



STUDENTS' ECONOMIC FORUM

A monthly publication from South Indian Bank

*To kindle interest in economic affairs...
To empower the student community...*

 www.southindianbank.com
Student's corner
 ho2099@sib.co.in



JANUARY 2018

Theme 314

“ECONOMIC SURVEY 2017-18: HIGHLIGHTS”

How can I get free insurance coverage
along with my savings account?

Leave it to us



**Mahila
Plus
SB
Account**

With SIB Mahila Plus, you get free insurance coverage, free & unlimited use of other bank ATMs and a lot more.

FREE worldwide personal accident death insurance cover | FREE house to house travel insurance coverage | FREE & unlimited use of other bank ATMs | FREE & unlimited any branch banking | FREE ATM/Debit Card, Mobile banking & Net banking with no AMC.



Experience Next Generation Banking

Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL), Email: sibcorporate@sib.co.in | CIN : L65191KL1929PLC001017
www.southindianbank.com | [f/thesouthindianbank](https://www.facebook.com/thesouthindianbank)

Theme No: 314: **“Economic Survey 2017-18: Highlights”**

A well informed customer will make the policy makers as well as organizations which produce goods and render services more responsive to the customer needs. This will also result in healthy competition among organizations and improve the quality of its products.

The “SIB Students’ Economic forum” is designed to kindle interest in the minds of younger generation. We highlight one theme in every monthly meeting of the “Forum”. The Economic Survey was presented on 29th January, 2018. This month the topic for discussion is “Economic Survey 2017-18: Highlights”.

1. What is Economic Survey and what does it feature?

The Economic Survey 17-18 is authored by Chief Economic Adviser Arvind Subramanian and his team. It gives a detailed account of the state of the economy, prospects and the policy challenges. It carries sectoral overviews and comments on reform measures. The survey’s outlook serves as a marker about future policy moves.

2. Briefly explain the key findings of the economic survey?

- i. Increase in indirect & direct taxpayers:- The introduction of Goods and Services Tax (GST) w.e.f 01.07.17 has helped in increasing the taxpayers number. There has been a fifty percent increase in the number of indirect taxpayers. There has also been a large increase in voluntary registrations, especially by small enterprises that buy from large entities to avail input tax credits.
- ii. States prosperity is related to international and inter-state trade:- States that export to other countries and do interstate trade were found to be richer and having better standard of living.
- iii. India’s exports are unusual:- The largest firms account for a much smaller share of exports than in other comparable countries. Top one percent of Indian firms account only for 38% of total exports unlike in other countries where the percentage is substantially higher.
- iv. Growth in ready-made garments:- Rebate of State Levies (ROSL) has increased exports of ready-made garments (man-made fibers) by about 16 per cent.

- v. Substantially avoidable litigation in tax arena:-The survey suggested various steps to overcome the delay in tax collection due to litigation:
 - a) Expanding judicial capacity in lower courts and reducing existing burden on High Courts and The Supreme Court.
 - b) Substantially increasing state expenditure on the judiciary, particularly on modernization and digitization. Imposing stricter timelines within which cases with temporary injunctions may be decided, especially when involving government infrastructure projects.
- vi. Growth is dependent on investment rather on savings: - Investment slowdowns are more detrimental to growth than savings slowdown. The investment slowdown started in 2012, subsequently intensified and apparently continuing as of the latest date. To revive the investment growth in the economy government has taken steps for resolution of bad debts and recapitalization of public sector banks.
- vii. The collections of direct taxes by Indian states and other local governments, where they have powers to collect them is significantly lower than their counterparts in other federal countries.

3. Briefly comment on the growth of the Service sector during the year.

The Services sector, with a share of 55.2 per cent in India's Gross Value Added (GVA), contributed almost 72.5 per cent of GVA growth in 2017-18. The overall growth in Service Sector is at 8.3 per cent in 2017-18, the growth in Services exports was 16.2 per cent in the first half of 2017-18. The initiatives taken by government include digitization, e-visas, infrastructure status to Logistics, Start-up India, and Schemes for the housing sector, etc. has given a boost to the Services Sector.

4. What are the various initiative taken for the growth of different sectors.

Steel: To address dumping of cheap steel imports from other countries, the Government raised customs duty and imposed anti-dumping duty, These measures helped the domestic producers. The Government notified anti-dumping duties and Countervailing Duties on various steel products and introduced a New Steel Policy.

MSME Sector: MSMEs in India play a crucial role in providing large scale employment opportunities at comparatively lower capital cost than large industries and also in industrialization of rural & backward areas. The Pradhan Mantri Mudra Yojana introduced in 2016-17 for the development and refinancing activities relating to micro industrial units, given continued thrust.

Textiles and Apparels: A financial support of Rs 6,000 crore had a positive impact on the exports of Ready Made Garments (RMG) of Man-made fibres while it did not have a significant impact on the RMG of other natural fibres, except wool.

Leather sector: Leather sector is a highly labour intensive sector. The sector faces challenges which have been addressed through a scheme for the purpose of promotion of employment in the leather & footwear sector in December 2017, with an outlay of Rs 2600 crore over three financial years 2017-18 to 2019-2020.

