PCA like curbs will be faced by stressed urban co-operative banks

RBI has decided to impose restrictions on urban co-operative banks for deterioration of financial position, in line with the prompt corrective action (PCA) framework that is imposed on commercial banks. This move comes in the wake of the recent crisis at the PMC bank.

Keypoints-

- Under this supervisory action framework, UCBs will face restrictions for worsening of three parameters: when net non-performing assets exceed 6% of net advances when they incur losses for two consecutive financial years or have accumulated losses on their balance sheets and if capital adequacy ratio falls below 9%.
- Action can be also taken if there are governance issues.
- For breach of such risk thresholds, UCBs will be asked to submit a board-approved action plan to correct the situation like reducing net NPAs below 6%, for restoring the profitability and wiping out the accumulated losses and increasing capital adequacy ratio to 9% or above within 12 months.
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- The board of the UCB will be asked to review the progress under the action plan on quarterly/monthly basis and submit the post-review progress report to the RBI.
- The RBI may also seek a board-approved proposal for merging the UCB with another bank or converting itself into a credit society if CAR falls below 9%. It can impose restrictions on declaration or payment of dividend or donation without prior approval if any one of the risk thresholds is breached. Some of the other curbs include restricting fresh loans and advances carrying risk-weights more than 100% on incurring capital expenditure beyond a specified limit and on expansion of the balance sheet.
- The RBI said actions such as imposition of all-inclusive directions under Section 35A of the Banking Regulation Act, 1949, and issue of show-cause notice for cancellation of banking license may be considered when continued normal functioning of the UCB is no longer considered to be in the interest of its depositors/public.

2. RBI eyes market for specialised supervision, regulation cadre

The Reserve Bank of India has decided to recruit 35% of the specialized supervisory and regulatory cadre from the market while the remaining 65% will be recruited via internal promotions. In an internal circular, the central bank said that direct recruitment in the Specialized Supervisory and Regulatory Cadre (SSRC) will be at Grade B level.
3. Lack of demand and weak corporate earnings growth in the economy led to lagging tax collections which has resulted in a revenue shortfall of about ₹2.5 lakh crore.

India's government is likely to cut spending for the current fiscal year by as much as ₹2 lakh crore as it faces one of the biggest tax shortfalls in recent years, three government sources said.

**Keypoints**

- The economy, which is growing at its slowest pace in over six years because of lack of private investment, could be hurt further if the government cuts spending.
- But with a revenue shortfall of about ₹2.5 lakh crore, the government has little choice to keep its deficit within “acceptable limits.
- The government has spent about 65% of the total expenditure target of ₹27.86 lakh crore. A ₹2 lakh crore reduction would be about a 7% cut in total spending planned for the year.
- Government spending increased by ₹1.6 lakh crore, nearly half the 3.1 lakh crore it spent in September. The fiscal year starts April 1 and ends March.
- Lack of demand and weak corporate earnings growth in the economy led to lagging tax collections this year. Analysts said growth will be hurt.
- India’s economic growth slowed for six consecutive quarters to 4.5% in July-September, despite a 135-basis-point cut in interest rates by the central bank since February 2019.
- The government is likely to keep the fiscal deficit under 3.8% of gross domestic product, sources said, while letting it slip from its earlier set target of 3.3% for the year.
- The government is likely to announce additional borrowing of ₹30,000 crore to ₹50,000 crores for the current year to match the revised fiscal deficit, two sources in the government said.

4. Shivalik Mercantile- 1st urban cooperative bank to convert to SFB

Reserve Bank of India (RBI), gave approval to Uttar Pradesh based Shivalik Mercantile Co-operative Bank Ltd to convert to a small finance bank (SFB) and it became the 1st urban cooperative bank (UCB) to be converted into an SFB since the release of reformed RBI guidelines which came out 2 years ago.

The RBI will grant license under **Section 22 (1) of the Banking Regulation Act, 1949** as an SFB.

