

Economics Harbour: Current Affairs

October 11, 2014

1. Government to replace Wholesale Price Index (WPI) with a more comprehensive Producer's Price Index (PPI).
PPI measures price change from the seller's perspective.

2. Lopchu Tea from Darjeeling given the status of "World's most sought after" tea by Tea Board of India.

3. Nobel Peace Prize, 2014 awarded to Kailash Satyarthi (India) and Malala Yousafzai (Pakistan).



4. SEBI to replace its listing agreements with companies and stock exchanges with listing regulations which will carry more force besides strengthening norms against insider trading. It aims to impose stiffer penalties on those measuring price sensitive information.

5. NIFTY bounced up after 3 days of decline and closed at 7950.
Reason: Sentiments turned bullish in global markets as US Federal Reserves indicated that interest rates will not be increased.



6. According to IMF, China just overtook the US to become the World's largest economy. The methods used by IMF to come to this conclusion were: GDP in market exchange terms and purchasing power.

China will make up 16.48% of the world's purchasing power adjusted GDP and US will make up 16.28%.

However, in terms of raw market value of China's currency, it still has a long way to go.



7. Government reduced fuel subsidies.
Reason: Falling international oil prices.

8. Rupees 1 lakh crore will be invested in setting up the nation's first landlocked oil and chemicals Investment hub around an expanded Bina refinery in Madhya Pradesh.

9. IIP grew at 0.4% in August, 2014. Capital and consumer goods experienced negative growth.

10. PM Narendra Modi launched a scheme of Financial Inclusion on August 28, 2014 namely Pradhan Mantri Jan Dhan Yojana. Main features of the scheme are: 1) Rupees 5,000 overdraft facility for Aadhaar Linked accounts. 2) RuPay debit card with in-built Rupees 1 lakh accident insurance cover.

Status till October 7, 2014: Number of accounts opened: 5.52 crore; Deposit: Rupees 4,268 crore.



11. India and UK launched UK-India Financial Partnership to strengthen links between the financial service industries of the two nations. Focus was mainly to develop the corporate bond market, mutual sharing of expertise on banking regulation and capitalisation.



12. India's foreign exchange reserves fell to \$311.427 billion.

Reason: Dip in valuation as US greenback appreciated globally against other currencies.

13. India and Japan will soon sign an Advance Pricing Agreement to provide certainty to investors at a time the country is looking to attract big Japanese investment.



(The notes have been adapted from The Economic Times, dated October 11, 2014).

