MSMEs facing Challenges in Doing Business Report released by ASSOCHAM-EGROW

Key findings

- MSMEs contribute nearly 30% of GDP, 45% of manufacturing output and 46% of exports in fiscal year 2024.
- By 2047, manufacturing and services sector are projected to employ 67% of workforce and contribute over 75% of GDP.

About MSME sector

- MSMEs are essential to global economy constituting 90% of businesses, and contribute 50% of global GDP.
- Indian MSME sector is projected to grow to \$1 Trillion by 2028.

Challenges faced by MSME sector

- **Delay in registration:** Due to cumbersome registration process, and inefficient single window clearance system.
- Confusion about Government schemes: Lack of awareness and confusion among schemes, and lack of Centre-State coordination.
 - E.g. Complex registration under GST, frequent amendments driving up cost of doing business.
- Administrative burden: Due to overlapping documentation for Professional Tax, Contract Labour, Minimum Wages etc. hindering their operations.
- **▶ Labour issues:** Lack of well-defined trial period for new hires, unskilled workers, variation in wages across states, inefficient training centres etc.
- ➤ Finance issues: Limited access to institutional finance, opaque loan application process and lack of collateral etc. hinders their growth.
- ➤ Export issues: Inadequate infrastructure, Lack of Environmental, social and governance (ESG) reports by Indian MSMEs impacts exports competitiveness.

National Green Tribunal (NGT) asks CPCB to prepare pan India guidelines to tackle illegal sand mining

NGT stated that **extraction of silica sand from silica sand mines** causes health hazards like silicosis (lung disease caused by inhaling crystalline silica dust) to workers.

- ➤ NGT also observed that Silica sand washing plants lack proper record-keeping, and Statutory Regulators neglect compliance with laws.
- Silica sand is produced by crushing sandstone or quartzite of open texture, and washing and grading it to yield requisite grain distribution.

About Sand Resource

- Sand is world's second-most exploited natural resource, after water. (UNEP)
- Sand is classified as a minor mineral under Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act).

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➤ Sand Mining Framework (2018) promotes alternatives like Manufactured Sand and sand from Overburden of coal mines.

Section 23C of MMDR Act allows State Governments and

UT Administrations to create rules to prevent illegal mining,

Sustainable Sand Management Guidelines (2016) and

Enforcement & Monitoring Guidelines (2020) focus on

Steps taken to tackle Illegal Sand Mining

restoring river ecology.

transportation, and storage of minerals.

▶ Mining Surveillance System to use space technology for tracking and controlling illegal sand mining.

About Sand Mining

- Definition: Removal of primary natural sand and resources like minerals, metals from natural environment (land, rivers, etc.) for extracting valuable crushed stone etc. for subsequent processing.
- ▶ Factors responsible for illegal sand mining: High demand for sand in construction; organized sand mafias; lack of sustainable alternatives etc.

Consequence of Illegal Sand Mining

- ▶ Flooding and Sedimentation: Alters river course causing flooding and sedimentation, loss of fertile land, damage to infrastructure etc.
- Groundwater Depletion: Lowers groundwater table, affecting wells and causing water scarcity.
- Biodiversity Loss: Disrupts aquatic habitats, threatens endangered river species like gharial, freshwater turtles, otters, river dolphins etc.

Recommendations

- Streamline registration through single window clearance with dedicated helpline, and standardized checklist for documents.
- Dedicated MSME Coordination Council to streamline scheme implementation, Simplify GST registration, and reduced frequency of amendments.
- Workforce management via uniform labour wages, affordable labour insurance schemes, industry aligned vocational training programmes.
- Adequate financing, enhance role and reach of MUDRA, develop fintech solutions, and focus on financial literacy.
- Strengthening infrastructure and a tailored ESG framework for MSMEs to enhance their cost competitiveness.







40 years of Bhopal Gas Tragedy

About Bhopal Gas Tragedy

- On 3rd December 1984, highly toxic Methyl Isocyanate (MIC) gas leaked from a pesticide plant owned by Union Carbide India Limited (UCIL).
 - Even after four decades of tragedy, hundreds of tonnes of toxic waste remain on premises of UCIL.
- It was India's first major Chemical (industrial) disaster.