**Keypoints**

- RBI granted transition of a UCB into an SFB under the scheme on voluntary transition of urban co-operative bank into a small finance bank issued.
- It was part of the recommendations made by the high powered committee on UCBs led by the then **RBI deputy governor Rama Subramaniam Gandhi**.
Under the guidelines, a promoter should be an Indian resident with 10 years of experience in banking and finance.

The promoter or the promoter groups should conform to the definition of the Securities and Exchange Board of India (SEBI)- (Issue of Capital & Disclosure Requirements) Regulations, 2009 and RBI guidelines on fit and proper.

The UCB will get 18 months (1.5 years) to comply with the above mentioned scheme. Banks having a minimum net worth of Rs 50 crore and capital to risk weighted assets (RWA) ratio of 9% will be eligible to apply for voluntary transition to SFB.

The UCBs should also have to comply with the latest guidelines for on-tap licensing of SFBs in the private sector. Under this guideline, SFBs should maintain a minimum net worth of ₹100 crores from the date of commencement of business.

SFBs will have to maintain a minimum capital adequacy ratio of 15% of RWA on a continuous basis. They should also have to increase the minimum paid-up voting equity capital to ₹200 crores within 5 years of the date of commencement of business.

The SFBs are required to extend 75% of their loans to sectors under priority sector lending (PSL) such as loans to agriculture, micro, small and medium enterprises, education, housing, and others.

50% of the SFB loan portfolio should constitute loans and advances up to ₹25 lakhs.

5. RBI allows banks to offer round-the-clock Forex market operations

In order to reduce the rising influence of offshore trading in the currency markets, the Reserve Bank of India (RBI) has enabled banks to offer round-the-clock (24×7) trading in the Indian rupee to allow Indians to safeguard their foreign exchange (Forex) risks at any time. Still now, the select banks in India offered Indian customers foreign exchange rates only in inter-bank market hours from 9 am – 5 pm. RBI accepted the key recommendations of the Task Force on Offshore Rupee Markets headed by Smt. Usha Thorat.

Keypoints:

- This decision will also make the offshore currency markets in countries like Dubai & Singapore less attractive for Indian investors.
- The domestic banks will be allowed to freely offer foreign exchange prices to non-residents at all times, out of their Indian books, either by a domestic sales team or through their overseas branches.

6. Union Cabinet nod for FDI in coal mining

In major decisions to liberalise Foreign Domestic Investment (FDI) norms to boost investment, the Union Cabinet on Wednesday approved 100 per cent FDI in coal mining and contract manufacturing through automatic route.

Keypoints:
• The meeting also liberalised sourcing norms concerning single-brand retail and allowed 26 per cent FDI in the digital media with government approval. The decisions have been taken to make the country an attractive destination for FDI.
• The condition to start brick and mortar stores has been relaxed for ease of operations and companies have been allowed to start online trading initially and start the stores later.

FDI

A foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by an entity based in another country. It is thus distinguished from a foreign portfolio investment by a notion of direct control.

7. Centre sets up 7-member led by Rajnath singh to review crop insurance scheme-PMFBY

Concerned over exit of a few states, dropping out of insurance companies and growing dissent among farmers on the government’s flagship crop insurance scheme, the centre has set up a seven-member group of ministers (GoM) headed by defence minister Rajnath Singh to review the scheme and recommend changes to make it more farmer friendly.

Keypoints-
• Three states and four insurance companies have dropped out from this scheme. States like Bihar, West Bengal and Andhra Pradesh have exited from the central scheme and have launched their own crop insurance scheme
• States rue that the claim ratio, which refers to the claims paid as against the premiums, was low, benefitting insurers rather than farmers. In 2018-19, followed by West Bengal in this kharif season and Andhra Pradesh is the latest to launch its own scheme a few days back ruling out its participation in Rabi season.
• This move comes after the concerns over growing dissent among farmers about the Scheme, dropping out of 4 insurance companies (ICICI Lombard, Tata AIG, Cholamandalam MS, and Shriram General Insurance)
The Pradhan Mantri Fasal Bima Yojana launched on 18 February 2016 by Prime Minister Narendra Modi is an insurance service for farmers for their yields

