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Financial Services Institution Board (FSIB)

Context: FSIB selects new chiefs for GIC Re, NIC.

- N Ramaswamy, General Manager of General Insurance Corporation of India (GIC Re), has been selected as the next Chairman and MD of the company, while M Rajeswari Singh, General Manager & Director of United India Insurance, has been chosen as the CMD of National Insurance Company (NIC).
- The government prefers choosing an insider from GIC Re to lead the institution due to the need for reinsurance expertise in running the global company.
- The Financial Services Institution Bureau (FSIB) is responsible for selecting chiefs of PSU banks and insurers and is constituted by insurance experts and government officials.

What is FSIB?

- It's a government body set up under the **Department of Financial Service** of the Finance Ministry by central government in 2022.
- It is **not a statutory or Constitutional body**.
- The Secretariat of the Bureau currently comprises of Secretary and four officers.
- It replaced **Banks Board Bureau (BBB)**.
- It aims to identify manpower capabilities and ensure proper selection of talent for senior positions at financial institutions owned by the government.
- The board is entrusted to making **recommendations of full-time appointment of directors and non-executive chairman of state-run financial services / Public sector organization** and on other matters relating to personnel management in the institution.
- It comprises of Ex-Officio members from Government other the Regulatory Bodies and experts from the respective field.

Function of FSIB:

- To advise the Government on matters relating to appointments, transfer or extension of term of office and termination of services of the said directors.
- To advise the Government on the desired management structure at the Board level for Public Sector Bank, Public financial institution and Public Sector Insurers.
- To advice government for performance appraisal system and code of conduct and ethics for the directors.
- To ensure suitable training and development programmes for management in PSBs, FIs and PSIs.
- To Help institution for developing business strategy and raising capital plan.

The Delhi High Court's ruling in 2022 that the Bank Board Bureau is not a competent body to select the general managers and directors of state-owned general insurers necessitated the amendments in Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1980. This led to creation of FSIB.

What was Bank Board Bureau?

- The Banks Board Bureau (BBB) was an **autonomous institution** of the Indian government responsible for finding suitable candidates for the boards of PSBs, public sector financial institutions, and public sector insurance companies.
- It was **established in 2016** under the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1980.

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- Initially, the BBB focused on selecting CEOs and Executive Directors for public sector banks.
- Subsequently, the BBB was also given the responsibility of choosing heads for insurance companies.
- The BBB was working on implementing governance reforms in PSBs recommended by the **PJ Nayak Committee**.
- However, the Delhi High Court declared the BBB incompetent and struck down its powers due to issues with the selection process.
- As a result, the government approved the establishment of the Financial Services Institution Bureau (FSIB) for recruiting heads of insurance companies.

Minimum Support Price (MSP)

Context: The government has notified the MSP for 2023 Kharif Season with a hike.

- The Centre has set the minimum support price (**MSP**) for paddy in the kharif season at **₹2,183** per quintal, an increase of ₹143 from last year.
- The MSPs for **17 kharif crops and variants** were approved at a meeting of the **Cabinet Committee on Economic Affairs (CCEA)** chaired by **Prime Minister Narendra Modi**.
- New MSPs have been set for major pulses, including moong and tur. The MSP for moong is ₹8,558 per quintal, while tur has been set at ₹7,000 per quintal.
- The MSPs aim to be at least **one-and-a-half times the all-India weighted average cost of production**.
- Bajra is expected to have the highest margin for farmers (82% over the cost of production), followed by tur (58%), soybean (52%), and urad (51%).

How is MSP decided?

The MSPs are announced by the Union government and as such, it is the government's decision. But the government largely bases its decision on the **recommendations of the Commission for Agricultural Costs and Prices (CACP)**.

