



Mrunal's Economy Win21 Series Pillar#3: Balance of Payment, International Trade

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Basically this series give free updates in economy after my full length course is over.

Type of Student	Not joined Unacademy	Attended Mrunal's Full Course that ended in May-2020 OR BEFORE	Attended Mrunal's Full Course that ended in Sept-2020	Attended Mrunal's Full Course that ended in Jan-2021	Attending Mrunal's ongoing Full length paid Course from Feb-2021 (PCB3)	Attending Mrunal's ongoing Full length paid Course from 15th July 2021 (PCB4)
Shd see Win20CSP?	✓ Yes	✓ Yes	👉 No need	👉 No need	👉 No need	👉 No need
Shd see Win21CSP?	✓ Yes	✓ Yes	✓	✓	ONLY the selected lectures in Sept-2021	👉 No need
Shd see Win22CSP	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✓ Yes

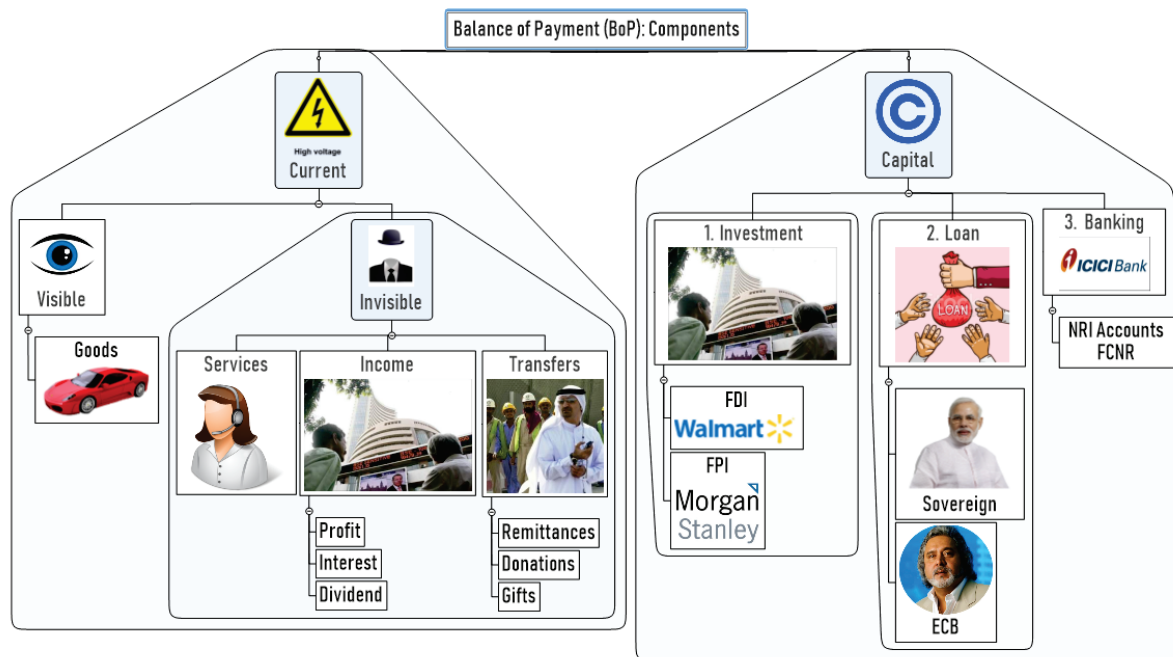
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30 📁🔑 BALANCE OF PAYMENT INTERNATIONAL TRADE



30.1 📁🔑 BALANCE OF PAYMENT → CURRENT ACCOUNT →

Table 1: Data from https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=51820 published on june-2021

Component	NET Amount in billion dollars	2018-19	2019-20	2020-21
Visible दर्शनीय	Trade in Goods: \$296 billion worth goods exported vs \$398 worth imported in 2020-21	-180	-157	-102
Invisible अदृश्य	Trade in Services (Highest export: Software services > Business Services > Travel > Transport). \$206 Export - \$117 Import= +88. ** Billion surplus in 2020-21	+82	+85	+88



	Primary Income: Wages, Profit, Interest, Dividend.	-28	-27	-36
	Secondary Income/Transfer: Remittance, Gift, Grants, Donations.	+70	+75	+73
Net Current Account Balance (if negative: "Deficit")		-57 Bn (Deficit)	-24 Bn (Deficit)	+24 Bn (0.9% GDP)

⇒ From 2001-04: We had Current Account Surplus (चालू खाता अधिशेष) because, it was a time before the USA's subprime crisis when global economy boom had our exports). But then we started to have deficit. India's current account deficit averaged -2.2% GDP in the last 10 years.