**Launched:** 13 January 2016

**Ministry:** Ministry of Agriculture and Farmers Welfare

**Keypoints:**

- There will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops. In case of annual commercial and horticultural crops, **the premium to be paid by farmers will be only 5%**. The premium rates to be paid by farmers are very low and balance premium will be paid by the Government to provide full insured amount to the farmers against crop loss on account of natural calamities.
- There is no upper limit on Government subsidy. Even if balance premium is 90%, it will be borne by the Government.
- Earlier, there was a provision of capping the premium rate which resulted in low claims being paid to farmers. This capping was done to limit Government outgo on the premium subsidy. This capping has now been removed and farmers will get claim against full sum insured without any reduction.
- The use of technology will be encouraged to a great extent. Smart phones will be used to capture and upload data of crop cutting to reduce the delays in claim payment to farmers. Remote sensing will be used to reduce the number of crop cutting experiments.
• PMFBY is a replacement scheme of NAIS / MNAIS, there will be exemption from Service Tax liability of all the services involved in the implementation of the scheme. It is estimated that the new scheme will ensure about 75-80 per cent of subsidy for the farmers in insurance premium.

8. Eight States finalized Agriculture Export Policy by the Government of India

Eight states, including Maharashtra, Uttar Pradesh, Punjab and Karnataka have finalised action plan for agriculture export policy which aims to double such exports. Maharashtra, Uttar Pradesh, Kerala, Nagaland, Tamil Nadu, Assam, Punjab and Karnataka have finalised the State Action Plan and other states are at different stages of finalization of the action plan.

Keypoints-

• The Agricultural and Processed Food Products Export Development Authority (APEDA) has been adopting a focused approach for ensuring greater involvement of the state governments for effective implementation of Agri Export Policy (AEP).
• A Memorandum of Understanding was signed with the National Cooperative Development Corporation to include co-operatives for active role in AEP.
• A Farmer Connect Portal has also been set up by APEDA on its website for providing a platform for Farmer Producer Organisations (FPOs) and Farmer Producer Companies to interact with exporters. Over 800 FPOs have been registered on the portal.

The Agri Export Policy was announced last year with an objective of doubling the export from $30 billion to $60 billion and ensuring doubling of farmers' income by 2022.

APEDA

Agricultural and Processed Food Products Export Development Authority is an apex body under the Ministry of Commerce and Industry, Government of India, responsible for the export promotion of agricultural products.

Founded: 1986

Headquarters: New Delhi

9. NSE launches AI-powered learning platform for BFSI industry

NSE launched Knowledge Hub, an artificial intelligence-powered learning eco-system which will assist banking and financial services sector in enhancing skills for their employees. Besides, it will help academic institutions in preparing future ready talent skilled for the financial services industry.
10. **30% of Poshan Abhiyaan funds used in 3 years**

According to an analysis of the data shared by Minister for Women and Child Development (MoWCD), merely 30% of the Poshan Abhiyan funds have been used in 3 years. Apart from Mizoram, Lakshadweep, Himachal Pradesh and Bihar, none of the state govt has used the fund granted to them in the past 3 years.

**Keypoints-**

- A total of ₹4,283 crore was disbursed by the Centre to different States and Union Territories(UTs). From this amount, ₹1,283.89 crore was utilised until October 31, 2019, which is just 29.97% of the funds granted.
- Among the states that utilised the poshan abhiyan funds well, Mizoram(65.12%) emerged as the best performer.
- The top worst performers were Punjab (0.45%).
- During 2019-20, funds were released to 19 States. Out of them, 12 states have used less than a third of the funds released in the previous two years.
- Various activities were launched over the years to enhance Poshan Abhiyam. Some of them include Integrated Child Development Services-Common Application Software (ICDS-CAS) to monitor anganwadis etc.