While recommending MSPs, the CACP looks at the following factors:

- the demand and supply of a commodity;
- its cost of production;
- the market price trends (both domestic and international);
- inter-crop price parity;
- the terms of trade between agriculture and non-agriculture (that is, the ratio of prices of farm inputs and farm outputs);
- a minimum of 50 per cent as the margin over the cost of production; and
- the likely implications of an MSP on consumers of that product.

Cost Concepts for MSP

- **Cost A2** - These are the costs the farmer actually pays out of his/her pocket for buying various inputs ranging from seeds to fertilisers to pesticides to hired labour to hired machinery or even leased-in land.
- **Cost A2 +FL** - In agriculture, farmers also use a lot of family labour and if their cost is imputed and added to cost A2, that concept is called cost A2+FL.
- **Cost C2** - the Comprehensive cost (cost C2), it includes imputed costs of family labour, imputed rent of owned land and imputed interest on owned capital.

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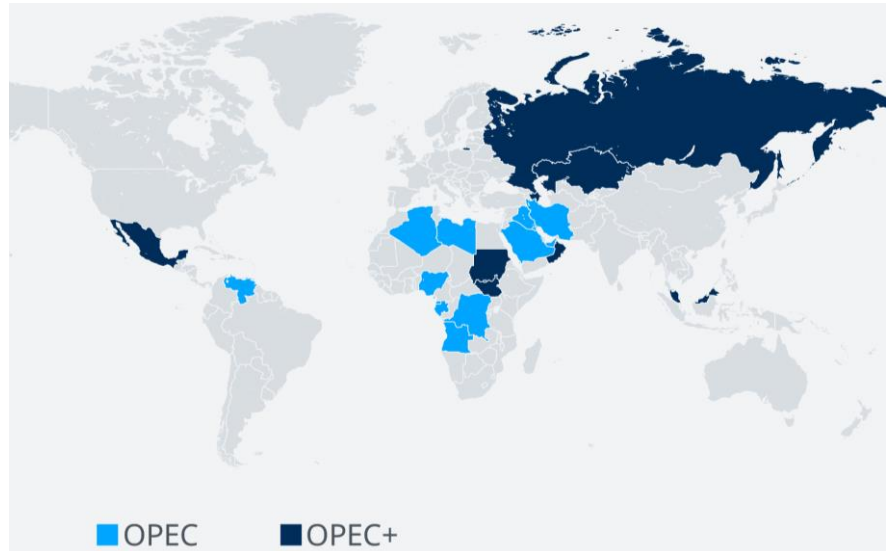
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- National commission on farmers head by M.S Swaminathan recommended a 50 per cent margin over C2, which is also being the demand of the farmers.

OPEC+ to cut production of Crude oil further in 2024

Context: OPEC+ (Organization of Petroleum Exporting Countries and 10 non-OPEC countries) announced further cuts to crude oil production for 2024.

- The group will reduce overall production targets by 1.4 million barrels per day (bpd) to a combined output of 40.46 million bpd.
- Saudi Arabia, the largest OPEC producer, will lead the production cuts.
- Crude oil prices have fallen sharply due to weak global growth, with prices currently around \$70 a barrel compared to over \$120 a year ago.
- The IMF expects advanced economies to grow modestly, impacting oil demand.
- **Softening oil prices benefit India, which imports over 80% of its crude oil needs.**
- **India's crude oil imports from Russia at lower-than-market prices have complicated the situation.**
- Despite the global price decline, Indian consumers have not experienced downward price revisions, affecting domestic demand.
- Reflecting global price trends at domestic pumps could support India's economic recovery.



India's largest suppliers of oil:

- Russia
- Iraq
- Saudi Arabia
- UAE
- USA
- Kuwait

What is OPEC?

- OPEC is a permanent intergovernmental organization **established in 1960 at Baghdad Conference.**
- It aims to **manage oil supply and stabilize prices** in the global market.
- OPEC was **founded by Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela.**
- The organization's **headquarters are located in Vienna, Austria.**
- **Membership is open to significant oil-exporting countries** that share the organization's ideals.
- As of 2023, OPEC has **14-member countries** including Iran, Iraq, Kuwait, UAE, Saudi Arabia, Algeria, Libya, Nigeria, Gabon, Equatorial Guinea, Republic of Congo, Angola, and Venezuela.

