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DAILY pre PARE
Current affairs summary for prelims

6 February, 2024

Annual Survey of Industries (ASI) Results for 2020-21 and 2021-22

Context: *MoSPI released Annual Survey of Industries (ASI) results for April 2020 to March 2021 (ASI 2020-21) and April 2021 to March 2022 (ASI 2021-22).*

Key Findings:

- **Gross Value Added (GVA) Growth:**
  - The GVA witnessed an 8.8% increase in current prices during 2020-21.
  - Subsequently, there was a substantial rise of 26.6% in GVA during 2021-22.
- **Industrial Output:** The industrial output marked an impressive growth of over 35% in the financial year 2021-22 compared to the preceding year.
- **Employment Growth:**
  - The sector experienced a robust 7.0% growth in total estimated employment in 2021-22.
  - Field work for the surveys occurred from April 2022 to November 2022 for ASI 2020-21 and March 2023 to September 2023 for ASI 2021-22.
  - The pandemic impacted field work in 2020-21 and 2021-22 due to global lockdowns.
- **ASI Objective:** The Annual Survey of Industries aims to provide insights into the dynamics of change in manufacturing industries, covering parameters like output, value added, employment, and capital formation.
- **ASI 2020-21 Results:**
  - GVA exhibited growth of 8.8%, compensating for the pandemic's impact.
  - Notably, there was a significant increase in GVA by 26.6% in 2021-22.
- **Major Drivers of Growth (2021-22):**
  - Industries such as Basic Metal, Petroleum Products, Pharmaceuticals, Motor Vehicles, Food Products, and Chemicals collectively contributed 56% of the total GVA.
  - These industries recorded GVA growth of 34.4% and output growth of 37.5% in comparison to 2020-21.
- **Employment Trends:**
  - There was a marginal fall in employment in 2020-21.
  - However, 2021-22 witnessed a robust 7.0% year-on-year growth in employment.
  - Estimated employment in 2021-22 exceeded pre-pandemic levels by over 9.35 lakh.
  - Average emoluments increased by 1.7% in 2020-21 and 8.3% in 2021-22 compared to respective previous years.
- **State-wise Performance:**
  - Gujarat topped in GVA in 2020-21 and secured the second position in 2021-22.
  - Maharashtra ranked first in 2021-22 and second in 2020-21.
  - The top five states contributed about 53% of the total manufacturing GVA.
- **State-wise Employment:**
  - Tamil Nadu, Gujarat, Maharashtra, Uttar Pradesh, and Haryana led in employment.
  - These top five states contributed about 54% of total manufacturing employment.

Data Collection and Sampling

- The ASI covers factories, bidi/cigar establishments, and electricity undertakings.
- The sampling strategy involves a mix of census and systematic sampling.
- Data collection is executed through a dedicated web portal under the Collection of Statistics Act 2008.

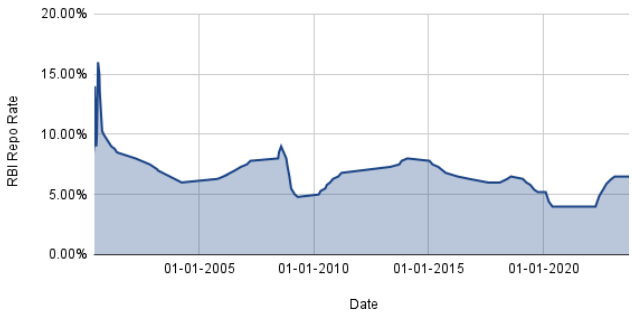
RBI Monetary Policy Committee Meeting

Context: *The RBI's Monetary Policy Committee is likely to keep the repo rate unchanged at 6.5% to meet the 4% inflation target in its upcoming meeting from February 6 to 8.*

- The Monetary Policy Committee (MPC) likely to maintain the repo rate at 6.5% for the sixth consecutive time.
- Expected decision to align with the 4% consumer price-based inflation (CPI) target.
- Anticipated retention of the monetary policy stance as 'withdrawal of accommodation.'
- If the status quo is maintained, it will mark a full year of the repo rate staying at 6.5%.
- Last repo rate increase was on February 8, 2023, by 25 basis points to 6.5%.
- Occurring shortly after the US Federal Reserve's decision to keep benchmark interest rates unchanged at 5.25%–5.5%.
- **Monetary Policy**
  - **Definition:**
    - Monetary policy, a macroeconomic strategy overseen by the central bank, primarily deals with managing money supply and interest rates.
    - It serves as a demand-side economic policy, aiming to achieve macroeconomic objectives such as inflation control, promotion of consumption, sustained growth, and ensuring liquidity in the financial system.
  - **Classification:**
    - Monetary policy can be categorized as either expansionary (accommodative) or contractionary (tight) in nature.
    - An accommodative monetary policy is implemented to encourage spending by increasing money supply and reducing interest rates.
    - Conversely, a contractionary monetary policy aims to control inflation by decreasing the money supply and raising interest rates.