⇒ 2020-21: Corona- imports compared to export (and we managed to export decently in the Pharmaceutical and IT sector). So, ES21 Expects that India will witness Current Account surplus for the first time (2020-21) after last 17 years! कोरोना महामारी व तालाबंदी के चलते आयात में भारी गिरावट के चलते पिछले 17 सालों में पहली बार चालू खाता घाटा नहीं, चालू खाता अधिशेष होगा!

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (estimate)
CAD as % of GDP	-4.3%	-4.8%	-1.7%	-1.3%	-1.1%	-0.6%	-1.8%	-2.1%	-0.9%	+2 to 3.1%(est) [#] +0.9% (Reality) ^{##}

[#]this was the estimate of ES21 published on 2021-January that Current Account surplus will be +35 Bn =2-3.1% of GDP however, ^{##}this was reality, as per RBI data published on 2021-June.

30.1.1 Top Import and Exports During Corona April-Nov-2020 as per ES21

** ES21 vol2ch3 has remarked that India can become the "pharmacy of the world": more in pillar4B: Production linked incentive (PLI) scheme.

Top 10 import commodities	Top 10 export commodities
1. Petroleum: Crude	Petroleum Products
2. Petroleum Products	Drug /Pharma**
3. Gold	Pearl & precious Stones
4. Telecom Instruments	Iron And Steel
5. Coal / Coke	Electric Machinery
6. Pearl, Precious, Semiprecious Stones	Organic Chemicals
7. Electronics Components	Marine Products
8. Organic Chemicals	Jewelry of Gold and other precious metal
9. Vegetable Oils	Cotton
10. Computer hardware	Products of Iron and Steel
Top 10 import destinations	Top 10 export destinations
1. China	USA
2. USA	China
3. UAE	UAE
4. Hong Kong	Hong Kong
5. Saudi Arabia	Singapore
6. Germany	Bangladesh
7. Iraq	Germany
8. Indonesia	UK
9. South Korea	Malaysia
10. Singapore	Netherland



India has large trade deficit with	India has large trade surplus with
1) China 2) Iraq 3) Saudi Arabia	1) USA 2) Bangladesh ^{##} 3) Nepal

^{##} ES21 vol2ch3 has given certain observations about export performance of India versus Bangladesh but we will see that in pillar#4C while comparing the GDP growth of both the countries.

30.1.2 Crude Oil prices & OPEC (कच्चा तेल)

⇒ 2020-March: oil prices fell to \$20 per barrel, because

- OPEC and Russia couldn't agree for production cuts.
- Corona air travel ban = fuel consumption = Demand = prices

⇒ Afterwards they agreed for production cut so prices to \$60 range

⇒ 2021-Feb: India's biggest oil suppliers: 1) Iraq 2) USA 3) Saudi. Saudi Arabia ranked shifted from #2 to #3 because Saudi has been cutting down its production to raise prices.

⇒ 2021-Mar: Indian Oil Companies have decided to reduce import from Saudi Arabia (to teach them a lesson).

⇒ 2021-April: OPEC+ Group decided to gradually the production. This ball by ball commentary keeps going on....If any MCQs asked, solve through 50:50. # थोड़ा-पढ़ो-आगे-बढ़ो



Figure 1: Oil Barrel Prices in USD

30.1.3 Report: World Bank report: Migration and Development Brief 2021

1. Despite coronavirus, Not much fall Observed in the remittances.
2. Top recipients in 2020: India (\$83 billion, hardly 0.2% than 2019) 2) China (\$59.5 billion), Mexico (\$42.8 billion), the Philippines (\$34.9 billion), Egypt (\$29.6 billion), Pakistan (\$26 billion), France (\$24.4 billion) and Bangladesh (\$21 billion). विदेशों से अपने परिवार को पैसा भेजने के मामले में भारत दुनिया में नंबर वन है ऐसा विश्व बैंक का रिपोर्ट बोल रहा है

30.1.4 Report: Remittance: Global migration report 2020 (अंतरराष्ट्रीय प्रवास)

⇒ The International Organization for Migration (IOM, HQ: Geneva, Switzerland) is a related organization of UN. As per its latest Global migration report 2020....

⇒ Top number of international migrants are from 1) India (17 million) 2) Mexico 3) China

⇒ Top destination country of migrants across the world is USA.



- ⇒ Top amount of remittance received to 1) India 2) China 3) Mexico.
- ⇒ Corona: India remittance to fall from \$83 Billion (2019) to \$76 Billion (2020)

30.1.5 Report: Export Preparedness Index by NITI (2020, Aug: निर्यात तैयारी सूचकांक)

- ⇒ It ranks the Indian states based on State government policies, infrastructure, transport connectivity, ease of doing business etc. (राज्य सरकार की नीतियां, बुनियादी अवसंरचना, परिवहन, व्यापार में सुगमता)
- ⇒ Overall, most of the Coastal States are the best performers. (तटीय राज्य सर्वश्रेष्ठ प्रदर्शन)
- ⇒ Top-3 (2020): Gujarat > Maharashtra > Tamil Nadu.
- ⇒ Some private mock test walla prepare faltu-MCQs based on the 4-pillars and 11-sub pillars of this index, but poor cost benefit.