**Poshan Abhiyaan:**

The Prime Minister’s Overarching Scheme for Holistic Nutrition or POSHAN Abhiyaan or National Nutrition Mission, is Government of India’s flagship programme to improve nutritional outcomes for children, pregnant women and lactating mothers.

Launched by the Prime Minister on the occasion of the International Women’s Day on 8 March, 2018 from Jhunjhunu in Rajasthan.

**Keypoints-**

- NITI Aayog has played a critical role in shaping the POSHAN Abhiyaan. The National Nutrition Strategy, released by NITI Aayog in September, 2017 presented a micro analysis of the problems persisting within this area and chalked out an in-depth strategy for course correction.
- Most of the recommendations presented in the Strategy document have been subsumed within the design of the POSHAN Abhiyaan and now that the Abhiyaan is launched, NITI Aayog has been entrusted with the task of closely monitoring the POSHAN Abhiyaan and undertaking periodic evaluations. POSHAN Abhiyaan intends to significantly reduce malnutrition in the next three years.
For implementation of POSHAN Abhiyaan the four point strategy/pillars of the mission are:

1. Inter-sectoral convergence for better service delivery
2. Use of technology (ICT) for real time growth monitoring and tracking of women and children.
3. Intensified health and nutrition services for the first 1000 days
4. Jan Andolan

The task of implementation of POSHAN Abhiyaan is to be carried out through the Technical Support Unit (TSU) established at NITI Aayog which, in addition to the M&E, will also provide research, policy and technical support to the Abhiyaan.

Month of September 2018 was celebrated as Rashtriya POSHAN Maah. The activities in POSHAN Maah focussed on Social Behavioural Change and Communication (SBCC).

More than 12.2 Crore women, 6.2 Crore men and over 13 Crore children (male and female) were reached through the various activities undertaken during POSHAN Maah. It is worth mentioning that 30.6 Crore people were reached in 30 days. POSHAN Maah has given a major impetus to the Abhiyaan.

11. India Announces 'Vajra': A Payment Platform

The cryptocurrency scenario in India is still obscure but the National Payment Corporation of India (NPCI) has announced a blockchain-based payment system called Vajra.

NPCI is leveraging the distributed ledger technology (DLT) to create a payment system that is easy to use and allows high speed and secure transactions at the same time.

NPCI (National Payment Corporation Of India)

Founded- 2008

HQ: Mumbai

12. EXIM Bank extends loan to Cuba

EXIM bank has extended loan of USD 75 million (over 500 crore) to Cuba to finance 75MW solar parks.

EXIM Bank

HQ: Mumbai

Founded- 1982
13. **CSC signs pact with Paytm Payment Bank for sale of FASTags**

Common Service Centre e-Governance Services India has signed a memorandum of understanding with Paytm Payments Bank Ltd (PPBL) for sale of FASTags for cashless and smooth transit at all toll plazas across this country.

14. **Adani Port is going to buy 75% stake in Krishnapatnam Port**

India’s largest private sector port operator, Adani Ports and Special Economic Zone Ltd (APSEZ) has agreed to buy a 75% stake in Krishnapatnam Port Co. Ltd at Rs 13,572 crores.

15. **FDI up 15% to $26 billion during April-September; Singapore largest source of foreign inflows with $8 bn investments**

Foreign direct investment (FDI) into India grew 15 percent to $26 billion during the first half of the current financial year, according to government data. Sectors, which attracted maximum foreign inflows during April-September 2019-20, include services ($4.45 billion), computer software and hardware ($4 billion), telecommunications ($4.28 billion), automobile (USD 2.13 billion) and trading (USD 2.14 billion), the commerce and industry ministry data showed. Singapore continued to be the largest source of FDI in India during the first half of the financial year with $ 8 billion investments. It was followed by Mauritius ($6.36 billion), the US ($2.15 billion), the Netherlands ($2.32 billion), and Japan ($1.78 billion).

