "Foreign portfolio investors (FPIs) made net purchases in the equity segment so far this fiscal, while have been net sellers in the debt market during the period. Cumulatively, FPIs have pumped in a record USD 36 billion into equities so far this fiscal up to March 10, which is the highest since FY13," says the bulletin. He report further notes that the quality of FPI inflows improved during the period as category-I foreign investors, comprising central banks, sovereign wealth funds, pension funds, regulated entities and multilateral organisations, increased their stake to a high 95 per cent of total equity assets at end-February compared with 87 per cent at end-December 2019. According to analysts, domestic equities are attractive for foreign investors due to the higher returns. Also a rejig in some of the global indices has led to net inflows into domestic equities.

RBI said the foreign exchange reserves at USD 580.3 billion as of March 5- down from the all-time high of USD 590.2 billion on January 29, 2021, is equivalent to 18.2 months of imports The country saw a 60 per cent increase in fintech investments and surpassed China by clocking 33 fintech fundraising deals worth USD 647.5 million.

In February alone, fundraising by the fintech sector increased 46 per cent to USD 200 million, as against USD 137 million a year ago, on account of the pandemic-fuelled proliferation of digital payments, the report said.

India's exports rise 6% to $27.45B in January 2021; Imports stood at $41.99B

India's exports rise by 6.16% to $27.45B in January 2021, compared to $25.85B in the same month last year. Meanwhile, imports rose at a slower pace compared to exports in India, to $41.99B in January 2021, up 2.03% from $41.15B in January 2020.

In rupee terms, India's exports stood at Rs2,00,661.11cr increasing by 8.84% yoy. While imports saw a 4.6% growth in imports to Rs3,06,951.56cr.

Further, Oil imports inJanuary2021 were $9.40B (Rs68,743.95cr), which was 27.72% lower in Dollar terms and 25.90% lower in Rupee terms, compared to $13.01B (Rs92,773.42cr) in January2020.

The trade deficit for January 2021 was estimated at $14.54B as against the deficit of $15.30B in January 2020, which is a decrease of (-) 4.95%.

Overall, India's exports (Merchandise and Services combined) in April-January2020-21 are estimated to be $396.60B, declining by 10.63% over the same period last year. While imports are estimated to be $398.47B for the similar period, decreasing by 22.80% over the same period last year.

Parliament passes insurance amendment bill to raise FDI limit to 74 per cent

As much as Rs 26,000 crore has come as FDI in the sector since 2015, she said, adding the asset under management (AUM) in this sector has grown by 76 per cent during the last five years.

The Parliament on Monday approved a Bill to increase Foreign Direct Investment (FDI) limit in the insurance sector from 49 per cent to 74 per cent with the Lok Sabha passing the proposed law by a voice vote.

The Insurance (Amendment) Bill, 2021 was passed by Rajya Sabha last week.

Piloting the Bill, Finance Minister Nirmala Sitharaman on Monday said hiking the FDI limit in the insurance sector will help insurers raise additional funds and tide over the financial problems.

The minister said the government will provide funds to the public sector insurance companies but private players will have to raise capital on their own.

Observing that insurance companies are facing solvency related issues, she said, "if growth capital is hard to come by, there will be a stress situation. In order that the stress situation is not left unattended, we need to raise the FDI limit."

As much as Rs 26,000 crore has come as FDI in the sector since 2015, she said, adding the asset under management (AUM) in this sector has grown by 76 per cent during the last five years

CPI Inflation rises first time in 3-months to 5.03% in Feb 2021 led by higher food prices

The Consumer Price Index (CPI) or Retail Inflation of India, rose for the first time in three months to 5.03% in February 2021 on the back of higher food prices. CPI was at 4.06% in January 2021.

Meanwhile, the consumer food price index (CFPI) jumped to 3.87% in February 2021, from 1.96% of the previous month.

The inflation rate of Food and beverages stood at 4.25%, while the rate was 10.70% in Pan, tobacco and intoxicants segments for February this year.

Further, the inflation rate for Clothing and footwear was at 4.21% in February 2021, whereas housing inflation was at 3.23%.

Fuel and light inflation was at 3.53%. Moreover, the inflation rate of the Miscellaneous category was at 6.82%.

In February 2021 policy, RBI lowered the CPI inflation target for the fourth quarter of FY21 and the remaining FY22. The central bank revised CPI inflation to 5.2% in Quarter 4 :2020-21, 5.2% to 5.0% in H1(first half of the year) :2021-22 and 4.3% in Quarter 3: 2021-22, with risks, broadly balanced.

