

INDIAN ECONOMY

MSMEs can Drive India's Digital Push:

In Context: Micro, Small and Medium Enterprises' (MSME) adoption of digital technologies is critical for their competitiveness.

MSME & Digital Technologies

➤ **About MSME sector in India:**

- Micro, Small and Medium Enterprises (MSME), are small-sized business enterprises defined in terms of their investment.
- MSMEs contribute about 30 per cent to the GDP.
- MSMEs sector is a major contributor to the socio-economic development of the country.
- The sector has also contributed immensely with respect to entrepreneurship development especially in semi-urban and rural areas of India.

➤ **India's global digital share:**

- On the **pace and scale of digital transformations**, India has stolen a march **over advanced economies**, both domestically and in terms of exports.
- An **UNCTAD 2018 report** indicated that India had exported \$89 billion in 2016-17 in the digitally delivered services segment.
- The **OECD** found that **India's share of global estimated digital trade exports** grew by roughly 400 percent — from 1 percent in 1995 to nearly 4 percent in 2018.

➤ **MSMEs & digital services:**

- With the number of internet subscribers in India now projected to touch 800 million by end-2023, small businesses have also begun incorporating digital services into their operations.
- **Examples of common B2B services imports** include e-commerce platforms, social media for marketing and communication, and digital payment applications, among others.
- On the import side, Indian MSMEs have also begun to integrate digital services inputs, such as **smartphone-based marketing and communications services**, into their business operations.
- Typical goals include **expanding market reach and deepening their connection with customers**.

➤ **Challenges**

✓ **Duty moratorium:**

- In **1998** the **World Trade Organisation** adopted a **Declaration on global electronic commerce**.
- This included a two-year moratorium on custom duties on cross-border electronic transmissions. Since then, the moratorium (or duty cap) has been renewed every two years.
- WTO members have allowed the moratorium to continue with the present moratorium lasting **only till March 31st, 2024**.
- This moratorium has actually **benefited India's services exports and imports**.
- If the moratorium ceases to exist, however, the resulting disruptions would impact a **wide range of routine cross-border data transmissions**, which range from transfers of semiconductor design information to R&D, software-as-a-service, and digitised music, movies, books and entertainment.
- In addition, allowing a range of new tariffs to be levied on digital services would **distort supply chains and stunt MSME growth**.

✓ **Mounting NPAs of MSMEs:**

- According to the RBI, bad loans of MSMEs now account for 9.6 percent of gross advances of Rs 17.33 lakh crore as against 8.2 percent in 2020.
- The MSME sector was among the **most pandemic afflicted sectors**.
- Thousands of MSMEs either shut down or became sick after the government announced a nationwide strict lockdown.

✓ **Non-availability/Delays of Funds:**

- Mounting losses and debts, non-availability of proper financial help and delays from the government, reluctance from the banks for the funding, etc.
- MSMEs in India typically rely on NBFCs for their financing needs, which in itself has been enduring a liquidity crunch since September 2018.

✓ **Lack of Formalization:**

- Almost 86% of the manufacturing MSMEs operating in the country are unregistered. Out of the 6.3 crore MSMEs, only about 1.1 crores are registered with the Goods and Services Tax (GST) regime and the number of income tax filers are even less.

Government Initiatives for MSMEs in India:

✓ **Pradhan Mantri MUDRA Yojana (PMMY):**

Under PMMY loans are provided up to Rs. 10 Lakh through Member Lending Institutions (MLIs) viz; Banks, Non-Banking Financial Companies (NBFCs), Micro Financial Institutions (MFIs), other financial intermediaries, in three categories namely, 'Shishu', 'Kishore' and 'Tarun' which signifies the stage of growth or development and funding needs of the borrowers.

Shishu: covering loans up to Rs. 50,000/-

Kishore: covering loans above Rs. 50,000/- and up to Rs. 5 lakh

Tarun: covering loans above Rs. 5 lakh and up to Rs. 10 lakh

Objectives: To signify the stage of growth/development and funding needs of the beneficiary micro unit/entrepreneur and also provide a reference point for the next phase of graduation/growth.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE): This scheme provides collateral-free credit to micro and small enterprises through a credit guarantee mechanism.

