**June 7th news**

**International:**

**Gender inequality in pay costs $160 trillion annually across 141 countries**

Globally, countries are losing $160 trillion in wealth because of differences in lifetime earnings between women and men. This amounts to an average of $23,620 for each person in the 141 countries, according to a World Bank Group study.

'Unrealised Potential: The High Cost of Gender Inequality in Earnings,' study examines the economic cost of gender inequality in lost human capital.

It reveals that globally women account for only 38 per cent of human capital wealth versus 62 per cent for men. In fact, in low- and lower-middle income countries, women account for a third or less of human capital wealth.

The losses in wealth from inequality in earnings between men and women vary by region. The largest losses - each between $40 trillion and $50 trillion-are observed in East Asia and the Pacific, North America, and Europe and Central Asia.

As many IT (information technology) workers develop greater technology skills and apply them to advance their careers, many digital workers in non-IT departments believe their CIO (chief information officer) is out of touch with their technology needs.

**National:**

**India records 22-pc reduction in maternal mortality ratio since 2013**

India has registered a significant decline in Maternal Mortality Ratio (MMR) recording a 22-per cent reduction in such deaths since 2013, according to the Sample Registration System (SRS) bulletin

The MMR has declined from 167 in 2011-2013 to 130 in 2014-2016, according to the special bulletin. MMR is defined as the proportion of maternal deaths per 1,00,000 live births.

The decline has been most significant in Empowered Action Group (EAG) states -- from 246 to 188. The Special Bulletin of Maternal Mortality in India stated that among the southern states, the decline has been from 93 to 77 and in "other" states from 115 to 93.

According to the SRS Bulletin, there were nearly 12,000 fewer maternal deaths in 2016 as compared to 2013, with the total number of maternal deaths for the first time reducing to 32,000

This means that every day 30 more pregnant women are now being saved in India as compared to 2013. Amongst the states, Uttar Pradesh with 30 per cent decline has topped the chart in the reduction of maternal deaths. Three states have already met the SDG target for MMR of 70 per 1,00,000.

These are Kerala, Maharashtra and Tamil Nadu, while Andhra Pradesh and Telangana are within striking distance.

The results signify that the strategic approach of the Ministry has started yielding dividends and the efforts of focusing on low performing states is paying off, especially initiatives like Mission Indradhanush and Intensified Mission Indradhanush with their focused approach are significantly turning the tide in favour of India

Other major initiatives under the umbrella of National Health Mission (NHM) like augmentation of infrastructure and human resource, capacity building, Janani Shishu Suraksha Karyakaram which provides for free transport and care for pregnant women have also contributed to the success

To understand the maternal mortality situation in the country better and to map the changes that have taken place, especially at the regional level, the government has categorised states into three groups -- EAG, southern states and "other" states.

EAG states comprise Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Odisha, Rajasthan, Uttar Pradesh and Uttarakhand, and Assam.

The southern states are Andhra Pradesh, Telangana, Karnataka, Kerala and Tamil Nadu and the "other" states categories cover the remaining states and Union territories.

The first report on maternal mortality in India (1997-2003), describing trends, causes and risk factors, was released in October, 2006.

The present bulletin, which provides only the levels of maternal mortality for the period 2014-16, is being brought out as a sequel to the previous bulletin (2011-13). The survey for the current bulletin covered 62,96,101 pregnant women, of whom 556 died.

**Union Cabinet gave approval for various issues**

- The Cabinet has approved the Polar Satellite Launch Vehicle (PSLV) Continuation Programme (Phase 6) and funding of thirty PSLV operational flights under the Programme. The Programme will also meet the launch requirement of satellites for Earth observation, Navigation and Space Sciences. This will also ensure the continuity of production in Indian industry. The total fund requirement is six thousand 131 Crores rupees and includes the cost of thirty PSLV vehicles, essential facility augmentation, Programme Management and Launch Campaign. The PSLV Continuation Programme - Phase 6 will meet the demand for the launch of satellites at a frequency up to eight launches per year, with maximal participation by the Indian industry. All the operational flights would be completed during the period 2019 to 2024

- Centre has formulated an Atal Bhujal Yojana to address the criticality of ground water resources in a major part of the country. World Bank has approved six thousand crore rupees for this scheme. The scheme aims to improve ground water management in priority areas in the country through community participation. The priority areas identified under the scheme fall in Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. These States represent about 25 per cent of the total number of over-exploited, critical and semi-critical blocks in terms of ground water in India.