In the latest policy, RBI while lowering inflation target said, "With the larger than anticipated deflation in vegetable prices in December bringing down headline closer to the target, it is likely that the food inflation trajectory will shape the near-term outlook. The bumper Kharif crop, rising prospects of a good rabi harvest, larger winter arrivals of key vegetables and softer egg and poultry demand on avian flu fears are factors auguring a benign inflation outcome in the months ahead. On the other hand, price pressures may persist in respect of pulses, edible oils, spices and non-alcoholic beverages."

However, RBI added, "The outlook for core inflation is likely to be impacted by further easing in supply chains; however, broad-based escalation in cost-push pressures in services and manufacturing prices due to increase in industrial raw material prices could impart upward pressure."

Amid surge in COVID-19 cases, RBI likely to maintain status quo: Experts

Amid uncertainty created by surge in coronavirus cases, the Reserve Bank of India (RBI) is likely to maintain status quo at its next monetary policy review and wait for some more time before taking any action to spur growth. The RBI is slated to announce its first bi-monthly monetary policy of the 2021-22 fiscal on April 7, 2021 after a three-day meeting of the Monetary Policy Committee (MPC) headed by RBI Governor Shaktikanta Das. On February 5, after the last MPC meet, the central bank had kept the key interest rate (repo) unchanged citing inflationary concerns.

According to experts, the RBI is likely to continue with the accommodative monetary policy stance and wait for an opportune time to announce monetary action with a view to ensure the best possible outcome in terms of pushing growth without sacrificing the main objective of containing inflation.

In a report, Dun & Bradstreet said the recent surge in the COVID-19 cases and the restrictions imposed by several states will impose further uncertainty and hurdles to the pace of revival of industrial production. Dun & Bradstreet Global Chief Economist Arun Singh said long-term yields are hardening, leading to rise in borrowing costs.

The policy repo rate or the short-term lending is currently at 4 per cent, and the reverse repo rate is 3.35 per cent. The RBI has been maintaining status quo after May last year. The RBI had last revised its policy rate on May 22, 2020 in an off-policy cycle to perk up demand by cutting interest rate to a historic low of 4 per cent.

U.S stimulus package to offer significant boost to the global economy, says the IMF

Potentially significant positive spillovers are to be expected according to the IMF. Other countries shall benefit from stronger demand, therefore kickstarting the global economy. Though take this statement with a pinch of salt as borrowing rates in the states shall see a sudden shift as accelerated growth shall force the federal reserve to raise interest rates sooner than expected.

Asia's worst performing market in 2020 comes out on top in 2021

Singapore's strait times index climbs 12.2% till april 2021 to become one of Asia's top performers. The STI was the worst performer in 2020 after losing 11.2% in 2020. Though the Taiwanese stock exchange slightly edged out the STI taking the top spot at 12.4%

EU backs U.S. call for global minimum corporate tax, but rate to be decided

The European Commission backed on Tuesday a call from U.S. Treasury Secretary Janet Yellen for a global minimum corporate tax, but said its rate should be decided in talks in the Organisation for Economic Cooperation and Development (OECD).

Yellen said on Monday she was working with G20 countries to agree on a global corporate minimum tax rate to end a "thirty-year race to the bottom on corporate tax rates".

Losses from ever given blockage of the suez canal to reach $1.3 billion

The six day blockage of the corridor between Europe and Asia wreaked havoc in the supply chains of the world, it was reported that the cargo ship ran aground due to high wind speeds and poor visibility. A whopping 13% of global maritime trade and 10% of seaborne oil shipments.

US warns china against increasingly aggressive moves against Philippines and Taiwan, china advises not to boycott winter Olympics

"An armed attack against the Philippines' armed forces, public vessels, or aircraft in the Pacific, including in the South China Sea, will trigger our obligations under the US-Philippines Mutual Defense Treaty," Price told reporters.

"We share the concerns of our Philippine allies regarding the continued reported massing of PRC maritime militia near the Whitsun Reef," Price said, referring to the People's Republic of China.

AliExpress Russia looks at possible IPO, reports $3 billion in transaction volumes

Online retailer Ali Express Russia on Wednesday said an initial public offering was a possible step for the company, which reported gross merchandise volume (GMV) of $3 billion for the 2020-21 financial year. A joint venture launched in 2019 with China's Alibaba and Russian partners, Ali Express Russia operates domestic and cross-border sales.

EU looks for global tax pact by June

European Union (EU) officials are looking to wrap up a global agreement to harmonise corporate taxes and impose more effective levies on internet giants by the end of June following an appeal from the US.A French finance ministry official said US Treasury Secretary Janet Yellen’s appeal for a global minimum tax rate for companies was very positive and Paolo Gentiloni, the EU commissioner for economic affairs, raised the prospect of a breakthrough by the summer.

