



Current Affairs of the Day

GS III

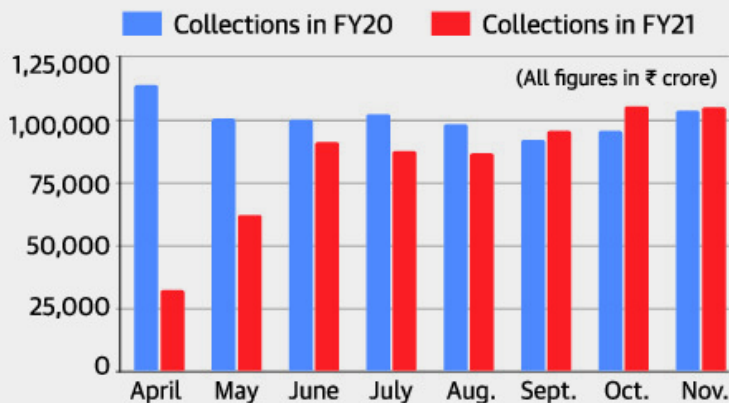
- GST inflows top ₹1 lakh cr. for the second month in a row
- China, Pakistan sign military deal
- PMI shows manufacturing losing steam



GST inflows top ₹1 lakh cr. for the second month in a row

Muted growth

GST collection for November recorded a growth of 1.42%, compared to the same month last year. Total collections for the month stood at ₹1,04,963 crore



GS III

Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Highlights:

1. The pick-up in GST revenues over the last two months could reduce the shortfall in GST compensation dues to the States, but economists urged caution till December to assess if the economy is truly out of the woods after the festive demand factor has played out.
2. November's GST collections, boosted by festive spending, were just ₹192 crores lower than October, which had recorded the highest revenue from indirect taxes since February 2020. GST revenues had collapsed to just ₹32,172 crores in April this year as economic activity was crippled following the lockdown.

China, Pakistan sign military deal

News: China and Pakistan have signed a new military memorandum of understanding to boost their already close defence relationship.



Highlights:

1. China also discussed ongoing projects under the China Pakistan Economic Corridor (CPEC), in which the Pakistani military is playing an increasingly prominent role.
2. Both sides “reaffirmed their commitment to ‘Iron Brotherhood’ and ‘All-Weather’ friendship”.
3. Also, China reiterated its support to Nepal to safeguard its national independence, sovereignty and territorial integrity, with the Chinese newspaper noting India’s recent territorial dispute with Nepal in Kalapani.
4. China would continue assisting Nepal’s military development, contributing to regional peace and stability.

Background: Disputed Neighbourhood





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Route of Proposed CPEC

Proposed China Pakistan economic corridor



BBC

Disputed emerged with Nepal recently



BBC



Mains:

1. India's unsettled boundaries pose major problems in its policy towards its neighbours. Critically analyse.

PMI shows manufacturing losing steam

Bottom line: Survey-based index pegs sector's expansion at 3-month low; job shedding apace, confidence fades

Highlights:

1. The Purchasing Managers' Index (PMI) for India's manufacturing touched 56.3 in November, signalling that even as an improvement in wider industrial activity continued, the sector's expansion, as well as the pace of new orders, slowed down while employment declined further as business optimism faded during the month.
2. After hitting 58.9 in October, the highest in over a decade, November's manufacturing PMI marked a three-month low, IHS Markit, which compiles the index, said on Tuesday.
3. Growth in the Indian manufacturing sector lost momentum in November, but the latest PMI reading was still consistent with a sharp rate of expansion," the firm said in a release.
4. Employment decreased again as companies observed social distancing guidelines. The rate of job shedding was solid and little-changed from October.

Background:

1. The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting. The purpose of the PMI is to provide information about current and future business conditions to company decision-makers, analysts, and investors.
2. The headline PMI is a number from 0 to 100. A PMI above 50 represents an expansion when compared with the previous month. A PMI reading under 50 represents a contraction, and a reading at 50 indicates no change. The further away from 50 the greater the level of change.

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