- **Monetary Policy Committee (MPC):**
  - The MPC, constituted by amending the RBI Act in 2016, plays a crucial role in fixing the benchmark interest rate in India.
  - Comprising six members, including three officials from the RBI and three external members nominated by the Government of India (GoI), with the RBI Governor serving as the chairperson.
  - The committee is mandated to maintain an annual consumer price index-based inflation rate of 4% (+/- 2%) and is accountable to the GoI in case of deviations.

RBI Repo Rate History from 2000 to 8th December 2023



- **Monetary Policy Instruments:**
  - **Liquidity Adjustment Facility (LAF):** Enables banks to borrow money through repurchase agreements (repos) or lend to the RBI through reverse repo agreements.
  - **Repo Rate:** The rate at which the RBI lends money to banks for their short-term funding needs.
  - **Reverse Repo Rate:** The interest rate at which the RBI absorbs liquidity from banks through reverse repo agreements.
  - **Statutory Liquidity Ratio (SLR):** The minimum percentage of deposits that commercial banks must maintain in the form of liquid assets.
  - **Marginal Standing Facility (MSF) Rate:** Acts as the penal rate for banks to borrow overnight from the RBI by utilizing their SLR portfolio.
  - **Bank Rate:** The penal rate charged on banks for shortfalls in meeting their reserve requirements, including the cash reserve ratio (CRR) and statutory liquidity ratio (SLR).
  - **Cash Reserve Ratio (CRR):** Represents the percentage of total deposits that banks must maintain as liquid cash with the RBI.
  - **Open Market Operations (OMOs):** Encompasses the outright purchase/sale of government securities by the RBI to inject/absorb durable liquidity in the banking system.

Global Reporting Initiative Biodiversity Standard

Context: *The newly introduced GRI Biodiversity Standard requires the disclosure of factors contributing to biodiversity decline and its effects on Indigenous Peoples.*

- The Global Reporting Initiative (GRI) has introduced the GRI Biodiversity Standard, serving as an updated transparency standard to address the global response to biodiversity loss.
- **Development and Oversight:**
  - This standard was developed by GRI, a recognized international standards organization.
  - The crafting of this standard involved the collaboration of the Global Sustainability Standards Board (GSSB), which includes consultants from various representative organizations.
- **Objective and Scope:**
  - It serves as a global benchmark for accountability, aiming to inform organizations about their biodiversity impacts.
  - The standard is designed to address the mounting pressures on nature, as numerous plant and animal species face the threat of extinction.
- **Implementation Timeline:**
  - The document, titled GRI 101: Biodiversity 2024, is slated for formal implementation in reporting from January 1, 2026.
  - Prior to the official implementation, a two-year pilot phase involving early adopters is planned.
- **Alignment with Global Initiatives:** The standard reflects and incorporates crucial global developments in biodiversity, including the UN Kunming-Montreal Global Biodiversity Framework, Science-Based Target Network, and Taskforce on Nature-Related Financial Disclosures.
- **Transparency Emphasis:** Emphasizing transparency throughout the supply chain, the standard covers location-specific impacts, direct drivers of biodiversity loss, and impacts on communities, including Indigenous Peoples.
- **Significance and Impact:**
  - The standard is anticipated to significantly elevate transparency concerning biodiversity impacts.
  - It enables organizations to identify and manage their most significant impacts, recognizing the far-reaching consequences of biodiversity loss beyond the natural environment.
- **Global Relevance:** The standard aligns with the UN-mandated Sustainable Development Goals, emphasizing the interconnectedness of biodiversity loss and the climate crisis.

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NEWS IN BETWEEN THE LINES

Grammy Award

Recently, the Prime Minister of India congratulated musicians Ustad Zakir Hussain, Rakesh Chaurasia, Shankar Mahadevan, Selvaganesh V and Ganesh Rajagopalan for winning the Grammy award for the 'Best Global Music.

About the Grammy Award:

- The Grammy Award, **also known as the Grammy**, is a series of awards given annually by the National Academy of Recording **Arts & Sciences (NARAS) in the United States**.
- The Grammy is given to recognize exceptional work in the **music industry.**
- The recording with the most votes in a category wins, and ties are considered winners.
- All **nominees receive a Nominee Medallion and Certificate**.
- It is considered by many to be the most prestigious and important awards in the music industry worldwide.
- The 'General Field' refers to four awards that are not restricted by genre including **Album of the Year**, **Record of the Year**, **Song of the Year** and **Best New Artist**."