CBIC unveils new rules to curb leakage

The Central Board of Indirect Taxes and Customs (CBIC) has notified a new set of rules for verification of exporters, importers and customs brokers under the Customs Act to check leakage, especially in case of goods and services tax (GST). Similar provisions had been put in place for GST recently.New importers, exporters and customs brokers as well as those identified by a customs commissioner will have to undergo identity verification, including verification of incorporation documents, Aadhaar, PAN as well as the physical verification of the place of business. In case any default is discovered, clearance of goods, drawbacks or refunds can be suspended.

NGOs call for nuclear's inclusion in EU taxonomy

A group of 46 non-governmental organisations (NGOs) from 18 countries has written to Ursula von der Leyen, president of the European Commission, calling for the inclusion of nuclear energy in the EU taxonomy for sustainable investments. The exclusion of nuclear, they say, would promote a strategy that is "clearly inadequate" to decarbonise the region's economy.

Why has the rupee fallen against the dollar?

The rupee slumped on 9th April 2021 to a record closing low of 75.20 against the U.S. dollar as deepening concerns about the economic fallout of the COVID-19 pandemic. The rupee has now depreciated by more than 5.3% in 2020, with the bulk of its losses, a 4.1% slide, having occurred in March.

Why is the Indian currency weakening?

Just as it happened in 2008 during the Global Financial Crisis (GFC), the widespread economic uncertainty triggered by the latest COVID-19 outbreak has forced most investors and businesses across the world to seek to conserve that most crucial asset during times of crisis: cash and more specifically the U.S. dollar. In 2008, the dollar strengthened about 22% against the Euro as enterprises, especially in the world's largest economy, hoarded the U.S. currency.

Since the start of the month, overseas investors have dumped Indian equities and debt on a scale not seen since the taper tantrum of 2013, when news that the U.S. was going to gradually wind down its GFC-triggered quantitative easing spurred an exodus out of emerging market assets. As on March 20, foreign institutional investors (FIIs) had sold a net ₹95,485 crore, or more than $12 billion, of shares and bonds. This outflow has coincided with the sharp fall in the equity market's key gauge, the 30-stock S&P BSE Sensex, which has slumped 22% so far in March.

What else is contributing to the fall?

The rupee's decline in March has been part of a broad trend as most currencies across the globe have weakened against their U.S. counterpart. The dollar index, which gauges the greenback's strength against a basket of six currencies, has gained almost 4% so far this month. The risk aversion as a result of the pandemic triggered by the global outbreak of COVID-19 has been so intense that it has not spared most perceived safe havens including U.S. Treasuries (government bonds) and significantly even gold. The yellow metal too has been sold by investors looking to hold the most liquid and most fungible of all assets — the U.S. dollar.

The rise and the imminent fall of the dollar

In 1913 as the United States suffered from the unreliability and instability of a currency system based on bank notes issued by individual banks, the Federal reserve bank was created by the Federal reserve act of 1913.

At the time developed countries followed the gold standard to back their currencies.

However, when World War 1 broke out in the year 1914 many of those developed countries abandoned the gold standard to pay their military expenses with paper money, which in turn devalued their currency so much so that they found themselves borrowing money.

Britain three years into the war held tight onto the gold standard to maintain the pound's position as the leading currency, they soon ended up finding themselves borrowing money for the first time. The United States became the lender of choice for many countries at the time as they were willing to buy dollar-denominated U.S bonds, by 1919 the brits were finally forced to abandon the gold standard, in turn leaving merchants who traded in pounds devastated, the pound had been de-throned and the U.S dollar was the world's new leading reserve.

The United States entered the second world war well after the fighting had begun, the states served as the main proprietor of weapons, supplies and other goods for the allies, accepting a large part of their payments in gold.

As the plot thickens, other countries had depleted their gold reserves therefore making it pointless to go back to gold standard. In 1944 delegates from 44 allied countries met and decided that all currencies could not be linked to gold, serendipitously though their currencies could be linked to the dollar which was linked to gold, this arrangement came to be known as the Bretton Woods agreement, the agreement established that the central banks would maintain fixed exchange rates between their currencies and the dollar, the agreement also allowed the other countries to have a certain degree of control over their currencies as they could buy and sell their currencies accordingly if they became too strong or weak, in turn the States would redeem U.S dollars for gold on demand. Looking for a place to store their dollars, the countries started buying U.S Treasury securities which was considered as a safe store of money.

As the vietnam war kicked in and deficit spending needed to finance the war and the Great Society Domestic Programs, led to the States flooding the market with paper money, sending the dollar-stakeholding countries ripe with concern about the currency's stability. As they began to convert their dollar reserves into gold,
the demand for gold soared, president Nixon de-linked the dollar from gold and the floating rates that we know of today were established.