FDI is important as the country requires major investments to overhaul its infrastructure sector to boost growth. Recently, the government relaxed foreign investment norms in sectors such as brand retail trading, coal mining and contract manufacturing.

16. **Markets regulator Sebi came out with a new framework for core settlement guarantee fund**

Sebi came out with a new framework for core settlement guarantee fund liability of non-defaulting members of clearing corporations. The move has been taken following deliberations made by Sebi’s risk management review committee and various stakeholders.

**Keypoints**-

- In a circular, Sebi said that requisite contributions to Core SGF by various contributors for any month will be made by the contributors before start of the month. Sebi said the contributors shall,
As per usage of their individual contribution, immediately replenish the Core SGF to minimum required corpus.

- However, such contribution towards replenishment of Core SGF by the members would be restricted to only once during a period of 30 days regardless of the number of defaults during the period, it added.

A core Settlement Guarantee Fund (SGF) is a corpus used for settlement of trades during defaults and all intermediaries stock exchanges, clearing corporations and brokers contribute towards it. Core SGF of the segment on the date of default. Besides, the regulator has directed clearing corporations to put in place the adequate systems and issue the necessary guidelines to implement the same.


Reserve Bank of India under the aegis of Financial Inclusion Advisory Committee (FIAC) initiated the process of formulation of National Strategy for Financial Inclusion (NSFI) for the period 2019-2024.

Keypoints-

- The strategy aims to provide access to formal financial services in an affordable manner, broadening & deepening financial inclusion and promoting financial literacy & consumer protection in Tier-II and Tier-VI centres to create the necessary infrastructure to move towards a less-cash society by March 2022.

- One of the objectives of the strategy includes increasing outreach of banking outlet of to provide banking access to every village within 5-km radius or a hamlet of 500 households in hilly areas by March 2020.

The Committee on Medium-Term Path to Financial Inclusion (Chairman: Shri Deepak Mohanty, RBI, 2015) has set the vision for financial inclusion in India.

18. India’s International Investment Position- RBI

The Reserve Bank released data relating to India’s International Investment Position at end-September 2019.

Keypoints
Net claims of non-residents on India declined by US$ 14.8 billion during July-September 2019.
The decline in net claims was due to an increase of US$ 7.4 billion in Indian residents’ overseas financial assets and a reduction in foreign-owned assets in India by US $ 7.4 billion during the quarter.
The decline in foreign-owned assets in India was mainly due to reduction in portfolio equity investment.
Increase in reserve assets, currency and deposits as well as overseas direct investments resulted in higher foreign assets of Indian residents.

19. 20th issue of the Financial Stability Report (FSR)- RBI

The FSR reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability, as also the resilience of the financial system. The Report also discusses issues relating to development and regulation of the financial sector. India’s financial system remains stable notwithstanding weakening domestic growth; the resilience of the banking sector has improved following recapitalisation of Public Sector Banks (PSBs) by the Government. Risks arising out of global/domestic economic uncertainties and geopolitical developments still persists.

Keypoints-

- Scheduled commercial banks’ (SCBs) credit growth remained subdued at 8.7 per cent year-on-year (y-o-y) in September 2019, though Private Sector Banks (PVBs) registered double digit credit growth of 16.5 per cent.
- SCBs’ capital adequacy ratio improved significantly after the recapitalisation of public sector banks (PSBs) by the Government.
- SCBs’ gross non-performing assets (GNPA) ratio remained unchanged at 9.3 per cent between March and September 2019.
- Provision Coverage Ratio (PCR) of in March 2019 implying increased resilience of the banking sector.
- Macro-stress tests for credit risk show that under the baseline scenario, SCBs’ GNPA ratio may increase from 9.3 per cent in September 2019 to 9.9 per cent by September 2020 primarily due to change in macroeconomic scenario, marginal increase in slippages and the denominator effect of declining credit growth.
- The size of the inter-bank market continued to shrink with inter-bank assets amounting to less than 4 per cent of the total banking sector assets as at end-September 2019.