Other Chemical Disasters in India

- ▶ Ammonia Gas Leak at Chennai (2024): Due to damaged gas pipeline caused by cyclone Michaung.
- > Vizag Gas Leak (2020): Styrene gas leak at LG Polymers in Visakhapatnam.
- Tughlakabad Gas Leak (2017): Chemical Chloro methylpyridine (used in pesticides manufacturing) leaked from container.

Reasons for Chemical Disasters

Process and safety systems failures due to Human, Technical, and Management errors; Induced effect of natural calamities; Hazardous waste processing/ disposal; Terrorist attack/ unrest leading to sabotage etc.

Impact of Chemical Disasters

- Health: Exposure to toxic chemicals can lead to reproductive health of women, respiratory issues, cancer, and genetic
- **Environmental:** Soil, water, and air contamination, further disrupting ecosystems and biodiversity.
- Crop health: Exposure to hazardous chemicals damages plant cells, inhibits photosynthesis, stunting growth, and decreased productivity.
- Bioaccumulation: Released toxins can enter food chain, leading to bioaccumulation.

13th National Seed Congress (NSC) organized by the Ministry of Agriculture & Farmers' Welfare, concludes

The NSC focused on "Innovating for a Sustainable Seed **Ecosystem,**" highlighting seed technologies, biofortified crops, and climate-resilient practices like Direct Seeded Rice (DSR).

➤ Sustainable Seed Ecosystem: Ensures timely access to affordable, quality seeds of suitable crop varieties for farmers (FAO).

Significance of quality seeds:

- Ensures genetic and physical purity of the crops & capacity to withstand the adverse conditions.
- Seedlings produced will be more vigourous, fast growing and can resist pest.
- Development of root system will be more efficient that aids absorption of nutrients efficiently and result in higher yield.

Steps taken by the government

- National Seed Corporation (NSC): Established in 1963, it produces foundation and certified seeds for 600+ varieties across 60 crops.
- Seeds Act, 1966: Regulates seed quality and establishes State Seed Certification Agencies.
- National Seed Policy, 2002: Focuses on varietal development, seed quality, and intellectual property protection.
- Seed Village Programme (Beej Gram Yojana): Improve farmers' saved seed quality.
- National Seed Reserve: Maintains reserves to ensure seed availability during climatic disruptions.

Challenges in India's seed ecosystem

- ➤ Seed Replacement Rate (SRR): In India SRR is around 15 20% which may vary with crop varieties. However, it's 100% for hybrid seeds.
 - SRR: It's the percentage of a crop area sown with certified seeds instead of farm-saved seeds.
- ▶ Monoculture Farming: Widespread use of Bt cotton reduces biodiversity and increases pest vulnerability.
- Seed Market Monopoly: Multinational companies (e.g., Bayer) dominate seed markets, limiting access to local seeds.
- **Other issues:** Pending Seed Bill, lack of seed entrepreneurship, etc.

About Methyl Isocyanate (CH3NCO)

- Volatile, colorless liquid that is extremely flammable, and potentially explosive when mixed with air.
- Reacts with water, giving off heat and producing methylamine and carbon dioxide.
- Liquid and vapor are toxic when inhaled, ingested, or exposed to the eyes or skin.

Initiatives taken to tackle Chemical accidents

- NDMA guidelines on Chemical Disaster Management: Inspection System by Regulatory Bodies, Establish Information networking system with states and districts on priority basis
- Explosives Act, 1884: To control manufacture, possession, use, transportation and importation of Explosives.
- Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules 1996.







United Kingdom's Parliament votes in favour of historic assisted dying bill for terminally ill adults

The Terminally III Adults (End of Life) Bill would give terminally ill adults with less than six months to live the right to die once the request has been signed off by two doctors and a high court judge.

- ➤ Assisted dying: Terminally ill patient receives lethal drugs from medical practitioner and self-administers them to end their own life.
- Euthanasia: Physician deliberately administers lethal drugs to end patient's life, potentially to relieve suffering, even if not terminally ill.

