

Inflation Seen Closer To Target In FY26: RBI's State Of The Economy Report

- Recently, the **Reserve Bank of India (RBI)** released its '**State of the Economy**' report, authored by Deputy Governor Michael Debabrata Patra and others.
- **key points:**
 1. **Inflation Trends:** Headline inflation, measured by Year-on-Year changes in the all-India Consumer Price Index (CPI), eased to 4.8% in April 2024 from 4.9% in March.
 2. **Food Inflation:** Food inflation rose to 7.9% in April 2024 from 7.7% in March 2024. The report suggests that prices of various food items are likely to sustain headline inflation around 5%.
 3. **RBI Projections:** The RBI projects CPI inflation to be around 4.5% in FY25. Quarterly projections indicate inflation rates of 4.9% in Q1, 3.8% in Q2, 4.6% in Q3, and 4.5% in Q4.
 4. **Rural Inflation:** Rural inflation in April 2024 stood at 5.43%, surpassing urban inflation.
- The report indicates optimism that headline retail inflation may align with the **4% target** by the second half of FY25, potentially reaching target levels by FY26.

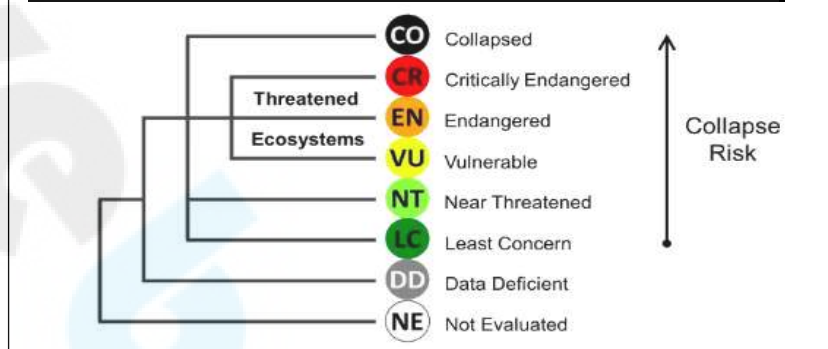
First Time Mangroves Have Been Evaluated Using The IUCN Red List of Ecosystems

- The **IUCN Red List of Ecosystems (RLE)** was used for the **first time** to assess mangrove ecosystems, setting a global standard for evaluating ecosystem health and threat levels.
- **Key Findings:** Half of the mangrove ecosystems assessed are at risk of collapse, with almost 20% classified as highly endangered (Endangered or Critically Endangered).

- **Threats to Mangroves:** Various factors such as climate change, deforestation, development, pollution, and dam construction pose significant threats to mangrove ecosystems.
- **Climate Change Impact:** Climate change poses a threat to one-third of assessed mangrove ecosystems, and around 25% of the global mangrove area is expected to be submerged within the next 50 years due to sea-level rise.
- **Carbon Loss Prediction:** Without significant intervention by 2050, climate change and sea-level rise could lead to the loss of approximately 1.8 billion tonnes of carbon stored in mangroves and expose 2.1 million lives to coastal flooding.
- **Status of Indian Mangroves:** Mangroves in different regions of India have varying levels of vulnerability, with those in South India classified as Critically Endangered and those in Andaman and Bay of Bengal categorized as Least Concern.

- **Importance of Mangroves:** Mangroves provide crucial ecosystem services, support biodiversity and fisheries, act as carbon sinks by storing large amounts of carbon, and enhance water quality by filtering pollutants and trapping sediments.
- **Coastal Protection:** Mangroves play a vital role in protecting coastal regions from natural disasters like floods and storms, highlighting their importance in coastal resilience and disaster risk reduction.

Structured Of The IUCN Red List Of Ecosystem Categories



Initiatives For Mangroves:

Global Initiatives:

- **Mangrove Breakthrough:** Introduced at UNFCCC COP27 by UN High-Level Climate Champions and Global Mangrove Alliance (GMA).
- **Global Mangrove Alliance (GMA):** Established at the World Ocean Summit in 2018.
- **Mangrove Alliance for Climate:** Led by UAE in collaboration with Indonesia.