FSDC

The Financial Stability and Development Council (FSDC) was constituted in December, 2010. The FSDC was set up to strengthen and institutionalise the mechanism for maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development. An apex-level FSDC is not a statutory body.
The Council is chaired by the Union Finance Minister and its members are Governor, Reserve Bank of India; Finance Secretary and/or Secretary, Department of Economic Affairs; Secretary, Department of Financial Services; Chief Economic Adviser, Ministry of Finance; Chairman, Securities and Exchange Board of India; Chairman, Insurance Regulatory and Development Authority and Chairman, Pension Fund Regulatory and Development Authority. It also includes the chairman of the Insolvency and Bankruptcy Board (IBBI).

20. SBI’s ‘Ecowrap’ report lowers India’s growth rate

The State Bank Of India’s report ‘Ecowrap’ has lowered India’s growth rate to 4.6% in 2020, based on current available trends, against 5 per cent projected earlier, even as it assessed that India could be now staring at a sub-6-per-cent growth for two successive years.

Keypoints

- SBI’s research team said agriculture and allied activities are likely to grow at 2.8 per cent in FY20, against the previous year growth of 2.9 per cent.

- The First Advance Estimates of production of all Kharif crops for 2019-20 released by the Department of Agriculture, Cooperation and Farmers Welfare shows that there will be a marginal decline in overall production to 140.57 million tonnes from 141.59 million tonnes in 2018-19.

21. Government Of India signed MoU with Flipkart under DAY-NULM

Government Of India signed MoU WITH Flipkart for selling the products made by women self-help groups consisting of 44 lakh women under DAY-NULM on the e-commerce platform.
DAY-NULM

Deen Dayal Antyodaya Yojana or DAY is a Government of India scheme for helping the poor by providing skill training. It replaces Ajeevika. The Government of India has provisioned ₹500 crore for the scheme. The objective of the scheme is to train 0.5 million people in urban areas per annum from 2016.

The initial scheme Swarnajayanti Gram Swarojgar Yojana (SGSY) was launched in 1999. It was renamed as National Rural Livelihood Mission in 2011. Finally they were merged into DDU-AY.

22. **Axis bank and ICICI bank to end their operations in Sri Lanka**

The two Indian private sector lenders Axis Bank and ICICI bank will close their operations in Sri Lanka after the Central Bank Of Sri Lanka has permitted it.

23. **RBI allows Video based Customer Identification Process’**

The RBI amended the KYC norms allowing banks and other lending institutions regulated by it to use Video based Customer Identification Process (V-CIP), a move which will help them onboard customers remotely.

**Keypoints**
- The V-CIP, which will be consent-based, will make it easier for banks and other regulated entities to adhere to the RBI’s Know Your Customer (KYC) norms by leveraging the digital technology.
- The regulated entities will have to ensure that the video recording is stored in a safe and secure manner and bears the date and time stamp.

24. **CCI Releases ‘Market Study on E-commerce in India: Key Findings and Observations’**

India is the fastest growing market for the e-commerce sector.

**Keypoints:**
- Revenue from the sector is expected to increase from USD 39 billion in 2017 to USD 120 billion in 2020, growing at an annual rate of 51 percent, the highest in the world.
- E-commerce in India has attracted investors from across the world. Although funding in the e-commerce sector started in 2009, it gathered momentum in 2014 and maximum investment of around USD 3500 million took place in 2017 in 124 funding rounds.


The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the First Advance Estimates of National Income at both Constant (2011-12) and Current Prices, for the
financial year 2019-20 along with the corresponding estimates of expenditure components of the Gross Domestic Product (GDP).

Keypoints-

- The growth in real GDP during 2019-20 is estimated at 5.0 per cent as compared to the growth rate of 6.8 per cent in 2018-19.
- Estimated growth of real GVA in 2019-20 is 4.9 per cent as against 6.6 per cent in 2018-19.
- The growth in the ‘Agriculture, Forestry and Fishing’, ‘Mining and Quarrying’, ‘Manufacturing’ and ‘Construction’ is estimated to be 2.8 per cent, 1.5 per cent, 2.0 per cent and 3.2 per cent respectively.