Today more than 61% of all foreign bank reserves are denominated in U.S dollar, though the current position of the U.S dollar isn't ideal, with unbridled printing and trillions in debt, U.S treasury securities are said to be the safest.

As of now China owns nearly 1 trillion dollars in U.S treasures while Japan owns more than 1.2 trillion dollars in treasury securities both of these countries peg their currencies against the dollar to keep the prices of their exports to the States relatively cheap. What we witness here is a balloon waiting to pop, the Chinese and Japanese economies are dependent on U.S consumers, which marks the dollar safe for now, though the United States is one triggering economic event away from watching their currency plummet, that is if China and Japan dump their reserves, or a viable currency alternative that everyone can buy comes up. Though these are just mere observations, it seems like the white man is half way out the door.

Green Economy - Implementation seems harder than its conception

> **"Resources businesses must contribute to sustainable development if we are to continue to have access to resources " Cynthia Carroll**

BY TANUSHREE SHARMA | BA ECONOMICS

Climate change is destroying our path to sustainability. Ours may be a world of looming challenges and increasingly limited resources. Sustainable development offers the best chance to adjust our course."
Ban Ki-moon

In the race of economic growth many countries are shifting from agriculture to industries. It may have helped them to increase their GDP but in long term people would have to pay a heavy price to the environment which we certainly cannot estimate in terms of money. If we continue to develop at this pace, we will lose are natural resources in near future.

It's high time that we start including environment as a major variable while making policies for growth and development. We need to cease the economy from the use of fossil fuels , coal all above and shift to green economy.

To go more deep into it we need to know the meaning of the word green economy.

It is basically an amalgam of all the processes and services which helps towards curtailing environmental degradation.

India's yearly financial plan, declared on February 1, was in length on aims to move towards a green economy, however short on points of interest.

The budget highlights various schemes that promotes farmers to move to solar-powered irrigation pumps from diesel and grid-supplied electricity yet said nothing regarding enhancing its impact on fundamentally short groundwater holds. In the budget there is scheme by which all the produces and farmers could put up solar panels in their lands and use the electricity or even sell the electricity back to the utilities but said nothing about the meters that can track two-way flow of power. That is a must for these kind of electricity sales . There is a serious shortage of "smart meters' in India.

India tops the rank of the most polluted cities,With 15 of the world's 20 most contaminated urban areas , air pollution is a very serious issue, and the finance minister giving them Rs 4,400 crore, has asked cities with million-plus populations to implement plans for cleaner air for the same.

The finance minister also said coal-fired power plants that doesn't have pollution control equipment would be asked to shut down, but did not put it in a rule or a directive and it seems that it is just an advisory to power producers, who are repeatedly going to court and saying they cannot afford to put in such equipment. And by that all that producers will continue to use these coal fired plants. The budget has increased the allocation for the Ministry of Environment, Forests and Climate Change by nearly 5% to Rs 3,100 crore over the Rs 2,955 crore in the preceding year. Allocation to the Ministry of New and Renewable Energy (MNRE) was raised by 10.62% to Rs 19,479.74 crore . It is 52% less than the coal ministry's budget.

Here we have some famous opinions, some are optimistic about the budget's allocation in climate change and sustainable development and some are in doubt.

Ajay Mathur, director general of the New Delhi-based think factory TERI, mentioned the Coalition for Disaster Resilient Infrastructure (CDRI) launched in 2019. He said it might "help in addressing variety of Sustainable Development Goals (SDGs) and enhance global climate change adaptation with attention on disaster resilient infrastructure. CDRI envisions enabling measurable reduction in infrastructure losses from disasters, including extreme climate events. CDRI thus aims to enable the achievement of objectives of expanding universal access to basic services and enabling prosperity as enshrined within the Sustainable Development Goals, while is also working at the intersection of the Sendai Framework for Disaster Risk Reduction and the Paris Climate Agreement." whereas Vinay Rustagi, managing director of the renewable energy consultancy Bridge to India, told indiaclimatedialogue.net, "There is nothing concrete within the allow renewables aside from some vague statements on solar pumps and installation by railways. Funding for smart meters should improve distribution efficiency over time. Overall, the budget is very disappointing as there was tons of anticipation about new policy measures in sight of the issues being faced by the world ."

INDIA'S PIECEMEAL EFFORTS TO DRIVE GREEN ECONOMY NEED REFORMS
THE COUNTRY'S TRANSITION TO GREEN AND INCLUSIVE ECONOMIES IS FACING A "BROWNIAN MOTION"-CONTINUOUS MOVEMENT BUT NO DISPLACEMENT.