Hindu Kush Himalaya

Recently, the experts from The International Centre for Integrated Mountain Development (ICIMOD) in Kathmandu called for 'bold action' and 'urgent finance' to prevent collapse of nature Hindu Kush Himalaya.

About the Hindu Kush Himalaya:

- The Hindu Kush Himalaya (HKH), **one of the most biodiverse regions on Earth,** is a 'biosphere on the brink' and **stretches 3,500 kilometres**.
- This region spans twelve countries, including **Afghanistan, Bangladesh, Bhutan, China, India, Kyrgyzstan, Mongolia, Myanmar, Nepal, Pakistan, Tajikistan and Uzbekistan**.
- It encompasses the Himalayas, **Tibetan Plateau, and adjacent mountain ranges,** making it a vital geographic entity in Asia.
- The HKH region is also the **source of twelve major Asian river** systems including Syr Darya and Amu Darya towards the now-dead Aral Sea, the Tarim toward the Taklamakan, **the Indus, Ganga and Brahmaputra towards the Arabian Sea and Bay of Bengal**, the Yellow river towards the Gulf of Bohai, the Yangtze towards the East China Sea, the Mekong towards the South China Sea and the Chindwin, Salween and Irrawaddy towards the Andaman Sea.

The International Centre for Integrated Mountain Development:

- The International Centre for Integrated Mountain Development (ICIMOD) is a regional **intergovernmental learning and knowledge-sharing center**.
- It was formally established and inaugurated on **December 5, 1983, with its headquarters in Lalitpur, Nepal.**
- It **serves the eight regional member countries** (RMCs) of the Hindu Kush Himalayas (HKH) region including Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, Pakistan.
- Its mission is to **support sustainable mountain development** through active regional cooperation.
- Its goal is to **enable and facilitate the equitable and sustainable well-being** of the people of the Hindu Kush-Himalayas.

Markhor

Recently, a Russian national paid Rs. 51 million for a trophy hunting permit to hunt a 10-year-old Kashmir Markhor.

About Markhor:

- The **markhor (Capra falconeri**), a herbivore is the world's largest wild goat species.
- It is native to **Central and South Asia**, where it is mainly found on the heights of the **Karakoram** and the **national animal of Pakistan.**
- It is about **160 cm long and weigh between 32 and 110 kg**.
- Adult male can have **spiral horns** that are up to 1.6 m long, while female can have horns up to 25 cm long.
- It has a **reddish gray coat** with a **dark stripe running down their backs**.
- Its **fur is light brown to black**, smooth and short in the summer and longer and thicker in the winter.
- The IUCN Red List has listed markhor as **Near Threatened since 2015**.

Pterosaur

Recently, a unique species of flying reptile or pterosaur has been discovered on the Isle of Skye.

About Pterosaur:

- The **pterosaur lived approximately 168-166 million years ago during the Middle Jurassic period** which had a sub-tropical climate with beaches and lagoons, ideal for pterosaurs.
- Its name comes from the **Scottish Gaelic word cheò, meaning mist**, and is a reference to the Gaelic name of Isle of Syke - Eilean a' Cheò or Isle of Mist.
- Fossil remains **include wings, shoulders, legs and backbone, with the skull missing.**
- Fossils from the Middle Jurassic era are exceedingly rare, making this discovery significant.
- **Isle of Skye, located off Scotland's west coast,** is where the fossil remains were found.

Place in News

Cameroon

Recently, Cameroon has adopted the Nagoya Protocol to ensure fair sharing of benefits from genetic resources and traditional knowledge.

Cameroon (Capital: Yaounde)

Location: Cameroon is the **world's 53rd-largest** country located in Central Africa.

Boundaries: Cameroon shares its border with the **Central African Republic** (East), **Nigeria** (West & North), **Chad** (Northeast), **Equatorial Guinea**, **Gabon** and **the Republic of the Congo** (South) and **Atlantic Ocean** (Southwest).

Physical Features:

- **Mount Cameroon** is an active volcano and the highest point in Cameroon.
- The **Sanaga River** is the largest river in Cameroon.
- The **Kadei** which is a tributary of the Sanaga river drains southeastward into the Congo River.

International Relations: Cameroon is a member of various international organizations, including the **United Nations** (UN), **African Union** (AU) and **Commonwealth of Nations**.

POINTS TO PONDER

- In which state/UT is the Martand Sun Temple, recently making headlines, located? **- Jammu & Kashmir**
- What is the main habitat of the 'Black-crowned Night Heron,' which was recently in the news? **- Wetlands**
- Who clinched the Women's singles title at the 2024 Australian Open? **- Aryna Sabalenka**
- Which state launched the 'Kalaignar Sports Kit' scheme, recently making headlines? **- Tamil Nadu**
- What is the significance of 'Volt Typhoon,' recently mentioned in the news**? - It is a cyber-hacking group**