Indian Initiatives:

- **MISHTI:** Mangrove Initiative for Shoreline Habitats & Tangible Incomes.
- **National Coastal Mission Programme:** Includes efforts for the conservation and management of mangroves and coral reefs.

SEBI Has Issued A Consultation Paper Proposing Amendments To The BRSR Framework.

- The **S.K. Mohanty committee** proposed changes to the **Business Responsibility and Sustainability Reporting (BRSR)** framework to enhance **Ease of Doing Business**.
- **Key Changes:**
 - **Redefinition of value chain (VC) partners:** The proposed definition will focus only on significant partners, reducing compliance burden from smaller partners.
 - **Extended implementation timeline:** Reporting previous year numbers will be voluntary for the first year of reporting FY 2024-25, providing more time for companies to comply. Previously, BRSR reporting was mandatory from FY 2022–23 onwards.
 - **Integration of Green Credit Programme (GCP):** Green Credits generated by companies and their VC partners will be an additional leadership indicator under BRSR, aligning with 2024 MoEFCC notification.
 - **Flexibility for BRSR core:** Companies will have the option to choose 'assessment' instead of 'assurance' for BRSR Core, introduced by SEBI in 2023. 'Assurance' follows global/domestic standards, adding extra costs beyond data verification.

Global Cities Index 2024

- In the Oxford Economics' **Global Cities Index 2024**, **Delhi secured the 350th position** among the world's largest 1,000 cities, making it the highest-ranked city in India.
 - **New York City, USA**, clinched the **top spot in the 2024 Index**, followed by London, UK, and San Jose, USA, at the second and third ranks, respectively.
 - The index revealed that the 1,000 largest cities worldwide contributed to **60% of the global Gross Domestic Product (GDP) in 2023**.
 - **Delhi** performed better than **Mumbai** across various metrics, including Economics, Human Capital, and Quality of Life.
 - However, all Indian cities ranked at the 380th position in the Governance category.

Inverted Duty Structure (IDS)

- The **Ministry of Commerce and Industry** provided a list of items to the **Ministry of Finance** to tackle the Inverted Duty Structure (IDS).
- **Inverted Duty Structure** occurs when import duties on raw materials are higher than those on finished goods, resulting in higher taxes paid on purchases compared to sales.
- **Impact Of Inverted Duty Structure (IDS)**
 - This situation impacts **domestic industries** as manufacturers **face higher costs** for raw materials than for finished products.
 - As a result, their products **become expensive** and less competitive in the export market.
 - Taxpayers dealing with an **Inverted Duty Structure** always have **Input Tax Credit (ITC)** in their **GST electronic credit ledger**.
 - This creates **working capital issues** as their resources are tied up in the form of **Input Tax Credit (ITC)** due to high input taxes.
 - IDS leads to **refund-related issues** under the GST regime.

BIMSTEC Acquires 'Legal Personality' After Charter Comes Into Force

- The **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** adopted its charter during **its 5th summit in Sri Lanka in 2022**. With Nepal's endorsement, all member states completed the ratification process, and the charter officially came into effect on **May 20, 2024**.
- **About BIMSTEC Charter**
 - The BIMSTEC Charter serves as a foundational document outlining the group's goals, principles, and organizational structure. It grants legal status to the organization and opens avenues for external partnerships, as well as the admission of observers and new members.
- **About BIMSTEC**
 - **BIMSTEC, established in 1997** through the **Bangkok Declaration**, comprises **Bangladesh, India, Sri Lanka, Thailand, Myanmar, Nepal, and Bhutan**. Its **secretariat is located in Dhaka, Bangladesh**. The initiative aims to foster rapid economic development, social progress, and peace and stability in the Bay of Bengal region.