

# ECONSCIENCE

Monthly Newsletter, volume : 2

ISSUE : 6 JUNE, 2023

ECONOMIC FORUM, DEPARTMENT OF ECONOMICS



## WORLD BANK APPROVES \$108 MILLION TO IMPROVE DISASTER PREPAREDNESS FOR FLOOD-PRONE DISTRICTS OF ASSAM

The World Bank approved a \$108 million loan to help Assam improve disaster preparedness and enhance flood forecasting. The project will benefit around 6 million people and is part of a larger \$500 million investment program for Assam. It will help the state reduce vulnerability to floods and river erosion by building green infrastructure in the Beki and Burhi dihing river basins. It will also help strengthen the state's response to disasters through improved flood forecasting and accurate early warning systems, including through mobile alerts.



The Brahmaputra River is the economic lifeline of Assam, and a critical part of the state's rich natural resources and cultural heritage. But flooding, riverbank erosion, sedimentation and loss of biodiversity have significant economic and environmental impacts on the state.

Assam Government has projected an increase in extreme rain fall events by 5- 35% and an increase in the rise of flood by more than 25% due to climate change. The project will contribute to designing climate resilient villages and develop flood shelters that provide sufficient space for community members and livestock.

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**BA 3rd Sem**

## AFTER EUROPE, NEW ZEALAND OFFICIALLY ENTERS RECESSION: ECONOMY SHRINKS, GDP FALLS FOR TWO CONSECUTIVE QUARTERS



Their central bank raises interest rates, inflation at all time high.

New Zealand's economy has fallen into recession after the interest rates reached a 14-year high. The GDP has fallen by 0.1% in the first three months of 2023 followed by a 0.7% contraction in the previous quarter, which means the country is now in a "technical recession."

The Reserve Bank of New Zealand (RBNZ) increased the cost of borrowing sharply in October 2021. New Zealand was one of the first countries to start increasing rates since the pandemic and has even outpaced the US Federal Reserve. Last month the bank increased the main interest rates to 5.5%

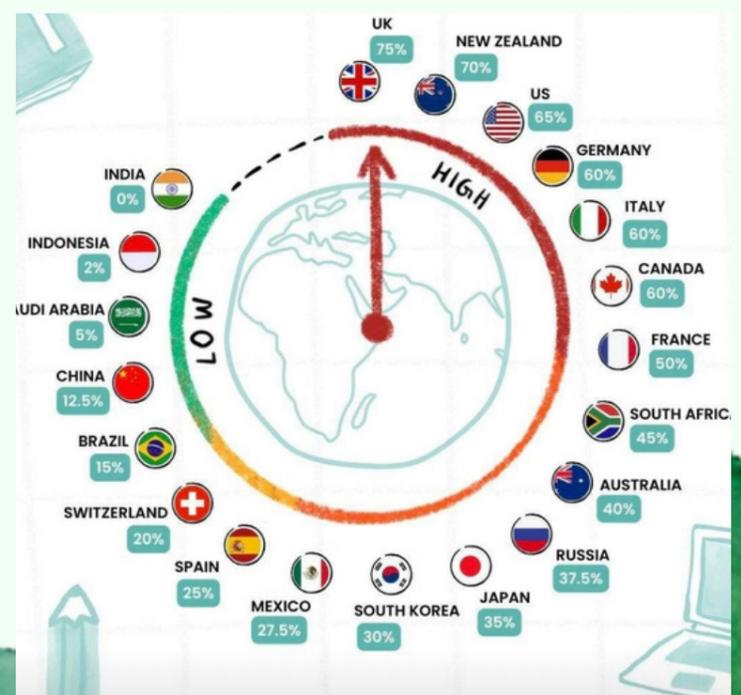
The people in New Zealand, who were already grappling with increasing prices, are now experiencing the consequences of elevated interest rates, leading to higher mortgage repayments and increased costs for other loans. Earlier, the RBNZ signalled that it had no further plans for further hikes. The contraction adds to expectations that the central bank will not raise rates again in the foreseeable future.

