

1 India-Middle East-Europe Economic Corridor (IMEC) (Source: The Hindu)

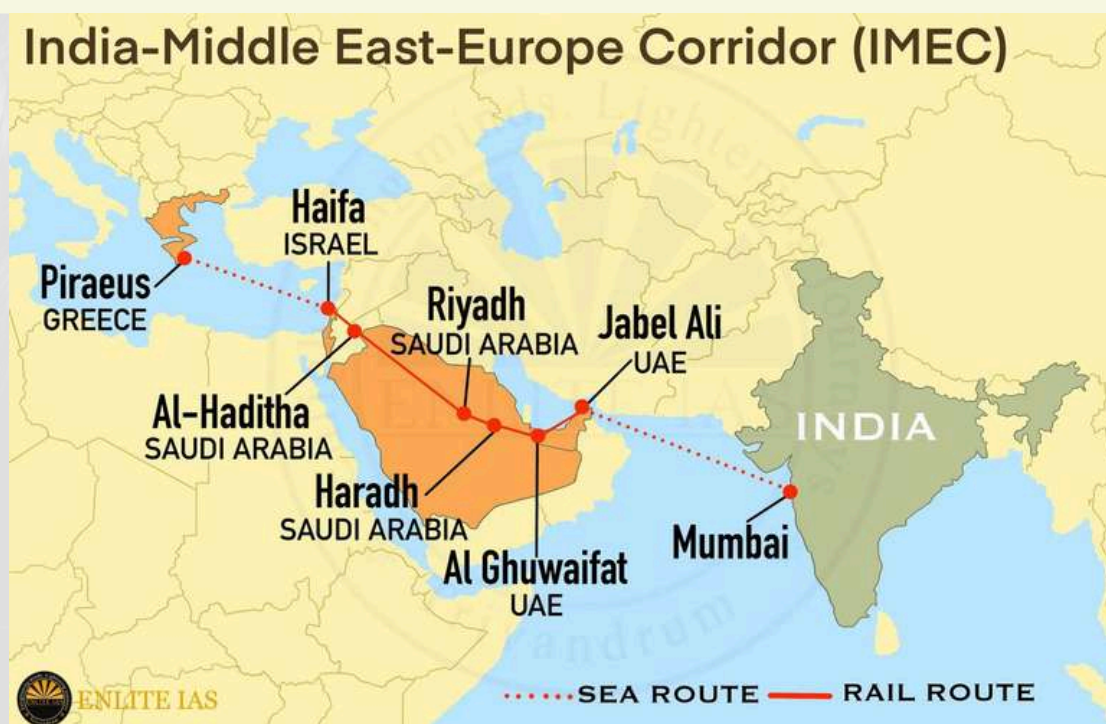
India-Middle East-Europe Economic Corridor (IMEC) is a proposed corridor that PM Modi recently introduced during his address to the Israeli Parliament. IMEC aims to foster economic cooperation and green development through sustainable infrastructure projects.

What do you need to know?

- It was first announced during the G20 meet in New Delhi.
- It is an infrastructure project connecting India, the Middle East, and Europe
- It will utilise both the railways and the shipping sector.
- The corridor would pass through India, the United Arab Emirates, Saudi Arabia, Jordan, Israel, and Europe.

How will it be helpful?

- It serves as economic insurance to future-proof global trade in an era marked by supply-chain shocks, geopolitical fragmentation, and climate stress.
- It can help India in finding an alternative to the Red Sea-Suez Canal corridor through which a large chunk of India's trade happens. It will complement the existing routes and not replace them.
- In contrast to the BRI(Belt and Road Initiative), the IMEC corridor is inherently multilateral, market-oriented, and standards-driven.



2 PM SVANidhi Scheme (Source: PIB)

- The scheme was announced as a part of the Economic Stimulus-II under the Atmanirbhar Bharat Abhiyan in 2020 during COVID period.
 - It is a Central Sector Scheme under the Ministry of Housing and Urban Affairs

• Objectives

- To facilitate collateral-free working capital loans to street vendors to restart their businesses.
- Holistic development of street vendors by offering a reliable source of finance to support business expansion and opportunities for sustainable growth
- Promote financial inclusion, digital payments, and identity/recognition to street vendors

- **Implementing Agency:** The Small Industries Development Bank of India (SIDBI)

• Other Feature

- **Working Capital Loans:** Collateral-free loans provided in progressive tranches of Rs 15,000, Rs 25,000, and Rs 50,000.
- **Interest Subsidy:** 7% annual interest subsidy for timely or early loan repayment.
- **Digital Incentives:** Vendors can earn cashback for retail and wholesale digital transactions.
- **Credit Expansion:** Eligible vendors who repay their second tranche can obtain UPI-linked RuPay Credit Cards with limits up to Rs 30,000.
- **Extended Timeline:** The scheme's lending period has been extended until March 2030.
- **SVANidhi se Samridhhi (SSS):** Conducts detailed socio-economic profiling of vendors and their families to seamlessly link them with eight selected Central Government welfare schemes, creating an institutional safety net.
- **FSSAI Food Safety Training:** Collaborates directly with the Food Safety and Standards Authority of India (FSSAI) to provide specialized capacity building in local financial literacy, digital workflows, and hygiene standards.



3 Fiscal Deficit (Source: The Hindu)

Fiscal Deficit is the difference between a government's total expenditure and its total revenue (excluding borrowings). It represents the total borrowing requirement of the government.

Calculation

- Fiscal Deficit = Total Expenditure - (Revenue Receipts + Non-debt Capital Receipts),

Economic Implications

- High deficits can lead to "Crowding Out" (reducing capital available for private investment), inflationary pressure, or a "Debt Trap" where interest payments consume a majority of revenue.