Stand Up India: The scheme provides financial assistance to scheduled caste (SC), scheduled tribe (ST) and women entrepreneurs for setting up new enterprises.

Harmonizing value chain: Government to focus on integrating India's value chains with the rest of the world and creating logistics that are easier and faster is crucial to make it easier for international companies to include India in their value chains.

Quality assurance: Government to focus on creating Quality as the most important factor in the success story of India through steps including- setting global benchmarks, harmonizing Indian standards with global standards, and consumers becoming more demanding of quality.

Comprehensive Economic Partnership Agreement (CEPA): It will help MSMEs of both India and UAE to leverage benefits of the District as export hub initiative of the government. Under this initiative, every district for their unique products and identify the specialty of districts by knowing which district exports which products. This initiative is expected to help in promoting local products and in turn, boost the local economy.

Way Ahead: To help Indian small businesses expand and reach new customers, policymakers should implement policies that make it easier not harder and more costly to access digital services inputs, including those from abroad. Acting on the External Affairs Minister's pitch at B20 Summit for a "more diversified and more democratic" re-globalisation, the moratorium will help in the emergence of Global South countries as producers.

AGRICULTURE

First Global Symposium on Farmers' Rights

In Context: President Droupadi Murmu inaugurated the First Global Symposium on Farmers' Rights in New Delhi recently.

About First Global Symposium on Farmers' Rights:-

- **Venue:** ICAR Convention Centre, National Agricultural Science Centre, New Delhi.
- **Date:** September 12 to 15, 2023.
- **Historical Background:** The proposal to hold the first GFSR was mooted by the Government of India at the Ninth Session of the Governing Body (GB9) of the International Treaty on Plant Genetic Resources for Food and Agriculture (International Treaty) held in India in September 2022, which was agreed by the FAO.
- **Organized by:** Secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture (International Treaty) of the Food and Agriculture Organization (FAO), Rome.
- **Hosted by:** Ministry of Agriculture and Farmers Welfare, Government of India, in collaboration with the Protection of Plant Varieties and Farmers' Rights (PPVFR) Authority, Indian Council of Agricultural Research (ICAR), ICAR-Indian Agricultural Research Institute (IARI), and ICAR-National Bureau of Plant Genetic Resources (NBPGR).
- **Objective:** to address critical issues related to farmers' rights and their essential role in global food security and agriculture.
- Eminent scientists and resource persons will participate **from 59 countries** across the globe.

- They will deliberate on how to recognize and reward the enormous contribution that local and indigenous communities and farmers of all regions of the world have made to the conservation and development of plant genetic resources (PGR).

Key Agendas:-

- **Focus on Farmers' Rights:** The symposium places a strong emphasis on farmers' rights as its central theme.
- **Proposal for Future Work:** Participants engage in discussions and deliberations aimed at formulating proposals for future work.
- **Knowledge and Awareness:** An essential outcome of the symposium is the promotion of knowledge and awareness regarding farmers' rights among its participants. (Tenant Farmers in India)
- **Sharing Best Practices:** The symposium serves as a valuable platform for stakeholders to share best practices, experiences, and lessons learned related to farmers' rights. (Organic Farming)
- **The interconnectedness of Farmers' Rights and Human Rights:** Recognizing that farmers' rights are intrinsic to human rights underscores their significance within the broader context of agriculture and farming.

PRELIM FACTS

1. World Physical Therapy Day:

In Context: World Physical Therapy Day, also known as World Physiotherapy Day, is celebrated on September 8th every year to honour and acknowledge the vital contributions of physical therapy and physiotherapists in promoting health and well-being.