- Union Cabinet was apprised of the Memorandum of Understanding (MoU) signed between India and Denmark on technical cooperation in the field of Sustainable and Smart Urban Development in April this year. It was also apprised of the similar MoUs signed between India and United Kingdom and between India and France.

- The Cabinet was informed about the MoU signed recently between India and The Netherlands on technical cooperation in the field of Spatial Planning, Water Management and Mobility Management.

- The Cabinet was also apprised of MoU signed between India and Oman on Cooperation in the peaceful uses of outer space in February 2018 at Muscat

- Cabinet Committee on Economic Affairs on 6th June approved a package of over eight thousand five hundred crore rupees to enable cash starved mills clear dues to sugarcane farmers. The package includes 4,500 crore rupees soft loan for building ethanol production capacity. According to the Food Minister Ram Vilas Paswan, the government will bear the interest subversion of 1,332 crore rupees on the loan to be provided for creating new ethanol production capacity. He said, the package also include creation of buffer stock of 30 lakh metric tonne of sugar for one year at an estimated cost of 1175 crore rupees. Mr Paswan said, a minimum selling price of white and refined sugar has been initially fixed at 29 rupees per Kilogram. He said, the package include 1,540 crore rupees previously announced production-linked direct payment to help clear dues which sugar mills owe to cane farmers.

- Union Cabinet has approved the revised guidelines of the Department of Public Enterprises on time bound closure of sick and loss making Central Public Sector Enterprises (CPSEs) and disposal of movable and immovable assets. The revised guidelines will reduce delays in implementation of closure plans of sick and loss making CPSEs.

- The Cabinet Committee of Economic Affairs, CCEA, approved construction of 9.9 kilometer long new six-lane bridge with its approaches across the river Ganga at Phaphamau, Allahabad in Uttar Pradesh. The new bridge will resolve the traffic congestion on existing old two-lane Phaphamau bridge on NH-96 at Allahabad. It will generate direct employment during construction for about 9.20 lakh man days. It will be made with a total capital cost of over 1,948 crore rupees. The construction period of the project is three years and it is likely to be completed by December 2021. The new bridge will facilitate a large congregation of people at Allahabad during Kumbh, Ardh Kumbh and yearly ritual bath at Sangam. He said, the new bridge will also be beneficial for Lucknow and Faizabad-bound traffic coming from Madhya Pradesh via NH 27 and NH 76 through Naini Bridge.

**Economy:**

**Global economy is healthy but growth will slow: World Bank**

The steadily expanding global economy should remain resilient, at least for a couple of years, the World Bank has said. The anti-poverty agency predicts global growth will decelerate slightly from a solid 3.1 per cent this year to 3 per cent next year and 2.9 per cent in 2020.

The world economy is generally healthy but must contend with rising interest rates in wealthier countries and weaker demand for commodities in developing nations. It also faces risks from trade disputes, financial volatility and geopolitical tensions.

The World Bank predicts that US growth will register 2.7 per cent in 2018, aided by tax cuts, before slowing to 2.5 per cent next year and 2 per cent in 2020. China's growth is projected at 6.5 per cent this year, 6.3 per cent in 2019 and 6.2 percent in 2020.

**RBI increases repo rate by 25 bps to 6.25%; maintains neutral stance**

The six-member monetary policy committee (MPC) on 6th June unanimously voted for a rate hike, citing the fear of inflation, partly flared by the recent spike in crude oil prices.