30.1.6 Report: UNCTAD's World Investment Report 2020 (विश्व निवेश रिपोर्ट)

- ⇒ United Nations Conference on Trade and Development (UNCTAD, HQ- Geneva Switzerland, 1964) → report: World Investment Report 2020.
- ⇒ Global FDI flows will by 40% in 2020 because of the Corona.
- ⇒ India was the 9th largest recipient of FDI in 2019-20 in the world.

30.2 BoP → CAPITAL ACCOUNT (चालू खाता → पूंजी खाता)

NET inflow in (Bn. USD) → निवल आमद	2020-21
Foreign Direct Investment (FDI) = more than 10% shareholding in an Indian company	+43
Foreign Portfolio Investment (FPI) = upto 10% shareholding in an Indian company	+36
✓ External borrowing: Pvt. Sector borrowing > Govt. ✓ Further, majority of India's external debt is in USD currency > Indian Rupee > IMF's SDR > (Yen, Euro, Pound Sterling, etc)	+6
Non-Residents' Deposits in Indian Banks [Foreign Currency Non-Resident FCNR accounts] & other misc. components of Capital Account	-21
NET balance in Capital Account (approx.)	+64

30.2.1 FDI inflow in Corona (विदेशी प्रत्यक्ष निवेश)

FOREIGN direct investment = More than 10% equity investment by a foreign entity into an Indian company.
NET FDI = FDI coming to India (e.g. Walmart investing in Flipkart) minus FDI going out of India (Example Ratan Tata investing Jaguar car company in England). Highest ever NET FDI recorded in 2020-21: \$43 billion. Due to following reasons:

- ⇒ 1) Corona → IT, pharma, telecom and digital economy sectors attracted a lot of FDI
 - ⇒ 2) 35 billion dollars worth investment by Facebook, Google etc. in Reliance Group of Industries, E-learning Companies etc.
 - ⇒ 3) Production-linked incentive (PLI) scheme Encouraging multinational companies to tie up with local Indian companies for manufacturing mobile, pharma etc in India.
- FDI largest recipient States in 2020-21- Gujarat 37%, Maharashtra (27%) and Karnataka (13%).



30.2.2 📁📦 Foreign Investment limits 📈 in recent times

Sector	👤 Before	😊 After
📄 Public Sector Petroleum Refineries e.g. Bharat Petroleum Corporation Ltd (BPCL)	49%	100% (to help in disinvestment)
👤 Insurance (📁 Budget-2020)	49%	74%
📺 Direct to Home (DTH) TV/Cable services e.g. TataSky, DishTV	49%	100%

30.2.3 📁👤 Golden Visa (निवेशकों और प्रतिभावान लोगों को आकर्षित करने के लिए स्वर्ण वीज़ा)

⇒ It is a special type of visa given for a investor/ property-buyer/celebrity / sportsman / scientist / very bright student. System prevalent in Spain, UAE (Sanjay Dutt-2021) etc.

⇒ 😊 Benefit? Helps the nation to attract investors and talented persons.

30.3 📁📈📦👤 BoP → SUMMING UP

Sr.	Approx Bn. USD	2018-19	2020-21
1	Current Account Deficit: चालू खाता घाटा	- 57	+24
2	Capital Account Surplus: पूंजी खाता अधिशेष	+ 54	+64
3	Errors & Omissions: त्रुटियां और चूक	-0.486	-0.3
4	Overall Balance: समग्र संतुलन/ शेष	(-) 3 bn	+87 (Approx.)
5	Official Reserve Transactions or Monetary Movements in RBI's Foreign Exchange Reserves	(+) 3 bn**	(-)87 (Approx.)##
	NET Balance of Payment for India	0 (ZERO)	0 (ZERO)

⇒ **Column for 2018-19: (+) sign indicates RBI supplied/sold that many \$\$ from its forex reserve, else \$ becomes stronger= ₹ becomes weaker bad for importers. (+) Sign indicates 📉 in RBI's forex reserve (since RBI sold dollars)

⇒ ##Column for 2020-21: (-minus) sign indicates RBI supplied/sold that many rupees to purchase \$\$ from market, else ₹ rupee becomes stronger= bad for exporters. (-) Sign in indicates 📈 in RBI's forex reserve (since RBI bought dollars इसलिए उसकी विदेशी मुद्रा आरक्षित निधि में बढ़ोतरी हुई).