Key Highlights

- ✓ World Physical Therapy Day was established by the World Confederation for Physical Therapy in 1996. It has been celebrated for over two decades as a way to commemorate the founding of the World Confederation on September 8, 1951. The organization is now known as World Physiotherapy.
- ✓ World Physiotherapy Day promotes advocacy for physical therapy and encourages healthier lifestyles by emphasizing the importance of accessible and high-quality physical therapy services.
- ✓ The theme for World Physiotherapy Day 2023 is "Prevention and Management of Osteoarthritis." This theme underscores the importance of preventing and effectively managing osteoarthritis, with a particular focus on highlighting two types of inflammatory arthritis, namely rheumatoid arthritis and axial spondyloarthritis.
- ✓ Physical therapists collaborate closely with individuals to create personalized exercise routines and lifestyle modifications tailored to their specific needs. Through these efforts, physical therapists significantly contribute to improving the quality of life for individuals grappling with arthritis.

2. Eastern Economic Forum:

In Context: The 8th Eastern Economic Forum 2023 is taking place between 10–13 September 2023 in Vladivostok. The Union Minister of Ports, Shipping & Waterways and Ayush left for Russia to represent India at the Eastern Economic Forum which is being held at the Russian port city of Vladivostok.

About Eastern Economic Forum:

- ✓ Eastern Economic Forum is an international forum held each year in Vladivostok, Russia.
- ✓ The Eastern Economic Forum is a key international platform for establishing and strengthening ties within the Russian and global investment communities, and for comprehensive expert evaluation of the economic potential of the Russian Far East, the investment opportunities it offers, and business conditions within advanced special economic zones.

Establishment: The Eastern Economic Forum was established by decree of the President of the Russian Federation Vladimir Putin in 2015 to support the economic development of Russia's Far East and to expand international cooperation in the Asia-Pacific region.

Sponsors: The Far East Economic Forum is sponsored by the organizing committee appointed by Roscongress, an association of the Russian Government, which also sponsors other international forums, such as St. Petersburg International Economic Forum.

India in the 8th Eastern Economic Forum 2023

- ✓ The Union Minister of Ports, Shipping & Waterways and Ayush, Shri Sarbananda Sonowal left for Russia to represent India at the Eastern Economic Forum.

- ✓ Shri Sonowal will be addressing the India-Russia Business Dialogue at the Eastern Economic Forum where he will be highlighting the pivotal role of trade, commerce, and business in fostering stability and sustainability within the special and privileged strategic partnership between India and Russia.
- ✓ India's Shipping Minister will also be speaking at the session on Eastern Maritime Corridor. Aim: To further strengthen the bilateral relation between the two countries, including exploring possibilities of the Northern Sea Route and establishing a Trans-shipment Hub in the Bay of Bengal.

Eastern Maritime Corridor [Vladivostok-Chennai Maritime]

- ✓ Vladivostok-Chennai Maritime Corridor is a proposed full-fledged sea route of approximately 5,600 nautical miles between Russia's eastern port city, Vladivostok, and Chennai on the Eastern Indian seaboard.
- ✓ This shipping link would enable to transfer of cargo between Chennai and Vladivostok in 24 days in comparison to over 40 days currently taken to transport goods from India to Far East Russia via Europe.
- ✓ Passing through the Sea of Japan, South China Sea, and Strait of Malacca, the maritime corridor aims to counterbalance China's growing influence in Southeast Asia by posing grave security and economic challenges to their Maritime Silk Road.
- ✓ The Eastern Maritime Corridor is aimed at reducing cargo transit times between our nations. The journey from Indian ports to the Russian Far East takes just 24 days, compared to 30 days through the port of Novorossiysk.
- ✓ This corridor holds immense potential to unlock new opportunities for trade and cooperation for both India and Russia.

3. Gene-drive technology

In context: Gene-drive technology has been used in outdoor but controlled conditions in India, Brazil, and Panama to genetically manipulate mosquitoes.