Euthanasia/ Assisted dying: Ethical dilemmas of ending life

Pros:

- Alleviates suffering: Provides relief from chronic misery and vegetative states; offers a humane way to end prolonged suffering.
- Preserves patient's dignity & autonomy: By recognizing the patient's right to make end-of-life decisions.
- Professional & ethical approach: As it involves careful evaluation by a medical board; includes legal prescrutiny to prevent potential misuse, etc.

Cons:

- Ethical & moral challenges: Conflicts with medical ethics of preserving life; creating a moral dilemma for physicians trained to save lives.
- Sociocultural & philosophical sensitivities: Conflicts with cultural and religious beliefs (e.g., Christian theology) about life and death.
 - E.g., Immanuel Kant says that the voluntary act of destroying oneself can "never, under any circumstances, be regarded as allowable."

Union Health Minister inaugurates World AIDS Day 2024 event

The National AIDS Control Organization (NACO), under the Ministry of Health & Family Welfare (MoHFW), has been observing World AIDS Day annually on December 1 since 1992. About HIV Virus

- ➤ Human immunodeficiency virus (HIV): It attacks and destroys the CD4 cells (CD4 T lymphocyte) of the immune system. CD4 cells are a type of white blood cell that play a major role in protecting the body from infection.
- ➤ HIV belongs to the Retrovirus family: Retroviruses have their instructions written on Ribonucleic acid (RNA). When a retrovirus invades cells, it changes its RNA to look like cells' instructions (Deoxyribonucleic acid (DNA)).
 - Then it cuts cells' DNA and inserts its instructions into them, effectively hijacking cellular genetic machinery.
 - ⊕ Antiretroviral therapy (ART) is treatment of people infected with HIV using anti-HIV drugs
- ➤ If left untreated, HIV can lead to the disease AIDS (acquired immunodeficiency syndrome).

HIV status in India:

- Over 2.4 million people living with HIV in India, 3rd largest in the world.
- New HIV cases in India have decreased by 44% since 2010 which is higher than the global reduction rate of 39%.

Initiatives taken by India

- India has adopted a 90-90-90 target for combating AIDS. This target was later increased to 95-95-95, out of which 81% people with AIDS have been identified, 88% are being given ART and viral load of 97% identified people has been suppressed.
- ▶ National AIDS Control Programme (NACP) Phase-V: Aims to reduce annual new HIV infections and AIDS-related mortalities by 80% by 2025-26 from the baseline value of 2010.
- Others: India's HIV and AIDS (Prevention & Control) Act, 2017; 'Mission Sampark' initiative (2017).

Also in News



Asia-Oceania Meteorological Satellite Users' Conference (AOMSUC-14)

AOMSUC-14 is being held in New Delhi.

About AOMSUC

- It is held annually since its first edition in Beijing in 2010.
- ▶ It is a key event for meteorologists, earth scientists, satellite operators, and students.
- It is hosted by India Meteorological Department (IMD), Ministry of Earth Sciences.

Objective

- Promote importance of satellite observations.
- Advance satellite remote sensing science.
- Facilitate dialogue and collaboration between satellite operators and users.
- Inform community about status and future plans of international space programs.



Independent Director Databank (IDDB)

Indian Institute of Corporate Affairs (IICA) organized an MoU signing with executive search leaders to enhance the Independent Director Databank (IDDB).

About Independent Directors Databank

- ▶ It is an initiative of the Ministry of Corporate Affairs for the capacity building of the existing Independent Directors.
 - An independent director is a member of a board of directors who is not involved in the day-to-day operations of the company and has no material relationship with it.
- Allows companies to register and connect with individuals having the right skills for Independent Director roles.
- Developed under the Companies Act 2013.









High Risk Food

FSSAI has classified packaged drinking water as 'High Risk Food Category'.

About High Risk Food

- High risk foods are ready to eat foods that support multiplication of pathogenic bacteria that could be harmful.
- These include dairy products; meat products including poultry; fish and fish products, etc.
- Food products that come under High Risk category are subjected to mandatory risk-based inspections.
- All Central Licensed Manufacturer/Processors under High Risk Food Categories shall get its business audited by FSSAI recognised food safety auditing agency every year.



