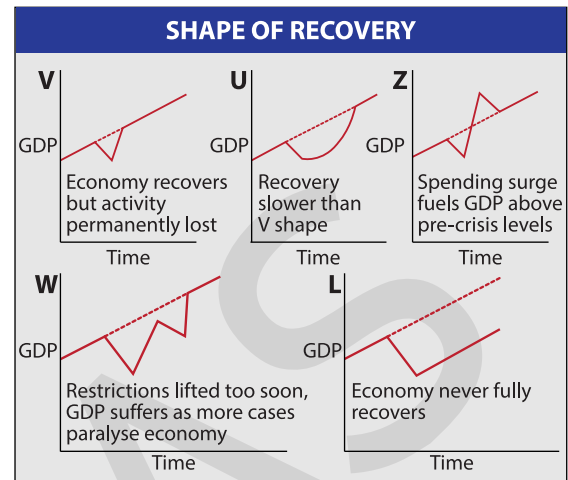


NEWS TODAY

SHAPES OF ECONOMIC RECOVERY

- Chief Economic Advisor said, Economic growth this year will depend on when recovery begins.
 - Earlier, it was estimated that **growth to be at 1.5-2% this year**, and that was conditioned on a V-shaped recovery in the second half of the year.
- Different shapes of recovery**
 - Z-shaped recovery** is the most-optimistic scenario in which the economy quickly rises.
 - V-shaped recovery** is next-best scenario in which the economy quickly recoups lost ground and gets back to the normal growth trend-line.
 - U-shaped recovery** is a scenario in which the economy, after falling, struggles and muddles around a low growth rate for some time, before rising gradually to usual levels.
 - W-shaped recovery:** In this growth falls and rises, but falls again before recovering yet again, thus forming a W-like chart. It is predicted if a second wave of COVID-19 comes along.
 - L-shaped recovery** is the worst-case scenario, in which growth after falling, stagnates at low levels and does not recover for a long, long time.
 - J-shaped recovery**, a somewhat unrealistic scenario, in which growth rises sharply from the lows much higher than the trend-line and stays there.



40TH GOODS AND SERVICES TAX (GST) COUNCIL MEET

- Key Decisions taken**
 - Easing compliance burden for small businesses** by slashing late fees and halving the interest rate on them.
 - Correction of inverted duty structure** on textiles deferred.
 - Inverted duty structure refers to taxation of inputs at higher rates than finished products that results in build-up of credits and cascading costs.
 - Single-point agenda meeting to be held in July to **discuss market borrowing by the Council** itself as one of the ways to raise money and compensate states for GST revenue losses.
 - But there are **legal issues related to borrowing** like who will give the guarantee, how it will be repaid, how interest is to be paid, and the impact on the Fiscal Responsibility and Budget Management Act.
 - GST Act extends a guarantee to states that any loss in revenues in the first five years of GST implementation (2017-2022) will be made through a **GST Compensation Cess**.
 - Estimates suggest that gross GST revenue collections in first two months of current fiscal were just about 45% of target.
- GST Council is a **constitutional body for making recommendations** to Union and State Government on issues related to GST.

RS 4000 CR ALLOCATED UNDER 'PER DROP, MORE CROP' (PDMC) COMPONENT OF PMKSY

- PDMC under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) **focuses on enhancing water use efficiency at farm level** through Micro Irrigation technologies i.e. Drip and Sprinkler irrigation systems (DPIS).
 - Government provides financial assistance @ 55% for small and marginal farmers and @ 45% for other farmers for installation of DPIS.
 - This technique helps in reducing fertilizer usage, labour expenses and other input costs.

About PMKSY

- PMKSY has been formulated to **extend coverage of irrigation and to improve water use efficiency** in a focused manner with end to end solution on source creation, distribution, management, field application and extension activities.
- Other components of PMKSY:**
 - Accelerated Irrigation Benefit Programme (AIBP):** To focus on faster completion of ongoing Major and Medium Irrigation including National Projects
 - Har Khet ko Pani:** Aims to extend the coverage of irrigation. Creation of new water sources through Minor Irrigation (both surface and ground water)
 - Watershed Development:** Effective management of runoff water and improved soil & moisture conservation activities such as ridge area treatment.

JOBS, GROWTH AND SUSTAINABILITY: A NEW SOCIAL CONTRACT FOR INDIA'S RECOVERY REPORT RELEASED BY CEEW

- The report by Council on Energy, Environment and Water (CEEW) suggests **economic recovery plan to counter the short- to medium-term adversities**.
 - CEEW is an India-based research think-tank.
- Post COVID-19, it suggests a **new social contract between state, citizen and enterprise** resting on commitment to jobs, growth, and sustainability.
- It gives the following **suggestions for economic recovery** in this direction
 - De minimis multilateralism** focussing on chronic risks that all countries would have an interest in avoiding, like health-related, environmental, or financial shocks.
 - Address the challenge of rampant informality in MSMEs** through deep structural and regulatory reforms, proper identification of enterprises and establishing accountability etc.
 - Nationwide, centralised and real-time Integrated Emergency Surveillance System (IESM)** to facilitate a systematic and sustained response to emergencies.
 - Invest in resilient infrastructure and governance systems** to respond to low-probability but high impact tail-end risks.
 - Large-scale deployment of **states-supported canteens to provide hygienic, affordable and nutritious cooked food** thrice a day to all urban migrant workers (approximately 30 million).
 - Greening the economy** by shifting to gas, reforming electricity subsidies, creating robust markets for renewables etc.