New Zealand's economy took hits from many different areas, in the first three months of the year, the economy was impacted by teachers' strike and Cyclones Hale and Gabrielle. Inflation was also impacted by the Russia-Ukraine war, making the cost of everything from fuel to food, rise.

The adverse weather events caused by the cyclones contributed to falls in horticulture and transport support services, as well as disrupted education services," Jason Attewell, economic and environmental insights general manager at Statistics New Zealand said in a statement.

The areas that took the biggest hit were business services, down by 3.5%, and postal, warehousing, and transport down by 2.2%. Media and telecommunications, on the other hand, went up by 2.7%

However, while the recession remains technical after two consecutive quarters of contraction, it has become a significant political issue as New Zealand heads towards an election in October, with voters struggling with higher living costs.



## **THE FINANCE MINISTRY APPROVES INVESTMENTS WORTH RS 56415 IN 16 STATES UNDER CAPEX SCHEME**



The finance ministry has approved investments worth Rs 56,415 in 16 states as part of the 'Special Assistance to States for Capital Investments 2023-2024'. "Under the scheme special assistance is being provided to the state governments in the form of 50 year interest free loan upto an overall sum of Rs 1.3 lakh crore during the financial year 2023-2024" the r read on 26 June.

Aiming at providing a timely boost to capital spending by states the Department of Expenditure has approved investment projects in several sectors including health, irrigation, education, power, roads and railways among others. It also included state share of two projects namely Jal Jeevan Mission and Pradhan Mantri Gram Sadak Yojana under this scheme.

The ministry has divided the scheme into eight parts. For the 1st part, Rs 1 lakh crore has been allocated and distributed among states to their share of central taxes and duties, whereas part 2 sees allocation of Rs 3000 crores incentives for scrapping of vehicles. Also it will waive liabilities on old vehicles, provide tax concessions and set up automated vehicle testing facilities.

Part 3 and 4 focus on incentives to state for reforms in urban planning and finance. Meanwhile the government has set aside an amount of Rs 2000 crore in order to increase housing stock for police personnel constituting part 5. It also earmarked an amount of Rs 5000 crore under part 6 to build "Unity Mall" in each state.

Bihar received the highest amount of Rs 9640 crore followed by Madhya Pradesh at Rs 7850 crore while Sikkim and Goa received the least amount of Rs 388 and Rs 386 crores respectively.

## **OFFICIALS FROM RBI EMPHASIZED PROPER ACCOUNTING AND ASSURES ROBUST SYSTEMS**



The Reserve Bank of India (RBI) said it has come across reports circulating in certain sections of the media alleging missing banknotes printed by banknote printing presses, and emphasised that these reports are not correct. "These reports are based on an erroneous interpretation of information collected under the Right to Information Act, 2005 from the printing press," officials said.

All banknotes supplied from printing presses to RBI are properly accounted for. It is further informed that there are robust systems in place for reconciliation of banknotes printed at the presses and supplied to RBI which include protocols to monitor production, storage and distribution of banknotes. Members of the public are, therefore, requested to rely on the information published by RBI from time to time in such matters, they added

Earlier on May 19, RBI decided to withdraw the Rs 2000 denomination currency notes from circulation, but said it will continue to remain as legal tender. However, RBI has advised banks to stop issuing 2,000 denomination banknotes with immediate effect. People can exchange or deposit their 2,000 notes in bank branches and regional branches of RBI. A non-account holder also can exchange 2000 banknotes up to a limit of 20,000 at a time at any bank branch. September 30 has been decided as the last date for the purpose of completing the exercise in a time-bound manner and to provide adequate time to the public.

RBI is likely to revisit the September deadline based on the situation going ahead. The 2000 denomination banknote was introduced in November 2016 under Section 24(1) of the RBI Act, 1934, primarily to meet the currency requirement of the economy in an expeditious manner after the withdrawal of the legal tender status of all 500 and ₹1000 banknotes in circulation at that time. The objective of introducing 2000 banknotes was met once banknotes in other denominations became available in adequate quantities.