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NEWS IN BETWEEN THE LINES

Kaziranga National Park



Context:

Recently, three mahouts employed at Kaziranga National Park & Tiger Reserve have been apprehended for capturing and consuming a rare species of freshwater turtle.

Kaziranga National Park:

Kaziranga National Park, located in the state of Assam, India. It is renowned for its exceptional biodiversity. It is home to the world's largest population of Indian one-horned rhinoceroses, as well as significant populations of tigers, elephants, wild water buffalo, turtle and swamp deer.

UNESCO World Heritage Site:

Kaziranga National Park has been recognized as a UNESCO World Heritage Site since 1985.

Conservation challenges:

The park faces various conservation challenges, including poaching, encroachment, habitat degradation, and natural disasters such as floods.

Wildlife (Protection) Act 1972:

The Wildlife (Protection) Act of 1972 is a comprehensive legislation enacted by the Government of India to provide legal protection and conservation measures for wildlife and their habitats in the country. The act replaced the earlier Wildlife Protection Act of 1952, which primarily focused on game animals..

One District Two Products (ODTP)



Context:

The One District Two Products (ODTP) scheme, launched by the Uttarakhand government in October 2021, strives to promote and generate self-employment opportunities by boosting local products.

One District Two Product Scheme:

Under the scheme, specific products unique to each district are identified and developed. This includes a wide range of items such as sweets, snacks, herbal products, handicrafts, brass craft, woollens, baked goods, mushrooms, candles, honey products, kidney beans, temple artifacts, and more.

Aim:

By promoting local products, the One District Two Products scheme aims to revitalize traditional industries, empower local communities and contribute to the overall socio-economic development of Uttarakhand.

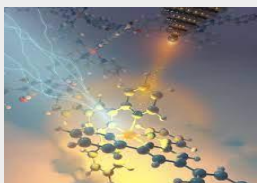
Employment opportunities:

The ODTP scheme aims to create employment opportunities for local farmers, artisans, craftsmen and others involved in the production and promotion of these local products. This supports the vision of self-employment and sustainable economic growth in rural areas.

National and international promotion:

The scheme not only focuses on domestic promotion but also aims to showcase and promote these local products at the national and international levels. This can lead to increased export opportunities and further contribute to the economic growth of Uttarakhand.

X-ray a single atom



Context:

Recently, the Scientists have successfully identified an element by using X-rays to examine a single atom.

What is X-ray technology?

X-ray technology refers to the use of X-rays, a form of electromagnetic radiation, for various applications in imaging, diagnostics, and research. X-rays were discovered by Wilhelm Conrad Roentgen in 1895 and have since become widely used in medical, industrial, and scientific fields.

Advancement in X-ray technology:

Scientists have made significant advancements in X-ray technology over the years, allowing for more precise identification of materials with smaller sample sizes.

Potential for revolutionizing research:

The ability to identify a material using only a single atom has the potential to revolutionize research in various fields, including material science and quantum mechanics. It opens up new possibilities for studying atomic properties and manipulating atoms.

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Homo Naledi



Context: Recently, Palaeoanthropologists have made significant discoveries related to Homo naledi, an extinct human species.

What is Homo Naledi?

Homo naledi is a previously unknown species of extinct hominin, representing a distinct branch of the human evolutionary tree. Its discovery has expanded our understanding of human ancestors and their diversity.

Discovery and excavation:

Fossils of Homo naledi were first found in the Dinaledi Chamber of the Rising Star Cave system in South Africa during an expedition in 2013 led by Lee Berger.

Age and habitat:

Homo naledi lived approximately 335,000 to 236,000 years ago in what is now South Africa.

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