The hike in policy repo rate to 6.25 per cent from 6 per cent was contrary to market expectation that the central bank will hold rates and the unanimous decision came as a surprise to the markets.

The central bank's April policy tone was dovish and it had actually lowered inflation forecasts for the first and second half of 2018-19. On 6th June, the inflation outlook was revised up once again.

With the hike in the June policy, the Reserve Bank of India (RBI) has reversed the rate cutting cycle it had engaged in since January 15, 2015. The last rate hike happened on January 28, 2014, when the repo rate was increased to 8 per cent. The last policy action was in August 2017, when the central bank had lowered the repo rate by 25 basis points (bps).

Even as the central bank kept its stance 'neutral', the bond market saw the policy statement as hawkish, expecting at least one more rate hike soon. The 10-year gilt yield, which had already factored in a 25-bp hike in rates, jumped 8 bps after the policy announcement. The 10-year gilt yield closed at 7.92 per cent, up from its previous close of 7.83 per cent.

The latest policy statement showed that the MPC was clearly concerned about rising prices, and, importantly, households' expectations about the future course of prices.

The May 2018 round of the RBI's survey of households reported a significant rise in households' inflation expectations of 90 bps and 130 bps, respectively, for three-month and one-year ahead horizons.

This "significant rise" in households' expectations, "could feed into wages and input costs in the coming months", the RBI's policy statement noted.

**FDI inflows to India decline by $4 bn in 2017: World Investment Report**

Foreign Direct Investment (FDI) to India declined to $ 40 billion in 2017 from $ 44 billion in the previous year, said UNCTAD'S World Investment Report 2018.

"FDI inflows to South Asia contracted by 4 per cent to $ 52 billion, owing to a drop in inflows to India" the report said on 6th June. As per the UNCTAD, the foreign inflows to India decreased from $ 44 billion in 2016 to $ 40 billion in 2017. According to the report, outflows from India, the main source of FDI in South Asia, more than doubled to $ 11 billion. India's state-owned oil and gas company ONGC has been actively investing in foreign assets in the recent years.

**RBI to set up Public Credit Registry to make credit market more efficient**

The Reserve Bank of India (RBI) has decided to set up a Public Credit Registry (PCR), which would be an extensive database of credit information for India, accessible to all stakeholders.

The PCR will be introduced in a modular and phased manner. An Implementation Task Force is being constituted by RBI to help design and undertake logistics for the next steps in setting up of the PCR, said the RBI in its Statement on Developmental and Regulatory Policies.

This move follows recommendations by a high-level task force on PCR for India, with Yeshwant M Deosthalee as chairman.

The task force was constituted by RBI to review the current availability of information on credit, adequacy of existing information utilities, and to identify gaps that could be filled by a PCR.

The task force, which submitted its report on April 4, 2018, recommended that a PCR should be set up by the central bank, with a view to address information asymmetry, foster access to credit, and strengthen the credit culture in the economy.

Each loan can be traced over its life-cycle and the PCR will link related ancillary credit information, which is usually produced and published outside the existing banking and financial system. This may include corporate balance sheet information, GST information, and corporate governance reports, among others.

At present, there are various Credit Information Companies (CICs), four privately-operated ones and over three publically-promoted ones. The RBI has multiple granular credit information repositories like CRILC (Central Repository of Information on Large Credits), which is a borrower level (commercial banks only) supervisory data set that records transactions with an aggregate exposure of Rs50 million.

Presently, banks and non-banking financial companies report their loan disbursal data to two separate CRILC platforms.

The other RBI-promoted repository for credit information is BSR-1 (Basic Statistical Returns), which is a loan level statistical dataset focusing on the distributional aspects of credit disbursal, without any threshold limit.

The central bank will implement the PCR project in phases, with maximum coverage to be achieved in the first phase by on-boarding all scheduled commercial banks and top NBFCs that are already a part of CRILC and/or BSR-1 actively.