BY GARIMA BORA | REF. THE ECONOMICS TIME

UNION BUDGET 2020-21

NEW DELHI: Finance Minister Nirmala Sitharaman on Monday, February 1,2021 presented the first ever digital union budget. She announced higher expenditure for the FY 2021-22 and focused on providing a major boost to healthcare and infrastructure building. It is said to be a transparent and bold budget and high share market gave thumbs ups to the proposed budget. Budget 2021 is a budget presented in a time like never before i.e. post covid period thus this results in 3 times increase in fiscal deficit that's 9.5% of GDP.the Budget proposals for this financial year rest on six pillars — health and well-being, physical and financial capital and infrastructure, inclusive development for aspirational India, reinvigorating human capital, innovation and R&D, and 'Minimum Government, Maximum Governance'. And this is planned as per following allocation in respective sectors:

HEALTHCARE

137% increase in healthcare spending. Healthcare sector saw the coming of following schemes are part of this union budget:1) A new scheme, titled PM Atma Nirbhar Swasthya Bharat Yojana, to be launched to develop primary, secondary and tertiary healthcare……. Outlay ₹64180 crore over 6 years. 2) Mission POSHAN 2.0 to improve nutritional outcomes across 112 aspirational districts 3) Operationalisation of 17 new public health units at points of entry 4) ₹35000 crore for Covid-19 Vaccine in 2021-22 AND Pnuemococcal vaccine to be rolled across the country5) It is observed that government has planned leading post covid India on public sector shoulders along with no as such inclusion of private sector.

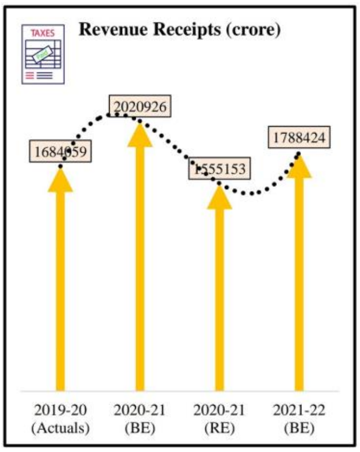
INFRASTRUCTURE

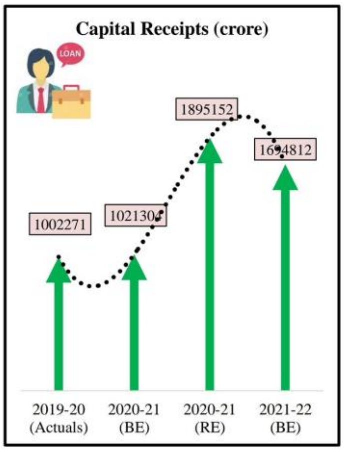
• Transport National Rail Plan: Aims at developing adequate rail infrastructure by 2030 to cater to the projected traffic requirements up to 2050. Aims at developing adequate rail infrastructure by 2030 to cater to the projected traffic requirements up to 2050.100% electrification of Railways to be completed by 2023. a record sum of `1,10,055 crores,provided for Railways of which `1,07,100 crores is for capital expenditure.

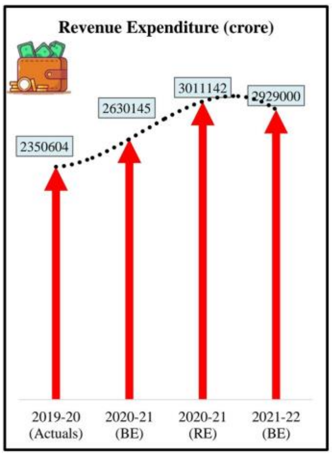
• National Hydrogen Mission to be launched to generate hydrogen from green power sources
• Recycling capacity of ports to be doubled by 2024
• Gas pipeline project to be set up in Jammu and Kashmir
• Pradhan Mantri Ujjwala Yojana (LPG scheme) to be extended to cover 1 crore more beneficiaries

