

P-Notes

Participatory -

They are also called as -

ODIs (Overseas Derivative Instruments).

They are issued by RFPIS
(Registered Foreign Portfolio Investors) in
overseas market for collecting money

Forms of Economic Integration

1. P T A = Preferential Trade Agreement / Area



Member countries reduce tariffs for each other to give preference over non-member countries.

2. FTA = Free Trade Agreement



Member countries
apply zero tariff
structure with each other.

3. Customs Union } → a union regarding
Customs Duty

↓
FTA + CET

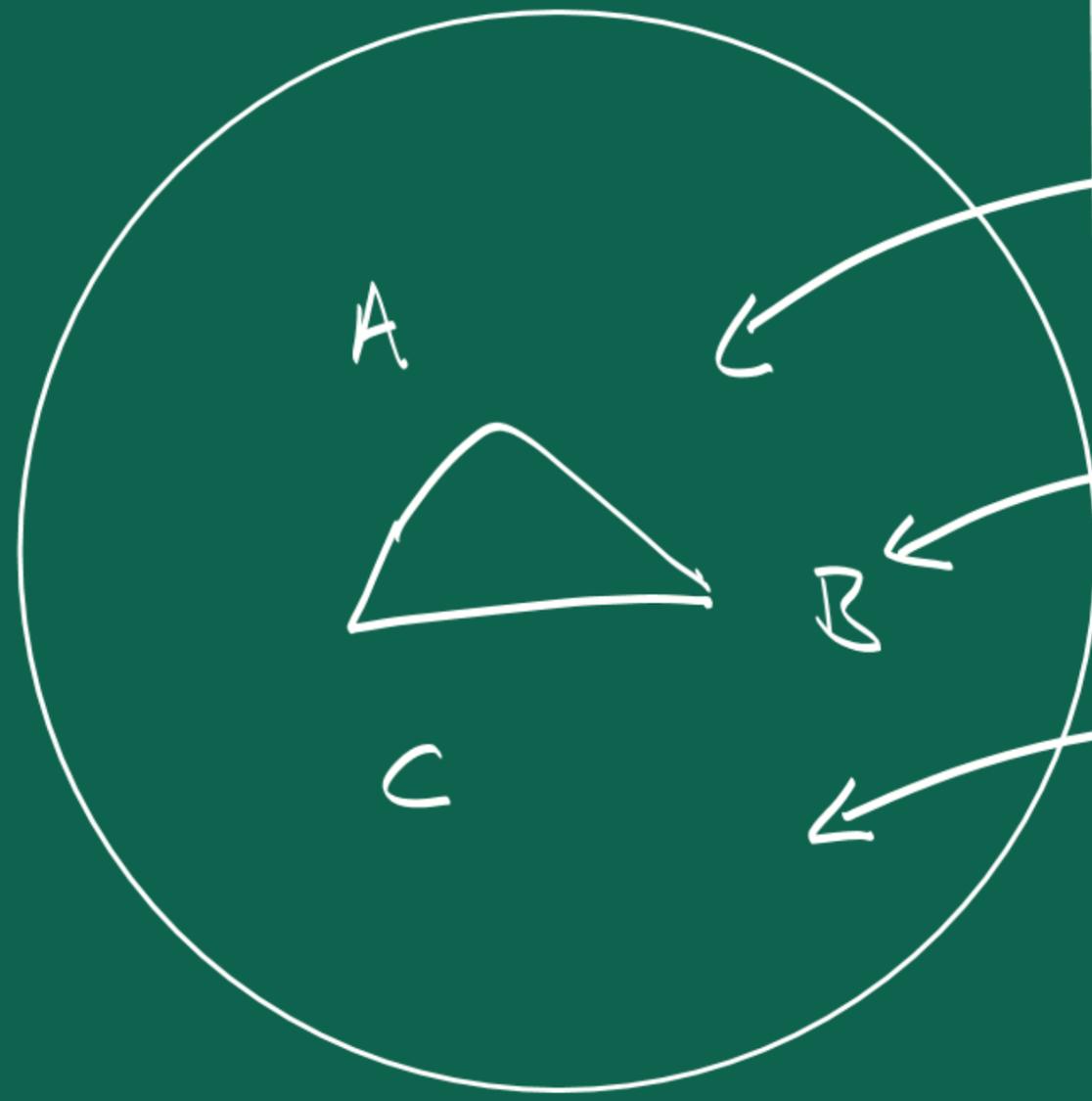
Common External

Tariff

(on non-member
countries trade)



50% → CET



X

Y

Z

4. Common Market



Customs
Union + Factor
Mobility

5. Economic Union -



Common Market

+

Single Currency

+

Uniform monetary & fiscal policies.

Some Important International Inst.

1. IMF - International Monetary Fund

1944 The ^{or} Fund



(i) Member countries → 190 including India

(ii) Basic Function - To give loans to member countries for the removal of the BoP crisis

(iii) Currency - SDR
↓
Special Drawing Right

Introduced in 1969.

Also called as -

World Bank

(i) The following two institutes taken together make the World Bank -

(a) IBRD }
(b) IDA } - World Bank

(ii) IBRD = International Bank
1944 for Reconstruction &
Development

(iii) IDA = International
Development Association
1960

↓
Provides

↓
Ultra long term loans or
Interest free loans or grants etc.

↓
LICs = Low Income Countries

Note :

Also called



Soft-Loan window
(the World Bank)

(iv) In the WBG (World Bank group) institutions, the following are also included, apart from the IBRD & IDA -

(i) IFC

(ii) MIGA

(iii) ICSID

(V) IFC = International Finance
Corporation
1956

↓
Provides

↓
Equity & debt finance

↓
Private sector companies
(of MICs)

(vi) MIGA = Multilateral
Investment Guarantee
Agency
1988

↓
Provides

↓
guarantee against

↓
Political Risk to

↓
Greenfield FDI

(vii) ICSID = International
Centre for
the settlement
of Investment
Disputes

↓
India is not a member.

1. Est. - Jan 1995
2. Members - 164 including India
3. Function - To ensure fair & liberalised trade among members
4. Decision making body - Ministerial Conference

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MTC-12

Geneva
June 2022

MC-13

—

Feb. 2024

↓

Abu Dhabi

India
↓
domestic
Price
↓
₹ 100



USA
↓
Price < ₹ 100
↓
Dumping

Note: USA can impose CVD.

Countervailing Duty

Anti-dumping Tax



It provides long term loans
for development projects



Removal of poverty



MICs = Middle Income Countries

Paper Gold, Synthetic Currency,
International Reserve Currency etc.

Note : In the evaluation basket
of SDR, the following currencies
are used -

(i) US Dollar

(ii) Euro

(iii) Renminbi (Yuan) — Since 2016

(iv) Yen

(v) Pound Sterling

from investors for the investment
in India's share market.