31 💵 CURRENCY EXCHANGE RATE: मुद्रा विनिमय दर



31.1.1 📁👤📈📦👤 Mundell-Fleming Trilemma (मंडल फ्लेमिंग की त्रि-आयामी दूविधा)

Theory by economists Robert Mundell and Marcus Fleming (1960s). It argues that three things can't be accomplished together: रिजर्व बैंक तीन चीजें एक साथ नहीं कर सकते



Trilemma (त्रि-आयामी दुविधा)	Example situation in Corona
1) Keep capital account open / relax capital account convertibility to boost economy. पूंजी खाते में छूट: भारत में विदेशी रुपया लाने- ले जाने पर बहुत ज्यादा पाबंदी ना हो, ताकि अर्थतंत्र को बढ़ोतरी मिल सके	Corona:- large foreign FPI,FDI inflow towards India's pharma-IT/Tech sectors. कोरोना के दौरान भारत के औषधि तथा सूचना प्रौद्योगिकी क्षेत्र में ढेर सारी विदेशी पूंजी आई
2) Keep exchange rate stable विदेशी मुद्रा विनिमय दर को स्थिर रखा जाए	FPI,FDI \uparrow → so, inflow of Dollar\$ \uparrow \uparrow → then rupee will become stronger → exchange rate will not remain stable & exporters will suffer due to stronger rupee. विदेशी मुद्रा के भारत में अधिक मात्रा में आने से रुपया मजबूत होता है जो निर्यातकों के लिए अच्छी बात नहीं
3) Keep monetary policy independent (from what is happening elsewhere in the world / solely focusing on Inflation - target) मौद्रिक नीति स्वतंत्र रूप से चलाई जा सके- बिना परवाह किए कि विनिमय दर में विदेशी ताकतों/कारकों के चलते क्या अस्थिरताएँ हो रही है?	Stronger rupee will be bad for exporters → RBI should purchase dollars & sell rupees → \uparrow Rupees supply → Inflation if there are not sufficient goods in the market. रिजर्व बैंक रुपया बेचकर डॉलर खरीदना शुरू करें तो बाजार में रुपये की मात्रा बढ़ जाएगी जो महंगाई उत्पन्न कर सकती है So if RBI try to control the exchange rate volatility, then RBI will end up creating inflation! यानी की विनिमय दर की अस्थिरता रोकने के चक्कर में महंगाई उत्पन्न हो गई Corona-2020: amount of \$\$ inflow so high, sterilization game (Ref: previous section) was difficult. So, inflation inevitable. स्थिरीकरण वाला खेला बहुत मुश्किल क्योंकि डॉलर/रुपये मात्रा बहुत ज्यादा थी.

In this trilemma, What did RBI do?

Way Forward:	Description	did RBI implement this solution?
Control the exchange rate volatility, prevent Rupee from becoming stronger → रुपया को मजबूत होने से रोको	RBI should buy dollars & sell rupees. डॉलर खरीद रुपया बेचो	<input checked="" type="checkbox"/> YES. हाँ यहीं किया गया
Control the inflation → महंगाई को काबू में रखो	Then RBI should not buy the dollars and sell the rupees. तो डॉलर मत खरीदो रुपया मत बेचो, ताकि बाजार में रुपए का जल्ला ना बढ़े, महंगाई न बढ़े	<input type="checkbox"/> No. Because RBI felt that inflation will increase \uparrow irrespectively, because of the Corona lockdown related supply-demand mismatch. लॉकडाउन- महंगाई तो वैसे भी होनी थी वस्तुओं की आपूर्ति में गिरावट के चलते. इसलिए रिजर्व बैंक ने रुपये की विनिमय दर को स्थिर रखना ज्यादा जरूरी समझा

31.1.2 RBI's Forex Reserve: विदेशी मुद्रा रिजर्व

The Forex Reserve component(s) in decreasing order of size =

- 1) Foreign Currency Assets (includes foreign currencies & G-Sec/bonds of foreign Govts)
- 2) Gold (स्वर्ण)



3) Reserve Tranche Position (RTP) in the IMF. (What is RTP = NOT IMP)

4) Special Drawing Right (SDR) of International Monetary Fund

2019. We were 8th largest after China (\$3 Trillion) > Japan > Switzerland > Saudi Arabia > Russia >

However USA is not in the top-10 list, it barely keeps ~\$125 billions in reserve.