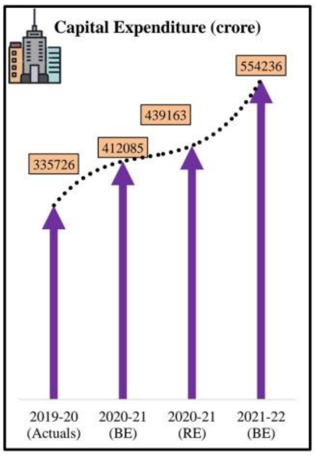
FINANCE

• Fiscal deficit stands at 9.5% of the GDP; estimated to be 6.8% in 2021-22
• Proposal to allow States to raise borrowings up to 4% of GSDP this year
• The high level of provisioning by public sector banks of their stressed assets calls for measures to clean up the bank books. An Asset Reconstruction Company Limited and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realization.
• Revision of definition under the Companies Act, 2013 for Small Companies by increasing their thresholds for Paid up capital from "not exceeding `50 Lakh" to "not exceeding `2 Crore" and turnover from "not exceeding `2 Crore" to "not exceeding `20 Crore". This will benefit more than two lakh companies in easing their compliance requirements.
• In spite of COVID-19, government kept working towards strategic disinvestment. Other than IDBI Bank, FM proposed to take up the privatization of two Public Sector Banks and one General Insurance company in the year 2021-22. Also, In 2021-22 government would also bring the IPO of LIC
• Deposit insurance increased from Rs 1 lakh to Rs 5 lakh for bank depositors









Metro services announced in 27 cities, plus additional allocations for Kochi Metro, Chennai Metro Phase 2, Bengaluru Metro Phase 2A and B, Nashik and Nagpur Metros.
• Highway and road works announced in Kerala, Tamil Nadu, West Bengal and Assam. Some analyst see mentioning of such states as a political agenda of campaigning for upcoming elections in these states. An enhanced outlay of `1,18,101 lakh crores,provided for Ministry of Road Transport and Highways, of which `1,08,230 crores is for capital, the highest ever.
• Vehicle scrapping policy to phase out old and unfit vehicles – all vehicles to undergo fitness test in automated fitness centres every 20 years (personal vehicles), every 15 years (commercial vehicles)
• PLI (Production Linked Incentive) schemes to create manufacturing global champions for an AtmaNirbhar Bharat have been announced for 13 sectors. For this, the government has committed nearly `1.97 lakh crores, over 5 years starting FY 2021-22. This initiative will help bring scale and size in key sectors, create and nurture global champions and provide jobs to our youth.
• 7 Textile Parks will be established over 3 years under a scheme of Mega Investment Textiles Parks (MITRA) will be launched in addition to the PLI scheme.

AGRICULTURE

To provide adequate credit to our farmers, FM has enhanced the agricultural credit target to `16.5 lakh crores in FY22. They will focus on ensuring increased credit flows to animal husbandry, dairy, and fisheries. They are enhancing the allocation to the Rural Infrastructure Development Fund from `30,000 crores to `40,000 crores. Expansion of Operation Green scheme to include 22 perishable products 1000 more mandis to be integrated with e-NAM

Education:

100 new Sainik Schools to be set up
750 Eklavya schools to be set up in tribal areas
A Central University to come up in Ladakh
Revamped Post Matric Scholarship Scheme for welfare of SCs
SKILLS :Realigning National Apprenticeship Training scheme for graduates and diploma holders in Engineering Partnership with UAE and Japan in area of skill development and recognition

TAX PROPOSALS

- Exemption from filing income tax returns for senior citizens (75 years and above) who only have pension and interest income. The paying bank will deduct the necessary tax on their income.
- Reducing time limit for reopening of income tax assessment.
- Constitution of a Dispute Resolution Committee for small tax payers
- Income Tax Appellate Tribunal to be made faceless
- Increase in limit for tax audit for persons who carry out 95% of their transactions digitally
- Dividend payment to REIT/InvIT to be exempted from TDS
- Additional deduction of ₹1.5 lakh shall be available for loans taken up till 31 March 2022 for purchase of affordable house
- Pre filling of returns will also cover capital gains from listed securities
- Eligibility for claiming tax holiday for start ups proposed to be extended by one more year

FARM BILL 2020-2021

The Union government enacted two new farm laws for agriculture, and modified the Essential Commodities Act 1951 for agri-food stu-, in September 2020. The new acts have been widely acclaimed as historic, path-breaking, and a “1991 movement” for agriculture. However, some stakeholders and experts have expressed serious apprehensions about the e-ect of these acts on farmers and the agriculture sector. A narrative is being created based on ideological and imaginary grounds to build opinion and pressure against the new laws by ignoring the intent, content and implications of the new policy reforms.

1. Bill on Agri market:

Farmers produce on trade and commerce (promotion and facilitation) Bill 2020:

Provisions:

- To create an ecosystem where farmers and traders enjoy the freedom to sell and purchase farm produce outside registered 'mandis' under states' APMCs.
- To promote barrier-free inter-state and intra-state trade of farmers' produce
- To reduce marketing/transportation costs and help farmers in getting better prices
- To provide a facilitative framework for electronic trading.

Opposition:

- States will lose revenue as they won't be able to collect 'mandi fees' if farmers sell their produce outside registered APMC markets.
- What happens to 'commission agents' in states if entire farm trade moves out of mandis?
- It may eventually end the MSP-based procurement system.
- Electronic trading like in e-NAM uses physical 'mandi' structure. What will happen to e-NAM if 'mandis' are destroyed in absence of trading?