About Gene-drive technology:

- ✓ A gene drive is a type of genetic engineering technique that modifies genes.
- ✓ This technology was conceived by Austin Burt, a professor at Imperial College London.
- ✓ This technique could be an effective way to eradicate nuisance species, such as malaria-causing mosquitoes.
- ✓ Under this technique, mosquitoes will selectively inherit some genes rather than the inheritance to follow the rules of Mendelian genetics.
- ✓ In this, a protein cuts the mosquito's DNA at a part that doesn't encode a particular sequence in the genome.
- ✓ This triggers a natural mechanism in the cell containing the DNA to repair it and forces the cell to incorporate a sequence called the drive sequence into the damaged portion.

Recent development

- ✓ Researchers at Imperial College London genetically enhanced a gene expressed in the midgut of mosquitoes to secrete two antimicrobial substances called magainin 2 and melittin.
- ✓ They are detrimental to the Plasmodium parasite's development in the midgut and also reduce the lifespan of female mosquitoes.
- ✓ Computational modelling studies have suggested that this approach could significantly disrupt malaria transmission.

4. Phanigiri artifacts:

In Context: The Phanigiri artifacts, belonging to 200 BCE-400 CE were put on display at the New York Metropolitan Museum of Art.

Background:-

- ✓ The Phanigiri artifacts would be displayed in the art collection of the Tree and Serpent exhibition, which began at the New York Metropolitan Museum of Art (popularly known as The Met) in July 2023.
- ✓ The exhibition has 125 objects between 200 BCE and 400 CE.
- ✓ The exhibition at The Met is on till November 13, 2023.

About the Phanigiri artifacts:-

- ✓ Discovered: 1942.
- ✓ Rediscovered: 2003.

- ✓ Location: Phanigiri,
- ✓ Phanigiri in Suryapet district is a small village of about 4,000 residents, about 150 km from Hyderabad.
- ✓ The Phanigiri Buddhist site is considered one of the most important finds in Buddhist iconography in this millennium. (Buddhist monastery complex at Bharatpur of Bengal)
- ✓ Phanigiri means the hillock of snake hood.

Key Findings and their Significance:-

- ✓ The thoranas discovered at Phanigiri are very important as they are among the first found south of Sanchi.
- ✓ The same thorana has a panel that shows both the Mahayana and Hinayana school of thought.
- ✓ This shows that despite philosophical differences, both sects co-existed in Phanigiri.
- ✓ There is evidence from Phanigiri that shows the deification of Buddha. (The Buddhist Circuit)
- ✓ The change from a historical and spiritual identity and a transition to canonization and ritual is evident in Phanigiri.
- ✓ The artifacts from this site, include a limestone carving of Buddha wearing what appears to be a Roman toga.

ANSWER WRITING

Q. Discuss the factors for localization of agrobased food processing industries of North-West India. (Answer in 150 words) 10 m.

Introduction: Food processing is a large sector that covers activities such as agriculture, horticulture, plantation, animal husbandry and fisheries. Agro based food processing is defined as a set of techno-economic activities, applied to all the products, originating from agricultural farm, aqua cultural sources, livestock and forests for their conservation, handling and value-addition to make them usable as food, feed, fiber, fuel or industrial raw materials. Localisation of Agro-based food processing industries of North-West India North western states like Punjab , Haryana and North Rajasthan have extensive network of agro based food processing industries.

Some of the factors for localization are:

- ✓ Raw material base: Punjab one of the highest producers of wheat and rice, Rajasthan important area for millet, Haryana for milk and livestock.
- ✓ Robust agri marketing infrastructure: Punjab has close to 30 agro processing clusters(one of highest in India).
- ✓ Robust infrastructure: extensive network of good roads and internal container depots.
- ✓ Stable adequate and cheap energy: Most NW states are energy surplus.
- ✓ Governance: Prompt MSP procurement in these areas encourage rice millers, Support to FPIs in form of tax incentives and subsidies.
- ✓ Geographical advantage: Plain areas and close location to key markets like Delhi Challenges
- ✓ Agribusiness is characterized by raw materials that are mostly perishable, variable in quality and not regularly available.
- ✓ The sector is subject to stringent regulatory controls on consumer safety, product quality and environmental protection.