2020: India became 5th largest foreign forex reserve after China, Japan, Switzerland and Russia. 2021-June:

India's Forex Reserve crossed \$600 Bn for the first time because of following reasons:

- ⇒ Corona: imports → Capital Account surplus. आयात में गिरावट के चलते चालू खाता अधिशेष
- ⇒ Corona: USA/EU ke Central banks cheap/dovish/expansionary monetary policy → Flow of dollars in euros increased towards Indian share market (Particularly In the pharma/IT-Tech companies). FPI/FDI → so, inflow of Dollar\$/Euro etc कोरोना के दौरान अमेरिकी यूरोपीय केंद्रीय बैंकों द्वारा विस्तार वादी मौद्रिक नीति के चलते ढेर सारा विदेशी पैसा भारतीय बाजार में आया है.
- ⇒ Then rupee will become stronger → exchange rate will not remain stable & exporters will suffer due to stronger rupee. ऐसी परिस्थिति में रुपया विदेशी मुद्राओं के सामने मजबूत होगा जो कि भारत के निर्यातकों के लिए अच्छी बात नहीं होगी
- ⇒ So RBI bought dollars/Euro etc foreign currencies & sold rupees → \$\$/Euro etc accumulation in the RBI forex reserve. इसलिए भारतीय रुपया को मजबूत होने से रोकने के लिए रिजर्व बैंक ने रुपया देकर बाजार से विदेशी मुद्रा को खरीदना शुरू किया. और ऐसी जितनी विदेशी मुद्रा रिजर्व बैंक ने खरीदी → उससे फॉरेक्स रिजर्व तो बढ़ना स्वाभाविक है.

32 INTERNATIONAL ORGS, AGREEMENTS & SUMMITS

32.1 WORLD TRADE ORGANIZATION: विश्व व्यापार संगठन



अमरीकी कंपनीओ को स्पर्धा से बचाने के लिए मैं विदेशी आयात पे बाधाएं खड़ी करूंगा!



है कोई रखवाला?



32.1.1 WTO's New Director General

- ⇒ 2021: WTO new DG is Ngozi Okonjo-Iweala, replacing Brazil's Roberto Azevêdo.
- ⇒ She is a former finance minister of Nigeria, First woman and first African WTO chief.
- ⇒ She previously worked in the World Bank

32.1.2 WTO's Next Summit

- ⇒ 2020: 12th Ministerial Conference / Summit (MC12) was originally scheduled at Kazakhstan's capital, Nur-Sultan, but was postponed due to the COVID-19 pandemic.
- ⇒ 2021-Dec: Summit will take place in Geneva, Switzerland.

32.1.3 WTO's Appellate Body (AB) Crisis

- ⇒ It is a permanent body to resolve appeals against DSB's orders.




- ⇒ It is ordinarily composed of 7 members, 4 year term & 1 reappointment.
- ⇒ WTO Appellate Body members are appointed by the WTO members by consensus, (i.e. no member-nation should formally object to candidate's name).
- ⇒ Since July 2017, the United States has been stalling AB appointments. So, body is under-staffed/dysfunctional. This has resulted in the 'Appellate Body crisis'. (अपीलीय ट्रिब्यूनल में केस आगे बढ़ नहीं रहे, क्योंकि अमेरिका यहां पर नए जजों की नियुक्ति में बाधाएं डाल रहा है)

32.1.4 WTO Multiparty Interim Arbitration (MPIA) mechanism

- ⇒ Due to the aforementioned appellate body crisis → some WTO members have created a Multiparty Interim Arbitration (MPIA) body as a temporary solution.
- ⇒ Members? EU, China, Brazil, Australia, New Zealand etc approx 23 WTO members.
- ⇒ India is not a member yet. India wants restoration of the original appellate body (AB). (उक्त समस्या से अस्थाई रूप से लड़ने के लिए चीन सहित कुछ देशों ने 'बहुपक्षीय अंतरिम मध्यस्थता' प्रणाली बनाई है किंतु भारत उसका सदस्य नहीं है, भारत डब्ल्यूटीओ की परंपरागत अपीलीय प्रणाली चाहता है)

32.1.5 Protectionism → Indian Govt procurement (सरकारी खरीद)

- ⇒ **Atma-Nirbhar**: PM asked the nation to be "local ke liye vocal" (to promote local goods) with an aim to make India self-sufficient in every way.
- ⇒ So, in Government procurement tenders up to ₹200 crore. → Foreign (global) companies will not be allowed to apply. (सरकारी खरीद के 200 करोड़ तक के टेंडर में विदेशी कंपनियों को अर्जी डालने पर प्रतिबंध, ताकि स्थानिक सूक्ष्म, लघु और मध्यम उद्यम को बिक्री का अवसर मिले)
- ⇒ This will help Indian Micro, Small & Medium Enterprises (MSME) and large Indian companies to revive business through  purchase from the Government.
- ⇒ **Sidenote**: In an excessive and unplanned enthusiasm, **Home Minister** Amit Shah ordered Central Armed Police Force (CAPF) canteens not to sell any "imported" items. But, many Indian companies were also kept on the banned list because of miscommunication or haste in preparing the list. So, the order has been withdrawn.