2. Bill on contract farming:

The Farmer (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020:

Provisions:

- Farmers can enter into a contract with agribusiness firms, processors, wholesalers, exporters or large retailers for sale of future farming produce at a pre-agreed price
- Marginal and small farmers, with land less than five hectares, to gain via aggregation and contract (Marginal and small farmers account for 86% of total farmers in India)
- To transfer the risk of market unpredictability from farmers to sponsors
- To enable farmers to access modern tech and get better inputs.
- To reduce cost of marketing and boost farmer's income.
- Farmers can engage in direct marketing by eliminating intermediaries for full price realization
- Effective dispute resolution mechanism with redressal timelines.

Opposition:

- Farmers in contract farming arrangements will be the weaker players in terms of their ability to negotiate what they need
- The sponsors may not like to deal with a multitude of small and marginal farmers
- Being big private companies, exporters, wholesalers and processors, the sponsors will have an edge in disputes.

1. Bill relating to commodities:

The essential Commodities (Amendment) Bill, 2020

Provisions:

- To remove commodities like cereals, pulses, oilseeds, onion and potatoes from the list of essential commodities. It will do away with the imposition of stockholding limits on such items except under "extraordinary circumstances" like war
- This provision will attract private sector/FDI into farm sector as it will remove fears of private investors of excessive regulatory interference in business operations.
- To bring investment for farm infrastructure like cold storages, and modernising food supply chain.
- help both farmers and consumers by bringing in price stability.
- To create competitive market environment and cut wastage of farm produce.

Opposition:

- Price limits for "extraordinary circumstances" are so high that they are likely to be never triggered.
- Big companies will have the freedom to stock commodities- it means they will dictate terms to farmers which may lead to less prices for the cultivators.
- Recent decision on export ban on onion creates doubt on its implementation.

6TH RBI MONETARY POLICY:

Monetary policy refers to the use of monetary instruments under the control of the central bank to regulate magnitudes such as interest rates, money supply and availability of credit with a view to achieving the ultimate objective of economic policy.

HIGHLIGHTS:

- The six-member Monetary Policy Committee (MPC) headed by Reserve Bank of India (RBI) Governor, Shaktikanta Das kept the repo rate unchanged at 4 per cent, while the reverse repo rate also was kept unchanged at 3.35 per cent.
- Capacity utilization in the manufacturing sector improved to 63.3 per cent in Q2 vs 47.3 per cent in Q1.
- RBI to form expert panel to strengthen primary urban co-op banks.
- The central bank sees FY22 GDP growth at 10.5 per cent.
- The RBI governor said that the inflation has eased below the level of 6 per cent.
- CPI projection is revised to 5.2 per cent for Q4 FY21 and CPI inflation is pegged at 5-5.2 per cent in H1 FY22.
- Need for the hour is to continue to support growth as the objective is to return the economy to a higher growth trajectory.
- Policy Rates:

Repo rate	4%
Reverse repo rate	3.35%
Marginal standing facility	4.25%
Bank rate	4.25%
Cash reserve ratio	3%
Statutory liquidity ratio	18%

CRYPTO CURRENCY

AFFECT OF CRYPTO ON INDIAN ECONOMY :

Analysts have speculated that the new crypto currency bill might impact some existing investors who are already investing in private digital currencies like bitcoin in the country. This is because if the Centre goes by the recommendation of the Inter-Ministerial Committee (IMC) then private crypto currencies will be banned in the country which will understandably cause a loss to the existing crypto investors of the country. However, it is still not clear if the new legislation will include Bitcoin or Ethereum under the list of banned private crypto currencies.

Speculation is also rife that the proposed crypto currency bill may allow holders of such currencies to exit the asset class before its anticipated ban but may put a heavy penalty on its conversion to a legal asset

LIMITATIONS:

if India bans cryptocurrency, it doesn't just criminalize the holdings of countless innocent Indians. It repels a trillion dollars in crypto capital from coming to India in the first place. The proposed crypto ban would itself cause capital flight.

HOWEVER,

the right crypto policy would cause not capital flight, but capital landing. Visualize billions of dollars in cryptocurrency landing in India. And note that far-sighted technology capitals and financial centers like Switzerland and Singapore have taken positions that are highly favorable to cryptocurrency, because they want the world's top entrepreneurs and investors to alight in their country.