Cyclone Fengal

IMD has issued red and orange alerts for multiple districts in Kerala and Tamilnadu due to Cyclone Fengal's residual impact.

About Cyclone Fengal

- It is a tropical storm. Cyclone is a large-scale system of air that rotates around centre of a low-pressure area.
 - NDMA classifies cyclones broadly into two categories:
 - Extratropical cyclones: Occur outside of tropic.
 - Tropical cyclones: Develop in regions between Tropics of Capricorn and Cancer. They are most devastating storms on Earth.

IMD Colour Coding for Cyclone warning

Pre-cyclone watch (Yellow); Cyclone Alert (Orange); Cyclone warning (Red)



Global report on infection prevention and control 2024

A new global report on infection prevention and control (IPC) by the World Health Organization (WHO) shows there has been slow progress in addressing critical gaps to prevent healthcareassociated infections (HAIs).

Key findings

- **▶ 71% of countries now have an active IPC programme,** just 6% met all of the WHO IPC minimum requirements in 2023-2024.
- Financial and resource challenges E.g., Nearly a quarter of countries reported shortages in their supply of personal protective equipment in 2023.
- Globally, according to the Organization for Economic Co-operation and Development (OECD) and WHO, nearly 3.5 million people can lose their lives due to HAIs every year up to 2050.



Exercise in news

13th edition of Joint Military Exercise Agni Warrior (XAW-2024) concluded in Maharashtra.

About Agni Warrior

- It is a bilateral exercise between Indian Army and Singapore Armed Forces.
- Objective: To maximise mutual understanding of drills and procedures to achieve jointness as a multinational force under United Nations Charter.

1st edition of Joint Table Top Exercise, CINBAX between Indian Army and Cambodian Army has commenced in Pune.

About CINBAX

- It is a planning exercise aimed to wargame conduct of joint **Counter Terrorism operations** under Chapter VII of UN Charter.
- It also involves discussion on information operations, cyber warfare, hybrid warfare, logistics and casualty management, **HADR operations** etc.



Global One-Stop Centres (OSC)

Government has approved 9 global OSCs for Indian women in distress.

About Global OSCs

- Aim: To provide comprehensive assistance to women in vulnerable situations, addressing their immediate needs and offering critical support.
- They include 7 OSCs with provision of shelter homes in Bahrain, Kuwait, Oman, Qatar, UAE, Saudi Arabia (Jeddah & Riyadh) and 2 OSCs without shelter homes in Toronto and Singapore.
- Indian Community Welfare Fund (ICWF) will play a vital role in extending welfare measures to distressed Indian nationals, particularly women.
 - ICWF, set up in 2009, stands extended to all Indian Missions and Posts abroad.



Sponge city

The emerging concept and construction of "sponge cities" is an effective approach to solving urban floods.

About Sponge city:

- A sponge city refers to sustainable urban development including flood control, water conservation, water quality improvement and natural ecosystem protection.
 - E.g., green roofs, constructed wetlands, increased tree cover
- ▶ Benefits: Sponge cities increase air humidity, regulate urban microclimates, and reduce public health risks.
- Sponge cities around the world: Tirana in Albania is creating a ring forest to clean the air; Berlin's use of green roofs and vertical gardens

Places in news



Nigeria (Capital: Abuja).

At least 54 dead following northern Nigeria river boat capsizing

- Located on the western coast of Africa.
- Political features: Nigeria is bordered by Niger (north), Chad and Cameroon (east), the Gulf of Guinea of the Atlantic Ocean (south), Benin (west).
- Geographical features:
 - The major drainage areas in Nigeria: The Niger-Benue basin, the Lake Chad basin, and the Gulf of Guinea basin.
 - Major River: The Niger River; it's the third longest river in Africa, after the Nile and the Congo.
 - One of the lakes formed in the 'backwaters of Niger' is Lake Faguibine (it's dry since 1970s).
- Major lake: Lake Chad, an endorheic freshwater lake located at the conjunction of Chad, Cameroon, Nigeria, and Niger.





























AHMEDABAD

BENGALURU

BHOPAL

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DELHI

GUWAHATI

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