Gems and Jewellery: India is one of the largest exporters of gems and jewellery. Exports of the sector have risen from 0.7 per cent in 2014-15 to 12.8 per cent in 2016-17. Training in jewellery designing, setting up refineries, hallmarking centres etc. and creation of multiple jewellery parks helps the sector.

5. Explain the development in the Infrastructure segment.

The Eight Core Infrastructure Supportive Industries, viz. Coal, Crude Oil, Natural Gas & Petroleum, Refinery Products, Fertilizers, Steel, Cement and Electricity attained a cumulative growth of 3.9 percent during April-November, 2017-18. The production growth of Coal, Natural Gas, Refinery Products, Steel, Cement and Electricity was positive during this period. The steel production increased substantially, while the production of crude oil and fertilizers fell marginally during the period.

Roads: The primary agenda is to build new National Highways (NHs) and also converting State Highways into NHs. To expedite completion of delayed projects, various steps have been taken for streamlining the land acquisition & environment clearances. The 'Bharatmala Pariyojana' is introduced to achieve optimal resource allocation for a holistic highway development.

Railways The emphasize is on infrastructure development of Railways. The pace of commissioning Broad Gauge (BG) lines and completion of electrification have been accelerated. With financial assistance from Government of India, 425 km of metro rail systems are operational and about 684 km are under construction in various cities across India.

Ports: The Sagarmala Programme which aims to promote port-led development along Indian coast line is implementing 289 projects worth Rs. 2.17 lakh crore are at various stages of development.

Telecom: To convert India into a digital economy, 'Bharat Net' and 'Digital India' is launched. At the end of September 2017, the number of subscribers stood at 1207 million, out of which 502 million connections were in the rural areas and 705 million in the urban areas.

Civil Aviation: Steps are taken for liberalization of civil aviation in the area of air services, airport development and regional connectivity through UDAN scheme.

Power: The Ujjawal DISCOM Assurance Yojana (UDAY) is focused on enhancing the financial health of DISCOMs by reducing interest burden, cost of power and aggregated technical and commercial losses.

6. Briefly Comment on the Social Infrastructure

Labour Reforms: The employment sector in India poses great challenge in terms of skill shortages and rigid labour laws. The technology enabled transformative initiatives such as Shram Suvidha Portal, Ease of Compliance to maintain registers under various Labour Laws/Rules, Universal Account Number, and National Career Service portal in order to reduce the complexity in compliance and to bring transparency and accountability for better enforcement of the labour laws.

Education: The Right to Education indicators which reflect the effectiveness of universalization of education, most of the States have registered an increase in the percentage of schools complying with the Pupil Teacher Ratio norms. The GPI (Gender Parity Index) reflects disparity of girls vis-a-vis boys in access to education. With consistent efforts by the government through programmes like Beti Padhao, Beti Bachao, the GPI has improved substantially at the primary and secondary levels of enrolment.

7. Performance of Banking Industry.

The performance of the banking sector, particularly Public Sector Banks continued to be subdued in the current financial year. The Gross Non-Performing Advances (GNPA) ratio of Scheduled Commercial Banks (SCBs) increased from 9.6 per cent to 10.2 percent between March 2017 and September 2017

8. Briefly describe the economic outlook during 2018-19?

The estimated GDP growth in 2017-18 is 6.5 per cent. The growth during 2018-19 could be higher, depending on a number of factors. As per IMF's World Economic Outlook the global growth is expected to grow at 3.7 per cent in 2018 which will boost India's export. The signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. On the other hand, downside risk to higher growth emanate from higher crude oil prices, protectionist tendencies in some of the countries having impact on exports growth and tightening of monetary policy in the developed countries could lead to lower phase of growth.



Can I withdraw 2 times my salary
from the salary savings account?

Leave it to us

**SIB
Salary
Savings
Account**

With SIB Salary Savings Account, you get to enjoy 200% overdraft facility of your net salary and a lot more.

Salary Account with 200% overdraft facility of the net salary | Unlimited other bank ATM transactions | Comprehensive insurance cover of Rs.10.00 lakhs, including accidental treatment cover of Rs.1.00 lakh @Rs.199/- | Free International Platinum Debit Card with higher transaction limits | Free 50 personalized cheque leaves | Free NEFT/RTGS transactions up to Rs.1.00 lakh | Up to 25% waiver in locker rent

 **SOUTH
INDIAN Bank**

Experience Next Generation Banking

Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL), Email: sibcorporate@sib.co.in | CIN : L65191KL1929PLC001017

www.southindianbank.com | [f /thesouthindianbank](https://www.facebook.com/thesouthindianbank)

How can I arrange finance
to take my business to the next level?

Leave it to us



**SIB
MSME
Loan**

No matter whether your enterprise is micro, small or medium, we give wings to your entrepreneurial ambition.

Customised loan product | Competitive interest rates | Low processing fee | Hassle-free procedure | Quick disbursal

 **SOUTH
INDIAN Bank**

Experience Next Generation Banking

Toll Free (India): 1800-843-1800, 1800-425-1809 (BSNL), Email: sibcorporate@sib.co.in | CIN : L65191KL1929PLC001017

www.southindianbank.com | [f /thesouthindianbank](https://www.facebook.com/theSouthIndianBank)