26. India’s economy will reach $7 trillion by 2030- Deutsche Bank

Deutsche Bank in its report ‘Imagine 2030’ has projected that Indian economy will reach $7 trillion by 2030. According to the report, India will grow with the Nominal GDP growth rate of just over 10% in the next decade. Indian economy is presently valued at $3 trillion.

27. SBI announces 'residential builder finance with buyer guarantee' scheme

Country's largest public sector bank, State Bank of India has announced a 'residential builder finance with buyer guarantee' (RBBG) scheme. It aims at giving a push to residential sales and improve homebuyers' confidence.

Keypoints-

- Under this scheme announced, the SBI will issue a guarantee for completion of select residential projects to customers who have availed home loans from it.
- The scheme will focus on affordable housing projects priced up to 2.50 crore rupees in 10 cities initially.
- Under RBBG, the guarantee would be given by the bank till the project gets the occupation certificate (OC).
- The guarantee will be available for RERA registered projects and a project will be considered stuck after it crosses the RERA deadline.

28. India ranks 73rd in UN index assessing e-commerce readiness

The United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019 has been topped by the Netherlands for the second consecutive year. The index scores 152
nations on their readiness for online shopping, worth an estimated USD 3.9 trillion globally in 2017, up 22 per cent from the previous year.

**Keypoints-**

- India has ranked 73rd out of 152 countries in a business-to-consumer E-commerce index that measures an economy's preparedness to support online shopping, moving seven places up in the list slightly improving its position from 80 in 2018 and 83 in 2017. According to the report, in India Internet shoppers as a share of Internet users was 11 per cent and Internet shoppers as a share of population 3 per cent in 2017.
- Faring better than India are countries such as Iran, ranked 42nd, Kazakhstan (57), Azerbaijan (62), Vietnam (64) and Tunisia (70). Switzerland is ranked second on the list.
- European nations hold eight of the top 10 spots on the index, which ranks 152 countries on their readiness to engage entries on their readiness to engage in online commerce. The only non-European countries on the top 10 list are Singapore (3) and Australia (10).

**29. India 5th worst country for people’s privacy, biometric data collection: Report**

India is the fifth worst country after China, Malaysia, Pakistan and the US in terms of extensive and invasive use of biometric data, according to a new report from Britain-based tech research firm Comparitech. For the study, the researchers analysed 50 different countries to find out where biometrics are being taken, what they are being taken for, and how they are being stored.

**Keypoints-**

- India shares the fifth position with Taiwan, Indonesia and the Philippines, said the study. India ranked relatively lower in the list of worst countries for biometric data collection as it does not permit law enforcement to get access to the national biometric database known as Aadhaar.
- Each country has been scored out of 25, with high scores indicating extensive and invasive use of biometrics and/or surveillance and a low score demonstrating better restrictions and regulations regarding biometric use and surveillance.
- Among the factors used for scoring the countries, the researchers looked at whether the country failed to introduce a law to protect biometric data. While China scored 24 out of 25, India scored 19.
- Despite many countries recognising biometric data as sensitive, increased biometric use is widely accepted, said the study.
- Countries in the European Union scored better overall than non-EU countries due to General Data Protection Regulation (GDPR) regulations protecting the use of biometrics at the workplace to some extent.
- Ireland, Portugal, Cyprus, the UK and Romania emerged as the five best countries in terms of collection, storage and use of biometric data, the results showed.
30. The twentieth meeting of the Monetary Policy Committee (MPC)

Constituted under section 45ZB of the Reserve Bank of India Act, 1934.