Objectives of PMKSY

- Convergence of investment in irrigation at the field level.
- Expand cultivable area under irrigation
- Improve On-farm water use efficiency to reduce wastage of water.
- Enhance the adoption of being precise in irrigation and other water saving technologies (more crop per drop).
- Enhance recharge of aquifers and introduce sustainable water conservation practice

SMALL FARMERS AGRI-BUSINESS CONSORTIUM (SFAC) TO HELP FORM 10,000 FPOs

- A Producer Organisation (PO) is a **legal entity formed by primary producers**, viz. farmers, milk producers, fishermen, weavers, rural artisans, craftsmen. **Farmer Produce Organizations (FPOs)** is one type of PO where the members are farmers.
 - > Currently there are around **5,000 FPOs functional in country**.
- The 10,000 FPOs are part of recently approved scheme **Formation and Promotion of FPOs**.
 - > FPOs will be **formed and promoted through Cluster Based Business Organizations (CBBOs)** engaged at the state/cluster level by implementing agencies.
 - > Priority will be given for formation of FPOs in aspirational districts with at least one FPO in each block of aspirational districts.
 - > **SFAC is one of the implementing agencies of the scheme**, apart from, National Cooperative Development Corporation and NABARD.
- **Benefits of FPO**
 - > Ensure **better income for producers** through an organization of their own.
 - > Small producers **can avail benefit of economies of scale** and **better bargaining power**.
 - > It can work as a **platform to facilitate better access to government services**, like PDS, MNREGA etc.
 - > It can **liaison with Government Departments for convergence of programmes**, like drinking water, sanitation etc.

ALSO IN NEWS

<p>Finance ministry proposes to decriminalise minor offences</p>	<ul style="list-style-type: none"> • The ministry has proposed decriminalization in as many as 36 sections, across 19 laws, including Negotiable Instruments Act, SARFAESI Act, LIC Act, PFRDA Act, RBI Act, Banking Regulation Act, and Chit Funds Act. • Move is expected to improve ease of doing business and helping unlog the court system and prisons. <ul style="list-style-type: none"> > It will also help businesses tide over the crisis caused by the coronavirus outbreak.
<p>Forex reserves crosses \$500 bn</p>	<ul style="list-style-type: none"> • Country's foreign exchange (Forex) reserves crossed the \$500 billion mark for the first time. • Forex reserve comprised of foreign currency assets (\$463.63 billion), gold (\$32.35 billion), Special Drawing Rights of International Monetary Fund (IMF) of ~\$1.44 billion, and reserve position in the IMF of \$4.28 billion • It is being stated that there is large dollar inflow on account of Reliance Jio and Airtel deals.
<p>Sahakar Mitra</p>	<ul style="list-style-type: none"> • It is an internship programme to provide paid internship to youth and ensure availability of assured project loans to young cooperators. <ul style="list-style-type: none"> > Professional graduates in disciplines such as Agriculture and allied areas, IT etc. will also be eligible. • It is an initiative by National Cooperative Development Corporation (NCDC), a statutory body under the Ministry of Agriculture & Farmers Welfare. <ul style="list-style-type: none"> > Functions of NCDC: Planning, promoting and financing programmes for production, processing, marketing, storage, export and import of agricultural produce etc.
<p>Quality Council of India (QCI)</p>	<ul style="list-style-type: none"> • Minister of Commerce & Industry has asked QCI to study the best practices evolving in other countries for the post COVID era and promote its adoption in India. • QCI is a non-profit autonomous society, under Department of Promotion of Industry and Internal Trade. <ul style="list-style-type: none"> > It is mandated to establish an accreditation structure in country and to spread quality movement in India by undertaking a National Quality Campaign. > It was jointly set up by Government of India and three premier industry associations i.e. ASSOCHAM, CII and FICCI.
<p>Data Lake and Project Management Software</p>	<ul style="list-style-type: none"> • It is a cloud based and Artificial Intelligence powered Big Data Analytics platform launched by National Highway Authority of India (NHAI). <ul style="list-style-type: none"> > With launch of this, NHAI becomes first construction sector organisation to go 'Fully Digital' • All project documentation, contractual decisions and approvals are now being done through portal only. • It will bring benefits like No delays, Quick decision making, No question of missing records, Work from anywhere/anytime, enhance transparency etc.
<p>World Food Prize 2020</p>	<ul style="list-style-type: none"> • Indian-American soil scientist Rattan Lal won this Prize for developing and mainstreaming a soil-centric approach to increasing food production that conserves natural resources and mitigates climate change. • Award was created by Nobel Peace Prize laureate Norman Borlaug in 1986 to recognise scientists and others who have improved the quality and availability of food. • It is awarded by World Food Prize Foundation and it is considered to be Nobel Prize in Agriculture.
<p>Lonar Lake</p>	<ul style="list-style-type: none"> • Recently, a team of scientists collected its water samples to examine why its water has turned pink. • It is the world's largest basaltic impact crater, formed when a meteorite hit Earth around 56,000 years ago. • It is a saline lake and is a notified national geo-heritage monument. • It is located in Buldhana district, in Maharashtra.

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