**RBI relaxes NPA classification norms for MSMEs under GST**

In a major relief to MSMEs, the Reserve Bank on 6th June eased NPA classification norms for such units facing input credit linkages and associated issues under the Goods and Services Tax. "In continuation of support and relief to MSMEs, NPA recognition for GST and non-GST MSMEs is now at 180 days for dues up to December 31, 2018

Now 180-day NPA norms are applicable for all micro, small and medium enterprises dues between September 1, 2017 and December 31, 2018 if the account was standard on August 31, 2017, he said, adding this dispensation covers both registered as well as unregistered MSMEs.

With regard to GST registered MSMEs, 180-day NPA norms will be brought back to 90 days only in a phased manner, starting January 1, 2019. For non-GST registered MSMEs, NPA norms would revert to 90 days from January 1, 2019.

It meets the long-standing demand of the industry, in particular the tapering of NPA norms in a phased manner, he said, adding these steps are going to be huge positive and will encourage GST registration by MSMEs.

In February, banks and non-banking finance companies (NBFCs) were allowed to temporarily classify their exposures to the GST registered MSMEs, having aggregate credit facilities from these lenders up to Rs 250 million, as per a 180-day past due criterion.

The RBI also said that Standalone Primary Dealers (SPDs) would gradually permitted to diversify their activities beyond G-sec activities into alternate streams, within acceptable limits.

"In order to facilitate SPDs to provide comprehensive services to their FPI clients, it has been decided to provide the SPDs a limited Foreign Exchange licence. A circular in this regard shall be issued by the end of June 2018," it said.

With regard to Core Investment Companies (CICs), it said, detailed instructions relating to their exposure of towards InvITs will be announced within a week.

CICs registered with the Reserve Bank as NBFCs primarily invest in group companies and do not carry out any other NBFC activity.

They are required to invest in group companies in the form of equity shares, preference shares, bonds, debentures, debt or loans, at least up to 90 per cent of their net assets, while equity investments in group companies must constitute at least 60 per cent of net assets.

**RBI to allow transition of urban cooperative banks into Small Finance Banks**

The RBI has decided to allow voluntary transition of Urban Cooperative Banks meeting certain prescribed criteria into Small Finance Banks.

RBI deputy governor N S Vishwanathan said, the High Powered Committee on Urban Cooperative Banks, chaired by R. Gandhi, the then Deputy Governor of Reserve Bank, had, inter alia, recommended the voluntary conversion of large Multi-State UCBs into Joint Stock Companies and other UCBs which meet certain criteria into Small Finance Banks. The RBI release mentioned that the detailed scheme will be announced separately.

The RBI has also revised the Priority Sector Lending guidelines for housing loans with Affordable Housing definition under Pradhan Mantri Awas Yojana.

In order to give a fillip to the low-cost housing for the Economically Weaker Sections and Lower Income Groups, the RBI has decided to revise the housing loan limits for Priority Sector Lending eligibility from existing 28 lakh rupees to 35 lakh rupees in metropolitan and from existing 20 lakh rupees to 25 lakh rupees in other centres. However, the house cannot cost more than 45 lakh rupees in a metro and 30 lakh rupees in other centres.

**Centre constitutes group to suggest changes in SEZ policy**

The Centre has constituted a group of eminent persons to study the Special Economic Zones, SEZ Policy of India. The group will be headed by Industrialist Baba Kalyani.

The group will evaluate the SEZ policy, suggest measures to cater to the needs of exporters in the present economic scenario and make the SEZ policy WTO compatible. The Group has to submit its recommendation in three months.

The SEZ Policy was implemented from 1st April, 2000. Subsequently, the Special Economic Zones Act, 2005 was passed by Parliament in May, 2005 which received Presidential assent on the 23rd June, 2005 and the Special Economic Zone Act was enacted. The SEZ Act, 2005, supported by SEZ Rules, came into effect on 10th February, 2006.