32.2 GROUPINGS: ASEAN & SCO NEW SUMMITS

ASEAN	SCO
Association of Southeast Asian Nations : दक्षिण पूर्व एशियाई राष्ट्र संघ	Shanghai Cooperation Organization : शंघाई सहयोग संगठन
<ul style="list-style-type: none"> - 2020: Vietnam's Hanoi. Theme: "Cohesive and Responsive ASEAN" - 2021: Brunei's Bandar Seri Begawan. Theme: "We Care, We Prepare, We Prosper", 	<ul style="list-style-type: none"> ⇒ 2020: Russia virtually hosted summit of "Head of State(e.g. India's president)". ⇒ Separately 2020: India virtually hosted summits of 'heads of Govt' (HoG) e.g. India's PM). PM Modi did not attend, VP Naidu played the host.

32.3 GROUPINGS: BRICS, G20: NEW SUMMITS

BRICS, 2009	<ul style="list-style-type: none"> - 2020: 12th BRICS summit @Saint Petersburg, Russia (held virtually)- theme "BRICS Partnership for Global Stability, Shared Security and Innovative Growth"
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	<ul style="list-style-type: none"> - 2021: 13th BRICS Summit @India, along with BRICS Games 2021. - Role of secretariat is played by its pro tempore presidency, so accordingly, 2018: S.Africa. 2019: Brazil. 2020: Russia, 2021: India
NAM 1961	<ul style="list-style-type: none"> - Non-Aligned Movement Member nations are in Asia, Africa, Latin America, Caribbean, and Europe. - 2020-May: Online NAM contact group summit organized. Theme of "United against COVID-19". Chairman/Host: Azerbaijan. The group decided to form a task force against Corona.
G-20, 1999	<ul style="list-style-type: none"> - International forum for the governments and central bank governors from 19 countries and the 1 European Union namely, - Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, UK, USA, EU - Annual summits: 2018@Buenos Aires-Argentina, 2019@Osaka-Japan, 2020-Nov@Saudi Arabia's Riyadh, 2021@Italy's Rome, 2022@Indoensia, 2023@Delhi.

32.3.1 **G7 Summits 2021: Global Minimum Tax**

G7= UK, Canada, France, Germany, Italy, Japan, the USA, EU. Earlier it was G8 but Russia was expelled after Annexation of crimea from Ukraine.

G7 Annual Summit- 2019@Biarritz, France, Modi attended. 2020-USA but cancelled by Corona. 2021: theme is 'Build Back Better'. Venue: Cornwall, England. Modi attended Virtually. ("फिर से अच्छा बनाएंगे" इस थीम के साथ जी सेवन समूह सम्मेलन) Outcomes of G7-2021:

- ⇒ 1) Donate 1 billion Corona vaccines to poor nations (गरीब देशों को एक बिलियन कोरोना टिके दिलवाए)
- ⇒ 2) Criticized China for human right violation in Xinjiang & Hong Kong (चीन मानव अधिकार हनन की निंदा)
- ⇒ 3) demanded investigation into the origins of Covid-19. (कोरोना संक्रमण कहाँ से फैला उसकी हो)
- ⇒ 4) G7 agreement for global minimum tax framework of 15% (बहुराष्ट्रीय कम्पनियों पर न्यूनतम 15 प्रतिशत कर/टेक्स की माँग) We've studied this in Win21: Pillar#2

32.3.2 **BIMSTEC charter (घोषणापत्र)**


⇒ Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) has 7

Members: Bangladesh, India, Nepal, Bhutan, Sri Lanka, Myanmar, and Thailand.

⇒ 1997: Bimstec founded. HQ: Dhaka, Bangladesh.

⇒ Notable outcomes / developments in 2020-21: (प्रमुख निष्कर्ष)

- BIMSTEC's legal document/charter finalized. It'll be signed in the next Summit in SriLanka- Perhaps in 2022). (इस समूह का क़ानूनन घोषणा पत्र जारी होगा)
- Criminal cases: Mutual cooperation ke-liye code of conduct (आपराधिक मामलों में सहयोग)
- BIMSTEC Master Plan for Transport Connectivity (परिवहन में सहयोग)

⇒  Bitter areas: Myanmar coup & Rohingya crisis → outflow of refugees India and Thailand. (म्यान्मार शरणार्थियों की समस्या के चलते आपस में थोड़ी कड़वाहट)