**Keypoints**

- The MPC reviewed the surveys conducted by the Reserve Bank to gauge consumer keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.15 per cent.
- Consequently, the reverse repo rate under the LAF remains unchanged at 4.90 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 5.40 per cent.
- The MPC also decided to continue with the accommodative stance as long as it is necessary to revive growth, while ensuring that inflation remains within the target.
- These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

31. CAD or current account deficit narrows to 0.9% of GDP in July- Sept –RBI

According to recent RBI data, the CAD narrowed to 0.9% of GDP or $ 6.3billion in the July- September quarter of the current fiscal.

**Keypoints-**

- In the same period last year the CAD stood at 2.9% or $19 billion.
- In the first quarter, the deficit stood at 2% of GDP or $14.2 billion.
- The contraction in the CAD was primarily due to lower trade deficit which is stood at $38.1 billion as compared with $50 billion a year ago.
- Private transfer receipts, mainly remittances rose to $21.9 billion, increasing by 5.2%.
- Net services receipts increased by 0.9% on a year on year basis on the back of a rise in net earnings from computer, travel and financial services.

**CAD** - It is one of the important part Balance of payment and one of the key indicators of an economy’s health and measures the difference between the values of the goods and services a country imports and the value of its exports. Since 1994, Indian rupee has been made fully convertible in current account transactions.

32. Core Sector Output Shrank 1.5% in November.
The output of core sector is still showing gloomy result as it contracted for the fourth consecutive month in November by 1.5%. The output of coal, crude, oil, natural gas, steel and electricity declined by 2.5%, 6%, 6.4%, 3.7% and 5.7% respectively.

**Core Sector**

- The Eight Core Industries comprise nearly 40.27% of the weight of items included in the Index of Industrial Production (IIP). These are Electricity, steel, refinery products, crude oil, coal, cement, natural gas and fertilizers. It is compiled by CSO under Ministry Of Commerce And Industry.
- Petroleum Refinery Production carries highest weight. (28.04%) > Electricity generation (19.85%) > Steel Production (17.92%). The fertilizer carries the lowest weight (2.63%).

33. **Fiscal Deficit hits 115% of Budget exposure estimate till November**

**Keypoints**

- The fiscal deficit hit 115% of 2018-19 Budget estimate in the corresponding month.
- The government has targeted fiscal deficit at 3.3% of GDP.
- The government lowered the corporate tax rate and it will have an impact of rupees of 1.45 lakh crore on its revenue mobilization.
- Due to the economic slowdown, GST collection has been low.

**Fiscal Deficit** - The difference between total revenue and total expenditure of the government is termed as fiscal deficit. It is an indication of the total borrowings needed by the government. While calculating the total revenue borrowings are not included.

34. **India likely to transcend Germany to become the fourth largest economy in 2026 - CEBR report**

According to a ‘World Economic League Table 2020’ report by the UK-based Centre For Economics And Business Research(CEBR) and Global Construction Perspectives, India will overtake Germany to become the fourth largest economy in 2026. The base data is taken from the IMF’s World Economic Outlook.

**Keypoints**

- India will overtake Japan to become the third largest economy by 2034.
- India will touch $5 trillion dollar economy by 2026, 2 years later than the GOI’s target.

35. **Nearly 50% startups dealt in innovative products: RBI REPORT**

Recently a survey by the Reserve Bank of India based on responses from 1,246 startups has found that
about half of the startups dealt in innovative products and over 20 per cent had filed patents for their products.

**Keypoints**

- The pilot survey on the Indian startup sector was conducted from **November 2018 to April 2019**.
- Around **three-fourths of respondents were from the states of Karnataka, Maharashtra, Telangana, Delhi and Tamil Nadu**.
- Startups in **six sectors – agriculture, data and analytics, education, health, IT consulting/solution and manufacturing** – accounted for nearly 50 per cent of the survey respondents.
- **36 per cent of the startups** availed institutional loans (including from banks) to finance their activities.
- **Only 14 per cent of startups had more than 10 employees** in the first six months of their operation but as the sector matured, the share increased to 40 per cent at the time of conducting the survey, revealed the survey findings.