Conclusion: Agro-based industries needs to be set up at rural areas where raw material may be available in plenty –helps in the up-liftment of the rural economy. It provides rural population an opportunity for employment, generates income and thereby improves economic condition of people which in turn creates potential for demand based industries.

MCQs

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| <p>1. Considered the following statement:</p> <ol style="list-style-type: none"> 1. The world's highest combat airfield at Nyoma in Ladakh . 2. The Border Roads Organization (BRO) is building this project. <p>Which of the following statement is/are correct?</p> <ol style="list-style-type: none"> a) Only 1 b) Only 2 c) Both1 and 2 d) Neither 1 nor 2 | <p>2. Recently, Odisha Chief Minister Naveen Patnaik has flagged off 181 Mobile Veterinary vehicles to provide healthcare services to livestock in the state. Considered the following statement:</p> <ol style="list-style-type: none"> 1. The Mobile Veterinary vehicles were flagged under 'Mukhyamntri Bhramyaman Pranichikitsa Seva.' 2. The mobile veterinary units will provide emergency veterinary health care to stray |
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and abandoned animals through the Animal Helpline.

Which of the following statement is/are correct?

- a) Only 1
- b) Only 2
- c) **Both 1 and 2**
- d) Neither 1 nor 2

3. What is the theme of the World Physiotherapy Day 2023?

- a) Advancements in Physical Therapy
- b) **Prevention and Management of Osteoarthritis**
- c) Promoting General Well-being
- d) Global Healthcare Awareness

4. Consider the following statements with reference to the Vladivostok-Chennai Maritime Corridor.

1. The Eastern Economic Forum is an international forum held each year in Japan.
2. Vladivostok-Chennai Maritime Corridor is a proposed full-fledged sea route of approximately 5,600 nautical miles between Russia's eastern port city, Vladivostok, and Chennai on the Eastern Indian seaboard.
3. Eastern Maritime Corridor passes through the Sea of Japan, the South China Sea, and the Strait of Malacca.

How many of the above statements are correct?

- a) Only 1
- b) Only 2
- c) **All 3**
- d) None

5. Consider the following statements about Global Symposium on Farmers' Rights

1. The 1st ever Global Symposium on Farmers' Rights was held in India.
2. It is organised by International Treaty on Plant Genetic Resources for Food and Agriculture.
3. It works to implement Article 9 of the International Treaty on Plant Genetic Resources for Food and Agriculture.

Choose the correct statements:

- a) 1 and 2
- b) 2 only
- c) 1 and 3
- d) **1, 2 and 3**

6. Consider the following statements regarding Gene-drive technology:

1. It is a type of genetic engineering technique used to modify genes.

2. It can be helpful to eradicate malaria-causing mosquitoes.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) **Both 1 and 2**
- d) Neither 1 nor 2

7. Recently, Gresham's law is in news considered the following statement:

1. It means in a fixed exchange rate system, bad money drives out good.
2. It applies only on paper currency.

Which of the statements given above is/are incorrect?

- a) 1 only
- b) **2 only**
- c) Both 1 and 2
- d) Neither 1 nor 2

8. Consider the following statements.

1. RTI Portal Gateway to the citizens is an initiative taken by Department of Personnel and Training.
2. Under the RTI law, information commissions are the final appellate authority and are mandated to safeguard and facilitate people's fundamental right to information.
3. The RTI law mandated that one-third of the posts in the information commissions are to be occupied by women.

How many of the above statements is/are correct?

- a) Only one
- b) **Only two**
- c) All three
- d) None

9. Recently, Aus aman and boro are variety of which crop is in news this is related with?

- a) Wheat
- b) Jowar
- c) Maize
- d) **Rice**

10. The Baltoro Glacier is recently in news it is located at which of the following Range.

- a) Ladakh Range
- b) **Karakoram Range**
- c) Zaskar Range
- d) Pirpanjal Range