32.3.3 India UK Roadmap 2030

- ⇒ India UK: virtual bilateral summit between Prime Minister Narendra Modi and British PM Boris Johnson held in 2021-May.
- ⇒ 1) Adopted 'Roadmap 2030' to strengthen ties. (वर्ष 2030 तक रिश्तों को और मज़बूत किया जाएगा)
- ⇒ 2) Will negotiate a comprehensive Free Trade Agreement (FTA) with an target of more than doubling India-UK trade by 2030 (वर्ष 2030 तक द्विपक्षीय व्यापार को दोगुने से भी ज़्यादा करने के लिए एक मुक्त व्यापार समझौते पर चर्चा होगी)
- ⇒ 3) cooperation on Maritime Information sharing (सामुद्रिक मामलों पर जानकारी साझा की जाएगी)
- ⇒ 4) UK to join Indian Navy's Information Fusion Centre in Gurgaon
- ⇒ 5) UK to help development of India's indigenous Light Combat Aircraft Mark2, joint defence exercises (लड़ाकू विमान निर्माण में मदद, संयुक्त युद्ध अभ्यास)

32.3.4 India Mauritius FTA/CECPA (मॉरिशस के साथ मुक्त व्यापार समझौता)

- ⇒ India Mauritius Free trade agreement: Comprehensive Economic Cooperation and Partnership Agreement (CECPA) came into effect from 1st April 2021.
- ⇒ More than 300 Indian goods from agriculture textile electronics will get concessional customs duties in Mauritius (300 से अधिक भारतीय निर्यात पर मॉरिशस द्वारा सीमा शुल्क में रियायत)
- ⇒ More than 600 Mauritius goods will get Similar treatment in Indian market

32.3.5 Abraham Accords (2020-Sept)

- ⇒ UAE, Bahrain and Israel's Peace agreement for normalization of relations. (रिश्तों को सामान्य करने के लिए शांति समझौता) U.S. President Trump acted as mediator (मध्यस्थ की भूमिका)
- ⇒ Abraham = regarded as a prophet by both the Jewish and Islam.

32.4 MOCK QUESTIONS FOR UPSC PRELIMS

MCQ. Find correct statement(s) about international trade of India at present? (UPSC-Prelims-2020)

1. India's merchandise exports are less than its merchandise imports.
2. India's imports of iron and steel, chemicals, fertilisers and machinery have decreased in recent years.
3. India's exports of services are more than its imports of services.
4. India suffers from an overall trade/current account deficit.

Ans Codes: [a] 1 and 2 only [b] 2 and 4 only [c] 3 only [d] 1, 3 and 4 only

MCQ. Consider the following statements: (Prelims-2020)

1. The value of Indo-Sri Lanka trade has consistently increased in the last decade.
2. "Textile and textile articles" constitute an important item of the trade between India and Bangladesh.
3. In the last five years, Nepal has been the largest trading partner of India in South Asia.

Codes: [a] 1 and 2 only [b] 2 only [c] 3 only [d] 1, 2 and 3

MCQ. BRICS Summit, 2020 will be hosted by (UPSC-CDS-i-2020)

- (a) India (b) China (c) Russia (d) Brazil

MCQ. In which one of the following groups are all the 4 countries members of G20? (UPSC-Prelims-2020)

- [a] Argentina, Mexico, South Africa and Turkey [b] Australia, Canada, Malaysia and New Zealand
[c] Brazil, Saudi Arabia and Vietnam [d] Indonesia, Japan, Singapore and South Korea



MCQ. If another global financial crisis happens in the near future, which of the following actions/policies are most likely to give some immunity to India? (Prelims-2020)

1. Not depending on short-term foreign borrowings
2. Opening up to more foreign banks
3. Maintaining full capital account convertibility

Codes: [a] 1 only [b] 1 and 2 only [c] 3 only [d] 1, 2 and 3

MCQ. Find correct statement(s) about AIIB: (UPSC-Prelims-2020)

1. AIIB has more than 80 member nations.
2. India is the largest shareholder in AIIB.
3. AIIB does not have any members from outside Asia.

Codes: (a) 1 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3 only

MCQ. With reference to Trade-Related Investment Measures (TRIMS), which of the following statements is/are correct? (UPSC-Prelims-2020)

1. Quantitative restrictions on imports by foreign investors are prohibited.
2. They apply to investment measures related to trade in both goods and services.
3. They are not concerned with the regulation of foreign investment.

