

## **January 6<sup>th</sup> news:**

### **National:**

#### **Rural BPO scheme: women form 40% of added headcount**

The government's India BPO promotion scheme, which aims to popularise the industry beyond metros, has so far provided employment to almost 11,000 people across the country, of which 40% are women. The scheme, under the Digital India Programme, was introduced in April 2016 to incentivise BPO firms to extend operations to tier-2 and tier-3 cities.

With an outlay of about Rs. 500 crore, it aims to incentivise establishment of 48,300 seats, providing about 1.45 lakh jobs, under a three-shift strategy. Under the scheme, there are special incentives for employing women and differently-abled persons, and generating employment beyond target. Till now, out of the reported employment of 10,968 persons under the scheme, approximately 40% are women. A Nasscom report had said that more than 34% employees working in the \$155-billion IT industry are women. Under the scheme, about 18,160 seats were allocated by the Centre after four rounds of bidding, while close to 14,000 seats have been shortlisted after the fifth round and are likely to be allotted soon.

66% of target

This will take the total number of seats allocated under the scheme to nearly 32,000, or 66% of the targeted number. Under the scheme, 109 units have been approved, through which about 40 firms such as Amazon Development Centre India and AGS Health, will be providing voice and non-voice services in about 16 languages.

### **Bilateral:**

#### **India, Indonesia call for ending state sponsorship of terror**

India and Indonesia on 5<sup>th</sup> January called on all countries to stop providing state sponsorship of terrorism and prevent their territories being used for establishing terrorist safe havens, in a pointed reference to Pakistan. The two countries are "natural partners" in peace and prosperity, External Affairs Minister Sushma Swaraj said here as she held talks with her Indonesian counterpart Retno Marsudi.

### **Economy:**

#### **GDP likely to grow 6.5% this fiscal, the slowest in 4 years: CSO**

Poor performance of agriculture, mining and construction sectors, along with the lingering impact of demonetisation and the Goods and Services Tax (GST), has pulled down the growth prospects of the Indian economy.

According to the first advance estimates of national income released by the Central Statistics Office, the economy is expected to grow at a four-year low of 6.5 per cent this fiscal. GDP growth was 7.1 per cent last fiscal. Before this, the slowest expansion in GDP was in 2013-14, when it grew by 6.4 per cent.

According to the data released on 5<sup>th</sup> January, the anticipated growth of real gross value added (GVA) at basic prices in 2017-18 is 6.1 per cent against 6.6 per cent in 2016-17.

The estimates will be a key input for Budget 2018-19, which will be presented in Parliament on February 1. The economy grew by 5.7 per cent in the first quarter and by 6.3 per cent in the second quarter of the fiscal, and the government was hopeful that the economy would grow by close to 7 per cent this fiscal.

Significantly, this is the slowest expansion in GDP growth under the NDA government although officials are hopeful of an improvement next fiscal.

Among the sectors, public administration is expected to register the sharpest growth of 9.4 per cent this fiscal, followed by trade, hotels, transport, communication and services related to broadcasting, which is expected to expand by 8.7 per cent.

Meanwhile, GVA in agriculture is expected to grow by a mere 2.1 per cent this fiscal, while manufacturing is estimated to expand by 4.6 per cent.

Boosting hopes of a turnaround in the second half of the fiscal, gross fixed capital formation, which denotes investment, is expected to grow by 4.5 per cent this fiscal, against 2.4 per cent last fiscal.

However, private expenditure is estimated to remain muted and grow by 6.3 per cent in 2017-18, against 8.7 per cent in 2016-17. The CSO will also release a second set of advance estimates of national income using more indicators on February 28.

### **GVA in agriculture and allied activities projected to fall to 2.1% in FY18**

Gross value added (GVA) in agriculture and allied activities is projected to fall to 2.1 per cent in FY18 because of an expected drop in the rabi harvest, an almost three per cent fall in kharif production, and on account of a big base, according to the first advance estimates of gross domestic product (GDP) for 2017-18 released on 5<sup>th</sup> January.

More than GVA at constant prices, GVA for agriculture and allied activities at current prices slumped from nine per cent in 2016-17 to 2.8 per cent in 2017-18, which means farm product prices grew a mere 0.7 per cent in 2017-18 as against a rise of 4.1 per cent in 2016-17.

A massive drop in agricultural prices, with most of them ruling below minimum support prices (MSPs), has been one of major crises the current government faces.

Despite best efforts, prices have stubbornly remained lower than the MSP, a factor which many blamed for the BJP's poor performance in the elections in parts of Gujarat.

According to the government's estimates, foodgrain production in the kharif season is projected to fall to 134.67 million tonnes as against 138.32 million tonnes in the previous season, due to fall in pulses output, while oilseeds production is also expected to drop

More than kharif, the GVA estimates show that rabi production could also suffer due to a drop of almost 600,000 hectares in wheat acreage because of a shift in area towards gram in Madhya Pradesh.

**Persons in news:**

**TS Tirumurti:** India's High Commissioner to Kuala Lumpur T S Tirumurti was appointed the Secretary (Economic Relations) in the External Affairs Ministry on 5<sup>th</sup> January. According to the order issued by the personnel ministry, the Appointments Committee of the Cabinet has approved his appointment to the post, in place of Vijay Keshav Gokhale, who was recently named as the Foreign Secretary. Tirumurti is a 1985-batch officers of Indian Foreign Service