EXTRA TIME FOR TEA

QUICK QUIZ

1. India changed over to the decimal system of coinage in?
A. April 1995
B. April 1957
C. April 1958
D. April 1959

2. If the cash reserve ratio is lowered by the RBI, its impact on credit creation will be to?
A. increase it
B. decrease it
C. no impact
D. None of the above

3. Excise duty is a tax levied on the?
A. import of goods
B. export of goods
C. production of goods
D. sale of goods

4. World Economic Outlook report is published by which of the following?
A. IMF
B. World Bank
C. RBI
D. UNCTAD

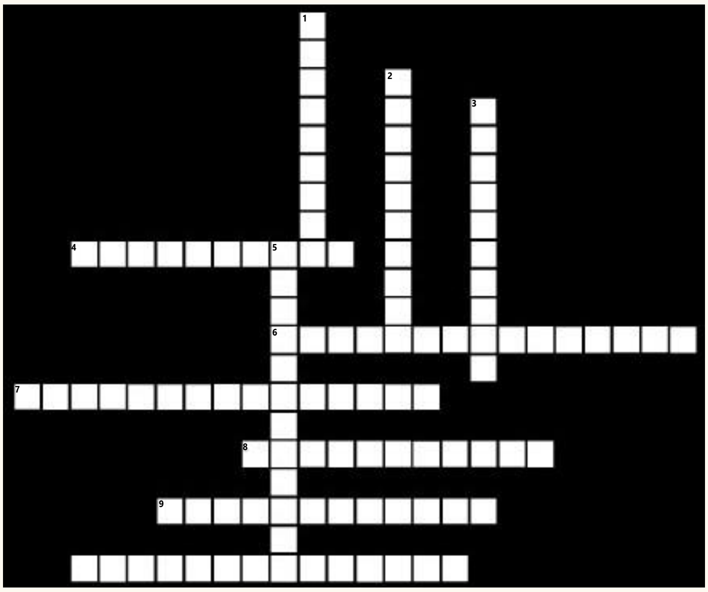
5. The supply-side economics lays greater emphasis on _.
A. Producer
B. Global economy
C. Consumer
D. Middle Man

ANSWERS:
1. April 1957
2. Increase it
3. Production of goods
4. IMF
5. Producer

SUDOKU

Fill in the blank squares so that each row, each column and each 3-by-3 block contain all of the digits 1 thru 9. if you use logic you can solve the puzzle without guesswork.

			2	6		7		1
6	8			7			9	
1	9				4	5		
8	2		1				4	
		4	6		2	9		
	5				3		2	8
		9	3				7	4
	4			5			3	6
7		3		1	8			



CROSSWORD NO. 1

ACROSS

3 ____ RAS curve shows three possible phases along the shape of the curve.
8. Exports minus imports and a component of AD.
9. Set of government policies relating to its spending and taxation rates.
10. Set of official policies governing the supply of money in the economy.

DOWN

1. total spending by consumers on domestic goods and services
2. The addition of capital stock to the economy.
4. The total spending on goods and services ina period of tie at a given price level
5. Total amount of goods and services that are produced in an economy at a given price level.
6. policies that increase the potential output of the economy.
7 ____fiscal policy leads to an increase in the Aggregate demand in the economy

VOCABULARY

The economy is what businesses sell. what people buy and how businesses, government, and people spend their money.
Producers make things.
Consumers buy the things produces make. People, businesses, and governments can all be consumers.
Goods are things you can hold. Hats. bikes. cheeseburgers, and cell phones are all goods.
Services are things you pay for but can't hold.
Resources are things that a person, government, or business has. Resources can be used to produces, make, or buy things
Currency is anything that is accepted as money.
Opportunity cost is the choice that is given up.
Supply is how much there is of goods and services.
Demand is how much goods and services are needed.
Entrepreneur is someone who starts a business.
Taxes are money people and businesses have to pay the government
Scarcity not being able to meet all wants at the same time.
Trade - when you sell goods to each other Barter is when you trade each other's services

4	3	5	2	6	9	7	8	1
6	8	2	5	7	1	4	9	3
1	9	7	8	3	4	5	6	2
8	2	6	1	9	5	3	4	7
3	7	4	6	8	2	9	1	5
6	5	1	7	4	3	9	2	8
5	1	9	3	2	6	8	7	4
2	4	8	9	5	7	1	3	6
7	6	3	4	1	8	2	5	9

Answers To Crossword No. 1
1.Keynesian 2.Supply Side 3.Net Exports 4.Investment 5.Expansionary 6 Aggregate Demand 7.Aggregate supply 8.Consumption 9.Fiscal Policy 10. Monetary policy

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The Department of Economics at MAIMS was established in 2017 and Introduced BA Economics (H) Programme. The vision of the department is to impart theoretical and applied knowledge of economics to students so that they can understand socio-economic problems at regional, national and international level for inclusive development of society.

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