Ans Codes: [a] 1 and 2 only [b] 2 only [c] 1 and 3 only [d] 1, 2 and 3

MCQ. "What is the prediction of the economic survey with regards to current account balance in 2020-21? (2020-21 में चालू खाता शेष के संबंध में आर्थिक सर्वेक्षण का क्या पूर्वानुमान है)

- A. There will be a Current account surplus for 1st time in the last 25 years. (पिछले 25 वर्षों में पहली बार चालू खाता अधिशेष होगा)
- B. There will be a Current account deficit just like last 17 years. (पिछले 17 वर्षों की तरह चालू खाता घाटा होगा)
- C. There will be a Current account surplus for 1st time in the last 17 years. (पिछले 17 वर्षों में पहली बार चालू खाता अधिशेष होगा)
- D. No prediction has been made about current account deficit due to the uncertainties involving the Corona crisis. (कोरोना संकट से जुड़ी अनिश्चितताओं के कारण चालू खाते के घाटे के बारे में कोई भविष्यवाणी नहीं की गई है)"

MCQ. "Mundell-Fleming trilemma says that three objectives cannot be accomplished at the same time namely _ _ _ : (मुंडेल-फ्लेमिंग ट्रिलेम्मा का कहना है कि तीन उद्देश्यों को एक ही समय में पूरा नहीं किया जा सकता है जो है _ _ _)

- A. High level of CRR, liquidity in the market, economic growth (सीआरआर का उच्च स्तर, बाजार में तरलता, आर्थिक विकास)
- B. High level of taxes, economic growth, Human development (उच्च स्तर के कर, आर्थिक विकास, मानव विकास)
- C. Low level of Fiscal Deficit, High level of economic growth, Moderate level of inflation (राजकोषीय घाटे का निम्न स्तर, आर्थिक विकास का उच्च स्तर, मुद्रास्फीति का मध्यम स्तर)
- D. Liberal capital account, stable exchange rate, and independent monetary policy. (उदार पूंजी खाता, स्थिर विनिमय दर और स्वतंत्र मौद्रिक नीति)"

MCQ. "Find correct statements about the new director general of World Trade Organisation (WTO). (विश्व व्यापार संगठन (डब्ल्यूटीओ) के नए महानिदेशक के बारे में सही कथन पता करें)

1. New director general was previously the finance minister of South Africa. (नए महानिदेशक पहले दक्षिण अफ्रीका के वित्त मंत्री थे)
2. New director general is Ngozi Okonjo-Iweala. (नए महानिदेशक हैं नोजी ओकोंजो इवेला है)
3. It is for the first time in history that an African person has become the director general of WTO. (यह इतिहास में पहली बार है कि कोई अफ्रीकी व्यक्ति विश्व व्यापार संगठन का महानिदेशक बना है)

Answer Codes: a) Only 1 and 2 b) Only 2 c) Only 2 and 3 d) Only 1 and 3"

MCQ. "Find the correct statement about WTO Multiparty Interim Arbitration (MPIA) mechanism. (विश्व व्यापार संगठन बहुदलीय अंतरिम मध्यस्थता (एमपीआईए) तंत्र के बारे में सही कथन खोजें)



1. Its primary objective is to build consensus on in agricultural subsidies for developing countries under the Peace Clause. (इसका प्राथमिक उद्देश्य शांति खंड के तहत विकासशील देशों के लिए कृषि सब्सिडी पर आम सहमति बनाना है)
 2. India is a member of this mechanism. (भारत इस तंत्र का सदस्य है)
- Answer Codes: a) Only 1 b) Only 2 c) Both 1 and 2 d) Neither 1 nor 2

32.5 MRUNAL'S ECONOMY COURSE FOR UPSC PRELIMS & MAINS

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URL

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32.6 MOCK QUESTIONS FOR UPSC MAINS GSM3 (250 WORDS EACH)

1. Corona crisis has presented an unprecedented challenge on RBI to control inflation and exchange rate stability. Enumerate the Steps taken by RBI in this regard. (कोरोना महामारी में महंगाई नियंत्रण तथा मुद्रा विनिमय दर अस्थिरता कि अभूतपूर्व चुनौती रिज़र्व बैंक के सामने आई थी. इस विषय में रिज़र्व बैंक द्वारा उठाए गए कदमों की सूची दीजिए)
2. Give an account of India's Balance of Payment Situation during the Corona crisis of 2020-21. (कोरोना महामारी में भारत के भुगतान संतुलन की स्थिति का विवरण दीजिए)
3. "For effective functioning of WTO, its appellate body crisis needs to be resolved on priority basis." Explain. (विश्व व्यापार संगठन कि प्रभावी कार्यप्रणाली लिए के लिए उसकी अपील संस्था कि समस्या को अग्रता क्रम से सुलझाना जरूरी है)
4. Explain the significance of following organizations for India's Strategic & Economic Interests [A] BIMSTEC [B] Shanghai Cooperation Organization. (भारत की सामरिक और आर्थिक हितों के लिए इन संस्थाओं का महत्व)
5. (Asked-in-GSM2-2020) 'Quadrilateral Security Dialogue (Quad)' is transforming itself into a trade bloc from a military alliance, in present times - Discuss. ('चतुर्भुजीय सुरक्षा संवाद (क्वाड)' वर्तमान समय में स्वयं को सैनिक गठबंधन से एक व्यापारिक गट में रूपान्तरित कर रहा है - विवेचना कीजिए)

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