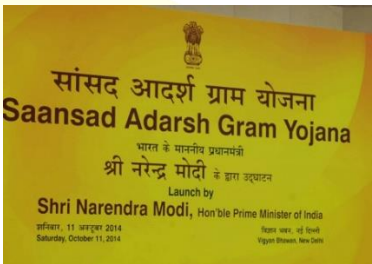



# Economics Harbour: Current Affairs

October 12, 2014

1. Sensex and Nifty lost 1 percent during the current truncated week.  
Reason: Fears of global recession marred the trading sentiments.
2. A 'very severe cyclonic' storm "Hudhud" set to hit the coasts of Andhra Pradesh and Odisha at 195 kms/hr.
3. "Sansad Adarsh Gram Yojana" launched on October 11, 2014. Under this scheme, each MP will adopt 3 villages by 2019 to improve the standard of living and quality of life of millions of people.  
A yellow banner for the 'Saansad Adarsh Gram Yojana' (SAGY) scheme. The banner features the Indian national emblem at the top. Below it, the text reads 'सांसद आदर्श ग्राम योजना' and 'Saansad Adarsh Gram Yojana'. It also mentions 'भारत के माननीय प्रधानमंत्री श्री नरेन्द्र मोदी के द्वारा उद्घाटन' (Launched by Shri Narendra Modi, Hon'ble Prime Minister of India) and 'शुक्रवार, 11 अक्टूबर 2014' (Saturday, October 11, 2014).  
A blue banner for Reliance Industries Limited. It features the company's logo, a stylized 'R' inside a circle, and the text 'Reliance Industries Limited' in white.
4. Business lobbies have given a list of policies they want changed.
  - a. Resetting Diesel Prices: Diesel prices should be decided by the market.  
Risk: Higher costs for the consumers and chances of inflation.
  - b. Privatising key PSUs like Air India, Coal India; which are running into huge losses.  
Risk: Finding buyers is not easy.
  - c. Fixing a faulty PDS which is a complete mess at present.
  - d. Revising gas prices.  
Risk: Higher gas prices will push up fertilizer prices and gas based on power tariffs. This will lead to bigger subsidy bill and higher inflation.
  - e. Simplifying land buying/acquisition laws.
  - f. Do away with varying rates of local taxes.
5. RIL may sell its stake in Eagle Ford Basin Shale Oil and gas venture worth Rupees 27,000 crore.

(The notes have been updated from The Economic Times, Hindustan Times, dated October 12, 2014)