

Current Affairs of the Day

The core sector grew 11.6% in August

1. India's core sector output accelerated for a second straight month in August, rising 11.6%, buoyed in part by the year-earlier month's 6.9% contraction. Four of the eight sectors registered strong double-digit growth, even as the output of fertilizers and crude oil declined.



2. The output was also 3.9% higher than the pre-COVID August 2019 level, quicker than July's 1.6% increase from the comparable pre-pandemic month of 2019. Core sector output had expanded 9.9% in July and 9.3% in June.

'Govt. spending helps'

1. The uptick in steel and cement could be attributed to higher government spending and construction activity. Higher power production was reflective of general buoyant activity in the economy and would have driven up output in mining as well.
2. On the whole, core sector growth is encouraging as it points to further acceleration during the course of the year as the government gets down to spending more.

Background:

1. The core sector is an aggregate of 8 core sectors that are fundamental to the Indian economy. These are Electricity, Steel, Refinery products, Crude oil, Coal, Cement, Natural gas and Fertilisers.
2. These 8 sectors constituting the core sector are important because they account for nearly 40.27% of the overall IIP and hence have long term repercussions for corporate profit growth as well as for the overall GDP growth.
3. The growth of the country's eight core sectors is a lead indicator of the monthly industrial performance.



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India, Australia to conclude free trade pact by end 2022: Tehan

1. India and Australia agreed to conclude a Free Trade Agreement (FTA) by the end of 2022.
2. The economic partnership will cover trade in services and goods, investments and we will begin discussing government procurement, energy and resources, logistics and transport, standards, rules of origin.
3. The bilateral trade could double from the current level of A\$26 billion once a full-fledged FTA is in place.

India, Australia to conclude free trade pact by end 2022: Tehan

Bilateral trade may double to A\$52 bn: Australian Minister

SPECIAL CORRESPONDENT
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India and Australia agreed on Thursday to conclude a free trade agreement (FTA) by end 2022, with an interim agreement that will be finalised by this Christmas, said Australian Minister for Trade, Tourism and Investment Ian Tehan after meeting Commerce and Industry Minister Dipu Bisoi.

"The economic partnership will cover trade in services and goods, investments and we will begin discussing government procurement, energy and resources, logistics and transport, standards, rules of origin," Mr. Tehan said at a



Gian Mohan

joint briefing. "We have agreed to exchange offers by the end of October."

"This is an extraordinarily important and a big day for the economic partnership between India and Australia," he asserted, adding that the bilateral trade could double from the current level of A\$26 billion once a full-fledged FTA is in place.

"This growth will be across all areas because of the complementarities in the two countries' industries. Our services sector could be used by Indian textile makers to produce the best products," he said.

Jusanta and Kishore's industries could similarly be an attractive proposition for Australia, said Mr. Goyal. "We have set out some ambitious targets and timelines to meet and implementing teams will begin work immediately to reach an important outcome towards expanding the Australia-India trading relationship," he said.

Govt. leaves small savings rates for Q3 unchanged

1. The government has decided to leave the interest rate on small savings instruments unchanged for the October-December quarter, the sixth quarter in a row that the rates on instruments such as the Public Provident Fund (PPF) and National Savings Certificates (NSS) have been retained.
2. Economists said that the status quo on rates was expected, considering there was little change in the average overall yields on government securities in the recent months.

Background:

1. Small Saving schemes have been always an important source of household savings in India. Small savings instruments can be classified under three heads.
2. These are (i) postal deposits [comprising savings account, recurring deposits, time deposits of varying maturities and monthly income scheme (MIS)]; (ii) savings certificates [(National Small Savings Certificate VIII (NSC) and Kisan Vikas Patra (KVP)]; and (iii) social security schemes [(public provident fund (PPF) and Senior Citizens' Savings Scheme (SCSS)].

National Small Savings Fund (NSSF)

1. A "National Small Savings Fund" (NSSF) in the Public Account of India has been established with effect from 1999. All small savings collections are



- credited to this Fund. Similarly, all withdrawals under small savings schemes by the depositors are made out of the accumulations in this Fund.
2. The balance in the Fund is invested in Central and State Government Securities. The investment pattern is as per norms decided from time to time by the Government of India.
 3. The Fund is administered by the Government of India, Ministry of Finance (Department of Economic Affairs) under Article 283(1) of the Constitution.
 4. The objective of NSSF is to de-link small savings transactions from the Consolidated Fund of India and ensure their operation in a transparent and self-sustaining manner.
 5. Since NSSF operates in the public account, its transactions do not impact the fiscal deficit of the Centre directly.
 6. As an instrument in the public account, the balances under NSSF are direct liabilities and constitute a part of the outstanding liabilities of the Centre. The NSSF flows affect the cash position of the Central Government.

Fiscal deficit touches 31.1% of FY target

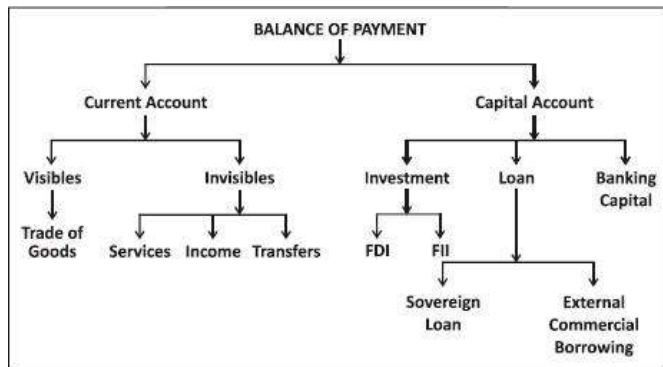
1. The government's fiscal deficit stood at ₹4.68 lakh crore or 31.1% of Budget estimates at the end of August, as per data released by the Controller General of Accounts (CGA).
2. The deficit figure in the current fiscal stands lower than it did a year earlier when it had soared to 109.3% of the estimates, mainly on account of a jump in expenditure to deal with the COVID-19 pandemic.
3. For the current financial year, the government expects the deficit at 6.8% of GDP or ₹15,06,812 crore.

Current account surplus slides to \$6.5 billion in Q1

1. India's current account balance saw a far lower surplus of \$6.5 billion (0.9% of GDP) in the first quarter ended June 30, compared with a surplus of \$19.1 billion (3.7% of GDP) a year earlier.
2. The balance of payments had registered an \$8.1 billion deficit (1% of GDP) in the quarter ended March, Reserve Bank of India data show.

Services exports lift

1. The surplus in the current account in Q1FY22 was primarily on account of a contraction in the trade deficit to \$30.7 billion, from \$41.7 billion in the preceding quarter, and an increase in net services receipts, the Reserve Bank said.



2. Net services receipts increased, both sequentially and on a year-on-year basis, on the back of robust performance of net exports of computer and business services. Private transfer receipts, mainly representing remittances by Indians overseas, grew 14.8% from a year earlier to \$20.9 billion.
3. Net foreign direct investment recorded an inflow of \$11.9 billion, against an outflow of \$0.5 billion in the year-earlier period. Net foreign portfolio investment was \$0.4 billion (\$0.6 billion), data showed.
4. Net external commercial borrowings to India recorded an inflow of \$0.5 billion (outflow of \$0.6 billion).

PM Modi launches campaign to make India garbage-free

- There has been an explosion in the generation of MSW in Indian cities due to a burgeoning population and even faster urbanisation. This has severely damaged the environment and public health and strained the capacity of ULBs to collect, transport, treat and scientifically dispose of solid wastes.
- Urban India generates nearly 0.15 million tonnes of municipal solid waste per day of which, only 68 per cent is collected for disposal, of which only 28 per cent is treated by municipal corporations.
- Thus, at present, only 19 per cent of the total waste generated in the country is treated and more than 80 per cent is disposed of in an unscientific manner at dumpsites.
- Environmentally sound and economically viable management of solid waste is the sole responsibility of legally prescribed ULBs.





Reasons for Urban Garbage:

1. Due to lack of policy and technological interventions, non-cooperation among stakeholders and inefficient collection mechanisms, solid waste management services are inefficiently managed by India's municipalities. As a result, a large segment of residents is not provided with waste collection services.
2. It is important to note that the engagement of formal waste management enterprises remains low, primarily due to insufficient funds, lack of legal guidance, low sectoral development and lack of tacit know-how about sustainable waste management businesses.
3. Hence, in many developing countries including India, waste collection and material recycling activities are majorly performed by the informal waste sector.

Imagining Circular economy: Waste to wealth

1. Lower recycling in India is attributed to a wide range of reasons such as lack of social awareness, socio-political hindrances, inefficient collection and segregation mechanisms, and lack of appropriate infrastructure and technology.
2. The Waste to Energy Report (2014) estimated that the unattended waste has the potential of generating 439 MW of power (from 32,890 TPD of combustible wastes including refused-derived fuel or RDF), 1.3 million cubic metres of biogas per day or 72 MW of electricity from biogas and 5.4 million metric tonnes of compost annually to support agriculture.
3. Collection and recycling are not effectively executed in many parts of the country. Solid waste from industrial, municipal, agricultural, construction and demolition (C&D) and other processes typically contain base materials in the form of scrap, like ferrous and non-ferrous metals, plastics and glass, that can be potentially recycled for various gainful applications. However, the recycling rates are meagre in comparison to international standards.

Second Phase:

1. Prime Minister Narendra Modi will launch the second phase of the Swachh Bharat Mission-Urban (SBM-U 2.0) Mission on October 1, 2021, to make all cities in India 'garbage free'.
2. The SBM-U 2.0, with an outlay of Rs. 1.41 lakh crore, aims to make Indian cities 'garbage free' and all urban local bodies (ULBs) open defecation free.
3. The Mission will focus on source segregation of solid waste, utilising the principles of 3Rs (Reduce, reuse, recycle), scientific processing of all types of municipal solid waste (MSW) and remediation of legacy dumpsites for effective solid waste management.



Yes, No or Maybe: Fate of Hasdeo Arand forest back in limbo

1. The Hasdeo Arand region in Chhattisgarh, considered a pristine forest area, is once again in controversy with a recent study recommending go-ahead to coal mining in four blocks, despite observing that the area is rich in biodiversity and ecologically sensitive.
2. The study by a government agency said that the fragmentation due to infrastructure development and mining will have a negative impact on the quality of habitat available.
3. Legal experts and activists fighting for years to protect the region said, if mining is allowed in a part of Hasdeo Arand forest, which ideally should be left untouched, the entire area will gradually be opened up for mining.



<p>Practice MCQs</p>	<p>Q. Consider the following statements</p> <ol style="list-style-type: none"> 1. A political party seeks to obtain control of the government 2. Political parties maintain a continuous connection between the people and those who represent them either in government or in the opposition 3. In India, political parties are regulated through the constitution 4. The formation of political parties is a fundamental right <p>Which of the above statements is/are correct?</p> <ol style="list-style-type: none"> a. 1 and 2 only b. 1, 2 and 3 only c. 2, 3 and 4 only d. 1, 2, 3 and 4
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<p>Mains DAWP</p>	<p>Q. Critically discuss the need to constitutionalize political parties in India like the Basic Law of the Federal Republic of Germany 1949.</p>
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